

Executive Cabinet Transition Report Tier 1



Washington State Department of Community, Trade and Economic Development



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Agency Responsibilities

The Department of Community, Trade and Economic Development's (CTED) mission is to invest in Washington's communities, businesses and families to build a healthy and prosperous future.

Working closely with an array of state and local partners, CTED provides a continuum of services that advance the economic, social and physical well-being of citizens. We are organized into six business divisions and host five boards and councils.

- Our **Economic Development** Division works with local, regional and statewide leaders to attract, retain and expand economic activity that creates jobs.
- Our **International Trade** Division promotes the two-way international trade, tourism and investment in target markets and industries.
- Our **Local Government** Division supports communities as they plan for their future, strategically funds infrastructure to support local plans, and protects historic and cultural features that promote economic viability.
- Our **Housing Division** provides safe and affordable low-income housing.
- Our **Community Services** Division builds community partnerships for healthy, safe and economically self-reliant individuals and families.
- Our **Energy Policy** Division provides policy support for a safe, affordable and environmentally sound energy future.

CTED functions much like a financial institution to provide loans, grants, and contracts that are awarded and monitored to assure sound performance and use of resources. Funding comes from a variety of state appropriations, federal sources, grants, and trust accounts. We also participate in state level policy development, facilitate strategic planning, and provide information and support for boards, councils, associations, and various stakeholder groups. Our responsibilities include:

Investing in Washington Communities

- Provide federal block grant funds to local communities. These funds help them design programs that fit the unique community needs to address causes and conditions of poverty and to assist the families to regain self-sufficiency. Working through a network of local non-profits, local governments, and private contractors, CTED funds housing, food, utility assistance, early childhood education, and crime prevention.
- Provide staff support to the Community Economic Revitalization Board to invest in publicly owned economic development infrastructure projects that serve as catalysts for targeted sector business growth and job creation.
- Support and sustain the state's agricultural communities by providing seasonal, permanent and emergency housing opportunities for migrant and local farm workers.
- Provide funding and technical assistance for public infrastructure projects that protect public health and the environment, help implement local government comprehensive plans and serve new and existing businesses and residents.
- Invest in local governments' efforts to grow gracefully by providing funding, technical assistance and partnership in implementing the State Growth Management Act.
- Help make communities more livable and safe by investing in public safety and substance abuse programs in communities and by protecting cultural and historic resources in communities.
- Foster vibrant, attractive neighborhood and central business districts by helping selected communities implement the National Main Street Model.
- Adopt and amend the State Building Code to improve safety and save energy in buildings.

