

HOUSE BILL REPORT

HB 2153

As Reported by House Committee On:
Community & Economic Development & Trade

Title: An act relating to the Washington's economic gardening program.

Brief Description: Regarding an entrepreneurial program known as Washington's economic gardening.

Sponsors: Representatives Chase and Kenney.

Brief History:

Committee Activity:

Community & Economic Development & Trade: 2/16/09, 2/19/09 [DP].

Brief Summary of Bill

- Allows the State Board for Community and Technical Colleges to develop and provide oversight for the Washington's Economic Gardening Program.

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass. Signed by 6 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Chase, Liias, Probst and Sullivan.

Minority Report: Do not pass. Signed by 3 members: Representatives Smith, Ranking Minority Member; Orcutt and Parker.

Staff: Chris Cordes (786-7103)

Background:

A variety of programs in Washington provide technical assistance to small businesses. Several of these programs are administered by or housed in institutions of higher education. These programs usually function in partnership with various other institutions of higher education, state and federal agencies, and private sector organizations.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

For example, the Washington Small Business Development Center (Development Center) at Washington State University has a statutory purpose of providing management and technical assistance, such as training, counseling, and research, to small businesses. The Development Center has business adviser centers, which include adviser center assistance at seven community colleges. The program is required to coordinate its activities with other entities to avoid duplication of services. The Development Center is supported by both federal and state funds.

The Washington Technology Center (Technology Center), headquartered at the University of Washington, provides services to companies of all sizes. However, according to its 2008 annual report, 87 percent of the companies it served had 10 or fewer employees. Its statutory mandate also includes a small business innovation research program, which gives priority to first-time small business applicants and firms with fewer than 10 employees. The Technology Center is supported by federal and state funds and private donations.

The Washington Grows program, developed by Washington Manufacturing Services, works through the state's economic development organizations to assist businesses to commercialize innovative ideas. Programs may include partnerships with community colleges, cities, business organizations, state agencies, and other related programs such as the Development Center.

Summary of Bill:

The State Board for Community and Technical Colleges (SBCTC) may develop criteria and provide oversight of a program to be known as Washington's Economic Gardening Program (Program). The Program's purpose is to facilitate and coordinate a network of public and private resources to provide assistance, training, and mentoring to small and medium-sized businesses in Washington.

A community college board of trustees may host or participate in a Program by organizing the Program and providing administrative services when funding is appropriated for the Program or is available from fees or grants.

A Program is governed by a board of directors that includes representatives of small and medium-sized businesses, the community college's board of trustees, a labor union or council, the SBCTC, and the Workforce Training and Education Coordinating Board.

With approval from the SBCTC and the community college's board of trustees, a Program's board of directors may set fees for program services and enter into necessary contracts. The SBCTC may accept donations to be placed into an account for the Program and would be responsible for authorizing expenditures from the Program's account.

A Program may:

- assist small and medium-sized businesses to find business management resources;
- develop training targeted at innovative industries or technologies;
- develop entrepreneurial training for small and medium-sized businesses;

- collaborate with governmental, business, and education organizations to integrate entrepreneurial resources; and,
- serve as an information clearinghouse.

The SBCTC is required to submit a progress report on the Program to the Governor and appropriate committees of the Legislature by December 1, 2010.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will help develop a model that can be replicated at every community college and in every community. There is a lack of one-on-one mentoring for local entrepreneurs and inventors. There should be a cost-effective way to tap various existing budgets through partnering with programs that already exist in the community. This bill builds on the Washington Manufacturing Services model. Over 3,000 patents in Washington could be commercialized if they were funded. The Program will identify the things that small businesses need to get an idea into the market. Another proposal is for a global affairs center. The state needs to create pathways for engineering and green jobs and for involving the community in sustainability. Through this approach, the state could be growing its own businesses and putting people back to work.

(With concerns) Community colleges currently offer many programs that address small-business entrepreneurship. The Development Centers are also housed in many community colleges. These are joint efforts that are locally driven. There are concerns about the governance structure in the bill. It adds another layer that may duplicate both time and expense. Another bill that calls for an inventory of programs, with a goal of an integrated approach, could potentially reduce administrative expense. The function of the Program accounts in the bill is not clear if it has no funds other than local funds.

(Opposed) None.

Persons Testifying: (In support) Representative Chase, prime sponsor.

(With concerns) Carol Melby, State Board for Community and Technical Colleges.

Persons Signed In To Testify But Not Testifying: None.