



Department of Commerce
Innovation is in our nature.

Improving the Economic Development System in Washington State

Recommendations of the Proviso Work Group

December 2013
Report to the Legislature
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Acknowledgements

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Preface

Representatives of government, businesses, Associate Development Organizations, educational institutions, port districts, and various business and trade associations developed the following recommendations for improving the economic development system in Washington State. The Department of Commerce (Commerce) convened the work group and produced this report at the direction of the Legislature, in what is known as the “Washington Economic Development Commission Proviso,” in section 128 (18) of the 2013-15 state budget.

Section 128(18)

\$75,000 of the general fund – state appropriation for fiscal year 2014 is provided solely for the economic development commission to retain one current administrative position.

The department shall convene a work group, chaired by the current chair of the economic development commission, of representatives of associate development organizations and the economic development commission to recommend:

- (1) Changes to the economic development commission's purpose and source and amount of funding;
- (2) Objective benchmarks and outcome-based performance measures for evaluating state investments in economic development;
- (3) High priority regulatory reforms to foster a favorable business climate for long-term private sector job creation and competitiveness; and
- (4) Organizational roles, responsibilities and structures to strengthen cohesive planning, streamline execution, and improve outcomes.

The work group shall be comprised of representatives from no less than eight associate development organizations representing both urban and rural counties and counties on both sides of the Cascade Range. The department shall submit a report of the work group's recommendation to the fiscal and economic development policy committees of the legislature by December 15, 2013.

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Executive Summary

The state of Washington can gain more from its investments in economic development through better representation in the coordination of efforts and leveraging of resources. Commerce convened the Proviso Work Group to recommend changes and new approaches to the state's economic development "system."

The work group's recommendations represent the consensus view of the many and diverse representatives of government, businesses, Associate Development Organizations, educational institutions, port districts, and various business and trade associations that participated in the process.

The group's recommendations are intended to work in concert to substantially improve how the state prioritizes investments for encouraging durable growth and innovation, and structures resources and relationships for the greatest advantage and impact. The overarching goal of these recommendations is to make Washington's economic development system dynamic, progressive, and of high impact for the lasting benefit of all residents.

Factors for Success

The Proviso Work Group finds that there is a significant opportunity to improve how the state's economic development efforts are prioritized, aligned, and supported. Washington can achieve a more sustainable system that yields substantially better outcomes via better coordination and representation among all stakeholders.

Four primary "Factors for Success" were identified as necessary for a robust, reliable, and high-impact economic development system for Washington State:

- Economic development goals are easily understood and broadly supported.
- Initiatives are well aligned and highly leveraged for meaningful impact.
- Institutional frameworks are durable and enable responsiveness to change.
- Performance is transparent, accountable, and measurable at all points.

Summary of Recommendations

Organizational Roles, Responsibilities, and Structures

Disparate effort across agencies and organizations as well as variable and unpredictable degrees of support hinder optimum performance. Put another way: "Better outcomes require better coordination that requires better representation."

To that end, the Legislature should sunset the WEDC and, in its place, statutorily establish a regionally representative “Washington Prosperity Council” that:

- Provides a durable structure for cross-state, multi-organization, public-private input for prioritization and coordination of efforts.
- Establishes Commerce as the lead coordinator for inter-agency, statewide economic strategy.
- Requires regular reporting and analysis of activities and outcomes to elected officials and the public.

In addition to alignment, this approach also helps secure a ready network of private-sector champions to support important public-sector initiatives, business recruitment, and the like. Specific recommendations as to the composition, conduct, and funding of this organizational model begin on page 5.

High-Priority Regulatory Reforms

Regulatory processes impose significant costs on doing business in Washington and influence investment behavior, location decisions, start-up activity, expansions, and hiring. Improving business interactions with government agencies is an important element in making the state more competitive in a global economy.

The state should follow through on initiatives to streamline the administration of regulations across all agencies so that processes are reasonable, predictable, and efficient. Statutorily requiring continuous improvement in the efficient administration of regulation by all agencies, supporting and rewarding agencies to achieve the same, and commissioning the state auditor to do more assessments of agencies’ performance in this regard will help create a culture of performance and assure progress on this long-sought improvement to our business climate.

