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**SUBSTITUTE SENATE BILL 5909**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senate Committee on Trade, Technology & Economic Development  
(originally sponsored by Senators Sheldon, Oke and Owen)

Read first time 03/03/93.

1 AN ACT Relating to the diversification of the economies of defense-  
2 dependent communities; amending RCW 43.63A.450; making an  
3 appropriation; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.63A.450 and 1990 c 278 s 2 are each amended to read  
6 as follows:

7 The community diversification program is created in the department  
8 of community development. The program shall include:

9 (1) The monitoring and forecasting of shifts in the economic  
10 prospects of major defense employers in the state. This shall include  
11 but not be limited to the monitoring of defense contract expenditures,  
12 other federal contracts, defense employment shifts, the aircraft and  
13 aerospace industry, computer products, and electronics;

14 (2) The identification of cities, counties, or regions within the  
15 state that are primarily dependent on defense or other federal  
16 contracting and the identification of firms dependent on federal  
17 defense contracts;

18 (3) Assistance to communities in broadening the local economic base  
19 through the provision of management assistance, assistance in

1 financing, entrepreneurial training, and assistance to businesses in  
2 using off-the-shelf technology to start new production processes or  
3 introduce new products;

4 (4) Formulating a state plan for diversification in defense  
5 dependent communities in collaboration with the employment security  
6 department, the department of trade and economic development, and the  
7 office of financial management. The plan shall use the information  
8 made available through carrying out subsections (1) and (2) of this  
9 section. The plan shall also focus on specific methods of utilizing  
10 the unique economic development assets, including the high  
11 concentration of skilled workers and technological base affiliated with  
12 existing industrial jobs, of communities likely to experience economic  
13 transition as a result of reduced federal defense spending such as  
14 Kitsap and Island counties. The plan shall identify obstacles to  
15 diversification, such as insufficient infrastructure and lack of access  
16 to capital, and strategies for overcoming them. To the extent  
17 practicable, the plan shall develop specific strategies for each  
18 affected community or region. The department shall consult with local  
19 government officials, local economic development officials, relevant  
20 business groups, and local institutions of higher education in  
21 formulating the plan; and

22 (5) The identification of diversification efforts conducted by  
23 other states, the federal government, and other nations, and the  
24 provision of information on these efforts, as well as information  
25 gained through carrying out subsections (1) and (2) of this section, to  
26 firms, communities, and (~~workforces~~) work forces that are defense  
27 dependent.

28 The department shall, beginning January 1, 1992, report annually to  
29 the governor and the legislature on the activities of the community  
30 diversification program and provide recommendations for specific  
31 actions and the time frames for accomplishing them.

32 NEW SECTION. Sec. 2. The sum of forty-nine thousand dollars, or  
33 as much thereof as may be necessary, is appropriated for the biennium  
34 ending June 30, 1993, from the general fund to the department of  
35 community development for assisting Kitsap county in its community  
36 diversification efforts. Any funds from this appropriation remaining  
37 unexpended on June 30, 1993, are hereby reappropriated to the

1 department of community development for the purposes stated in this  
2 section.

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of the  
5 state government and its existing public institutions, and shall take  
6 effect immediately.

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