

2 **HB 2285** - S AMD - 496
3 By Senator Prentice

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5 Beginning on page 2, line 16, strike all of sections 1 and 2 and
6 insert the following:

7 "NEW SECTION. **Sec. 1.** The purpose of this act is to effectively
8 organize state efforts to address the community and economic
9 development needs of the citizens of the state of Washington by
10 restructuring the department of community, trade, and economic
11 development, and by developing a strategic economic development plan.

12 It is the intent of the legislature that the department of
13 community, trade, and economic development be divided into two separate
14 agencies, the department of community development and the department of
15 trade and economic development. The department of trade and economic
16 development will consist of the existing divisions of economic
17 development, international trade, and energy. The department of
18 community development will consist of the existing divisions of
19 housing, community services, and local government.

20 The restructuring will allow each agency to: (1) Identify and
21 develop a focused mission; (2) organize and deliver services in a
22 manner that is responsive to current and future needs; and (3)
23 effectively target resources to meet the identified mission and needs
24 of the citizens of the state of Washington in the most efficient and
25 effective manner.

26 It is the further intent of the legislature that a strategic
27 economic development plan for the state of Washington be developed.
28 The economic development plan will help guide and coordinate economic
29 development efforts pursued by state and local government and the
30 private sector. The economic development plan will be based on a
31 review of current state and local policies and programs, a study of
32 issues such as work force training, industrial modernization, business
33 retention and recruitment, technology transfer, export assistance,
34 tourism, investment and entrepreneurial development, and the state
35 unified plan developed by the work force development board.

1 NEW SECTION. **Sec. 2.** (1) On or before September 1, 1999, the
2 director of community, trade, and economic development shall submit a
3 plan to the governor for transferring the department's trade, business
4 development, tourism, and economic development responsibilities and
5 authorities to the newly created department of trade and economic
6 development, as provided in this act.

7 (a) The reorganization plan shall include, but is not limited to,
8 the following elements:

9 (i) Strategies for a smooth transfer of responsibilities and
10 authorities to the newly created department of trade and economic
11 development, including implementation steps, evaluation measures, and
12 benchmarks to measure the effectiveness of the implementation steps;

13 (ii) Division of staff, supplies, equipment, and office space
14 between the newly created department of trade and economic development
15 and the department that is renamed as the department of community
16 development; and

17 (iii) Recommendations for statutory changes for a more appropriate
18 division of responsibilities and authorities.

19 (b) In developing the reorganization plan required under this
20 section, the director shall establish an advisory committee comprised
21 of:

22 (i) Two members of the house of representatives, one member from
23 each political caucus appointed by the co-speakers of the house of
24 representatives;

25 (ii) Two members of the senate, one member from each political
26 caucus appointed by the president of the senate;

27 (iii) The director of financial management or the director's
28 designee; and

29 (iv) Representatives of groups using services and programs of the
30 department that include, but are not limited to counties, cities, port
31 districts, economic development councils, associate development
32 organizations, businesses, low-income housing interests, the for-profit
33 and nonprofit housing industries, Indian tribes, community service
34 organizations, public safety groups, nonprofit community and economic
35 development organizations, international trade organizations, minority
36 and women business organizations, and other organizations the director
37 determines necessary for the development of the reorganization plan.

1 (c) The office of financial management, in consultation with the
2 department, shall advise the director and the advisory council on
3 matters relating to the department's budget and program functions.

4 (d) The director shall implement the reorganization plan, as
5 approved by the governor.

6 (e) Effective October 1, 1999, the department of trade and economic
7 development shall be created, the transfer of responsibilities and
8 authorities to this newly created department shall occur, and the
9 department of community, trade, and economic development shall be
10 renamed as the department of community development.

11 (2) On or before September 1, 2000, the director of trade and
12 economic development shall submit an economic development plan for the
13 state of Washington to the legislature. The director shall also submit
14 an updated economic development plan to the legislature every two years
15 thereafter.

16 (a) The economic development plan shall be based on:

17 (i) A study and review of economic development strategies,
18 including work force training, industrial modernization, business
19 recruitment and retention, technology diffusion, sustainable
20 development, export assistance, tourism, investment, and
21 entrepreneurial development;

22 (ii) A study and review of economic development service delivery
23 models, including urban and rural structures, centralized and
24 decentralized systems, public and private organizations, and
25 government-supported and self-sustaining programs;

26 (iii) A study and review of current state and local policies and
27 programs that promote or affect economic development and a
28 determination of their cost-effectiveness, level of cooperation with
29 other public and private programs, and consistency with sustainable
30 development precepts; and

31 (iv) The state unified plan for the work force development system
32 developed by the work force development board.

33 (b) The department's research, analysis, and consultation in
34 preparation of the economic development plan may include, but is not
35 limited to:

36 (i) An analysis of economic development policies and programs of
37 other states and nations;

38 (ii) An analysis of the impact of various business or industrial
39 sectors on the state's economy; and

1 (iii) An analysis of economic trends within the state and with
2 regional and primary international trading partners.

3 (c) The economic development plan shall include:

4 (i) Assessments of the state's economic strengths, weaknesses,
5 opportunities, and challenges;

6 (ii) Goals, objectives, and strategies for the delivery of economic
7 development services and products;

8 (iii) A performance measurement system for state and local economic
9 development efforts; and

10 (iv) Implementation steps for carrying out the plan's strategies
11 and recommendations, including proposals for legislative and
12 administrative action.

13 (d) In developing the economic development plan required under this
14 subsection, the director shall establish an advisory committee
15 comprised of:

16 (i) One member from each caucus of the senate, appointed by the
17 president of the senate; and one member from each caucus of the house
18 of representatives, appointed by the co-speakers of the house of
19 representatives;

20 (ii) Two members representing business, appointed jointly by the
21 president of the senate and the co-speakers of the house of
22 representatives; and two members representing labor, appointed jointly
23 by the president of the senate and the co-speakers of the house of
24 representatives;

25 (iii) One member representing local associate development
26 organizations, selected by the Washington association of economic
27 development councils; and

28 (iv) One member from the department of trade and economic
29 development, one member from the department of community development,
30 one member from the work force development board, and one member from
31 the office of financial management, all appointed by the governor."

EFFECT: Describes the purpose of the act and the intent of the legislature as they relate to planning, organizing, and delivering economic development services.

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