Bill as Introduced

HB 526 – AS INTRODUCED

2003 SESSION

03-0796
09/01

HOUSE BILL ***526***

AN ACT requiring the governor to provide the legislature with a biennial strategic economic development plan.

SPONSORS: Rep. Brady, Coos 2; Rep. Holden, Hills 48; Sen. Gallus, Dist 1

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill requires the governor to provide the legislature with a strategic economic development plan by June 1 of the first year of each biennium.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 526 – AS INTRODUCED

03-0796
09/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT requiring the governor to provide the legislature with a biennial strategic economic development plan.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Section; Strategic Economic Development Plan. Amend RSA 4 by inserting after section 47 the following new section:

4:48 Strategic Economic Development Plan. On or before June 1 of the first year of each biennium the governor shall submit to the legislature a written comprehensive economic development policy for the state, to be known as the strategic economic development plan. The office of state planning and all departments and agencies of the state, as the governor deems necessary, shall assist the governor in the preparation and publication of the plan. The strategic economic development plan shall be in addition to the comprehensive state development plan required under RSA 9-A.

2 Effective Date. This act shall take effect 60 days after its passage.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 526 Date March 4, 2003

Committee ED+A

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Senator Gallus	103A LOB	271-3077		✓	

Hearing Minutes

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON HB 526

BILL TITLE: requiring the governor to provide the legislature with a biennial strategic economic development plan.

DATE: March 4, 2003

LOB ROOM: 100 SH **Time Public Hearing Called to Order:** 11:40 AM

Time Adjourned: 11:50 AM

(please circle if present)

Committee Members: Reps. O'Neil, Hamel, Langer, Goulet, Zolla, N. Allan, Dexter, Hall, C. Robertson, Bergin, LaFlamme, Milligan, W. Field, Fitzgerald, Maybeck, Clayton, Schulze, DeJoie, Irwin, Pilotte and F. Sullivan.

Bill Sponsors: Rep. Brady, Coos 2; Rep. Holden, Hills 48; Sen. Gallus, Dist 1

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

*Rep. Holden, sponsor. Supports bill. Bill is a simple one. Simply asks the governor to come up with a simple plan. Short presentation.
Ben Frost, representing Office of State Planning, 271-2155. Opposes bill. There are statutes now that deal with the same subject referring to economic development and growth. Also that they be given a change to produce a plan under current status. Have heard that the governor's office is opposed to this bill and will check on it.

Respectfully submitted,

Ray L. Langer

Rep. Ray Langer, Clerk

Testimony

back to Strategic Plan page

ONE VIRGINIA ONE FUTURE

Governor Warner's Economic Development Strategic Plan

Goal 1: Maintain and utilize Virginia's strong business climate to create new economic opportunities for all Virginians in an internationally competitive environment.

Virginia is justly recognized as a business-friendly state, but we must not rest on our reputation. We must continue to take those actions that will maintain our business-friendly atmosphere. Education, workforce development, and transportation are perhaps the three most critical areas for Virginia's future competitiveness and attractiveness to business. Although low taxes, an efficient court system, attractive incentives, and all the other tools of economic development are important, those attributes are worthless without a good K-12 and higher education system, a well-trained workforce, and a good transportation network. In general, education and transportation issues are beyond the scope of this report, but their economic significance cannot be overstated. Other issues that do not on their face appear to be specifically related to economic development play a significant role in creating a particular business climate in Virginia. For example, our system of local government and our current state and local tax structures discourage the regional cooperation that is increasingly important for the most effective economic development activities. Also, the fact that Virginia's Governor, as the Commonwealth's Chief Economic Development Officer, is limited to only one term impedes relationship-building and multi-year commitments to projects and programs important to corporate clients. Many of these issues are currently under review by other entities and the impact these issues have on Virginia's future economic success should be an important consideration in those deliberations.

- Provide incentives for and remove obstacles to intergovernmental revenue sharing for economic development, both within and among regions.
- Promote economic activities in areas where there is existing infrastructure, on a basis consistent with regional transportation, housing, and education needs.
- Expand traditional economic development measures to reflect the state's performance in small business, high-wage and high-growth industries and in per capita income growth.
- Continue to assess the effectiveness of state economic development programs and incentives, improving data keeping for accountability purposes. Conduct a systematic comprehensive review of economic development programs, methods, and incentives in highly competitive states.
- Propose an amendment to the Virginia Constitution to allow the Governor to seek election to a second term.
- Seek ways to improve competitive air transportation at existing commercial airports in smaller metro areas.
- Implement a new incentive program to attract corporate headquarters.
- Seek to establish Virginia as the location of choice for the financial services industry.
- Create and sustain a quality of life attractive to globally competitive businesses and workers.