Investing in Washington Businesses

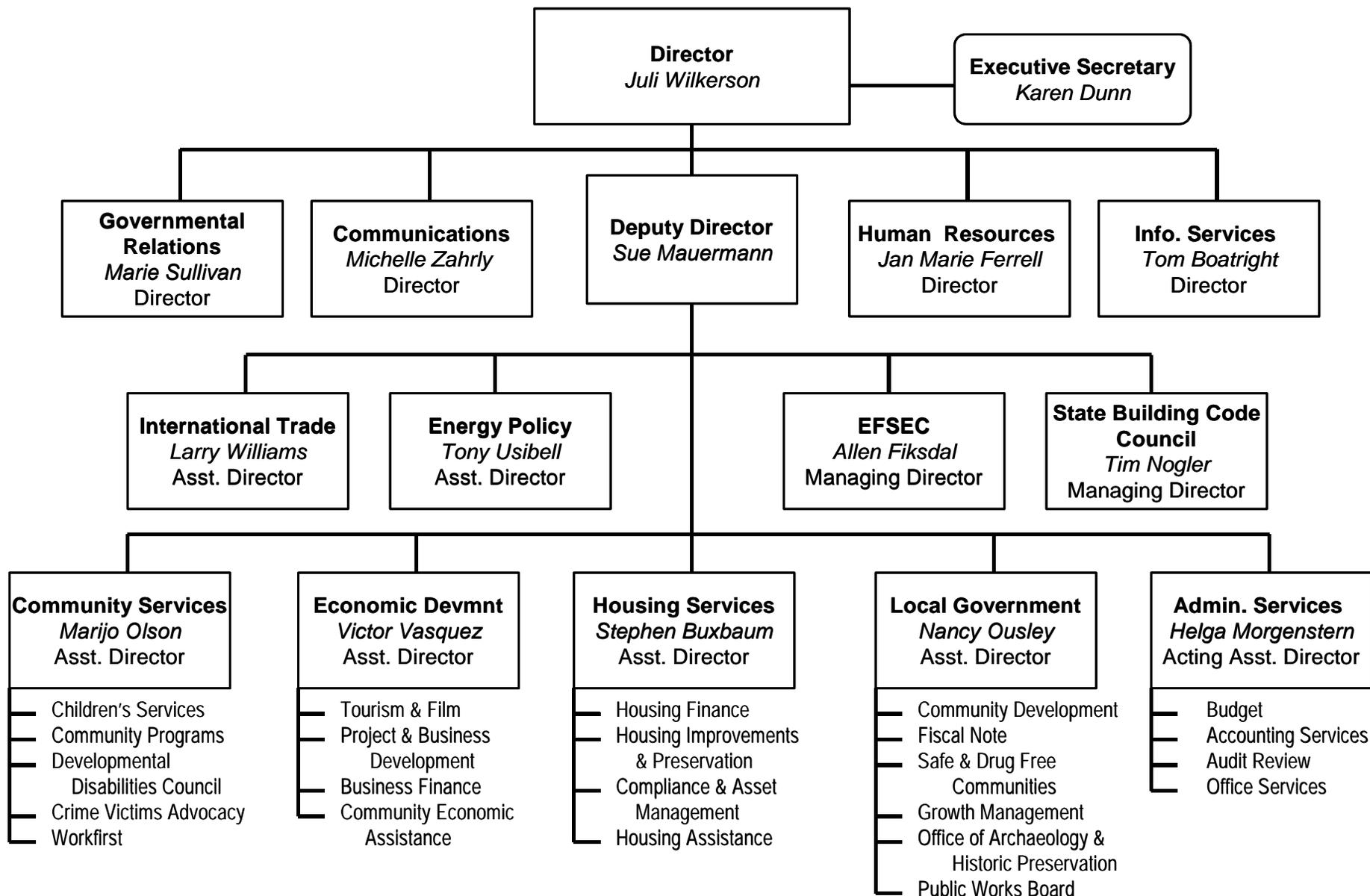
- Market, provide technical assistance, and serve as an informational clearinghouse to individuals and entities engaged in film, television and commercial production in the state.
- Market the state as a travel destination in order to increase visitor revenues year-round throughout the state with emphasis on rural or under-visited areas.
- Fund associate development organizations and provide direct assistance to retain, expand and attract businesses to Washington's communities.
- Provide consultative services, develop public and private financial partnership options, and provide tax incentive packages and marketing services to grow segments of Washington's commercial and industrial base, encouraging investment and job creation.
- Provide and manage funding awards to local entities to plan and carry out economic development activities and services that result in business development, retention, and expansion; job creation and retention; and economic diversification over the short and long term.
- Provide professional development to economic development practitioners that will provide current trends and state of the art tools.
- Provide gap financing, through the use of federal financing tools and funds, for business retention, creation and expansion, economic redevelopment of brownfields, and public-private investments in infrastructure that will result in job creation and retention.
- Provide policy support and information on energy related matters including statewide energy security and preparedness, alternative fuels development, energy efficiency, and energy supply and price stability.
- Provide a "one-stop" siting process for major thermal energy facilities.

