

**GOVERNMENTAL OPERATIONS**

Agency 103

**Department of Commerce**

**Recommendation Summary**

Dollars in Thousands

|   | Annual FTEs | General Fund State | Other Funds   | Total Funds   |
|---|-------------|--------------------|---------------|---------------|
| <b>2013-15 Expenditure Authority</b>                      | 274.0       | 126,940            | 392,861       | 519,801       |
| <b>Total Maintenance Level</b>                            | 269.0       | 127,993            | 345,244       | 473,237       |
| Difference  | (5.0)       | 1,053              | (47,617)      | (46,564)      |
| Percent Change from Current Biennium                      | (1.8)%      | 0.8%               | (12.1)%       | (9.0)%        |
| <b>Performance Changes</b>                                |             |                    |               |               |
| Eliminate Advanced Planning Grant                         | (.3)        | (2,500)            |               | (2,500)       |
| Reduce Communications and Outreach                        | (.6)        | (132)              |               | (132)         |
| Shift Local Government Fiscal Note Program                |             | (643)              | 643           |               |
| Eliminate Evergreen Jobs Program Coordination             | (.1)        | (26)               |               | (26)          |
| Shift Family Prosperity Account                           |             | (468)              | 468           |               |
| Eliminate State Drug Task Forces                          |             | (1,275)            |               | (1,275)       |
| Reduce Associate Development Organization Funding         |             | (296)              |               | (296)         |
| Shift Homeless Assistance Funding                         |             | (1,130)            | 1,130         |               |
| Shift Energy Office Funding                               |             | (972)              | 972           |               |
| Growth Management Act to Public Works Assistance Account  |             | (4,539)            | 4,539         |               |
| Program Administration Savings                            |             | (1,200)            |               | (1,200)       |
| Crisis Residential Centers, Hope Beds and, Street Youth # |             | 1,023              | 10,741        | 11,764        |
| Office of Youth Homelessness #                            | 1.0         | 1,300              | 2,000         | 3,300         |
| Cancer Research   |             | 10,000             |               | 10,000        |
| Reduce Public Works Administration                        |             |                    | (300)         | (300)         |
| Startup Washington  |             | 250                |               | 250           |
| Forest Products/Community Mitigation #                    |             | 20,000             |               | 20,000        |
| Addressing Family Homelessness                            |             | 4,000              |               | 4,000         |
| Sector Economic Development                               | 1.0         | 258                | 200           | 458           |
| Tribal Economic Development Specialist                    | 1.1         | 307                |               | 307           |
| Growth Management Plan Updates                            |             |                    | 1,898         | 1,898         |
| CTS Rate Adjustment                                       |             | (10)               | (14)          | (24)          |
| Legal Services  |             | 2                  | 2             | 4             |
| Office of Chief Information Officer                       |             | 1                  | 1             | 2             |
| CTS Central Services                                      |             | 20                 | 34            | 54            |
| DES Central Services                                      |             | 24                 | 45            | 69            |
| Core Financial Systems Replacement                        |             | 6                  | 9             | 15            |
| Fleet Program Rate Reduction                              |             | (2)                | (2)           | (4)           |
| Time, Leave and Attendance System                         |             | 14                 | 7             | 21            |
| State Public Employee Benefits Rate                       |             | 121                | 61            | 182           |
| WFSE General Government Master Agreement                  |             | 246                | 733           | 979           |
| Nonrepresented Job Class Specific Increases               |             | 32                 | 10            | 42            |
| General Wage Increase for State Employees                 |             | 684                | 304           | 988           |
| <b>Subtotal</b>   | <b>2.1</b>  | <b>25,095</b>      | <b>23,481</b> | <b>48,576</b> |

