
Community Development & Housing Committee

HB 1926

Brief Description: Using a web-based business services system.

Sponsors: Representatives Kenney, Ormsby, Finn, Hasegawa, Ryu, Pettigrew and Liias.

Brief Summary of Bill

- Requires the Department of Commerce and associate development organizations to use a web-based information system for business recruitment, retention, expansion and trade by January 1, 2013.

Hearing Date: 2/14/11

Staff: Jennifer Thornton (786-7147).

Background:

Associate development organizations (ADOs) are local organizations designated by each county to serve as the Department of Commerce's (department) primary partner in local economic development activities in their county. The ADO's role is broad and is defined by statute and the needs of each community. Broadly, the ADO provides advocacy and leadership, building relationships with its partners in state and local governments, community groups, and local businesses. Specifically, ADOs are an integral part of the state's economic development plan that provides direct technical assistance and funding for economic activities in every county. An ADO's economic development activities can be organized into the following categories:

- recruitment of new businesses into Washington;
- retention and expansion of existing businesses;
- business start-up assistance;
- community asset building; and
- regional planning and collaboration.

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.

The department maintains a contracted partnership with 34 ADOs, serving 39 counties. The majority of ADOs represent one county, although three ADOs represent multiple counties. Most counties select nonprofit organizations to serve as the ADO, but local governments may also be designated as the county's ADO. Currently there are three ports, one public development authority and one Washington State University extension office that are designated as ADOs.

The department is required to report to the Legislature and the Washington Economic Development Commission by December 31 of each even numbered year. The report must include the performance results of the contracts with the ADOs.

There are three significant limitations to the ADO performance measure data. First, the data are self-reported by each ADO, because there is no common system data system. Second, the ADOs report difficulty determining the value of certain measures such as the amount of private investment leveraged and state tax dollars generated for each project. Lastly, the performance measures were significantly overhauled at the beginning of the 2009-2011 biennium, so some measures are not comparable across the biennia.

Summary of Bill:

The department and ADOs are directed to begin using a web-based information system to coordinate work with other economic development partners on business recruitment, retention, expansion, and trade by January 1, 2013. The department must make the system available, provide training, and require the system's use by the ADOs. The department may also make the system available to other economic development partners.

The web-based information system must be used to input data, track outcomes, and provide accurate and verifiable information from which the department will create comprehensive reports.

The ADOs that do not provide the specified data in the web-based business information system must develop remediation plans to address performance gaps.

Appropriation: None.

Fiscal Note: Requested on February 10, 2011.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.