Previous streamlining attempts have fallen short of expectations more often than not, but there is promise in several current initiatives as models for larger scale improvements. These initiatives are detailed beginning on page 9.

Objective Benchmarks and Metrics

State government impacts Washington’s economy in so many ways that it is difficult to definitively classify and measure its economic development programs and investments. For example, initiative-specific investments allow for directly related metrics, while infrastructure or other programmatic investments are reflected in higher-order economic trends. Despite this challenge, new decision standards will help immensely.

For all economic development initiatives proposed for state funding, measures of the expected outcomes should be clearly articulated, including:

- Net jobs, better wages, and new capital investment.
- Revenue consequences to the State, near and long term.
- Timely reporting and analysis of actual performance.

In addition, Commerce should be designated as the lead agency to establish a dashboard that unifies reporting, tracking, and evaluation for all state programs across all agencies whose initiatives involve economic development.

Roles, Responsibilities, and Structures

Current Situation

Statewide economic development efforts consist of multiple stakeholders running various programs with variable levels of funding toward the goal of improving economic conditions for the area each represents.

Within state government, several agencies affect the overall economy, including the departments of Agriculture, Ecology, Employment Security, Transportation, and Commerce. Only a fraction of the employees at Commerce work in business services and trade development efforts, and the only legislatively mandated mechanism (albeit limited) to deliberately engage the private sector and help coordinate strategies across state agencies has been the Washington Economic Development Commission (WEDC).

However, it should be noted that Commerce now regularly meets with the private sector, and this year formally established public/private co-funded positions in the department to drive economic development in key industry sectors.

There are many other actors in the economic development system, including educational institutions, port districts, associated development organizations, cities and counties, chambers of commerce, labor unions, and various business and trade associations. There are also a host of federal agencies with programs to improve local and regional economies.

Such variety invites innovation in economic development of all sorts and is favored over a more centralized, command and control approach. Some states, such as Florida, Arizona, and New York (see Resource section beginning of page 15), have systems that amplify the benefits of such diversity via deliberate coordination.

Washington lacks that level of coordination. Our greatest gaps lie in the politicized uncertainties of funding support, misalignment of strategies, and disparate execution of existing laws/regulations within and between agencies. In short, inconsistent goals and insufficient coordination means low leverage and lack of cohesion that leads to weaker outcomes. We can do better.

Guiding Principles Going Forward

The state's economic development system will perform at its best when all policy-making decisions reflect the following design principles related to the cohesion of efforts:

- Upfront clarity of roles and goals, responsibilities, and measures of success.
- Coordinated efforts across agencies that leverage resources for optimum effect.
- Transparency and sustained support across administrations and economic conditions.

Recommendations for Improvement

There is a real opportunity for Washington State to establish a dynamic, progressive, and high impact economic development system that is responsive to local, regional, and statewide interests; fosters coordination and alignment of efforts for optimum effect; and helps continuously improve the state's enabling systems.

Legislatively Establish the Washington Prosperity Council

Purpose

The Washington Prosperity Council members' primary mission is to advise, educate, and connect entities to create a critical mass to advance policies and programs for economic development, and help recruit others in ways that lead to more jobs, better wages, responsive government, and greater investment in Washington.

Governance

The Prosperity Council should be co-chaired by the Governor or the Governor's Chief of Staff, and a Governor-appointed, Senate-confirmed, private-sector leader, so there is no ambiguity about the importance of Prosperity Council's mission. Commerce would be the lead agency providing support, coordination, and initial strategies and plans reflecting legislated policies and the Governor's priorities.

Representation

A "council of councils" approach that directly engages economic development professionals across all regions of the state is the most potent way to satisfy the design principles and enhance coordination of efforts. The core of this regional council begins with key stakeholders (business associations, labor councils, tribes) and representatives of the Associate Development Organizations, adds in key legislators and agency directors (i.e., Employment Security, Workforce Training Board, Education, Ecology, and Agriculture), and invites other interested stakeholders (e.g., workforce development councils, port districts, innovation partnership zones, et al).