## GOVERNMENTAL OPERATIONS

|  | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|-------------|--------------------|-------------|-------------|
| <b>Total Proposed Budget</b>   | 271.1       | 153,088            | 368,725     | 521,813     |
| Difference   | (2.9)       | 26,148             | (24,136)    | 2,012       |
| Percent Change from Current Biennium                                 | (1.1)%      | 20.6%              | (6.1)%      | 0.4%        |
| <b>Total Proposed Budget by Activity</b>                             |             |                    |             |             |
| Streamline Housing and Community Development                         | .7          | 7,663              | (1,579)     | 6,084       |
| Economic Development - Business Loans                                | 1.9         | 91                 | 1,387       | 1,478       |
| Community Services Block Grant                                       | 10.7        | 3,142              | 9,969       | 13,111      |
| Developmental Disabilities Council and Endowment                     | 8.7         |                    | 3,503       | 3,503       |
| Services to Crime Victims  | 10.4        | 17,694             | 20,708      | 38,402      |
| Strengthening Criminal Justice Response to Victims of Crime          | 7.0         | 4,524              | 8,928       | 13,452      |
| Long-Term Care Ombudsman Program                                     |             | 1,922              |             | 1,922       |
| Low-Income Home Energy Assistance Program                            | 5.1         |                    | 72,918      | 72,918      |
| Train and Maintain Volunteers Supporting Community Capacity          | 6.8         | 1,600              | 8,651       | 10,251      |
| Agency Administration  | 58.4        | 5,233              | 9,141       | 14,374      |
| Community Economic Revitalization Board and Program                  | 2.3         | (452)              | 596         | 144         |
| State Energy Policy  | 6.7         | (222)              | 7,019       | 6,797       |
| Broadband Capacity Building  | 2.5         |                    | (171)       | (171)       |
| Lead-Based Paint Hazard Mitigation                                   | 3.4         |                    | 3,926       | 3,926       |
| Improve and Preserve the Affordability of Housing                    | 20.4        |                    | 43,837      | 43,837      |
| Mobile Home Relocation Assistance                                    | 1.1         |                    | 737         | 737         |
| Bond Cap Allocation Program for Tax Exempt Financing Authorization   | 1.0         |                    | 209         | 209         |
| Community Development Block Grant (CDBG)                             | 8.9         | 512                | 49,414      | 49,926      |
| Drinking Water System Grants and Loans                               | 1.2         |                    | 508         | 508         |
| Growth Management  | 13.0        | 192                | 6,490       | 6,682       |
| Local Government Fiscal Notes  | 2.8         | (146)              | 643         | 497         |
| Public Works Infrastructure Grants and Loans                         | 11.0        |                    | 2,774       | 2,774       |
| Farm Worker Housing  |             |                    | 846         | 846         |
| Homeless Housing and Assistance                                      | 24.1        | 65,534             | 56,939      | 122,473     |
| Affordable Housing Development                                       | 26.1        |                    | 40,955      | 40,955      |
| Business Development   | 17.7        | 40,712             | 2,822       | 43,534      |
| Asset Building for Working Families                                  |             | (1)                | 468         | 467         |
| Global Trade and Investment Services                                 | 9.2         | 3,493              | 823         | 4,316       |
| Criminal Justice Investments   | 3.2         | (11)               | 10,207      | 10,196      |
| New Americans  | .1          | 588                |             | 588         |
| American Recovery Act Funding  | .3          |                    | 256         | 256         |
| Municipal Research and Services Center (MRSC)                        | 2.7         |                    | 5,329       | 5,329       |
| Public Facilities District Independent Financial Feasibility Reviews | .1          |                    | 76          | 76          |
| Sector Leads   | 4.2         | 1,020              | 396         | 1,416       |
| <b>Total Proposed Budget</b>   | 271.1       | 153,088            | 368,725     | 521,813     |

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS**

**Eliminate Advanced Planning Grant**

Grants to counties and cities for the costs of preparing an environmental analysis that advances permitting activities around manufacturing sites for aerospace and other key economic growth centers is eliminated.

**Reduce Communications and Outreach**

Funding is reduced for department communications and outreach activities for special events and trade missions.

**Shift Local Government Fiscal Note Program**

Funding for the Local Government Fiscal Note program is shifted from General Fund-State to the Liquor Excise Tax Account-State. (General Fund-State, Liquor Excise Tax Account-State)

**Eliminate Evergreen Jobs Program Coordination**

Funding for the department's coordination and grant-writing activities with the Evergreen Jobs Initiative is eliminated. The agency's participation in the Evergreen Jobs Leadership Team is not affected.

**Shift Family Prosperity Account**

Funding for the Family Prosperity Account is shifted from General Fund-State to the Financial Services Regulation Account. (General Fund-State, Financial Services Regulation Account-State)

**Eliminate State Drug Task Forces**

The Department of Commerce provides grants to local law enforcement for multi-jurisdictional state drug task forces. Funding for these task forces is eliminated.

