

# **WEST VIRGINIA LEGISLATURE**

**2018 REGULAR SESSION**

**Introduced**

## **Senate Bill 556**

BY SENATORS JEFFRIES, BEACH, AND PLYMALE

[Introduced February 15, 2018; Referred  
to the Committee on the Workforce; and then to the  
Committee on Economic Development]

1 A BILL to amend and reenact §31-15-3 of the Code of West Virginia, 1931, as amended, relating  
2 to the West Virginia Economic Development Authority; creating a small business and  
3 minority populations economic and workforce development taskforce to assist the Director  
4 of the Economic Development Authority in developing and implementing a procedure to  
5 address employment, labor force participation, and economic development problems of  
6 small business and low income and minority populations of West Virginia; and developing  
7 a pilot project that can be used as a model to promote the growth and development of  
8 small business to address employment labor force participation across West Virginia.

*Be it enacted by the Legislature of West Virginia:*

## **ARTICLE 15. WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY.**

### **§31-15-3. Purposes of article.**

1 (a) The purposes of this article ~~shall be~~ are to provide for the formation of a public  
2 economic development authority to promote, assist, encourage and, in conjunction with such  
3 banking corporations or institutions, trust companies, savings banks, building and loan  
4 associations, insurance companies or related corporations, partnerships, foundations, nonprofit  
5 organizations or other institutions, to develop and advance the business prosperity and economic  
6 welfare of the State of West Virginia; to encourage and assist in the location of new business and  
7 industry; to stimulate and assist in the expansion of all kinds of business activity which will tend  
8 to promote the business development and maintain the economic stability of this state, provide  
9 maximum opportunities for employment, encourage thrift and improve the standard of living of the  
10 citizens of this state; to cooperate and act in conjunction with other organizations, public or private,  
11 the objects of which are the promotion and advancement of industrial, commercial, tourist or  
12 manufacturing developments in this state; to borrow moneys and to issue its bonds, notes,  
13 commercial paper, other debt instruments and security interests as well as creating an insurance  
14 fund for credit enhancement purposes; to furnish money and credit or credit enhancement to  
15 approved industrial development agencies or enterprises in this state or for the promotion of new

16 projects or to retain existing projects or to financially assist projects by insuring bonds, notes,  
17 loans and other instruments, including, but not limited to, the insuring of financing of working  
18 capital or the refinancing of existing debt of an enterprise, thereby establishing a source of credit  
19 and credit enhancement not otherwise available; to review state procurement policies and  
20 practices to assure that they meet federal and state requirements and that they effectively  
21 encourage meaningful participation of African-Americans and other minority persons in the  
22 process of competing for and awarding of state contracts for goods and services; to encourage  
23 the state to continue to support and expand small business incubator programs, including the  
24 program at institutions of higher education in the state; to encourage new and minority small  
25 business development; to undertake initiatives to encourage minority business ownership similar  
26 to those efforts used to encourage greater rates of business ownership among women; to assist  
27 community and economic development corporations to provide effective technical and business  
28 advisory services to small and minority-owned and operated enterprises; to encourage industry,  
29 banks and other private businesses to hire African-Americans and other minority persons; to  
30 encourage governmental agencies and bodies and businesses to be more aggressive in  
31 establishing diversity-conscious practices as employers and for their operations; to enlist  
32 traditional and nontraditional lending institutions to be more creative and favorable to lending in  
33 minority communities and to minority persons, especially for business enterprises; to encourage  
34 small business start-up and expansion and provide funding to assist minority vendors to meet bid  
35 bonding requirements; and to encourage workforce investment boards to be accountable for  
36 educating poor and minority persons for jobs better than low-paying service jobs. These purposes  
37 are hereby declared to be public purposes for which public money may be spent and are purposes  
38 which will promote the health, safety, morals, right to gainful employment, business opportunities  
39 and general welfare of the inhabitants of the state.

40 (b)(1) It is hereby determined and declared, as a matter of legislative finding:

41 The West Virginia Forward Collaborative Report Strategy for Economic Development and

42 Job Growth compiled jointly by West Virginia University, Marshall University and the State of West  
43 Virginia, in Section 6.2, Innovation and Business Development contains the following:

44 “Many of the challenges to small business growth in West Virginia are due to the fact that  
45 small businesses are not fully aware of the resources at their disposal to grow to succeed. In  
46 addition, there is a lack of business support services across different topics, e.g. financial  
47 forecasting and literacy resources, affordable technical business operations such as accounting,  
48 commerce and web design, affordable vetted legal services in general business and intellectual  
49 property (IP). Access to resources would help companies plan ahead and adapt to changing  
50 business needs.”