- Recruit to Virginia business leaders and skilled entrepreneurs and others who will provide expertise and leadership in developing and growing businesses.
- Prioritize incentives by favoring new jobs that exceed the prevailing local average wage. Target incentives to achieve strategic goals.
- Continue and support planned developments such as Maersk and Craney Island at the Port of Hampton Roads that will enable the Port to remain on the leading edge of international port activity.
- Market the Port and inland port (intermodal transportation) more aggressively and raise its profile

Goal 2: Provide effective workforce training programs to create and maintain a competitive 21st century workforce in Virginia.

A well-prepared, skilled, available workforce is among the most critical factors in economic growth. Incentives, developed sites, and marketing will not induce a business to locate or expand if its basic workforce needs cannot be met. In order to meet business workforce needs, Virginia must respond to a range of ongoing changes. Skilled workers will continue to be needed in traditional industry sectors even as emerging sectors create new demands for continuous workforce training. The high level of dropout rates in some regions of the Commonwealth impacts the skill level, and business perceptions, of the workforce.

Although many of Virginia's workforce programs provide excellent services, our workforce development system as a whole lacks coordination and focus. Currently, twenty-two programs administered by ten agencies in three secretariats fund, provide, or administer workforce services in Virginia. In fiscal year 2001, $275 million in federal, state, and local funding was appropriated for these programs.

- Develop an integrated, seamless Virginia workforce services system that provides a single point of entry for employers and workers.
- Improve the performance of Workforce Investment Boards through creation of an operating template, and the preparation and implementation by each Workforce Investment Board of an annual demand-driven workforce plan.
- Align Workforce Investment Act implementation activities with local and regional economic development goals as enabled by increased flexibility in the administration of the Workforce Investment Act.
- Provide funds for incumbent worker training, particularly in industries with high layoff risks.
- Support and encourage vocational and technical education among parents, students, and guidance counselors, upgrading the programs' appeal and profile, and implement necessary adjustments to the Standards of Learning.
- Support the strategic plan of the Virginia Workforce Council.

Goal 3: Strengthen Virginia's traditional economic sectors and existing businesses.

Virginia's traditional economic sectors, many of which are natural resource-based, will continue to play a vital role in our economy. In some instances technological advances will transform how traditional businesses carry out their daily activities, resulting in a need for fewer workers. A greater emphasis on value-added production associated with our natural resource-based industries will help support and

expand opportunities in these sectors. In addition, a greater focus on encouraging innovation and entrepreneurship, particularly among women- and minority-owned businesses, will yield significant and far-reaching results based on current business demographics.

- Protect and support Virginia's military bases, including support for local BRAC related activities.
- Better utilize the available skilled labor pool created by transitioning military personnel.
- Promote development of homeland security and defense-related clusters around Virginia's military facilities.
- Encourage and facilitate federal contracting and the growth of federal contracting companies in Virginia, including for increased homeland security needs.
- Develop actions to double Virginia's agriculture and forestry receipts over the next ten years.
- Shift the focus of Virginia's agricultural production from commodities production to value-added agricultural products.
- To elevate the profile of the agriculture and forestry industries in Virginia, create a Secretariat of Agriculture and Forestry.
- For those of Virginia's traditional industries that are in a state of decline, evaluate the industries' long-term competitiveness for determining future investments. For communities heavily affected by these declining industries, begin planning now for community development, worker re-training and enhanced K-12 programs in vocational/technical education directed at new skills and growth industries.
- Fully implement Executive Order 35 to ensure meaningful procurement opportunities for small, minority and women-owned businesses.
- Change the name of the Department of Business Assistance to the Department of Small Business Assistance and re-focus the Department to serve as the central focus for the state's small business support programs, providing support, networking opportunities, government interface, assistance with procurement opportunities, marketing assistance, and incubator access.

Goal 4: Support technology businesses and other emerging and developing sectors of the economy, which are of critical importance to the Commonwealth's global competitiveness.

