

SENATE BILL REPORT

SB 5641

As Reported By Senate Committee On:
International Trade & Economic Development, February 24, 2005

Title: An act relating to small business and entrepreneurial development.

Brief Description: Providing for small business and entrepreneurial development.

Sponsors: Senators Eide, Haugen, Shin, Keiser, Franklin, Rasmussen, McAuliffe and Kohl-Welles.

Brief History:

Committee Activity: International Trade & Economic Development: 2/17/05, 2/24/05 [DPS-WM, w/oRec].

Ways & Means: 1/12/06 [w/oRec-ITED].

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5641 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Sheldon, Vice Chair; Doumit and Eide.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach.

Staff: Jack Brummel (786-7428)

Background: Start-up firms and small businesses have been shown to be the main drivers of job growth in our economy. Entrepreneurial training and assistance is positively associated with the survival of new start-up firms and small businesses. There are a number of private and public programs that provide entrepreneurial training and support to small businesses and start-up firms in the state, but there is no entity responsible for coordinating efforts or planning for the efficient delivery of services. Well structured entrepreneurial training programs may offer unemployed individuals a route to self-sufficiency.

Summary of Substitute Bill: The Washington Entrepreneurial Assistance Center is created in the Department of Community, Trade, and Economic Development (CTED). The Center is to have a director and an advisory board. It is directed to: (1) develop and maintain a comprehensive plan for small business and entrepreneurial development; (2) inventory and disseminate information about available entrepreneurial development services; (3) evaluate entrepreneurial training and assistance programs; and (4) advocate for the state's small business and entrepreneurial development system.

The Center is also to identify policies to: (1) reduce barriers to efficient delivery and coordination of services; (2) develop instructional materials including materials useful in rural

and low-income communities; (3) distribute awards for excellence in entrepreneurial training and assistance; and (4) report its recommendations for enhancing efficiencies and coordination of entrepreneurial education, training, and assistance.

The Small Business Development Center is to work with CTED, The Workforce Training and Education Coordinating Board, The Employment Security Department, The Higher Education Coordinating Board, and the State Board for Community and Technical Colleges to integrate and coordinate services and facilitate the development of inter-institutional entrepreneurial education, training, and assistance programs.

The Workforce Training and Education Coordination Board is to ensure that entrepreneurial training opportunities are available through programs of each local work force investment board in the state and facilitate the development of programs for school-to-work transition that include entrepreneurial education and training.

The Washington State Economic Development Commission is to provide direction to CTED regarding the integration of entrepreneurial development programs with other economic development programs.

Individuals enrolled in self-employment assistance programs approved by the Commissioner of Employment Security are eligible to continue receiving regular unemployment benefits if the individual has been identified by the Department of Employment Security as likely to exhaust regular unemployment benefits.

The Washington Entrepreneurial Assistance Center Fund is created in the state treasury.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on February 14, 2005.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The advisory board will be useful in coordinating state efforts. The bill would pull agencies together to facilitate communication.

Testimony Against: Perhaps the money should be given directly to the Small Business Development Center.

Who Testified: PRO: Brett Rogers, Small Business Development Center. OTHER: Ron Newbry.