

SENATE BILL REPORT

EHB 2242

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, March 30, 2009
Ways & Means, April 18, 2009

Title: An act relating to creating a department of commerce.

Brief Description: Creating a department of commerce.

Sponsors: Representatives Kenney, Probst, Maxwell, Hunt, Lias, Ormsby, Kelley, Sullivan, Hasegawa, Quall, White and Chase; by request of Governor Gregoire.

Brief History: Passed House: 3/12/09, 96-1.

Committee Activity: Economic Development, Trade & Innovation: 3/18/09, 3/30/09 [DPA-WM].

Ways & Means: 4/03/09, 4/18/09 [DPA, DNP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

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

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

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Hewitt, Hobbs, Keiser, Kohl-Welles, McDermott, Murray, Oemig, Parlette and Regala.

Minority Report: Do not pass.

Signed by Senators Carrell, Honeyford and Schoesler.

Staff: Richard Ramsey (786-7412)

Background: The Department of Community, Trade and Economic Development (CTED) is an executive branch agency that was created in 1994 through the consolidation of the

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.

Department of Community Development and the Department of Trade and Economic Development. CTED is responsible for promoting community and economic development statewide by (1) assisting communities to increase their economic vitality and the quality of their citizen's lives; and (2) assisting the state's businesses to maintain and increase their economic competitiveness while maintaining a healthy environment.

Summary of Bill (Recommended Amendments): A Department of Commerce (department) is created. By November 1, 2009, the director is to develop a report with analysis and recommendations for the Governor and appropriate legislative committees on statutory changes for effective operation of the department. This is to be done in collaboration with the Office of Financial Management, the Governor's Office, the Economic Development Commission and legislators from policy and fiscal committees. Input from a broad range of stakeholders is required.

A number of statutory references to the "Department of Community, Trade, and Economic Development" are changed to the "Department of Commerce."

The Code Reviser is directed to prepare legislation for the 2010 session that changes all statutory references from the "Department of Community, Trade, and Economic Development" to the "Department of Commerce."

Various technical changes are made.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): The chairs and ranking members of the House and Senate Ways and Means and Capital Budget committees are added to the participants working with the Director on the report and recommendations for statutory changes related to the Department.

The provisions moving the Developmental Disabilities Council, the Office of Crime Victims Advocacy, Safe and Drug Free Communities programs, the Office of the Long-Term Care Ombudsman (LTCO), and the Emergency Food Assistance Program to the Department of Social and Health Services (DSHS) are deleted. The provisions moving the Re-Employment Support Centers to the Employment Security Department are deleted.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Amendments): The Director is to develop a report with analysis and recommendations. The Washington Economic Development Commission is added to the list of those the Director is to collaborate with. The Developmental Disabilities Council, the Office of Crime Victims Advocacy, Safe and Drug Free Communities programs, the Office of the Long-Term Care Ombudsman (LTCO), and the Emergency Food Assistance Program are moved to the Department of Social and Health Services (DSHS). The Re-Employment Support Centers are moved to the Employment Security Department.

Appropriation: None.

Fiscal Note: Requested on April 1, 2009.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony Engrossed House Bill (Economic Development, Trade & Innovation): PRO: CTED's work is made difficult by having too many programs unrelated to its core mission. The bill directs a look at a better way to do economic development in the state. Broad consultation is expected.

Persons Testifying (Economic Development, Trade & Innovation): PRO: Rogers Weed, CTED; Marc Baldwin, Governor's Office.

Staff Summary of Public Testimony on EDTI Recommended Amended Bill (Ways & Means): PRO: CTED has become an agency of diverse programs – a mile wide and an inch deep – and the Legislature is largely responsible. The underlying House-passed bill directs a collaborative process to develop recommendations to the Governor and the Legislature about where CTED programs, not related to the Department, should go. We advise against making the decisions now. It's important to think about what programs should move from other agencies into the new Department.

OTHER: It's not appropriate to move the LTCO to DSHS; the LTCO is often in conflict with DSHS and it would be problematic to have the LTCO subjected to DSHS management. The Developmental Disabilities Council needs to be independent from the provider of services (e.g. DSHS). The federal law authorizing the Developmental Disabilities Councils states that the councils need to be in an agency other than the one providing the service.

The collaborative process to determine where the Emergency Food Assistance Program should reside is more appropriate than moving the program to DSHS via this bill.

It's important to insure the maximum transparency and accountability with the housing program; we support the stakeholder processing for determining where programs go.

Persons Testifying (Ways & Means): PRO: Representative Gutierrez Kenney, prime sponsor; Marc Baldwin, Governor's Office.

OTHER: Carolyn Edmonds, LTCO Program; Nick Federici, Low-Income Housing Alliance; Kelsey Beck, Food Lifeline; Barry Cannon, Washington Food Coalition; David Lord, Disability Rights Washington.