

SENATE BILL REPORT

SB 5995

As Reported By Senate Committee On:
Economic Development, Trade & Management, February 21, 2007
Ways & Means, March 5, 2007

Title: An act relating to the economic development commission.

Brief Description: Providing for the role of the economic development commission in state government.

Sponsors: Senators Kastama, Zarelli, Kilmer, Clements, Kauffman, Shin, Pridemore, Regala, Fairley, Brown, Jacobsen and Rasmussen.

Brief History:

Committee Activity: Economic Development, Trade & Management: 2/14/07, 2/21/07 [DPS-WM].

Ways & Means: 3/02/07, 3/05/07 [DP2S].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: That Substitute Senate Bill No. 5995 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5995 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Roach, Rockefeller, Schoesler and Tom.

Staff: Richard Ramsey (786-7412)

Background: The Legislature established the Economic Development Commission in 2003 with the stated intent to have it develop and update the state's economic development strategy

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

and performance measures and provide advice to and oversight of the Department of Community, Trade, and Economic Development (CTED).

Summary of Bill: It is the intent of the Legislature to create an economic development commission to provide planning, coordination, evaluation, monitoring, and policy analysis and development for the state economic development system as a whole.

The Washington State Economic Development Commission is to consist of ten voting members and, as ex officio non-voting members: the Director of the Department of Community, Trade, and Economic Development; the Director of the Workforce Training and Education Coordinating Board; and the chairs of the House and Senate economic development committees. The Director of the commission is to serve as chief executive officer and is to employ such personnel as are necessary and use staff of existing operating agencies.

The commission is to develop and maintain a state comprehensive plan for economic development and monitor state programs for consistency with the plan. The commission is to establish and maintain an inventory of economic development programs, perform a biennial assessment of the economic development needs of the state, and assess whether the economic development system and programs are consistent, coordinated, and integrated. The commission is also to work to ensure alignment of the comprehensive plan for economic development with the comprehensive plan for workforce training and education and review, and make recommendations on budget requests and legislative proposals. In addition, the commission is to provide for coordination, develop a database on economic development programs, establish standards for data collection and program evaluation, and administer scientifically-based outcome evaluations of the state economic development system.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Economic Development, Trade & Management): The comprehensive plan is to be updated every two years. The commission is to report to the Governor and the Legislature every two years on its progress and make recommendations for statutory changes as needed. Net impact and cost-benefit evaluations are not required. The commission will include two representatives of higher education as voting members and the commissioner of Educational Service Districts as a non-voting member. CTED's infrastructure development policies and plans will be monitored for consistency with the states comprehensive plan. The commission is to identify economic development plan elements that the Associate Development Organizations are to include in their countywide plans.

EFFECT OF CHANGES MADE BY RECOMMENDED SECOND SUBSTITUTE AS PASSED COMMITTEE (Ways & Means): The appropriations are removed.

Appropriation: \$600,000 for fiscal year 2008. \$800,000 for fiscal year 2009.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Economic Development, Trade & Management):

PRO: Creating this uniform vision is needed. The bill contains very valuable suggestions. This provides for accountability. Having statewide coordination will provide a clearer framework. This will help all of us compete better in the global economy. This is the obvious next step to get our state to be more competitive.

OTHER: There could be a bigger role for the commission. We need more coordination, evaluation, data collection, and performance measures done. Costs are a concern.

Persons Testifying (Economic Development, Trade & Management): PRO: Julie Murray, Washington State Association of Counties; Ginger Eagle, Washington Public Ports Association; James McMahan, Washington Economic Development Association.

OTHER: Bill Grinstein, Economic Development Commission; Juli Wilkerson, Department of Community, Trade, and Economic Development; James McMahan, Washington Economic Development Association.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.