ESSB 5677 - H COMM AMD
By Committee on Technology, Economic Development, & Veterans

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.330.082 and 2014 c 112 s 112 are each amended to read as follows:

(1)((~~(a)~~)) Contracting associate development organizations must provide the department with measures of their performance and a summary of best practices shared and implemented by the contracting organizations. Annual reports must include the following information to show the contracting organization's impact on employment and overall changes in employment: Current employment and economic information for the community or regional area produced by the employment security department; the net change from the previous year's employment and economic information using data produced by the employment security department; other relevant information on the community or regional area; the amount of funds received by the contracting organization through its contract with the department; the amount of funds received by the contracting organization through all sources; and the contracting organization's impact on employment through all funding sources. Annual reports may include the impact of the contracting organization on wages, exports, tax revenue, small business creation, foreign direct investment, business relocations, expansions, terminations, and capital investment. Data must be input into a common web-based business information system managed by the department. Specific measures, data standards, and data definitions must be developed in the contracting process between the department and the contracting organization every two years. ((~~Except as provided in (b) of this subsection, performance~~)) Performance measures should be consistent across regions to allow for statewide evaluation.

((~~(b) In addition to the measures required in (a) of this subsection, contracting associate development organizations in counties with a population greater than one million five hundred~~

~~thousand persons must include the following measures in reports to the department:~~

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

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

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

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

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

(3) The department must submit a final report to the appropriate committees of the legislature by December 31st of each even-numbered year on the performance results of the contracts with associate development organizations.

Sec. 2. RCW 43.330.086 and 2008 c 131 s 3 are each amended to read as follows:

(1) To the extent that funds are specifically appropriated therefor, contracts with associate development organizations for the provision of services under RCW 43.330.080(1)(b)(i) shall be awarded according to the following annual schedule:

((~~(1)~~)) (a) For associate development associations serving urban counties, which are counties other than rural counties as defined in RCW 82.14.370, a locally matched allocation of up to ninety cents per capita, totaling no more than three hundred thousand dollars per organization; and

((~~(2)~~)) (b) For associate development associations in rural counties, as defined in RCW 82.14.370, a per county base allocation of up to forty thousand dollars and a locally matched allocation of up to ninety cents per capita.

(2) The matched allocation may be provided through cash, in-kind, or a combination, with the in-kind match limited to 25 percent of the local match.

Sec. 3. RCW 43.330.086 and 2025 c . . . s 2 (section 2 of this act) are each amended to read as follows:

(1) To the extent that funds are specifically appropriated therefor, contracts with associate development organizations for the provision of services under RCW 43.330.080(1)(b)(i) shall be awarded according to the following annual schedule:

(a) For associate development associations serving urban counties, which are counties other than rural counties as defined in RCW 82.14.370, a ((~~locally matched allocation of up to ninety cents per capita,~~)) per county allocation totaling ((~~no more than three hundred thousand dollars~~)) at least $300,000 per organization and a matched allocation; and

(b) For associate development associations in rural counties, as defined in RCW 82.14.370, a per county base allocation of ((~~up to forty thousand dollars~~)) at least $40,000 and a ((~~locally~~)) matched allocation ((~~of up to ninety cents per capita~~)).

(2) The matched allocation may be provided through cash, in-kind, or a combination, with the in-kind match limited to 25 percent of the local match.

NEW SECTION. **Sec. 4.** If specific funding for the purposes of section 3 of this act, referencing section 3 of this act by bill or chapter number and section number, is not provided by June 30, 2025, in the omnibus appropriations act, section 3 of this act is null and void."

Correct the title.

EFFECT: • Removes requirement that associate development organizations include demographic information in annual reports to the Department of Commerce.

• Requires the Department of Commerce to allocate a minimum amount of $300,000 per organization to urban counties.

• Requires the Department of Commerce to allocate a minimum amount of $40,000 per county to rural counties, and removes maximum amount of $150,000.

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