Emerging business sectors are often associated with technology businesses, but technological advances span all sectors of the economy. Virginia benefits from several advantages in attracting emerging and developing economic sectors. Our universities offer a natural linkage to research and development. Our proximity to Washington, D.C. attracts businesses associated with federal policy directions and contracting. Virginians exiting the military also provide an excellent trained workforce. Virginia's continued ability to attract technology and emerging businesses rests in part with providing the infrastructure and environment necessary to support these businesses.

- Make Virginia the U.S. state with the highest percentage of home hook-ups to affordable broadband.
- Perform a statewide audit of local broadband capacity.
- Convene a Governor-led meeting of broadband providers to develop strategies to improve broadband capacity.
- Coordinate available state and federal resources to encourage development of broadband capacity

throughout Virginia, including use of incentives to providers as necessary.

- Provide strategically located niche incubators that match a region's assets and goals with the type of industry to be cultivated, and provide significant support services appropriate to the tenants.
- Implement the recommendations of the Governor's Biotechnology Initiative as and when funds become available to do so.
- Better coordinate university research efforts with economic development activities by developing clearer and more entrepreneurial, business-friendly university IP (intellectual property) policies, and implementing appropriate faculty and graduate student commercialization policies. Provide technical assistance to smaller firms in navigating the process to register, value, and protect their intellectual property.
- Seek to increase the flow of federal research and development dollars to Virginia universities and companies, as contemplated by the Virginia Research and Technology Advisory Commission and the Center for Innovative Technology strategic plans.
- Where prudent, utilize state financial resources to encourage venture capital investments in Virginia companies.
- Make Virginia a more attractive and competitive location for biotechnology, information technology and telecommunications companies.

Goal 5: Concentrate economic development efforts on the areas of greatest need to help reduce economic disparity and increase the prosperity of all Virginians.

Different regions of Virginia have prospered or declined at different rates. The reasons for these differences are long-standing, complex, and varied. Some regions of the state do not have the level of transportation access desired by many industries. Many rural areas have limited access to high-speed, affordable telecommunications systems with the redundancies demanded by high-tech businesses. Equitable distribution of state funding in education and other areas has been a source of controversy for many years, and an examination of many of those areas yields serious disparities in achievement. Some of the Commonwealth's greatest workforce potential lies unfulfilled in our distressed urban cores and rural areas. These conundrums will not be resolved quickly and simply, but require broad-based support and wide-reaching solutions.

- Create an enhanced capital access program available to companies in distressed areas.
- Implement a focused program to reduce by half, within ten years, the percentage of adults in identified distressed areas who do not have high school or equivalent diplomas.
- As needed, provide higher levels of discretionary incentives in distressed areas (urban cores as well as rural areas) to help reduce the competitive disadvantage that may exist and to close economic development deals. As an example, provide for an earlier payout on Virginia Investment Partnership grants in distressed areas.
- Make transportation improvements in rural areas, particularly seeking the completion of Coalfield Expressway and Route 58.
- Support development of more sites in urban cores for redevelopment and brownfields development in order to rehabilitate and reuse sites and buildings including for retail and mixed-use redevelopment, as appropriate.
- Encourage expansion in rural areas of telecommunications in general and affordable high-capacity broadband in particular.

- Within distressed areas, focus economic development efforts on locations in which there is the highest likelihood of success in order to most effectively use state resources.

Goal 6: Strengthen the market position of all of Virginia's regions as travel destinations for national and international visitors.

Virginia is home to historic and cultural icons that provide an exceptional base for tourism. In addition to these renowned destinations, the Commonwealth has a diverse range of travel destination resources. Virginia is within a day's drive of 50 percent of the nation's population and has enormous potential for attracting both business and leisure travelers. History, natural resources, and developed attractions offer something for everyone in Virginia. Transportation access is an important factor overall, and particularly in considering the potential of some of our most attractive eco-tourism opportunities. Providing the infrastructure and workforce needed to support a growing tourism industry will be important to Virginia's position as a travel destination.

- Ensure that there is professional tourism marketing leadership at the state level.
- Prioritize Virginia as a travel destination in statewide marketing efforts.
- Implement Executive Order 6 to market Virginia's meeting and convention facilities more aggressively.
- Improve facilities of, and develop alternative funding sources for, Virginia's Welcome Centers, and customize highway signage for attractions.
- Convene a statewide task force to focus on rural tourism development and new rural tourism product.
- Promote a joint effort among the Virginia Tourism Corporation, Virginia Marine Resources Commission, Department of Conservation and Recreation, Department of Game and Inland Fisheries and Department of Historic Resources to capitalize on Virginia's natural and historic resources for tourism purposes.
- Provide a dedicated toll-free number and website with twenty-four hour availability to serve the traveling public.