Investing in Washington Families

- Provide funding for direct family development such as Early Childhood Education, housing, emergency food programs, domestic violence and sexual assault treatment, and legal services for low-income individuals.
- Manage contracts that recruit, train and engage community volunteers such as Retired Senior Volunteer Program, Long-term Care Ombudsman, and Court Appointed Special Advocates for children.
- Offer advocacy, policy, community development and funding for victims of crime, sexual assault, domestic violence, and other felonies.
- Advocate for families who have a developmentally disabled member, and manage a trust fund so that families can set aside funds for the future needs of their developmentally disabled family member.
- Enhance the affordability and quality of the state's housing stock by supporting the repair and rehabilitation of low-income housing.
- Improve the health and well being of people and communities by enhancing the energy efficiency of low-income housing.
- Reduce homeless populations by providing supportive client services, rental assistance, and construction/rehabilitation of shelters and transitional housing.
- Eliminate lead based paint hazards by supporting and providing standards, training, worker certification, technical assistance, violation investigation, and enforcement.
- Support manufactured home homeowners through technical assistance, complaint resolution, investigations, installer training and certification, and relocation assistance.

Community, Trade and Economic Development

Organizational Chart



Community, Trade and Economic Development Boards, Councils and Commissions

Building Code Council

Stan Price, Chair

Community Economic Revitalization Board (CERB)

Judith Boekholder, Chair

Developmental Disabilities Council

Bill Anderson, President

Energy Facility Site Evaluation Council

Jim Luce, Chair

Public Works Board

Glenn Olson, Chair

Washington State Economic Development Commission

Scott Morris, Chair

Department of Community, Trade and Economic Development

2003-05 Budget

Operating Budget	FTE	GF-S	Dedicated	Total
International Trade	14.7	5,144,435	144,209	5,288,644
Community Services	60.7	68,876,997	126,020,618	194,897,615
Housing Programs	49.7	12,201,284	79,480,274	91,681,558
State Building Code Council	5.0	-	900,129	900,129
Energy Policy	7.0	374,369	5,417,373	5,791,742
Energy Facility Site Evaluation Council	9.1	12,691	11,962,771	11,975,462
Local Government	82.5	15,938,450	123,966,176	139,904,626
Economic Development	51.3	23,443,776	16,189,068	39,632,844
Administration	65.1	6,688,798	8,584,226	15,273,024
Total Operating Budget	345.1	132,680,800	372,664,844	505,345,644
<i>1/ CTED has Interagency Agreements (IAG's) of \$85.1 million</i>				
Capital Budget	FTE	Bond Funded	Dedicated Funds	Total
Housing Programs	5.0			
Housing Assistance Programs		79,897,337	0	79,897,337
Homeless Families with Children		8,357,384	0	8,357,384
Farmworker Housing		8,500,000	0	8,500,000
Weatherization Programs		9,000,000	0	9,000,000
Local Government Programs	4.2			
Public Works Assistance Program		0	505,275,101	505,275,101
Drinking Water Assistance Program		4,000,000	35,583,356	39,583,356
Building for the Arts		6,251,982		6,251,982
Building for Community Services Facilities		7,364,793		7,364,793
Local / Community Projects		13,314,500	0	13,314,500
Local Capital Programs		48,029,212	4,400,363	52,429,575
Economic Development Programs	1.2			
RWLF - Rural Washington Loan Fund		558,000	8,023,969	8,581,969
CERB - Community Economic Revitalization Board		0	17,894,477	17,894,477
Total Capital Budget	10.4	185,273,208	571,177,266	756,450,474
GRAND TOTAL COMBINED BUDGET	355.4	317,954,008	943,842,110	1,261,796,118