Conduct

The Prosperity Council will meet no less than twice per year, but members will work in the interim as two committees lending specific areas of expertise to the state:

- *Enabling Systems*: This group – primarily business associations, chambers of commerce, and trade associations – will advise on public policy areas affecting the overall business climate and recommend ways to address obstacles to a successful and sustained Washington State economy.
- *Development Initiatives*: This group – primarily Associate Development Organizations, site selectors, workforce development councils, trade development groups, commodity commissions, and innovation partnership zones – will focus on collaboration for

effectiveness and efficiency in the hands-on work of transactional economic development, the work to encourage and market to individual companies to come, stay, grow, and invest in Washington State.

Administration

To satisfy the need for transparency, accountability, and continuity, the legislation will require Commerce to follow a “plan, do, check, adapt” cycle for the state’s economic development strategy, including:

- Consideration and incorporation of (but not control over) the initiatives of other state agencies that can materially affect the economic outcomes and be strengthened via inter-agency and cross-state coordination.
- Regular consultation with the Prosperity Council as to economic trends, local needs, collaboration opportunities, statewide priorities, and execution performance – to inform the economic development strategy.
- Annual reporting to the Legislature as to the recommendations of the Prosperity Council and the performance of all state agencies carrying-out any aspect of the strategy

Funding

We estimate that effectively carrying out these recommendations will require two, fulltime FTEs plus office and incidental expenses, totaling \$375,000 per year. Looking ahead, we believe that the \$1.8 million per biennium saved from the sunseting of the WEDC should be reallocated to the Strategic Reserve Account (RCW 43.330.250). Further, the Strategic Reserve Account should then fund the \$375,000 needed to carry out the recommendations of this report. We note that the investment required to establish and sustain this deliberate system for coordinating statewide economic development is miniscule compared to the breadth of tangible and intangible benefits such coordination can achieve – a cost that’s a fraction of the waste and missed opportunities of our state’s current approach.

Routinely Assess Best Practices

Regularly studying what has worked, or not, in others’ situations, and adapting important discoveries into our own work, demonstrates a commitment to continuous improvement and helps assure that Washington State’s approach to economic development as a system becomes and remains second to none (see Resources section for reports of other states’ successful approaches).

Other Discussed Approaches

To improve the responsiveness, prioritization, and benefits of economic development investments, an organizational structure that is more representative of the state’s regions, more responsive to the dynamic priorities, and more aligned for leverage and impact is needed. To this end, a continuum of mechanisms was discussed by the Proviso Work Group in route to arriving at our recommendation.

- Split Commerce into separate agencies – one with a singular focus on economic development – blending in the WEDC strategy and evaluation functions and the business service functions of Innovate Washington into the new agency. This approach improves focus but not representation in ways that engage the front lines of economic development effort.
- Strengthen the WEDC to be the governing agency over Commerce, akin to the Washington Fish and Wildlife Commission. This approach offers a way to improve representation, coordination, and mission focus for meaningful, responsive, and durable economic development efforts. While accountability and continuity can be enhanced, this approach can also be less responsive to changing circumstances.
- Replace the WEDC with an economic development coordinating council, akin to the Washington Work Force Development Council. This approach can improve inter-agency alignment of state initiatives affecting economic development outcomes but doesn't provide for interaction and coordination among the various actors in the economic development system.

High-Priority Regulatory Reforms

Current Situation

A troubling perception, rooted in the experience of business of all types across the state, has persisted since the Washington Economic Development Board first expressed in its *Washington Works Worldwide* report in 1988:

Just as businesses and firms must become more flexible and adaptable to the imperatives of the new global economy, so too must the public sector. While regulations are necessary for the safety, health, and welfare of our people, our communities, and our natural resources, the way they are designed and the manner in which they are implemented is critical to business climate and competitiveness.

This same perception was reiterated by the WEDC in the 2012 *Economic Development Programs and Investments: Evaluation Practices*. There is widespread dissatisfaction with the state's regulatory system. The concern is not so much about the standards of regulation, but mostly about the inconsistency and inefficiency of administrative processes. Typical criticisms include:

- Complicated processes and lack of timeliness to obtain licenses and permits.
- Inconsistency in responses across as well within agencies.
- Contradictory regulations.

When the perception of inefficiencies persist, Washington's reputation as a good place to do business suffers. When coupled with new rules and little progress in streamlining administrative performance, the system hinders doing business efficiently. We can do better.

