

SENATE BILL REPORT

ESSB 6396

As Passed Senate, February 14, 2000

Title: An act relating to splitting the department of community, trade, and economic development and reestablishing the department of community development and the department of trade and economic development.

Brief Description: Splitting the department of community, trade, and economic development and reestablishing the department of community development and the department of trade and economic development.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Patterson, Prentice, Hale, Winsley, Deccio, Roach, Sheahan, T. Sheldon, Bauer, Rasmussen, Gardner, Thibaudeau and Oke; by request of Governor Locke).

Brief History:

Committee Activity: State & Local Government: 1/24/2000, 2/2/2000 [DP-WM].
Ways & Means: 2/7/2000, 2/8/2000 [DPS].
Passed Senate, 2/14/2000, 32-12.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Hale, Haugen, Horn and Kline.

Staff: Eugene Green (786-7405)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6396 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fraser, Kline, Kohl-Welles, Rasmussen, Roach, B. Sheldon, Spanel and Wojahn.

Staff: Michael Groesch (786-7434)

Background: The Department of Community, Trade, and Economic Development was created in 1993 by dissolving the Department of Community Development and the Department of Trade and Economic Development and transferring their responsibilities and authorities to that newly created department.

The Department of Community, Trade, and Economic Development is responsible for assisting in community and economic development; providing technical and financial assistance to local governments, businesses, and community-based organizations; soliciting

private and federal grants for economic and community development programs; and conducting research and analysis to support economic and community development efforts.

Summary of Bill: The purpose of the act is to effectively organize state efforts to address the community and economic development needs of the citizens by restructuring the Department of Community, Trade, and Economic Development into two separate agencies, the Department of Community Development and the Department of Trade and Economic Development.

The Department of Trade and Economic Development (DTED) consists of the existing divisions of economic development, energy policy, and international trade. The Department of Community Development (DCD) consists of the existing divisions of housing, community services, and local government.

The declared intention is that the restructuring allows each agency to: (1) identify and develop a focused mission; (2) organize and deliver services in a manner that is responsive to current and future needs; and (3) effectively target resources to meet the identified mission and needs of the citizens of the state of Washington in the most efficient and effective manner.

The economic development fee account is created in the state treasury in order to hold revenues from fees created for the new department of economic development.

The authority for the director of DTED to enter into an interagency agreement with DCD to appoint an employee of that agency as the director's designee to the Forest Practices Board expires on June 30, 2001.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2000.

Testimony For (State & Local Government): This split will allow both new agencies to better focus on what each does best. The clients will get quicker and better service. There will be better targeting of limited resources.

Testimony Against (State & Local Government): None.

Testified (State & Local Government): PRO: Gordon K. Buchan, Kidder Mathews & Seguer; Andrew D. Reid, Spokane Low Income Housing Consortium; Bob Swanson, Association of Community Action Agencies; Pat Jones, Washington Public Ports Association; Jill Satran, Washington Association of Economic Development Councils; Michael Miller, Lamb-Grays Harbor Co., Grays Harbor Public Development Authority; David Hatton, Stat-Lab International; Martha Choe, CTED; Danielle Dixon, NW Energy Coalition; Bev Hermanson, WFSE; Josh Baldi, Washington Environmental Council; Jim Justin, AWC; Bill Vogler, Washington St. Assn. of Counties.

Testimony For (Ways & Means): The consolidation of DCD and DTED in 1993 resulted in overall budget and FTE reductions that are larger than the additional funds and FTEs requested for the proposed split. New fee for service authority requested for DTED is a continuation of existing authority currently provided for the combined DCTED. The bill cannot split the fee authority and therefore moves the current fee authority to DCD and creates a new section for fees in DTED.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO: Martha Choe, CTED.