Community, Trade and Economic Development 2003-05 Operating and Capital Budgets

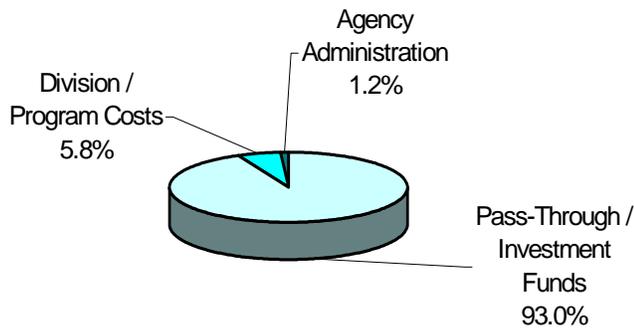
Fund	Fund Title	Operating	Capital
001-1	General Fund - State	132,680,800	-
001-2	General Fund - Federal	251,294,021	1,900,000
001-7	General Fund - Private/Local	15,094,900	-
02V	Public Safety and Education Account	10,104,300	-
04R	Drinking Water Assistance Account	-	35,583,356
057	State Building Construction Account	-	83,375,871
058	Public Works Assistance Account	2,103,100	505,275,101
05P	Distress Co Facility Construction Loan	-	363
06K	Lead Paint Account	6,000	-
084	Building Code Council Account	1,068,500	-
120	Administrative Contingency Account	1,776,000	-
150	Low-Income Weatherization Assist. Account	8,293,000	-
181	Violence Reduction / Drug Enforcement Account	9,018,600	-
195	Energy Account	1,054,641	-
205	Mobile Home Park Relocation Account	704,000	-
253	Education Construction Account	-	4,400,000
262	Manufactured Home Installation Training Account	256,900	-
263	Community Economic Development Fee Account	1,581,000	-
355	State Taxable Building Construction Account	-	101,897,337
532	Washington Housing Trust Account	16,771,100	-
551	Homeless Families Services Account	150,000	-
689	Rural Washington Loan Account	-	6,123,969
728	Mobile Home Affairs Account	664,251	-
731	Child Care Facility Revolving Account	748,088	-
746	Hanford Area Economic Investment Account	504,000	-
759	Timber Loan North Cascade Account	2,605,606	-
760	Health Services Account	48,000,000	-
777	Prostitution Prevention & Intervention	48,000	-
833	Develop Disability Endowment Trust	72,137	-
833	Develop Disability Endowment Trust	120,000	-
887	Public Facility Const. Loan Revolving Account	626,700	17,894,477
1/			
Total Funds		505,345,644	756,450,474
Total Operating and Capital		1,261,796,118	

1/ CTED has Interagency Agreements (IAG's) of \$85.1 million

Sources: 2003-05 Appropriation Schedule dated 05-18-2004

2003-05 Federal Unanticipated Receipts ADDS 09-07-2004

Department of Community, Trade and Economic Development 2003-05 Combined Operating and Capital Budgets

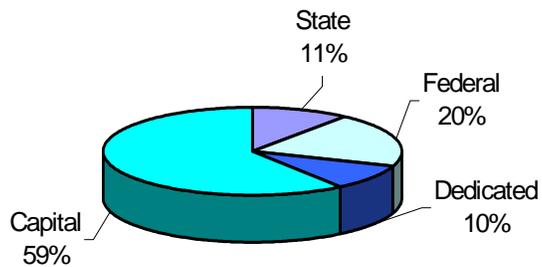


Pass-Through Investments Dominate CTED's Budget

Pass-Through / Investment Funds	1,173,752,237
Division / Program Costs	72,770,857
Agency Administration	15,273,024

Total	1,261,796,118
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1/ CTED has Interagency Agreements (IAG's) of \$85.1 million



Fund Sources

FTEs	355.4
State	132,680,800
Federal	251,294,021
Dedicated	121,370,823
Capital	756,450,474
Total	1,261,796,118

Major Issues

Business Retention and Expansion

Issue

A key element of our state's economic success is Business Retention and Expansion (BRE). By strengthening Washington's businesses at home and in foreign markets and by making our state a better place to do business, we position Washington as a leader in the global marketplace, create jobs and increase revenue. Marketing Washington and its products is an effective tool to keep existing businesses here and to attract new companies to the state.

For Washington to be a competitive and vital economic force both nationally and internationally, the state needs to make substantial investments in marketing its products and services. Washington has been ranked among the lowest in its state investment in tourism, trade, and business development marketing. Without reversing that trend, Washington may forego significant opportunities in the global marketplace.