**Reduce Associate Development Organization Funding**

Funding for associate development organizations is reduced by five percent.

**Shift Homeless Assistance Funding**

All General Fund-State grants to prevent homelessness and secure permanent housing for households that are homeless or at imminent risk of becoming homeless is shifted to the Affordable Housing for All Account. (General Fund-State, Affordable Housing for All Account-State)

**Shift Energy Office Funding**

Funding for the State Energy Policy Office is shifted from General Fund-State to the Energy Freedom Account. (General Fund-State, Energy Freedom Account-State)

**Growth Management Act to Public Works Assistance Account**

Grants and technical assistance provided to local jurisdictions to update comprehensive growth management plans are shifted from General Fund-State to the Public Works Assistance Account. This includes funding for the Columbia River Gorge Scenic Area grants to Skamania and Clark counties, and for the Walla Walla Community College Water and Environmental Center. (General Fund-State, Public Works Assistance Account-State)

**Program Administration Savings**

Program administration is reduced for the department. Savings will be achieved through vacancies, staff reductions or direct charges to non-General Fund-State sources.

## **GOVERNMENTAL OPERATIONS**

### **Crisis Residential Centers, Hope Beds and, Street Youth #**

Contract funding for services provided to runaway youth who are not state dependents is transferred from the Department of Social and Health Services to the newly created Office of Youth Homelessness (OYH) within the Department of Commerce. Services include secure and semi-secure residential facilities and outreach to youth living on the streets. (General Fund-State, Home Security Fund Account-State)

### **Office of Youth Homelessness #**

The Office of Youth Homelessness (OYH) is created to prevent and end homelessness and to end the commercial sexual exploitation of youth. Funding is provided for operations and to provide staff training on identifying and engaging youth who have been victims of exploitation. Amounts provided from the Housing Trust Fund Account will be used for the Washington Youth and Families Fund that provides innovative housing models and research that assists the state's rapid rehousing initiatives. (General Fund-State, Washington Housing Trust Account-State)

### **Cancer Research**

The department will provide grant funding to a National Cancer Institute-designated comprehensive cancer center that focuses on the prevention, diagnosis, and treatment of cancer and related diseases.

### **Reduce Public Works Administration**

The Public Works Board will reduce its administrative costs to reflect 4 percent of the new 2015-17 capital appropriation for the Public Works Assistance Account. (Public Works Account-State)

### **Startup Washington**

Funding is provided to establish the Startup Washington 365 program. This program will provide and manage grants, with local match, for up to two pilot Centers for Entrepreneurial Success; provide businesses and entrepreneurs with technical assistance; create a virtual networking and resource platform that is focused on entrepreneurship, startups and best practices; and expand Global Entrepreneurship Week events statewide.

### **Forest Products/Community Mitigation #**

A portion of revenue from the Carbon Pollution Accountability Act will be used to provide financial assistance to create or expand new market opportunities for Washington forest products, to mitigate the impacts of on transporters of wood and food products, and to assist rural communities with economic impacts of the Act.

### **Addressing Family Homelessness**

The Ending Family Homelessness Initiative uses a rapid rehousing model to enable families to move into stable permanent housing through temporary rent assistance. Funding is provided to expand this program.

### **Sector Economic Development**

Sector leads coordinate public and state resources for a specific industry to establish a strategic approach to national and international business development. Funding is provided to expand the program.

### **Tribal Economic Development Specialist**

Funding is provided for dedicated technical assistance and a policy position to support tribal economic development and to coordinate a tribal-state economic development committee.

**Growth Management Plan Updates**

One-time funding is provided for technical assistance staff to support local government updates and implementation of comprehensive plans including infrastructure planning and finance, management of geographically hazardous areas, and implementation of the Puget Sound Action Agenda. (Public Works Assistance Account-State)

**CTS Rate Adjustment**

Agency budgets are adjusted to reflect changes in Consolidated Technology Services (CTS) rates. Specific changes include a reduction in metered storage rates and elimination of tailored storage rates, elimination of redundant firewalls, reduction in long distance telephone rates, a general rate reduction to reflect administrative efficiencies within CTS, and enhancements to the identity management service.

**Legal Services**

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a reduction in legal service charges. The Attorney General's Office (AGO) will work with client agencies to implement stricter policies and best practices regarding utilization of its services to achieve lower legal bills.

