

**FINAL BILL REPORT**

**ESSB 5868**

**C 280 L 93**

**SYNOPSIS AS ENACTED**

**Brief Description:** Creating the department of economic and community development.

**SPONSORS:** Senate Committee on Trade, Technology & Economic Development (originally sponsored by Senators Skratek, Bluechel, Sheldon, Erwin, Deccio, M. Rasmussen, Snyder, Gaspard and Winsley)

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

**HOUSE COMMITTEE ON STATE GOVERNMENT**

**BACKGROUND:**

Washington's economic and community development efforts share many of the limitations and shortcomings found in other states. Past studies and reports have found that (1) our state does not have an articulated and widely understood strategy for economic development; (2) service users have been frustrated by fragmentation and duplication of services; and (3) there is insufficient coordination between different programs within a state agency, between agencies, and between local programs and the state.

Other criticisms of the state's programs are that they are of inadequate scope and scale to meet the broad needs of local communities and businesses and they are not evaluated for effectiveness on an ongoing, systematic basis. State programs are also viewed as being too general in nature to address the particular needs of service users.

The effectiveness of economic and community development efforts can be enhanced by increasing the capacity of community-based groups to deliver needed services and by using both regional and sectoral strategies to serve common needs of service users. Consolidation of the two agencies currently responsible for economic and community development has been proposed as a way to introduce greater accountability and effectiveness in state efforts.

**SUMMARY:**

The Legislature finds that community development functions and economic development functions of the state are tied to one another and that maintaining the state's quality of life will require new partnerships and reorganizing state assistance.

The Department of Community, Trade, and Economic Development is created. The general functions of the department include

promoting community and economic development within the state; assisting the Governor in coordinating the activities of state agencies that have an impact on local governments and communities; cooperating with the Legislature and the Governor in the development and implementation of strategic plans for the state's economic and community development efforts; soliciting private and federal grants for economic and community development programs; providing technical and financial assistance to local governments, businesses, and community-based organizations; and conducting the necessary research and analysis to support economic and community development efforts.

Effective July 1, 1994, the Department of Trade and Economic Development and the Department of Community Development are abolished. The functions of the two departments are transferred to the Department of Community, Trade, and Economic Development.

The Directors of the Department of Trade and Economic Development and the Department of Community Development are to jointly submit a plan for the transition into and the operation of the new department by November 15, 1993. The plan is to include strategies for combining functions of the two agencies; benchmarks by which to measure progress and evaluate performance, and strategies for maximizing support for community and economic development efforts. In developing the plan, the directors shall work with an advisory committee of representatives of groups using services and programs of both departments.

The department is specifically directed to operate programs which: provide trade and business assistance, develop local capacity, develop sectoral and diversification strategies, offer financing assistance for public and private development, assist in meeting housing needs, coordinate growth management efforts, and coordinate community services and protection efforts.

**VOTES ON FINAL PASSAGE:**

Senate	46	3	
House	70	24	(House amended)
Senate	41	0	(Senate concurred)

**EFFECTIVE:** May 10, 1993 (Sections 80, 81)  
July 25, 1993  
July 1, 1994 (Sections 1-7, 9-79, 82, 83)