



2010 POLICIES & LEGISLATIVE PRIORITIES

December 23, 2009 Leg Com Adoption

Summary

Washington State faces turbulent economic times. National and international circumstances present significant challenges that seem improbable to imagine. Now, more than ever, we must act to advance Washington's economic vitality and competitiveness.

During recent legislative sessions important economic development legislation has been passed through strong leadership by the Governor's office and crucial support from the Legislature. The foundation for Next Washington has been established, and implementation is underway through statewide collaboration, partnerships between the public and private sector, and the sustained efforts of Team Washington. Progress must not be lost due to economic uncertainty and budget turmoil; economic development is the solution to these problems.

Washington is significantly dependant on revenues resulting from private sector investment and activity, including excise and sales taxes. Tax increases during the current economic recession will further constrain business opportunity, and compound the financial problems facing our state; therefore WEDA urges the Governor and Legislature to avoid tax increases, if taxes increases are required then they should be fairly distributed between business and citizens. WEDA also recognizes the need for governmental action and investments that serve as stimulus that create jobs, private investment, and governmental revenues.

Washington must implement policies and reforms that achieve economic development and community revitalization, streamline service delivery, improve competitiveness, and empower local jurisdictions. Now is the time to fully embrace a dynamic model to evaluate the return on investment from public actions that generate private investment and business activity.

WEDA's policy and legislative priorities for 2010 are as follows:

✓ **ADO Funding: Support ADO funding at current funding levels**

- Maintain ADO funding at the 2009 allocation level.

ADOs facilitate job creation and new tax revenue. They work at the local level, where new business investment and job creation occurs, to recruit business and industry to Washington, and facilitate expansion and retention of existing Washington business and jobs. ADOs work closely with Commerce to ensure a strong partnership and effective service delivery of State programs.

✓ **Infrastructure**

○ **Funding –**

- CERB – increase funding for the 2010 fiscal year.
- LRF Funding – Funding projects that are currently approved by DOR will create near term job growth and long term job growth.
- Public Works Trust Fund – Reestablish the PWTF as capital needs continue to increase due to the suspension of this program.

○ **CERB Eligibility:**

- Remove the mandate that all private sector jobs created by CERB must meet the county median hourly income threshold.
 - The county median hourly income threshold is unrealistic. In many rural and disadvantaged communities public sector wages skew median hourly wages higher.

- ***Enable local option funding tools to finance public infrastructure***

- Various tools for local infrastructure funding are anticipated to be proposed during the 2010 Legislative Session.
- Economic development and community revitalization activities should be included in a comprehensive approach to infrastructure funding proposals.

It is clear that infrastructure funding for economic development and community revitalization is sorely lacking, and demand for such programs is significant. This situation must be addressed to provide effective stimulus, improve Washington's competitiveness, and support economic development and community revitalization.

- ✓ ***Provide incentives as necessary to achieve economic development***

- Target incentives based on competitive needs analysis and public policy.
- Measure return on investment achieved through incentives provided.
- Fund the Governor's Strategic reserve account.

WEDA supports the use of targeted incentives where appropriate to achieve economic development goals and objectives. It is crucial that incentives be targeted to achieve defined and measurable results. WEDA will monitor the elimination and proposed incentives as they are considered.

- ✓ ***Invest in workforce education and development***

- Focus support for high tech and emerging business clusters for the 21st Century by funding higher education degrees in high demand fields, particularly science, technology, engineering and math.
- Fund workforce development and customized training that provides direct support to employers. Provide sufficient resources for the Jobs Skills Program to meet demand of locally-targeted industries, increase responsiveness, and support new and innovative technologies.

The current economic climate calls for training, retraining, and positioning Washington's workforce to capture emerging jobs. In a global economy human capital is essential for business innovation, growth and competitiveness. Workforce training is also a stimulus for economic development by investing in Washington's people. Coordination and collaboration between the various stakeholders is essential for success.

- ✓ ***Raise the importance of economic development as a matter of state policy***

- Department of Commerce
 - Support the continued effort to sharpen the focus on economic development.
- Emphasize economic development as a priority of government.
- Increase the prominence of economic development within state government.

Economic development includes a wide spectrum of activities that benefit diverse constituencies. From major employers to main-street merchants, a strong economy benefits all Washingtonians and is fundamental to our quality of life. It is important that economic development be seen in this broad context, and that there are various ingredients for success. WEDA will actively engage key partners, stakeholders, and constituents that are focused on economic development issues.

Conclusion

Washington state government must provide the leadership to advance economic development during this time of economic and financial turmoil. Empowering local jurisdictions, authorizing the tools, and providing funding are all necessary ingredients for success. WEDA will champion these goals in close collaboration and consultation with the Governor's Office, Legislature, and stakeholders.