

SENATE BILL REPORT

SB 6805

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 3, 2010

Title: An act relating to the Washington state economic development commission.

Brief Description: Concerning the Washington state economic development commission.

Sponsors: Senators Kastama, Zarelli, Shin and Delvin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/01/10, 2/03/10 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 6805 be substituted therefor, and the substitute bill do pass.

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

Staff: Jack Brummel (786-7428)

Background: In 2002 Governor Locke created the Washington Economic Development Commission (Commission) through executive order. The following year the Legislature established the Commission in statute with the stated intent to: have it develop and update the state's economic development strategy and performance measures; and provide advice to and oversight of the Department of Community, Trade and Economic Development, now the Department of Commerce (Department). In 2007 the Legislature revised the statutory structure, and expanded the policy role and responsibilities of the Commission. The Commission's responsibilities include conducting outcome evaluations of the state's economic development system. The Commission's funding has historically flowed through the Department. The Commission does not have specific authorization to solicit funds from non-state sources.

The Workforce Training and Education Coordinating Board (WTB) was created in 1991 with strategic planning, coordination, and evaluation functions similar to the Commission's. The WTB has a biennial budget of \$57 million and a staff of 28.

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.

Summary of Bill (Recommended Substitute): The Commission is to develop and adopt budgets and work plans consistent with legislative appropriations. State agencies may use no more than 10 percent of funds appropriated for Commission personnel cost and 3 percent of other funds to cover administrative expenses.

The Washington State Economic Development Commission Account is created in the custody of the State Treasurer. The Commission may accept, from any public or private source, gifts, grants and contributions which must be deposited in the account.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): The provision relating to state appropriations to the Commission going through the WTB is eliminated. State agencies are limited in the amount of administrative expenses they can charge the Commission.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: OTHER: This bill could be helpful to the Commission. The overhead rate would have to be negotiated. The IT systems at WTB and Commission are different. The Commission's purpose is aligned with the Department of Commerce. It could be awkward to have one's budget subject on an agency when trying to asses the agencies programs. The Governor's Office does not take a position.

Persons Testifying: OTHER: Egils Milbergs, WA Development Economic Commission.