

**SENATE BILL REPORT**

**SB 5847**

**AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC  
DEVELOPMENT, MARCH 2, 1993**

**Brief Description:** Creating a state-wide business and job retention program.

**SPONSORS:** Senators Owen, Hargrove and Snyder

**SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT**

**Majority Report:** That Substitute Senate Bill No. 5847 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Deccio, Erwin, M. Rasmussen, and Williams.

**Staff:** Jack Brummel (786-7428)

**Hearing Dates:** February 26, 1993; March 2, 1993

**BACKGROUND:**

The state's permanent loss of industrial and timber-based jobs over the last decade is an example of the continued restructuring of the state's economy. While change in the state's industries and occupations may be inevitable, community efforts to save jobs by retooling plants and retraining workers can ease the transitions. Such efforts can decrease social costs and public assistance costs to the state. A systematic, state-facilitated effort to equip local communities with the means to retain jobs and businesses has been suggested as an important part of the state's economic development arsenal.

**SUMMARY:**

The business and job retention program is established in the Department of Community Development. The managing director of the program is to appoint an advisory committee to assist in carrying out the implementation of the program. The managing director is to designate no more than 15 service delivery regions and select business and job retention teams for each region. The managing director is also responsible for assisting local teams in administering economic surveys in each region and training local team members.

The local business and job retention teams are to provide marketing, technical, managerial, and training assistance after an initial assessment of firms or work forces indicating a need for assistance.

The department is to analyze trends in the state's industries and work forces. The Employment Security Department and the Department of Trade and Economic Development are to provide relevant information and assistance to the program. The managing director is to publish an annual report on the operation of the program.

**EFFECT OF PROPOSED SUBSTITUTE:**

The Business and Job Retention Program is established in the Department of Trade and Economic Development. An appropriation of \$960,000 is added.

**Appropriation:** \$960,000

**Revenue:** none

**Fiscal Note:** requested February 23, 1993

**TESTIMONY FOR:**

The current program focuses on established manufacturing firms in 15 counties. In four and one-half years the program has saved over 11,000 jobs and 165 companies have been retained. With over \$32 million saved there is a return to the state of about \$18 for each dollar the state invests. The bill would expand oversight and the role of local groups.

**TESTIMONY AGAINST:**

This program works well and should be kept in the Department of Trade and Economic Development. It has business and labor support.

**TESTIFIED:** Howard Levens, Ginger Rich, Department of Trade and Economic Development (pro); Pam Brown, Lewis County EDC (con)