Guiding Principles Going Forward

The state's economic development system will perform at its best when policy decisions and agencies' implementation reflect the following design principles related to business and economic regulation:

- Processes are reasonable, predictable, and efficient.
- Requirements are coordinated to avoid duplication across all levels of government.
- Benchmarking and continuous innovation are standard agency practice.
- A culture of accountability for performance and service is the norm.

Recommendations for Improvements

Regulatory processes impose significant costs on doing business, and affect locational and investment decisions. Improving business interactions with government agencies is an important element of making Washington State more competitive in a global economy.

At the same time, Washington's high quality of life is due, in part, to our high health, safety, and environmental standards. We can and must improve businesses' experience of complying with regulatory requirements without sacrificing these standards and the ways in which we benefit from them. Timely, consistent, and helpful administration of rules that are clear, fair, and certain should be the norm in this state.

Define Strengths and Regulatory Incentives in Washington State

The Legislature should direct the state auditor to evaluate regulatory practice and behavior in our state compared to other high-performing states. Upon completion, the Legislature should charter the Prosperity Council to review the results and recommend changes to the state's economic development strategy.

At the same time, a catalog of existing incentive programs compared with those of high performance states – to help with promotion as well as to analyze for effectiveness – should be completed to facilitate reforms. Ultimately, constitutional reform to allow more flexibility to incentivize businesses locating here may be advised. Nearer term, these two initiatives should improve visibility of the challenges of, and possible improvements for, doing business in Washington.

Streamline Efficient Regulatory Processes

Execute Streamlining Projects and Implement Recommendations

Ongoing, multi-jurisdictional regulatory streamlining projects should be continued, and the recommendations that result from those projects should be implemented.

Washington has embarked on a systematic review of state and local regulations impacting key sectors, beginning with the Seattle Restaurant Regulatory Reform Pilot Project, and recently expanded to other sectors by the Legislature's adoption of HB 1818 (Chapter 324, Laws of 2013). These projects are a best practice approach to evaluating regulatory cost-effectiveness; identifying regulatory inefficiencies such as overlaps, excessive costs, and redundancy; and recommending solutions to improve businesses' experience of complying. They should be continued and expanded.

We recommend that resources be made available to agencies and jurisdictions that want to make the changes that are identified through these sector-specific streamlining projects, and that tools be put in place to ensure that the recommendations aren't ignored.

Measure Regulatory Process Impacts

Commerce should continue efforts to develop its potentially groundbreaking regulatory “Red Tape Index,” benchmark current performance, and commit to monitoring and improving the ease and cost of compliance with regulatory processes.

Holding itself accountable for performance outcomes is the first step to improving results. The first-in-the-nation Red Tape Index will help the state assess the impact of Washington’s regulatory streamlining initiatives. The Proviso Work Group fully supports Commerce and the Office of Regulatory Innovation and Assistance in using a proven methodology to track business cost, time, and frustration in complying with administrative requirements. We also encourage the development of the index in partnership with businesses and associations, since their participation is critical to understanding the compliance experience from the user’s perspective.

Base lining the current impact of complying with a suite of regulatory experiences is a critical first step. We also recommend that other common regulatory requirements should be added to the index as resources become available. Then, when Lean efforts and streamlining projects are completed, the state should publicize the cost and time savings that have resulted for Washington businesses.

We also recommend that the index capture time and cost savings that have resulted to state government, and that employees be recognized and rewarded for making improvements.

Provide Visibility and Guidance for Regulatory Process Compliance

Implement Washington Business One Stop/My Account

The state should improve the regulatory processes that every business experiences, by securing the resources needed for the Washington Business One Stop/My Account project, and taking steps to expedite its completion.

While sector-specific streamlining projects are important for improving the regulatory climate for key industries, inefficient regulation is a problem for all of Washington’s businesses. Streamlining their experience means focusing on the day-to-day regulatory encounters that every business has with government.

One of the most promising avenues to improve these types of regulatory experiences is already underway: Washington’s Business One Stop/MyAccount project. The vision for the multi-agency project is to provide a single place for businesses to conduct all of their state transactions. Additional resources should be provided that will allow the project to be completed on a much more aggressive time-scale.

Boost Process Visibility and Establish an Ombuds for Business

There are many costs hidden in the inefficient administration of regulatory reforms.

The One Stop/My Account initiative will help, but it will take time to implement. The state can more quickly improve this situation by establishing an “Ombuds for Business.” The sole purpose of this function is to stand as an intermediary to investigate regulatory impasse complaints and mediate fair solutions, as appropriate.

