

SENATE BILL REPORT

SB 6321

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &  
ECONOMIC DEVELOPMENT, FEBRUARY 1, 1994

**Brief Description:** Creating flexible networks for small businesses.

**SPONSORS:** Senators Bluechel, Skratek, Cantu, Sheldon, Williams, Erwin, M. Rasmussen, Snyder, Winsley and Oke

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

**Majority Report:** Do pass.

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

**Staff:** Traci Ratzliff (786-7452)

**Hearing Dates:** January 26, 1994; February 1, 1994

**BACKGROUND:**

Flexible networks are groups of two or more firms which work together to accomplish commonly needed tasks, solve common problems, or exploit common opportunities, which network members could not pursue independently. Networks also allow state economic development services, often fragmented and general, to be delivered to an entire group of firms with similar needs. Many obstacles to the development of flexible networks exist, including the lack of cooperative tradition among firms and a lack of awareness of the benefits flexible networks offer. The sustainability of flexible networks requires commitment from the member firms, but state assistance, both technical and financial, is often crucial in overcoming the obstacles to the initial formation of flexible networks.

**SUMMARY:**

The Department of Trade, Community and Economic Development is directed to develop appropriate measures to promote flexible networks. The department is also directed to provide direct assistance to firms, economic development organizations and local governments interested in forming flexible networks. The department shall award to economic development organizations or local governments, grants of up to \$75,000 for flexible network development activities and grants of up to \$20,000 for specific flexible network projects. Federal funds are to be used to provide grants up to \$20,000 to firms for specific flexible network projects. The department is also directed to solicit nonstate funds for flexible network assistance.

**Appropriation:** \$150,000

**Revenue:** none

**Fiscal note:** requested

**Effective Date:** July 1, 1994

**TESTIMONY FOR:** None

**TESTIMONY AGAINST:** None

**TESTIFIED:** No one