**Office of Chief Information Officer**

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

**CTS Central Services**

Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs and a new allocated charge for state data network costs.

**DES Central Services**

Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

**Core Financial Systems Replacement**

Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

**Fleet Program Rate Reduction**

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

**Time, Leave and Attendance System**

Agency budgets are adjusted to align with anticipated billings for the Time, Leave and Attendance system, including debt service and project completion costs.

## **GOVERNMENTAL OPERATIONS**

### **State Public Employee Benefits Rate**

Health insurance funding is provided for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. The insurance funding rate is \$913 per employee per month for Fiscal Year 2016 and \$947 per employee per month for Fiscal Year 2017. (General Fund-State, various other accounts)

### **WFSE General Government Master Agreement**

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (General Fund-State, various other accounts)

### **Nonrepresented Job Class Specific Increases**

Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund-State, various other accounts)

### **General Wage Increase for State Employees**

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn \$2,500 a month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a \$20 per month increase for employees who earn less than \$2,500 per month, effective July 1, 2016. This item includes both higher education and general government workers. (General Fund-State, various other accounts)

## **ACTIVITY DESCRIPTIONS**

### **Streamline Housing and Community Development**

This activity includes new initiatives, short-term efforts and other services designed to enhance the cooperation of programs and improve the effectiveness of community housing and community development programs.

### **Economic Development - Business Loans**

This activity allows the state to provide direct financing to private businesses without violating the constitutional prohibition of lending the state's credit. Federally funded programs in this activity (Rural Washington Loan Fund, Brownfields Loan Fund, Coastal Loan Fund) assist businesses in rural communities each year with loans of up to \$1 million. The loans leverage substantial local resources from governments, banks, and the businesses receiving the loans. As a result of these investments, businesses are retained, able to expand, and/or move to Washington State. This activity also provides loans from the state-funded Manufacturing Innovation and Modernization and Hanford Economic Investment programs.

### **Community Services Block Grant**

The Community Services Block Grant (CSBG) is authorized by the federal Omnibus Reconciliation Act of 1981 (PL 97 35, as amended) for the benefit of people with incomes at or below 125 percent of the poverty line. CSBG allows communities to develop and provide anti poverty services and community development activities that best meet their local needs. Funds can be used for direct services such as employment readiness and training, emergency services, and housing, to raise other funds, and to support certain capital investments. Commerce contracts with 30 community action agencies to fund social and economic challenges and provide ongoing training and technical assistance, board training and development, strategic planning, and problem solving with community action agency staff.

### **Developmental Disabilities Council and Endowment**

The Washington State Developmental Disabilities Council is mandated by federal law, public law 106-402. The purpose of the Council is to plan, advocate for, and develop comprehensive services/supports for individuals with developmental disabilities so that they can live independent productive and integrated lives in local communities throughout the state. The Council is funded with federal funds provided through P.L. 106-402. The Developmental Disabilities Endowment Trust Fund is established in RCW 43.330.210. The purpose of the Governing Board is to design and establish all policies to administer the Developmental Disabilities Endowment Trust Fund program. The Governing Board and the operation of the Developmental Disabilities Endowment Trust Fund are funded by fees generated by the program.

### **Services to Crime Victims**

The Office of Crime Victims Advocacy (OCVA) ensures that every county in Washington can provide services to help victims recover and return to normal life. Victim services include information and referral, crisis intervention, legal advocacy, medical advocacy, general advocacy and support, support groups, and therapy. OCVA provides funding to Community Sexual Assault programs and other community agencies so victims can access local services and resources during their recovery.

### **Strengthening Criminal Justice Response to Victims of Crime**

Victims look to the criminal justice system to provide offender accountability and a sense of justice. The criminal justice system depends on the cooperation of crime victims for reporting, investigation, and sometimes prosecution and corrections. This interdependence has been recognized by both state and federal legislation and funding, resulting in specific programs within the Office of Crime Victims Advocacy. These programs improve coordination and response to victims as they interact with law enforcement, prosecution, courts, and crime victim services. This activity also funds services that support victim safety and support victim participation in the criminal justice system.

