

**SHB 1783** - S AMD TO WM COMM AMD (S-2951.1) **407**

By Senator Hasegawa

PULLED 04/11/2023

1 On page 2, after line 3, insert the following:

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3 " **Sec. 3.** RCW 43.330.082 and 2014 c 112 s 112 are each amended to read  
4 as follows:

5 (1)(a) Contracting associate development organizations must provide  
6 the department with measures of their performance and a summary of  
7 best practices shared and implemented by the contracting  
8 organizations. Annual reports must include the following information  
9 to show the contracting organization's impact on employment and  
10 overall changes in employment:

11 (i) Current employment and economic information for the community or  
12 regional area produced by the employment security department; ((the))

13 (ii) The net change from the previous year's employment and economic  
14 information using data produced by the employment security department;  
15 ((other))

16 (iii) Other relevant information on the community or regional area;  
17 ((the))

18 (iv) The amount of funds received by the contracting organization  
19 through its contract with the department; ((the))

20 (v) The amount of funds received by the contracting organization  
21 through all sources; ((and the))

22 (vi) The contracting organization's impact on employment through all  
23 funding sources; and

24 (vii) The amount and use of funds received as grants by the  
25 contracting organization from the department.

26 Annual reports may include the impact of the contracting organization  
27 on wages, exports, tax revenue, small business creation, foreign

1 direct investment, business relocations, expansions, terminations, and  
2 capital investment. Data must be input into a common web-based  
3 business information system managed by the department. Specific  
4 measures, data standards, and data definitions must be developed in  
5 the contracting process between the department and the contracting  
6 organization every two years. Except as provided in (b) of this  
7 subsection, performance measures should be consistent across regions  
8 to allow for statewide evaluation.

9 (b) In addition to the measures required in (a) of this subsection,  
10 contracting associate development organizations in counties with a  
11 population greater than one million five hundred thousand persons must  
12 include the following measures in reports to the department:

13 (i) The number of small businesses that received retention and  
14 expansion services, and the outcome of those services;

15 (ii) The number of businesses located outside of the boundaries of the  
16 largest city within the contracting associate development  
17 organization's region that received recruitment, retention, and  
18 expansion services, and the outcome of those services.

19 (2)(a) The department and contracting associate development  
20 organizations must agree upon specific target levels for the  
21 performance measures in subsection (1) of this section. Comparison of  
22 agreed thresholds and actual performance must occur annually.

23 (b) Contracting organizations that fail to achieve the agreed  
24 performance targets in more than one-half of the agreed measures must  
25 develop remediation plans to address performance gaps. The remediation  
26 plans must include revised performance thresholds specifically chosen  
27 to provide evidence of progress in making the identified service  
28 changes.

29 (c) Contracts and state funding must be terminated for one year for  
30 organizations that fail to achieve the agreed upon progress toward  
31 improved performance defined under (b) of this subsection. During the  
32 year in which termination for nonperformance is in effect,  
33 organizations must review alternative delivery strategies to include  
34 reorganization of the contracting organization, merging of previous

1 efforts with existing regional partners, and other specific steps  
2 toward improved performance. At the end of the period of termination,  
3 the department may contract with the associate development  
4 organization or its successor as it deems appropriate.

5 (3) In addition to information required in subsection (1) of this  
6 section, contracting organizations must provide certain information on  
7 how their grants foster equity, deliver inclusive economic  
8 development, and address equity gaps in their communities. This  
9 information must at least identify the number of those served, and the  
10 amount of financial assistance from the contracting organization  
11 provided to businesses, that are certified by: The office of minority  
12 and women's business enterprises under chapter 39.19 RCW, the  
13 department of veterans affairs under chapter 43.60A RCW, and  
14 businesses not yet certified but that self-report as meeting the  
15 requirements of certification.

16 (4) The department must submit a final report to the legislature by  
17 December 31st of each even-numbered year on the performance results of  
18 the contracts with associate development organizations, including  
19 information on how the associate development organizations' grants  
20 foster equity, deliver inclusive economic development, and address  
21 equity gaps in their communities."

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23 On page 2, line 5, after "insert" insert "amending RCW 43.330.082;"

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EFFECT: Requires ADOs to provide information on how their grants foster equity, deliver inclusive economic development, and address equity gaps in their communities in their annual report to Commerce. This information must at least identify the amount of financial assistance and the number of businesses served by the ADO that are certified by: The office of minority and women's business enterprises, by the department of veterans affairs, and businesses not yet certified with these organizations but that self-report as meeting the requirements of certification.

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