

HOUSE BILL REPORT

HB 2316

*As Reported By House Committee on:
Agriculture & Rural Development
Appropriations*

Title: An act relating to the international marketing program for agricultural commodities and trade.

Brief Description: Removing the sunset termination process from IMPACT.

Sponsor(s): Representatives Rayburn, Grant, R. Johnson, Jacobsen, Lisk, Nealey, Kremen, Roland, J. Kohl, Ogden, Haugen, Silver, McLean and Rasmussen.

Brief History:

Reported by House Committee on:
Agriculture & Rural Development, January 21, 1992, DP;
Appropriations, February 3, 1992, DPA.

**HOUSE COMMITTEE ON
AGRICULTURE & RURAL DEVELOPMENT**

Majority Report: *Do pass.* Signed by 11 members: Representatives Rayburn, Chair; Kremen, Vice Chair; Nealey, Ranking Minority Member; P. Johnson, Assistant Ranking Minority Member; Chandler; Grant; R. Johnson; Lisk; McLean; Rasmussen; and Roland.

Staff: Kenneth Hirst (786-7105).

Background: The International Marketing Program for Agricultural Commodities and Trade (IMPACT) at Washington State University was created by statute. It was created to address international marketing problems and opportunities and to provide related instruction, all with an emphasis on practical solutions to problems.

The Legislature created the program on a provisional basis in 1984 and gave it "permanent" status in 1985. The bill granting it permanent status also placed the program on the list for review under the state's Sunset Act. As a part of that process, the program was given a termination date of June 30, 1990. In 1988, the termination date was extended to June 30, 1992. Absent legislative action, the IMPACT program and center will terminate on that date.

Under the Sunset Act, programs placed on the sunset list are reviewed by the Legislative Budget Committee (LBC). In its final sunset report on IMPACT, the LBC made four recommendations: (1) IMPACT should publish a fee schedule for its services as mandated; (2) Legislation should be initiated to reestablish the IMPACT program at Washington State University; (3) The legislature should consider adding an inflation adjustment to IMPACT's funding; and (4) The legislature should fully fund IMPACT at the original amount plus inflation adjustment for the second half of the 1991-93 biennium.

Summary of Bill: The IMPACT program and center at Washington State University (WSU) are removed from termination under the Sunset Act.

The sum of \$779,000 is appropriated from the general fund to WSU for the IMPACT program for the remainder of the current biennium.

Fiscal Note: Requested January 17, 1992.

Appropriation: \$779,000 from the general fund.

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

Testimony For: (1) IMPACT is an outstanding program that has received high marks in reviews conducted by the state and the federal government. (2) IMPACT uses persons with excellent foreign language skills to discover actual market conditions and preferences in foreign countries. (3) IMPACT has been extremely successful in creating or improving marketing opportunities for Washington agriculture; it is held up as a model for other states to copy. (4) IMPACT provides a needed service. It has already adopted a fee schedule as recommended by the LBC. (5) IMPACT attracts a great deal of private monies for its research. (6) The existence of IMPACT has resulted in a significant increase in the number of persons gaining degrees in international marketing and has broadened the instruction available to other academic departments.

Testimony Against: None.

Witnesses: Larry Ganders and Desmond O'Rourke, Washington State University (in favor); Janice Miller, Washington State University Faculty (in favor); Debra Evick, Legislative Budget Committee's staff (in favor of sunset repealer); Art Scheunemann, Department of Agriculture (in favor); Ray Schindler, state associations of wheat, asparagus and

cranberry growers (in favor); and Scott LaFramboise, Washington State Grange (in favor).

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *Do pass as amended.* Signed by 28 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Carlson; Dorn; Ferguson; Fuhrman; Hine; Lisk; May; Mielke; Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Sprenkle; Valle; Vance; and Wang.

Staff: Sherie Story (786-7142).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Agriculture & Rural Development: The general fund appropriation is removed and the act is made null and void if funding is not specifically provided in the supplemental budget.

Fiscal Note: Available.

Appropriation: Removed.

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

Testimony For: IMPACT has been a boost for Washington state agriculture and it has fulfilled a commitment to address the problems identified by the Legislative Budget Committee. Program continuation and funding of \$779,000 are requested. IMPACT is a good investment for the state. For every state dollar, there is a federal and private dollar put into the program.

Testimony Against: None.

Witnesses: Representative Margaret Rayburn, prime sponsor; and Larry Ganders, Washington State University.