### **Long-Term Care Ombudsman Program**

States are required by the federal Older Americans Act to have a Long-term Care Ombudsman Program. Commerce administers our state's program under Chapter 43.190 RCW using multiple funding sources, including an interagency agreement with the Department of Social and Health Services (DSHS) for Older Americans Act (Titles III B and VII) funds, State General Fund, and some local dollars. The Long-term Care Ombudsman Program ensures the safety and quality of care of long-term care facility residents by intervening when complaints and situations of possible abuse, neglect, or exploitation arise. Over 500 volunteer ombudsmen are trained, certified, and assigned to nursing homes, boarding homes, and adult family homes. Commerce contracts with a nonprofit organization to run the program, which subcontracts with 13 regional programs and two legal services contractors. Commerce's staff negotiates funding with DSHS, develops the statewide Long-term Care Ombudsman contract, monitors expenditures and performance, provides technical assistance, and approves plans and policies.

## **GOVERNMENTAL OPERATIONS**

### **Low-Income Home Energy Assistance Program**

The Low-Income Home Energy Assistance Program (LIHEAP) is a federal block grant program authorized by the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of PL 97 35, as amended). LIHEAP helps households with incomes below 125 percent of the federal poverty level meet the cost of home heating, avoid utility shut off, and reduce the use of unsafe heating alternatives. Commerce contracts with 26 community based organizations and local governments to provide funds directly to utility companies on behalf of eligible households. Contractors also provide energy education, furnace repair or replacement, and referrals for other services. Commerce is required to create a LIHEAP State Plan with participation from nonprofit organizations, low-income representatives, utility companies, and other community members. The agency administers contracts, monitors compliance, reimburses expenditures, provides technical assistance, establishes policies and procedures, operates a secure website for on line data entry and reporting, and evaluates contractor performance.

### **Train and Maintain Volunteers Supporting Community Capacity**

This activity supports organizations that recruit, train, and maintain volunteers, mediators, and counselors who provide free or low cost services to low-income communities, children, and homeowners. Volunteers, mediators, and counselors allow organizations to expand their capacity to reach more vulnerable citizens and improve individual and community well-being. The Washington State Foreclosure Fairness Act Mediation Program provides homeowner foreclosure mediation. Retired judges, employees and volunteers of dispute resolution centers, attorneys and experienced mediators approved through the Foreclosure Mediation Program mediate in-person discussions between homeowners and representatives of financial institutions to reach an agreeable resolution after a referral. Dispute resolution centers train volunteer mediators so that all citizens have access to low-cost alternatives to litigation regardless of the clients' ability to pay. Dispute resolution centers also provide training and education related to mediation, communication, conflict resolution, and negotiation. The Retired and Senior Volunteer Program (RSVP) uses the talents and experience of volunteers over age 55 to help with diverse community needs. Local RSVP coordinators recruit, screen, and work with city, county, and nonprofit programs throughout the state to place volunteers where needed. State funds count toward the 30 percent match required to receive federal RSVP support.

### **Agency Administration**

Agency Administration represents less than 2 percent of Commerce's total operating and capital budgets, and includes the services and costs which provide effective direction, management, and support of the agency. The Director's Office is responsible for the overall management and leadership of Commerce, including strategic policy development and research, communications, and government relations. Administrative Services provides information technology, human resources, facility management, purchasing/inventory, mail processing services, budgeting, accounting, contracting, and audit review services. Commerce's Agency Administration costs are supported by all programs and fund sources, through a combination of direct appropriation and indirect assessments. The agency negotiates an annual indirect cost rate with the cognizant federal agency.

### **Community Economic Revitalization Board and Program**

The Community Economic Revitalization Board (CERB) makes strategic investments in local public infrastructure to foster high-wage job growth. CERB awards must generate either significant job creation or significant private investment. CERB provides local governments and federally recognized Indian tribes with financial assistance, primarily in the form of low-interest loans to achieve this. The infrastructure may be either basic, such as water, sewer, and roads; or more specialized as in port facilities, energy, and telecommunications.

### **State Energy Policy**

The Energy Office (EO) provides energy policy support, analysis, and information for the Governor, Legislature, Commerce, and other energy decision makers (Chapters 43.21F and 19.29A RCW). The Energy Office analyzes key energy issues including natural gas, alternative fuels, energy efficiency, renewable energy development, greenhouse gas emissions, and energy supply and price. The Energy Office also provides technical and policy support to Washington members of the NW Power and Conservation Council, other state agencies, and state congressional officials on federal and regional energy policies and legislation. Working with an advisory committee, stakeholders, and the public, EO develops and implements the State Energy Strategy. It also produces energy use, electricity, and other reports, and represents the state's policy interests in regional and national organizations. The Energy Office ensures statewide energy security and preparedness by protecting the state's energy infrastructure (especially electricity, petroleum, and natural gas). During energy supply or other energy emergencies, it provides assistance to the state emergency operations center, Governor's office, energy companies, utilities, local governments, and others. As needed, it implements emergency actions set forth in RCW 43.21G. The Energy Office also administers grants from the U.S. Department of Energy and others.

