

SB 5677 - S AMD 99

By Senator Hasegawa

OUT OF ORDER 03/04/2025

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; demographic information that meet the standards for
19 maintaining, collecting, and presenting federal data on race and
20 ethnicity as described by the office of management and budget,
21 statistical policy directive No. 15 as published on March 29, 2024,
22 that provide common language for uniformity and comparability in the
23 collection and use of race and ethnicity data; and the contracting
24 organization's impact on employment through all funding sources.
25 Annual reports may include the impact of the contracting organization
26 on wages, exports, tax revenue, small business creation, foreign
27 direct investment, business relocations, expansions, terminations,
28 and capital investment. Data must be input into a common web-based
29 business information system managed by the department. Specific
30 measures, data standards, and data definitions must be developed in
31 the contracting process between the department and the contracting
32 organization every two years. ~~((Except as provided in (b) of this~~

1 subsection, performance)) Performance measures should be consistent
2 across regions to allow for statewide evaluation.

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

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

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

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

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

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

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

38 (4) The department and contracting associate development
39 organizations may consult with state ethnic commissions as defined in
40 RCW 44.28.005 and the governor's office of Indian affairs for

1 technical assistance on complying with the standards for maintaining,
2 collecting, and presenting federal data on race and ethnicity as
3 described by the office of management and budget, statistical policy
4 directive No. 15 as published on March 29, 2024, that provide common
5 language for uniformity and comparability in the collection and use
6 of race and ethnicity data.

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

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

13 ~~((1))~~ (a) For associate development associations serving urban
14 counties, which are counties other than rural counties as defined in
15 RCW 82.14.370, a ~~((locally matched allocation of up to ninety cents~~
16 ~~per capita,))~~ per county allocation totaling no more than ~~((three~~
17 hundred thousand dollars)) \$500,000 per organization and a matched
18 allocation; and

19 ~~((2))~~ (b) For associate development associations in rural
20 counties, as defined in RCW 82.14.370, a per county base allocation
21 of ~~((up to forty thousand dollars))~~ at least \$85,000 and up to
22 \$150,000 and a ~~((locally))~~ matched allocation ~~((of up to ninety cents~~
23 per capita)).

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

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27 On page 1, line 1 of the title, after "organizations;" strike the
28 remainder of the title and insert "and amending RCW 43.330.082 and
29 43.330.086."

EFFECT: (1) Removes reporting requirements related to small
businesses supported by associate development organizations in
counties with more than 1.5 million.

(2) Narrows the race and ethnicity reporting requirement to be consistent with the Office of Management and Budget, Statistical Policy Directive No. 15 as published on March 29, 2024.

(3) Clarifies that the Department of Commerce biennial reporting requirement to the appropriate committees of the Legislature on December 31th of even-numbered years.

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