

# SENATE BILL REPORT

## SHB 1870

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As Reported by Senate Committee On:  
Business, Financial Services, Gaming & Trade, February 20, 2024

**Title:** An act relating to promoting economic development by increasing opportunities for local communities to secure federal funding.

**Brief Description:** Promoting economic development by increasing opportunities for local communities to secure federal funding.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Barnard, Ryu, Leavitt, Connors, Couture, Schmidt, Duerr, Slatter, Reed, Chapman, Graham, Ormsby, Timmons, Donaghy, Paul, Doglio, Reeves, Hackney and Griffey).

**Brief History:** Passed House: 2/13/24, 97-0.

**Committee Activity:** Business, Financial Services, Gaming & Trade: 2/20/24.

### Brief Summary of Bill

- The Department of Commerce is directed to establish and administer the Moving Assets Towards Community Health (MATCH) program with the purpose of increasing opportunities for local communities to compete for federal grants by providing a state pool of matching funds that eligible entities can access through an application process.

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### SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

**Staff:** Clint McCarthy (786-7319)

**Background:** The Department of Commerce (Commerce) is responsible for promoting community and economic development within the state by assisting Washington's communities to increase the quality of life of their citizens and their economic vitality and by assisting Washington's businesses to maintain and increase their economic competitiveness. Commerce's responsibilities include soliciting private and federal grants

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for economic and community development programs and maximizing the impact of federal funding for economic development through coordination with research facilities to leverage federal funding for research, development, innovation of new technologies, and transfer of technology to the private sector to promote business development and jobs in Washington.

Federal grant opportunities address multiple aspects of economic development, including broadband, clean and efficient energy, climate change resiliency, disaster mitigation and recovery, housing and homelessness, public infrastructure, semiconductor technology, transportation, and water and waste management. The majority of the federal grant opportunities require the applicant to provide a percentage of matching funds, also referred to as cost sharing. State funds may be used to meet federal match requirements in limited circumstances, including the Public Works Assistance Account and the Statewide Broadband Account.

Associate Development Organizations. Associate Development Organizations (ADOs) are under contract with the state to provide economic development services in the communities they represent. As part of their contracts, ADOs are required to submit annual performance reports to Commerce, which Commerce compiles as a report and submits to the Legislature biennially. The annual base funding an ADO receives from the state is dependent on local matching funds as well as whether the county served is a rural county. Funding is provided on a per capita basis. Commerce may consider an ADO's total resources when making contracting and fund allocation decisions. The mission of an ADO is to further a county's or region's economic development goals. There are 34 ADOs serving all 39 counties.

Grant Writers. In 2023 the Legislature directed Commerce to establish a grant program to support ADOs in recruiting, hiring, and retention of grant writers. Commerce must award grants on an annual basis and must prioritize grants for distressed areas. In order to receive the grant, ADOs must apply for the grant. Awardees must provide certain information on the use of the funds in the required annual report to Commerce.

**Summary of Bill:** Commerce is directed to establish and administer the moving assets towards community health program with the purpose of increasing opportunities for local communities to compete for federal grants by providing a state pool of matching funds that eligible entities can access through an application process. Beginning December 31, 2027, Commerce must provide a biennial report on the community health program. The report must identify federal funds awarded to entities in receipt of the grant funds, describe efforts made to assist local communities, and contain an analysis of program effectiveness.

Commerce is directed to provide technical assistance as either an agency or through a contracted party to assist local communities to develop competitive applications for federal funding to the extent funding is available.

The prioritization model that Commerce uses to award grants to ADOs on an annual basis to recruit, hire, and retain grant writers is expanded to include grant applications for federal

funds in addition to whether the grant is originating from a distressed area as defined in statute.

Commerce is permitted to provide a resource guide for applicants for federal grants.

The bill has a null and void clause.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.