This function should be established with dual reporting responsibility to the Governor’s Office and to the Joint Legislative Audit and Review Committee, similar to how other ombuds positions are structured within governments.

Comprehensive, Critical Review of Agency Rules

Previous streamlining attempts have met with mixed results, but several current initiatives show promise and should be supported, expanded, or otherwise enhanced to meet regulatory objectives (see Resources section beginning on page 15). In particular, we recommend rigorous implementation of SB 5679, which requires certain agencies to establish a formal review process of existing rules. Along with SB 5679, we recommend full disclosure to inform the public about the results of reform review and commitments. This added measure of visibility is a low-cost way to boost accountability toward improved performance.

Another important way to add visibility and affirm good performance is to recognize and reward agencies that achieve effective and efficient implementation of regulations. As with any form of incentive, we advise the state exercise care in structuring performance incentives so as not to create unintended consequences. However, this concern should not dissuade the state from developing ways to strengthen a “culture of performance” via affirmation of the good things we see that are aligned with what we need and want.

Other Discussed Approaches

Dozens of ideas for improving regulatory administration in the state were considered. Most ideas clustered around the four cited above, but several other ideas were tabled for later consideration, including:

- Tax-related ideas
 - Amend the state tax code to stimulate new investment by expanding tax increment financing and eliminating sales tax on capital equipment and buildings.
 - Reduce the “death tax” to retain wealth generated in-state for reinvestment here.
 - Halt B&O tax on yet-to-be-profitable, early-stage startups.
- Regulatory-related ideas
 - Set boundaries on regulations via *de minimus* thresholds to relieve process congestion.
 - Assign the agency-on-point to decide overlapping requirements.
 - Critical review of regulations for duplication or conflicts to rationalize.

- Foster more streamlining such as by rewarding agencies that effectively reduce the number, time, and complexity of compliance (without compromising standards).
- Delegate authorities and funding within a framework to local agencies for better responsiveness.

Objective Benchmarks and Metrics

Current Situation

Washington has extensive tracking systems that monitor and evaluate the state's socioeconomic status and performance. Accountability systems should continue to track state investments against outcome and performance measures. The Proviso Work Group recognizes the tremendous amount of information being collected already, and makes additional recommendations in the context of data and intelligence already available to state agencies and public policymakers. Examples of ongoing data-collections efforts include the new *Results Washington*, Washington Economic and Revenue Council Economic Climate Study, and Sightline.

Current indicators and outcome measures help define and track the state's investments that impact Washington's economy in categories such as education, transportation, taxes, and regulations. Performance-related measures used to track state investments should continue to include:

- K-12 performance.
- Number of post-secondary degrees.
- Government, businesses, Associate Development Organizations, educational institutions, port districts, and various business and trade associations Transportation efficiency (movement, cost, maintenance, etc.).
- Cost of regulatory compliance.
- Tax burden.
- Quality of life (commute times, etc.).

Guiding Principles Going Forward

Since state government affects Washington's economy in so many ways, it is difficult to narrowly classify and measure the state's economic development programs and investments. Despite this challenge, there was general agreement that when economic development investments and projects are advanced they should:

- Demonstrate a need not satisfied by private markets.
- Be justified in advance and evaluated routinely.
- Clearly articulate expected jobs created or retained and wage quality.
- Forecast projected increases in capital investment and state revenues.
- Be outcome-based with measurable evaluation standards.
- Provide a clear timeline for expected results and impacts.

The state should further improve performance/accountability measures using the following criteria and methods:

- Can be maintained without undue costs or administration.
- Are transparent, easy to understand, and concise.
- Use independent validation or data whenever practical.
- Utilize data being collected already (i.e., payroll or unemployment insurance records).
- Eliminate duplicate reporting.
- Can differentiate short, medium, and long term investments and their related return on investment.

Recommendations for Improvement

Outcome-based metrics are the only useful means to gauge process effectiveness relative to inputs. With this in mind, the Proviso Work Group offers several specific actions to establish objective benchmarks and outcome-based performance measures for evaluating state investments in economic development. These recommendations are to complement, not replace, the more comprehensive recommendations of the 2012 *Vital Signs for Economic Development* report (see Resources section beginning on page 15 for links to this and other reports).

