



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

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September 15, 2024

Ms. Sarah Bannister, Secretary of the Senate
312 Legislative Bldg.
PO Box 40482
Olympia, WA 98504-0482

Mr. Bernard Dean, Chief Clerk of the House of Representatives
338B Legislative Bldg.
PO Box 40600
Olympia, WA 98504-0600

Re: HB 1015 (RCW 43.390) (2022) Equitable Access to Credit Program Development Update

Dear Ms. Bannister and Mr. Dean,

This letter provides an update on the status of the Equitable Access to Credit Program, pursuant to the requirements of the program in RCW 43.390.020.

The Equitable Access to Credit Program's goal is to encourage investment in small, rural, and underserved businesses and individuals to boost communities and economic development in Washington. The program has a two-part approach. First, it collects contributions from businesses that have a business and operations (B&O) tax liability, which are then eligible to claim a credit with the Department of Revenue equal to the amount of the contribution up to \$1 million annually. Second, the program uses these contributions to administer a grant program for qualified lending institutions to provide access to credit for historically underserved communities.

In late 2022, the Washington State Department of Commerce (Commerce) created a new unit within the Office of Economic Development and Competitiveness to manage the growing portfolio of small business finance programs, including the Equitable Access to Credit Program. Program staff engaged with other agencies and organizations that had formal and informal roles in developing and implementing the legislation, particularly the Washington Community Investment Coalition. As of August 2023, the program began accepting contributions with instructions on the [Equitable Access to Credit Program webpage](#). A media announcement promoted the program and announced the program launch, and we are creating a marketing toolkit. The program manager developed an outreach plan, and is reaching out to organizations, groups, and agencies that may be interested in learning about this program. Through these outreach efforts, the program received enough contributions in 2023 to award \$1 million in its first annual grant cycle.

While we continued our work to engage stakeholders and educate businesses about the program, Commerce stood up the legislatively required Advisory Board to assist in the development of grant program guidelines and materials. Once all guidelines and materials were finalized and approved, the grant application was opened on May 14, 2024, and closed on July 1, 2024. Commerce received 10 applications in this first annual grant cycle. Commerce reviewed the submitted grant applications for eligibility, then released them to the Advisory Board for review and scoring. Application scoring is complete, and Commerce is working with the Advisory Board to make awarding decisions. Commerce expects to expend the full \$1 million in available grant funds this round. Notification to grantees of awards and contract negotiations were anticipated in September 2024. The full list of successful recipients will be posted on the program webpage as soon as the open process concludes.

As noted, Commerce has spent the first half of 2024 working to launch the first annual grant cycle. In this first full year of the program, there was an emphasis on outreach and education to encourage participation in the program and engage contributors who will commit to reoccurring contributions for the life of the program. Through these outreach efforts, the program has received just over \$5 million in contributions as of July 31, 2024.

Signed,

Linda Womack

Linda Womack
Managing Director, Small Business Finance & Community Support Unit
Washington State Department of Commerce