

ESSB 5677 - H COMM AMD
By Committee on Appropriations

ADOPTED AS AMENDED 04/11/2025

1 Strike everything after the enacting clause and insert the
2 following:

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

5 (1) ~~((a))~~ Contracting associate development organizations must
6 provide the department with measures of their performance and a
7 summary of 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: Current employment and economic
11 information for the community or regional area produced by the
12 employment security department; the net change from the previous
13 year's employment and economic information using data produced by the
14 employment security department; other relevant information on the
15 community or regional area; the amount of funds received by the
16 contracting organization through its contract with the department;
17 the amount of funds received by the contracting organization through
18 all sources; and the contracting organization's impact on employment
19 through all funding sources. Annual reports may include the impact of
20 the contracting organization on wages, exports, tax revenue, small
21 business creation, foreign direct investment, business relocations,
22 expansions, terminations, and capital investment. Data must be input
23 into a common web-based business information system managed by the
24 department. Specific measures, data standards, and data definitions
25 must be developed in the contracting process between the department
26 and the contracting organization every two years. ~~((Except as
27 provided in (b) of this subsection, performance))~~ Performance
28 measures should be consistent across regions to allow for statewide
29 evaluation.

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

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

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

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

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

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

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

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

33 Correct the title.

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

- Removes modifications to the allocations provided by the Department of Commerce to associate development associations.

--- END ---