Economic Development Program Measures

Measures used to track economic development program activities and outcomes should include:

- Jobs/payroll additions emphasizing net addition (or retention), wages paid, and benefits offered.
- New state/local revenues generated (from jobs added, new sales, etc.).
- Public investment (inclusive of all partners and programs utilized)
- Business impacts, including:
 - Number of startups/expansions/locations getting help.
 - Outcomes from assistance (private investment, export sales, new facility, etc.).
 - Non job/tax performance results (i.e., lean manufacturing)

Unified Reporting, Tracking, and Evaluation

The state should create a dashboard that unifies reporting, tracking, and evaluation for all state programs focused on supporting businesses. This system should:

- Allow for consistent business tracking, reports, and inter-program and inter-agency referrals.
- Include customer satisfaction surveys or methods of gauging customer impacts and fulfillment of public services targeted to businesses.

- Expand on Commerce's *Salesforce* customer relations management system (or a similar program) to help integrate data collection and improve program evaluation.

New Indicators or Evaluation Measures

New indicators or evaluation measures are needed to improve outcomes and accountability for some of the state's broader public investments:

- Collect, mine, and analyze occupational data to evaluate employment outcomes from public schools, colleges, and universities. Ideally, this would be done by collection of firm-based occupational data.
- Continually evaluate the range and type of indicators we track in order to strive for objectivity and accountability.

Resources

General Reference Reports

Top Trends in State Economic Development from the National Governors Association looks at the actions governors are taking to make their economic development systems more effective in job creation, employment and income growth.

<http://www.nga.org/files/live/sites/NGA/files/pdf/2013/1308TopTrendsInStateEconDevPaper.pdf>

The three state programs are cited in ***Top Trends in State Economic Development*** for creating successful mechanisms to encourage collaboration.

New York State: <http://www.governor.ny.gov/regional-council-guidebook.pdf>

Colorado:

<http://www.advancecolorado.com/sites/default/files/Assets/IncentivesFinance/Documents/EDC2012.pdf>

Tennessee: <http://tennesseedevelopmentdistricts.org/>

Redesigning State Economic Development Agencies from the National Governors Association focuses on foundational strategies to ensure economic development success.

<http://www.nga.org/files/live/sites/NGA/files/pdf/1209RedesigningStateEconomicBrief.pdf>

Collaborate: Leading Regional Innovation Clusters from the Council on Competitiveness examines why some regions are more successful than others in the competitiveness stance.

http://www.compete.org/images/uploads/File/PDF%20Files/Final_Collaborate.pdf

Oregon Cluster Network

www.oregonclusters.com

Summary of Regulatory Reform

Current Initiatives

Promoting Economic Development by Providing Information to Businesses

House Bill 1403 (Chapter 111, Laws of 2013)

<http://apps.leg.wa.gov/billinfo/summary.aspx?year=2013&bill=1403>

Multijurisdictional Regulatory Streamlining Projects

House Bill 1818 (Chapter 324, Laws of 2013)

<http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/Session%20Laws/House/1818.SL.pdf>

Improving the Business Climate and Stimulating Job Creation by Requiring Certain Agencies to Establish a Formal Review Process of Existing Rules

Senate Bill 5679 (Chapter 30, Laws of 2013)

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=5679&year=2013>

Seattle Restaurant Regulatory Reform Pilot Project

<http://www.commerce.wa.gov/Documents/Restaurant-Permitting-MOU-FINAL.pdf>

Washington Business One Stop – My Account

http://ofm.wa.gov/ocio/documents/MyAccount_report.pdf

<http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/Session%20Laws/Senate/5718-S.SL.pdf>

Reports

Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules

(Performance Audit, September 6, 2012)

<http://www.sao.wa.gov/auditreports/auditreportfiles/ar1008276.pdf>

Executive Orders

Executive Order 97-02: Regulatory Improvement. Required each state agency to begin a review of its rules that have significant effects on businesses, labor, consumers, and the environment; established criteria for the reviews; and required reporting on efforts through 2000.

Executive Order 06-02: Regulatory Improvement. Directed all regulatory, taxing, licensing, and permitting agencies and programs to improve and simplify service to Washington citizens and businesses.