### **Broadband Capacity Building**

Broadband capacity building supports Washington State's transition to a digitally-based economy. The program does this by collecting data and initiating activities that identify opportunities and issues in the broadband arena; monitoring, tracking and encouraging statewide broadband deployment; and supporting the creation of programs that effectively promote access and adoption of broadband services around the state. The program delivers services through a mix of contracts and direct engagement. Per statute, the program contracts with a private company (Sanborn) to provide data collection and mapping services. Reporting (annually to the legislature) and community outreach services are provided by program office staff. In FY13 the program staff will begin sub-grants or procurements to support 2 new activities: local/regional technology planning and an applications contest.

### **Lead-Based Paint Hazard Mitigation**

The Lead-Based Paint Program provides services to ensure work performed in homes and buildings with young children will be done in a safe and healthy manner. The program is responsible for processing certification and accreditation applications, tracking licensees, reviewing training and program effectiveness, providing technical assistance, investigating potential violators, enforcing rules, conducting outreach, maintaining the lead-safe housing registry for low-income housing, and reporting to federal, state, and interested parties.

### **Improve and Preserve the Affordability of Housing**

These programs improve and preserve affordability of housing through energy conservation investments (such as insulating attics, walls, and floors; air sealing the home diagnostically; modifying or replacing inefficient furnaces), conservation-related health and safety actions (including indoor air quality, mold and lead paint hazard remediation), and other cost-effective necessary conservation-related repairs and retrofits (such as roof repair or replacement, plumbing and electrical fixes, ramp replacement). Program resources include U. S. Department of Energy, U. S. Department of Health and Human Services Low Income Housing Energy Assistance Program, Bonneville Power Administration, and state capital funds. Private and other non-state resources are leveraged through utility companies, rental housing owners, federal and state resources, and private grants. Commerce provides technical assistance to local, public, and private nonprofit agencies that deliver these services and coordinates program and technical training to maintain a qualified workforce.

### **Mobile Home Relocation Assistance**

The Mobile Home Relocation Assistance Program provides the only financial assistance available to low-income homeowners forced to move their homes as a result of mobile home park closures. Reimbursement of actual, documented eligible expenses, up to the published maximums, is paid directly to qualified homeowners.

## **GOVERNMENTAL OPERATIONS**

### **Bond Cap Allocation Program for Tax Exempt Financing Authorization**

The Bond Cap Allocation Program provides authorization for tax-exempt financing through private activity bond sales for environmental protection, low-to middle-income housing, student loans, industrial development, job creation, and infrastructure facilities. The bond cap is the maximum level of tax-exempt Private Activity Bonds that can be issued in the state in a given year. Under federal tax law, the 2011 cap for Washington State was equal to \$90 per capita (based on resident population) to create a maximum amount of \$638,831,300. This ceiling is adjusted annually in response to changes in the state's population and the IRS' cost-of-living index. The Bond Users Clearinghouse program is mandated by RCW 39.44.210 to report on the municipal debt issued by jurisdictions throughout the state. The program produces the "Public Debt Update" twice a year.

### **Community Development Block Grant (CDBG)**

The CDBG program invests federal resources in communities through grants for planning, construction, facility upgrades and services in the areas of housing, general infrastructure, community facilities, and economic development that benefit low- and moderate- income households. The state CDBG program serves counties with populations under 200,000 and cities with populations under 50,000. The rest of the state receives direct funding from the Department of Housing and Urban Development

### **Drinking Water System Grants and Loans**

The Public Works Board, in collaboration with the Department of Health, invests in public and private water systems to meet standards established by the Federal Safe Drinking Water Act. The Drinking Water State Revolving Fund program provides low-interest loans and grants for capital improvements to water systems. This activity also includes technical assistance to water systems that do not have the managerial or financial capacity to adequately plan for or maintain the system. This assistance is provided through the Public Works Technical Assistance team and the Small Communities Initiative Program (SCI). SCI provides intense technical assistance to water and waste water systems that are under state order to upgrade their systems to comply with Department of Health or Ecology standards. Chapter 79.119A RCW pertains to the state drinking water program.