Urgency

With the loss of 97,000 jobs here in 2003, the need for enhanced marketing leading to BRE is critical. A well-executed strategy will be one of the most powerful initiatives that the state can undertake over the next two biennia and into the future.

Now is the time to invest. Washington has gathered momentum with recent successes including landing the final assembly for The Boeing Company 7E7. We are also poised to benefit from emerging opportunities with the 2010 Olympics and through trade with countries entering the world market. Our military bases are at risk of closure, significantly impacting numerous local economies.

Significance/Controversy

Our stakeholders strongly advocate that the state should take the lead and work with them to keep our competitive edge alive. They see other states successfully investing in BRE marketing that results in measurable benefits for both the private and public sectors.

The framework for BRE marketing is targeted industries. The state's Economic Development Commission, with CTED, has identified a core group of industries that the state can most effectively target while supporting local priorities. The list of targets may cause concern for certain industries if they feel underrepresented.

Key Players/Stakeholders

Washington State Economic Development Commission, businesses, ports, economic development organizations, state agencies, community development organizations, site selectors, foreign markets.

Current Status and Timeline for Conclusion and Resolution

By January, CTED and the Commission will have established a private sector leadership team to market Washington to peer companies in target markets in consultation with the Governor's Office. Funding to implement the marketing initiative will be needed at the start of FY 2006.

Links to Web sites (additional background information)

<http://www.cted.wa.gov>, and <http://www.experiencewashington.com>

Staff Contacts

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Major Issues

Implementing the Growth Management Act

Issue

Counties and cities have been planning under the Growth Management Act (GMA) since 1990. Many local governments have seen its value in revitalized downtowns, attraction of economic development, and provision of affordable housing choices. Generally, less urbanized counties have been less supportive of GMA because they have been subject to many more costly appeals and because they have seen revenue-generating land in urban growth areas annexed by the cities. Both counties and cities are concerned about insufficient planning and infrastructure funding from the state. They are also very concerned that the state tax structure's reliance on sales tax revenues for local government services is at odds with the GMA framework. Concerns are often raised by the counties, as well as by business community and private property rights advocates that the GMA requires more local regulations. Legislators supportive of GMA recognize the value of planning to ensure adequate infrastructure, protect the quality of life, and increase community readiness for economic development.

Urgency

Updates for comprehensive plans and critical areas ordinances are due 2004-2007 over a staggered schedule - the majority in December 2004. There is significant potential for an increase in appeals to the Growth Management Hearings Boards starting in December 2004 and the following three years as counties and cities are making their first significant updates since initial adoption. There is also potential for state agency appeals needing approval by the Governor. The first round of appeals will be filed during the 2005 legislative session. Recommendations for sanctions from existing appeals on Snohomish and Stevens Counties are now on the Governor's desk.

Significance/Controversy

The affirmative duty to update triggers a review of the entire plan and regulations, creating more opportunities for appeal. Both counties and cities are extremely concerned about resources to update and the risk of appeal, especially regarding inclusion of best available science in critical areas ordinances.

There are significant issues raised regarding GMA every legislative session. However, last year CTED began participating with a wide variety of stakeholders in the "GMA Work Group." The Work Group was successful in limiting controversial issues and succeeded in seeing four bills pass that strengthen GMA implementation with the Work Group's support.

Key Players/Stakeholders

Governor's office, Legislature, state agencies, counties, cities, the business community and the environmental community.

Current Status and Timeline for Conclusion and Resolution

The first appeals of December 2004 updates will be filed during the 2005 session.