51 (2) One of the key actions that the report suggests is that West Virginia consider  
52 addressing the challenges set forth in subdivision (1) of this subsection is to create a one stop  
53 that can map current resources and business needs, direct business to the right entities and  
54 identify vacant spaces in support resources.

55 (3) Furthermore, it is hereby determined and declared as a legislative finding that West  
56 Virginia has the lowest labor force participation rate in the nation and has had this dubious  
57 distinction since 1976. West Virginia low labor force participation rate is one of the factors that  
58 stymies economic development and growth.

59 (4) Furthermore; The West Virginia Forward Collaborative Report Strategy for Economic  
60 Development and Job Growth compiled jointly by West Virginia University, Marshall University  
61 and the State of West Virginia, in Section 8, Human Capital provides the following:

62 (A) West Virginia’s level of educational attainment, and particularly the volume of STEM  
63 graduates per year is lower than surrounding states.

64 (B) Labor force participation has been declining in West Virginia, and less than half of  
65 working age people are actively seeking employment in some counties of the state.

66 (5) That report identifies four likely drivers that explain the trends identified in subdivision  
67 (4) of this subsection:

68 (A) Among neighboring states, West Virginia has the highest percentage of its population  
69 with a disability (22 percent);

70 (B) West Virginia has the lowest percentage of women participating in the labor force (51  
71 percent) across the U.S. states;

72 (C) There is a mismatch between labor supply and demand according to employers;

73 (D) The opioid crisis has affected the ability of large portions of the population to participate  
74 in the job market; and

75 (E) Large waves of out-migration over the past three years have further contributed to a  
76 shrinking population and cohort pool.

77 (6) That report makes the following observations:

78 (A) Ongoing efforts exist to address those challenges across the state, specifically in  
79 relation to increasing workforce participation.

80 (B) There may be an opportunity to consolidate these efforts under one umbrella that  
81 channels resources into a human capital priority for the state in a more coordinated manner.

82 (C) A taskforce could bring together the education providers, major employers and existing  
83 institutions working within the human capital space across West Virginia to identify and launch an  
84 integrated effort that address existing challenges to the labor force.

85 (7) Furthermore; it is hereby determined and declared as a legislative finding that the 2014  
86 Federal Workforce Innovation and Opportunity Act and the companion the 2016 West Virginia  
87 State Workforce Innovation and Opportunity Act authorize the creation on the Legislative Joint  
88 Commission on Workforce Investment for Economic Development, the West Virginia Workforce  
89 Investment Board, the Workforce Interagency Collaborative Team, and that authorizing  
90 participation from private employers, government agencies and nonprofit organization provide the  
91 framework and structure for a comprehensive, seamless, integrated workforce investment and  
92 development system to support small business growth and development, increase labor force  
93 participation and address employment challenges of low income and minority populations.

94 (c) In order to more effectively address the purposes of this article, there is hereby created  
95 and established the Small Business and Minority Populations Economic and Workforce Taskforce  
96 to assist the Director of the Economic Development Authority to develop and implement a  
97 procedure to address employment, labor force participation and economic development problems  
98 of small businesses, disadvantaged and minority populations of West Virginia and to increase  
99 small business growth and development and to improve labor force participation as recommended  
100 in the West Virginia Forward Collaborative Report. The Small Business and Minority Populations  
101 Economic and Workforce Development Taskforce consists of the following:

102 (1) The Executive Director of the West Virginia Economic Development Authority, or his  
103 or her designee;

104 (2) The Executive Director of the West Virginia Development Office, or his or her designee;

105 (3) The Executive Director of the West Virginia Small Business Development Office, or his  
106 or her designee;

107 (4) The Executive Director of the West Virginia Housing Development Fund, or his or her  
108 designee;

109 (5) The Executive Director of the West Virginia Governor's Workforce Investment Division,  
110 or his or her designee;

111 (6) The Executive Director of the West Virginia Governor's Office of Economic  
112 Opportunity, or his or her designee;

113 (7) The Director of the West Virginia University Center for Business and Economic  
114 Research, or his or her designee;

115 (8) The Director of the West Virginia University Brickstreet Center for Innovation and  
116 Entrepreneurship, or his or her designee;