Goal 7: Encourage the growth of Virginia's economy through support of exports by Virginia companies and other forms of international trade.

While Virginia is well-positioned for exports, with excellent ports and strong highway connections, many businesses do not fully recognize the export opportunities that may be available to them. The Commonwealth produces a wide range of products and has the physical infrastructure needed to make them available worldwide. Small local businesses unfamiliar with accessing overseas markets may perceive exporting as complex and intimidating.

- Work with businesses to identify obstacles to export products and services and assign responsibility to specific state agencies to address these obstacles.
- Achieve higher levels of participation in international trade events and greater dollar value of Virginia exports through more grassroots marketing efforts and partnering between the state and small Virginia companies.
- Promote increased use of the Foreign Trade Zones.
- Provide greater levels of information resources for foreign customers and importers – multilingual websites and toll-free international numbers to link buyers and sellers.

- Increase collaboration between the forestry and agribusiness communities and state economic development agencies to identify new export opportunities and help businesses take advantage of them.

- Begin mutual support for import/export in targeted areas of the world, obtaining assistance for Virginia companies seeking to sell or operate abroad and providing the same assistance for companies from those areas in Virginia.

- Create a concerted Virginia international strategy focused on coordinating the international activities of the Virginia Economic Development Partnership, Virginia Port Authority and Virginia Department of Agriculture and Consumer Services, to share business opportunities, missions, representatives and offices, achieving higher productivity through cross-selling, for the primary purpose of increasing the rate of growth of Virginia's exports.

- Initiate a Governor's trade program, in which the Governor recognizes and presents certificates to all companies as they first enter the export market through the Virginia Economic Development Partnership.

- Take advantage of untapped Export-Import Bank state partnering funds, by having the Virginia Economic Development Partnership serve as the state conduit for working capital loan programs and market these programs to its current and potential clients.

Voting Sheets

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 526

BILL TITLE: **requiring the governor to provide the legislature with a biennial strategic economic development plan.**

DATE: March 17, 2003

LOB ROOM: 100 SH

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. DeJoie

Seconded by Rep. Goulet

Vote: 16-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 16-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Ray F. Langer, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: AB526 **Title:**

PH Date: 3/4/03 **Exec Session Date:** 3/17/03

Motion: ITL **Amendment #:**

MEMBER	YEAS	NAYS
O'Neil. Michael. Chairman	16	
Hamel. Albert W. V Chairman	1	
Langer. Ray F	2	
Goulet. Maurice E	3	
Zolla. William R	4	
Allan. Nelson S	5	
Dexter. Judson K	abs	
Hall. Charles Q	6	
Robertson. Carl G	7	
Bergin. Peter F	abs	
LaFlamme. Paul G	8	
Milligan. Robert H	9	
Field. William D	abs	
Fitzgerald. James M	10	
Maybeck. Margie	11	
Clayton. William K	abs	
Schulze. Joan H	12	
DeJoie. John	13	
Irwin. Anne-Marie	14	
Pilotte. Maurice L	15	
Sullivan. Francis B	abs	
	16 - 0	

TOTAL VOTE:
Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Executive Departments and Administration**

BILL NUMBER: **HB 526**

TITLE: requiring the governor to provide the legislature with a biennial strategic economic development plan.

DATE: March 19, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill would require the governor to provide an economic development plan to the legislature every two years. The office of state planning testified that HB 712 (2002) changed the reporting requirement for economic development plans from two to four years. Since the reporting period was recently changed, the committee determined that it was too soon to assess the effectiveness of these reports.

Vote 16-0.

Rep. John DeJoie
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Executive Departments and Administration

HB 526, requiring the governor to provide the legislature with a biennial strategic economic development plan. **INEXPEDIENT TO LEGISLATE**

Rep. John DeJoie for Executive Departments and Administration: This bill would require the governor to provide an economic development plan to the legislature every two years. The office of state planning testified that HB 712 (2002) changed the reporting requirement for economic development plans from two to four years. Since the reporting period was recently changed, the committee determined that it was too soon to assess the effectiveness of these reports. **Vote 16-0.**

HB 526

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