### **Growth Management**

Growth Management Services (GMS) provides technical and financial assistance on growth management issues, as required by RCW 36.70A.190, so that 320 Washington cities and counties can effectively plan for future growth and economic development. It offers grants, data, training, technical publications, direct consultation, and guidance to help local governments plan under the Growth Management Act (GMA) and other planning statutes. GMS assistance helps reduce litigation over GMA compliance issues, avoiding costs to state and local governments. Staff also extensively supports other state priorities that depend on local land use planning, such as economic development strategies, infrastructure funding, affordable housing, the Puget Sound Action Agenda, and energy planning.

### **Local Government Fiscal Notes**

The Local Government Fiscal Note Program produces objective analysis of the financial impacts of proposed state legislation on counties, cities, and all special purpose districts except for schools and courts. This program produces the largest number of fiscal notes of any state agency, 14 percent of total notes during the last decade. Local government fiscal notes cover a broad range of issues, such as taxes, criminal justice, natural resources, economic development, social services, energy, land use, and government operations. This program has been in operation for 32 years and is mandated by statute (Chapter 42.132 RCW).

### **Public Works Infrastructure Grants and Loans**

The Public Works Trust Fund provides loans for the repair, replacement, rehabilitation, and expansion of local infrastructure systems to ensure public health and safety, preserve the environment, promote economic sustainability, and ensure proper system performance. In-depth technical assistance on funding acquisition, system management, and financial sustainability are provided by the Public Works Board staff (RCW 43 155.020).

### **Farm Worker Housing**

This activity supports the development and preservation of affordable housing for low-income farm workers. Grants and loans are made available to nonprofit housing providers, public housing authorities and local governments using capital and operating resources from the Housing Trust Fund. Activities include capital investments in permanent (year-round) housing, capital and operating investments in seasonally-occupied housing, and emergency assistance for homeless migrant workers. Agricultural employers receive technical assistance to help them develop seasonal housing for migrant workers.

### **Homeless Housing and Assistance**

This activity reduces homelessness and related social and economic costs, and helps people achieve their maximum level of employment and self-sufficiency. Homeless housing and assistance are provided through a range of services including short-term rent assistance to prevent evictions, emergency shelter, short-term rent assistance to move homeless and special needs people into stable housing, longer term transitional housing (up to two years), and permanent supportive housing. Local nonprofit organizations carry out this activity with funds that Commerce distributes through formula and competitive grants. Program resources include the state's Consolidated Homeless Grant, Housing and Essential Needs Grant, Washington Families Fund, and Independent Youth Housing Program. Federal resources include the Tenant Based Rental Assistance Program, Emergency Solutions Grant and the Continuum of Care Program. Operating assistance for housing projects is available from the state Housing Assistance Program for the Mentally Ill and federal Housing Opportunities for Persons with AIDS.

### **Affordable Housing Development**

Low-income and special needs households benefit from housing that is developed or preserved through this activity. Capital resources from the Housing Trust Fund and the federal HOME program provide grants and loans to eligible organizations to construct, acquire, and rehabilitate affordable housing. Grants are also available for down payment assistance programs. Funds are awarded on a competitive basis and successful projects must be maintained as affordable housing for persons at or below 80 percent of area median income for a period of 40 years. Operating and maintenance (O&M) subsidies are also available to projects that serve households at or below 30 percent of area median income. Funds for O&M grants are generated through a surcharge on document recording fees.

### **Business Development**

As the state's primary economic development agency, the Department of Commerce coordinates local economic development projects with state, federal, and private sector resources, proactively identifying and facilitating business recruitment, expansion, and retention opportunities to increase or preserve business investment. The department manages grants awarded to Associate Development Organizations (ADOs) and other economic development focused organizations and ensures grants meet legislative intent; funds, convenes, and facilitates the commercialization of technologies through Innovation Partnership Zones; develops and maintains a business website to promote Washington State as a place to do business; provides a branded platform for the state in communications, marketing, and online to consistently position Washington's innovative business environment; delivers support to ADO network through providing marketing tools, economic data, and access to capital; creates opportunities and forums for Washington companies to develop and promote their products and services; educates national site selectors on benefits of doing business in Washington; and provides marketing kits to third parties to promote Washington State.