117 (9) The Vice President of the Marshall University Research Development Corporation or  
118 his or her designee;

119 (10) The CEO of the West Chairman of Commerce, or his or her designee;

- 120 (11) The President of a local Community and Technical College, or his or her designee;
- 121 (12) The Chairman of the Inter-Agency Collaborative Team (ICT);
- 122 (13) The Chairman of the Legislative Joint Committee on Workforce Investment for  
123 Economic Development (Commission);
- 124 (14) The Executive Director of the local Workforce Investment Board, or his or her  
125 designee;
- 126 (15) The Executive Director of the local city office of economic and community  
127 development, or his or her designee;
- 128 (16) The Executive Director of a local urban renewal authority, or his or her designee;
- 129 (17) The CEO of the local chamber of commerce, or his or her designee;
- 130 (18) The Executive Director of a local nonprofit community development corporation, or  
131 designee;
- 132 (19) A minority business owner;
- 133 (20) Director of the Herb Henderson Minority Affairs;
- 134 (21) The Chairperson of the State Workforce Investment Board;
- 135 (22) Two business representatives from the Governor's State Workforce Investment  
136 Board;
- 137 (23) The Executive Director of the West Virginia HUB, or his or her designee;
- 138 (24) The Executive Director of the Healthy Kids, Healthy Families Coalition, or his or her  
139 designee;
- 140 (25) The Executive Director of the Center on Budget and Policy, or his or her designee;
- 141 (26) The Executive Director of West Virginia Women Works;
- 142 (27) The President of the West Virginia State NAACP Conference of Branches, or his or  
143 her designee; and
- 144 (28) The Executive Director of HOPE Community Development Corporation.
- 145 (d) The Small Business and Minority Populations Economic and Workforce Development

146 Taskforce shall:

147 (1) Provide technical assistance, consultation and support that may be requested by the  
148 Executive Director of the West Virginia Economic Development Authority;

149 (2) Provide consultation, technical assistance and support to local communities in the  
150 development of their small business and minority economic and workforce development plans;

151 (3) Provide technical assistance, consultation and support to local communities in the  
152 execution of their plans;

153 (4) Provide support to local communities in identifying resources to support their plans;

154 (5) Work with state executives to ensure that existing legislation that targets vulnerable  
155 communities are effectively executed;

156 (6) Create a one stop that maps current resources and business needs, direct businesses  
157 to the right entities and identify vacant space in support resources;

158 (7) Serve as the taskforce to bring together education providers, major employees, and  
159 existing institutions working within the human capital space across West Virginia to identify and  
160 launch an integrated effort that addresses existing challenges to the labor force that will increase  
161 labor force participation; and

162 (8) Develop a model project that can be used as a model to promote small business growth  
163 and development to address employment, labor force participation, and economic development  
164 challenges of low income and minority population across West Virginia.

165 (e) Members of the Small and Minority Economic Workforce Development Taskforce are  
166 not entitled to compensation for service on the advisory team, but may be reimbursed by the West  
167 Virginia Economic Development Authority for all reasonable and necessary expenses actually  
168 incurred in the performance of their duties in a manner consistent with guidelines of the travel  
169 management office of the Department of Administration or its successor.

170 (f) The Small and Minority Economic Workforce Development Taskforce shall be divided  
171 into three work groups:



- 172           (1) Small Business and Minority Business Work Group;  
173           (2) Workforce Development System Improvement Work Group; and  
174           (3) Labor Force Participation Improvement Work Group.  
175           (g) The Small and Minority Economic Workforce Development Taskforce effectiveness will  
176 be measured by the following metrics:  
177           (1) The number of small businesses that expand;  
178           (2) The reduction in small business failures;  
179           (3) The number of new small business and minority business start-ups;  
180           (4) The overall increase in labor force participation; and  
181           (5) The increase in labor force participation among youth, African Americans and women.  
182           (h) The Minority Economic Development Taskforce shall meet at least once each quarter  
183 of the year and conduct all meetings in accordance with the open governmental meetings  
184 proceedings act pursuant to §6-9A-1 et seq. of this code.

NOTE: The purpose of this bill is to create a Small Business and Minority Populations Economic and Workforce Development Taskforce to assist the Director of the Economic Development Authority in developing and implementing a procedure to address employment and economic development problems of small business, low income and minority populations of West Virginia.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.