

**SHB 1783** - S AMD TO WM COMM AMD (S-2951.1/23) **401**  
By Senator Hasegawa

**PULLED 04/11/2023**

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

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

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

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

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

16 (iii) Other relevant information on the community or regional  
17 area; ~~((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  
23 all 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  
27 organization on wages, exports, tax revenue, small business creation,  
28 foreign direct investment, business relocations, expansions,  
29 terminations, and capital investment. Data must be input into a  
30 common web-based business information system managed by the  
31 department. Specific measures, data standards, and data definitions  
32 must be developed in the contracting process between the department

1 and the contracting organization every two years. Except as provided  
2 in (b) of this subsection, performance measures should be consistent  
3 across regions to allow for statewide evaluation.

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

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

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

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

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

25 (c) Contracts and state funding must be terminated for one year  
26 for organizations that fail to achieve the agreed upon progress  
27 toward improved performance defined under (b) of this subsection.  
28 During the year in which termination for nonperformance is in effect,  
29 organizations must review alternative delivery strategies to include  
30 reorganization of the contracting organization, merging of previous  
31 efforts with existing regional partners, and other specific steps  
32 toward improved performance. At the end of the period of termination,  
33 the department may contract with the associate development  
34 organization or its successor as it deems appropriate.

35 (3) In addition to information required in subsection (1) of this  
36 section, contracting organizations must provide certain information  
37 on how their grants foster equity, deliver inclusive economic  
38 development, and address equity gaps in their communities. This  
39 information must at least identify the amount of financial assistance  
40 provided to, and the number of businesses and entrepreneurs served

1 by, the contracting organization that are certified by: The office of  
2 minority and women's business enterprises under chapter 39.19 RCW,  
3 the department of veterans affairs under chapter 43.60A RCW, and  
4 businesses not yet certified but that self-report as meeting the  
5 requirements of certification.

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

12 On page 2, line 5, after "insert" insert "amending RCW  
13 43.330.082;"

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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