

SENATE BILL REPORT

SB 5881

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &  
ECONOMIC DEVELOPMENT, FEBRUARY 26, 1993

**Brief Description:** Establishing the institute for entrepreneurial development.

**SPONSORS:** Senators Skratek, Erwin, Bluechel, Sheldon and M. Rasmussen

**SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT**

**Majority Report:** That Substitute Senate Bill No. 5881 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Deccio, Erwin, M. Rasmussen, and Williams.

**Staff:** Midori Okazaki (786-7444)

**Hearing Dates:** February 23, 1993; February 26, 1993

**BACKGROUND:**

Entrepreneurial development has been suggested as a mechanism to stimulate economic growth and strengthen local economies through diversification. In 1986, Washington ranked 48th among the states in entrepreneurial awareness in a study by the Corporation for Enterprise Development. An Interagency Task Force on Entrepreneurial Development was established by the Legislature in 1988 to, in part, make recommendations on how to improve the entrepreneurial climate in the state. A number of task force recommendations have been incorporated in Senate Bill 5881.

**SUMMARY:**

The Business Assistance Center of the Department of Trade and Economic Development operates a grant program designed to establish an Institute for Entrepreneurial Development. Educational institutions and nonprofit development organizations are eligible to apply for the grant to establish the institute. The institute will assess entrepreneurial activities and training programs and develop a coordination plan. It will also operate a clearinghouse, publish a newsletter and operate an awards program for excellence in entrepreneurial education and assistance. In addition, the institute will facilitate the development of private and interinstitutional entrepreneurial training, develop entrepreneurial instructional materials and curricula, and raise funds to operate a grant program for demonstration projects, research, and symposia.

The institute is governed by a board of directors, the majority of whom shall be from the private sector. State support for the institute decreases incrementally to zero support by the sixth year of operation.

**EFFECT OF PROPOSED SUBSTITUTE:**

The language clarifies that not only will the state's share of the institute's operating budget decrease over time, but so will the dollar amount of state supporting funds. The Department of Trade and Economic Development may not use more than 5 percent of the monies appropriated to it for administrative costs.

**Appropriation:** \$450,000

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

Growth in small business will help diversity the state's economy. The institute would centralize and coordinate the services currently scattered throughout state agencies. The Business Assistance Center is already set up and ready to administer this program.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Fred Romero, DTED