Executive Order 09-07: Washington’s Natural Resources Reform Initiatives. Created a Natural Resources cabinet to coordinate environmental protection programs and policies. Goals include improving service to citizens by developing a “One Front Door” public interface and expanding multi-agency permitting teams.

Executive Order 10-05: Improving the Way State Government Serves Small Business. Directed agencies to undertake a variety of initiatives related to small businesses, including streamlining regulatory processes.

Executive Orders 10-06 and 11-03: Suspending Non-Critical Rule Development and Adoption. Directed state agencies to suspend development and adoption of rules that are not immediately necessary through December 31, 2012.

Executive Order 12-01: Regulatory Reform and Assistance to Help Small Businesses Succeed and Grow. Formalized the state agency small business liaison program. Directed Commerce and ORA to conduct a regulatory streamlining pilot program in the food and beverage industry; Directed the Chief Information Officer (OCIO) to work with Commerce, Revenue, ORA and other agencies to develop a design and implementation plan for a single sign-on or “My Account” system for business interactions with state agencies.

Summary of Benchmark and Metrics Initiatives

Current Initiatives

Results Washington: The new efficiency effort led by Governor Inslee has five goals. Currently the agencies have established goals and are working on setting data-oriented targets.

<http://www.results.wa.gov/>

Reports

Vital Signs for Economic Development, a report based on analysis of 34 metrics to gauge economic development in Washington State.

http://www.wedc.wa.gov/Download%20files/Vital_Signs_for_Economic_Development.pdf

Innovation Sources, Practices, and Economic Development Programs Serving the Needs of Businesses: A Survey of Businesses and Recommendations. A survey and subsequent report by the WEDC focused on three broad areas: 1) innovation practices within the firm; 2) awareness of state programs designed to support businesses; and 3) attitudes about what the state can do better to support economic development.

http://www.wedc.wa.gov/Download%20files/WEDC_SURVEY_OF_BUSINESSES.pdf

Economic Development Programs and Investments: Review of Evaluation Practices in Washington State. This WEDC report looked at the challenges of assessing the net impact of economic development programs and made recommendations for going forward. Read more:

http://www.wedc.wa.gov/Download%20files/Evaluation_Practices.pdf

Kaufman Index of Entrepreneurial Activity, a regional and statewide ranking and analysis of entrepreneurial activity. <http://www.kauffman.org/research-and-policy/kauffman-index-of-entrepreneurial-activity.aspx>

Kaufman Small Business Friendliness Survey grades states on how friendly they are to small businesses. <http://www.kauffman.org/research-and-policy/2013-thumbtack-com-small-business-friendliness-survey-methodology-and-analysis.aspx>

Kaufman Voices of Small Business analyzes feedback from small business owners about the ease of doing business in their state. <http://www.kauffman.org/research-and-policy/voices-of-small-business-discussion-and-policy-implications.aspx#sthash.0JxwRnll.dpuf>

In Search of Silver Buckshot: Thirty Years of Economic Development in Maine. Brookings' review of Maine's economic condition, policies and leaders over the past 30-35 years. <http://www.brookings.edu/~media/research/files/reports/2006/10/cities/development.pdf>

Regional Inequality and 'The New Geography of Jobs'. Brookings report seeking to explain the wide range of economic growth and prosperity across U.S. regions, and why is it so hard for struggling metro areas to reverse multi-decade trends. <http://www.brookings.edu/blogs/the-avenue/posts/2012/08/07-regional-inequality-rothwell>

Commerce Business Services Division Fact Sheet. This fact sheet gives a summary of the economic development efforts and impacts, with a particular focus on trade and exports. [http://performance.wa.gov/EconomicVitality/EV011613/GrowthDevelopment/businessesrecruitmentretentionexpansion/Documents/FY09-12%20BSD%20Fact%20Sheet%20-%20v8\(leigh%20Contact\).pdf](http://performance.wa.gov/EconomicVitality/EV011613/GrowthDevelopment/businessesrecruitmentretentionexpansion/Documents/FY09-12%20BSD%20Fact%20Sheet%20-%20v8(leigh%20Contact).pdf)

Competitiveness Redbook: Key Indicators of Washington State's Business Climate by the Washington Alliance provides key data on how Washington's business climate compares to other states. <http://washace.com/who-we-are/#sthash.RFIOMBs.dpuf>