

Improving Performance Management in Economic Development Programs – 2025

(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), September 2025)

This performance audit asked which leading practices can help the Department of Commerce improve performance management of its economic development programs. The SAO makes six recommendations to the Dept. of Commerce.

SAO recommendations to Commerce (in brief):

1. Seek input from stakeholders in the planning process to ensure community and business needs are addressed
2. Analyze internal capacity and external factors that impact OEDC's ability to accomplish its goals and objectives
3. Establish vision, goals, objectives and strategies, which identify what the division plans to achieve and how it plans to do so
4. After developing the strategic plan, ensure programs' goals and objectives align with the overarching plan and develop relevant performance measures and targets
5. Establish a performance management framework to gauge the plan's progress. The framework should include performance measures, performance targets, regular reviews by senior management and annual assessments
6. Develop a process to manage program performance through monitoring and evaluation. The process should include reviewing data collected against key performance measures and analyzing program outcomes to guide future decision-making.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see [cabinet agency response](#) for additional context and any additional steps already taken.

Issue / Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
1	In Progress	The OEDC will continue robust stakeholder outreach to ensure communities' needs are incorporated into the Statewide Economic Development Plan.	Commerce	3/31/26	Yes	Yes	No	Workstreams underway to feed into the Statewide Economic Development Plan (budgeted \$300k by proviso for delivery of the plan), including dedicated working group sessions with rural, regional, tribal, and under-represented groups. Additional engagement has been led primarily through the Industry Sector Development Unit in the development of individual sector strategies. Several rounds of robust stakeholder engagement have been completed; more in-depth engagement ongoing,

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								including through the forthcoming contractor. The Request for Proposal (RFP) for the contractor (including a significant stakeholder engagement component) is being evaluated. *Recommended due date change: 6/30/27 to align with final delivery of the Statewide Economic Development Plan
2	In Progress	Incorporate SWOT analysis methodology in developing the statewide economic development plan.	Commerce	6/30/26	Yes	Yes	No	Included in RFP for contractor (\$300,000 budget proviso). Individual county-level SWOT analyses were submitted by ADOs in mid-2026. *Recommended due date: 6/30/27 to align with delivery of Statewide Economic Development Plan.
3	Complete	Establish vision, goals, objectives for OEDC.	Commerce	3/31/26	Yes	No	No	Completed in February 2026 with existing OEDC staff resources. OEDC created an internal-facing strategic plan including mission, vision, goals and objectives as part of the broader Commerce Strategic planning effort: 2026-31 Strategic Plan – Washington State Department of Commerce
3	In Progress	Identify strategies that directly affect OEDC's goals and objectives.	Commerce	6/30/26	Yes	Yes	No	OEDC has compiled multiple strategies (broad-based, internal, sector-specific, etc.). Sector-specific strategies are currently being vetted by industry association partners.

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								This recommendation was delivered utilizing existing staff - already stretched thin due to the more recent 51% budget reduction. The budget reduction impacted OEDC, resulting in the completion of these strategies at the expense of other initiatives / utilization of staff time. *Recommended due date change: 12/31/26 to allow for finalization and incorporation of industry feedback.
4	In Progress	Operationalize SMART criteria (specific, measurable, achievable, relevant and time-bound) in program development and design in alignment of the completed statewide economic development plan.	Commerce	6/30/26	Yes	Yes	No	OEDC is operationalizing SMART criteria in program development and design, which is aligned to the OEDC Commerce Strategic Plan. It will also be aligned to the Statewide Economic Development Plan currently underway. This workstream is currently being delivered utilizing existing staff; however, an external consultant specializing in monitoring and evaluation will be hired to help synchronize across OEDC programs and incorporate into the statewide plan. This workstream will require additional IT support, resulting in additional budget impacts. *Recommended due date change: 12/31/27 to align with statewide

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								economic development plan delivery and implementation
5	In Progress	Publish program progress reports in a timeframe that aligns with the biennial budget.	Commerce	10/1/27	Yes	No	No	Currently in development utilizing existing resources - on track to meet 10/1/27 due date.
5	In Progress	Establish a schedule to update the statewide economic development plan at least every five years.	Commerce	7/31/30	Yes	Yes	Yes	OEDC will be advancing a decision package (DP) to support funding for an update of the Statewide Economic Development Plan at least every 5 years.
6	In Progress	Standardize the ADO performance elements in OEDC program development documentation.	Commerce	3/31/26				OEDC is in the process of standardizing performance elements across programs. Some elements are in place while others remain in development. These will be further refined with the input and expertise of the monitoring and evaluation consultant tasked with formalizing performance metrics across ADOs, other programs, and the Statewide Economic Development Plan.