### **Asset Building for Working Families**

Asset building means improving financial education, planning, and outcomes for working families. Commerce is working with and helping fund the Washington Asset Building Coalition and local coalitions to promote savings and smart borrowing and spending by low and moderate-income residents. One program element is Individual Development Accounts, authorized by RCW 43.31.450 485, which contracts with providers and uses account matching funds to help low-income residents save and make major asset purchases like a home, higher education, or a small business. Additionally, Commerce promotes the Earned Income Tax Credit (EITC) and use of volunteer tax preparation services to increase EITC filing.

## **GOVERNMENTAL OPERATIONS**

### **Global Trade and Investment Services**

Global Trade and Investment Services (GTIS) prepares companies to begin or expand exports, facilitates business introductions; identifies international business opportunities for Washington exporters, staffs high-level trade missions to identify key business opportunities for the state, actively pursues strategic foreign direct investment projects, and reports results against the statewide export initiative targets. Also, GTIS provides "new-to-export" training, assistance and support to Washington businesses to optimize their global supply chains, and a branded marketing platform for the state in print and online to consistently position Washington's innovative business environment globally.

### **Criminal Justice Investments**

This activity provides federal funds for local crime prevention, crime investigation, and the prosecution of crime. These programs increase communication and cooperation between governments, businesses, and community organizations in order to increase public safety. The Justice Assistance Grant Program funds multi jurisdictional drug/gang task forces, drug courts, youth violence prevention, crime victim advocacy, criminal records improvements, and tribal law enforcement coordination. The Financial Fraud and Identity Theft Program provides funds to King, Pierce, and Spokane counties for task forces, prosecutors, law enforcement, and other support to reduce financial fraud and identity crimes. The Financial Fraud and Identity Theft Program's funds are matched dollar-for-dollar by private sector sources.

### **New Americans**

The New Americans Program was created in 2008, consistent with the Governor's Executive Order 08 01 that affirmed the value new Americans bring to the workforce and state economy. The program provides naturalization assistance for the many legal permanent residents who come to Washington to work in high demand occupations in science and technology. This program funds U.S. citizenship preparation so the State of Washington can retain high demand workers. The program requires that participants are not receiving public assistance and meet all other U.S. citizenship requirements. This contract requires a 25 percent match of non-state funds.

### **American Recovery Act Funding**

Commerce administers federal programs funded under the American Recovery and Reinvestment Act. The purpose of these funds is to create and retain jobs, continue vital services at risk due to the economy's downgraded fiscal condition, and position the state's communities and workforce for economic recovery.

### **Municipal Research and Services Center (MRSC)**

The Municipal Research and Services Center of Washington (MRSC) is a private nonprofit agency that provides local government officials with research, information, and advice under a personal services contract with Commerce pursuant to RCW 43.110. MRSC responds to requests for information on municipal law, finance, growth management, public works, management, and operations from Washington's 281 cities and 39 counties. The MRSC's library holds the state's largest collection of municipal reference materials, with over 12,000 volumes. MRSC also publishes many research articles and operates a web site that receives over 3 million visits per year. These consolidated services reduce the need for local staff and are especially crucial to smaller units of local government. The MRSC is principally funded through a small portion of the cities' distributions of the state liquor profits and the counties' distribution of the liquor excise tax.

### **Public Facilities District Independent Financial Feasibility Reviews**

The Public Facilities District (PFD) Independent Financial Feasibility Review Program is required by RCWs 36.100.025 and 35.57.025, which provide that an independent review must take place before: a new public facilities district is formed; the issuance of new debt by a PFD; or the long-term lease, purchase, or development of a facility by a PFD. The reviews examine the potential costs to be incurred by the PFD and the adequacy of revenues or expected revenues to meet those costs, and are conducted by qualified private consulting firms, state agencies, or educational institutions under contract with Department of Commerce.

### **Sector Leads**

Sector leads serve as the link between government and key industries in Washington State. The Department of Commerce, Office of Economic Development and Competitiveness has sector leads in the advanced manufacturing, aerospace, clean technology, Information and Communications Technology (ICT), life science, maritime and military industries. They work with other Commerce staff and local partners to improve business recruitment, retention and expansion opportunities.