Links to Web sites (additional background information)

<http://www.cted.wa.gov/growth>

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- Nancy Ousley, Asst. Director, Local Government Division, 360.725.3003 or nancyo@cted.wa.gov
- Heather Ballash, Senior Policy Advisor, Director's Office, 360.725.2808 or heatherb@cted.wa.gov

Major Issues

Move of the Early Childhood Education and Assistance Program

Issue

The governance of the Early Childhood Education and Assistance Program (ECEAP) may be impacted by Initiative 884 or by bills that will be introduced this legislative session. Currently, CTED and the Department of Social and Health Services fund and administer early childhood education and childcare. The Office of the Superintendent of Public Instruction has developed a strong interest in the program due to the foundational skills needed for school success. The largest providers of Early Childhood Education are the Educational Service Districts.

Urgency

Discussion of the appropriate placement of the state's pre-kindergarten program has been on the legislative agenda for the past few sessions. The passage of Initiative 884 would result in the need for a decision regarding the development and expansion of pre-kindergarten programs.

Significance/Controversy

Some advocates believe that early learning programs suffer from having no single point of governance; they question the consistency of learning outcomes in all pre-school settings, and whether all children who need an enriched pre-school experience to be successful in kindergarten are being served.

Key Players/Stakeholders

- Washington State Association of Head Start and ECEAP, Robbin Dunn, Executive Director
- Head Start State Collaboration Office, Sangree Frolecher, Director
- Office of the Superintendent of Public Instruction
- Office of Financial Management
- Washington Association of the Education of Young Children, Agda Burchard, Executive Director
- League of Education Voters
- Department of Social and Health Services

Current Status and Timeline for Conclusion and Resolution

Representatives Fromhold and Kagi have introduced bills that look at the coordination and potential consolidation of early learning programs the past two sessions; they and others are likely to introduce bills in 2005. The passage of Initiative 884 would result in the need for a decision about the role and governance of ECEAP.

Links to Web sites (additional background information)

None available

Staff Contacts

- Marijo Olson, Assistant Director, Community Services Division, 360.725.2910 or marijoo@cted.wa.gov
- Lynne Shanafelt, Managing Director, Children's Services Unit, 360.725.2829 or lynnes@cted.wa.gov

Major Issues

Homelessness

Issue

There are homeless families and individuals in every county of the state. It is preventable and “curable” with adequate and smart investment of resources into housing and human services. Current costs of managing the needs of the homeless – often by housing them in jails and catering to basic health needs through emergency room service – is growing. Social costs are also extremely high:

- Children who do not have a stable and secure place to live do poorly in school. Children who have experienced prolonged homelessness are much more likely to become homeless as adults. Nearly 50% of homeless school age children do not attend school regularly and are twice as likely to repeat grades and have serious learning disabilities.
- People who are homeless are more likely to suffer from health problems. Conditions that require regular treatment are extremely difficult to treat or control among those without adequate housing. Homeless people use emergency rooms for medical treatment – costs of emergency treatment are much higher than prevention or regular treatment.

Significance/Controversy

The State Advisory Council on Homelessness and the Affordable Housing Advisory Board, as well as the Gates Foundation and other major philanthropies, are recommending the creation of a Cabinet level appointee to coordinate the state’s response to homelessness.

Key Players/Stakeholders

County and city governments, Public housing authorities, non-profit shelter and housing providers, other state agencies – Department of Social and Health Services (DSHS), Department of Corrections (DOC), and the Department of Veteran Affairs.

Current Status and Timeline for Conclusion and Resolution

The Gates Foundation is organizing philanthropic organizations to double the resources available through the state’s Homeless Families Services Fund (currently operating on a \$2 million 2004 Appropriation). Executive level sponsorship of this initiative will be key to keeping up momentum behind this effort.

CTED is leading an initiative to help state and local policymakers improve access to mainstream services for people who are homeless. DSHS and DOC are critical partners in this effort. Sustaining executive sponsorship of this work is very important.

Links to Web sites (additional background information)

- <http://www.endhomelessnesswa.org/>
- <http://www.nationalhomeless.org/>
- <http://www.wlihn.org/>

Staff Contacts

- Stephen Buxbaum, Assistant Director, Housing Services Division, 360.725.2912 or stephenb@cted.wa.gov
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