

HOUSE BILL REPORT

HB 1283

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to funding for business and economic development programs.

Brief Description: Providing funding for business and economic development programs.

Sponsors: Representatives Mason, Van Luven, Veloria, Ballasiotes, Costa, Morris, Wood, Tokuda, Kessler, Scott and Blalock.

Brief History:

Committee Activity:

Trade & Economic Development: 2/6/97, 2/26/97, 2/27/97, 3/5/97 [DPS].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Sheldon, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: The Business and Economic Development Program of the University of Washington's School of Business focuses the resources of the university to increase economic opportunities in distressed areas. The available services include, but are not limited to: (1) technical assistance to business owners and associations; (2) research and analysis of economic development strategies; and (3) increased opportunities to increase business practices. In addition, the program provides an opportunity for students to acquire hands-on learning in operating a business.

Summary of Substitute Bill: The University of Washington and Washington State University are directed to conduct a study on the impact of their economic and business development programs and initiatives on economically distressed communities. The universities must analyze the economic impacts of the business development and technology transfer programs on creating economic opportunities for minority populations in Washington.

The universities must form separate advisory groups that are comprised of representatives of community-based organizations in distressed communities, small business owners, financial institutions, insurance companies, local government, and other interested groups. The advisory committee is responsible for the review of program evaluation data collected by the individual universities.

Each individual university is required to prepare and submit a report with findings and recommendations based on the program evaluation data. The report is due by October 15, 1997, and must be submitted to the appropriate legislative committees of the House of Representatives and the Senate.

The individual universities must provide all administrative and clerical staffing for the advisory group.

Substitute Bill Compared to Original Bill: The substitute bill removes the business and occupation tax credit to businesses making a contribution to an institution of higher education for the purpose of increasing business and economic development opportunities in distressed areas. The \$100,000 appropriation to the University of Washington for the Business and Economic Development program is removed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Small businesses are very important to the state's economy. The University of Washington has worked with small businesses in the distressed areas. The program has been very beneficial in that the business owner gets the benefit of working with the latest management technology and techniques. The benefit to the students is that they get the opportunity to apply things learned in the classroom in an actual working business environment. This program helps the university put something back into the community.

Testimony Against: None.

Testified: Representative Mason, prime sponsor (pro); Michael Verchot, University of Washington Business and Economic Development Program (pro); Phil Kineat and Thaddous Spratler, UW Business School (pro); Carl Thompson, Thompson's Point of View (pro); Michael Bekele, Martin Luther King Way Market (pro); and Michele Jones (pro).