

# SENATE BILL REPORT

## SB 5902

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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:** Establishing a small business innovation research program proposal review process.

**Sponsors:** Senators Eide, Shin, Zarelli, Doumit, Rasmussen and Pflug.

**Brief History:**

**Committee Activity:** International Trade & Economic Development: 2/22/05, 2/24/05 [DPS].

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### SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5902 be substituted therefor, and the substitute bill do pass.

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

**Staff:** Jack Brummel (786-7428)

**Background:** The federal Small Business Innovation Research (SBIR) program awards grants to small technology-based businesses to explore the technical merits and commercial potential of new ideas and technologies. The program is important to financing the development of technology by small firms because it acts as a large early-stage capital pool. The awards are provided in three phases. A small firm can leverage an SBIR award into a commercial business success.

Federal funds have been available to train small businesses on how to participate in the SBIR program. Nearly half of the small businesses that received such training won SBIR awards, whereas less than 10 percent of companies that did not get the training got SBIR funding. The Washington Technology Center has been a recipient of the training funds and has been providing the SBIR application training, but Congress eliminated the funding for the training program in its budget for this fiscal year.

**Summary of Substitute Bill:** The Washington Technology Center is to train and assist small businesses to win phase I SBIR awards. The center is to give priority to first-time applicants, new businesses, and firms with fewer than ten employees. The center may charge a fee for the services provided to applicants.

**Substitute Bill Compared to Original Bill:** The substitute clarifies that the assistance provided will be more than just proposal review and removes the requirement that fees charged be contingent on receipt of a phase I award.

**Appropriation:** \$45,000 from the general fund for the biennium.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Firms receiving assistance are much more likely to receive grants. The current program works with partners to assist firms in receiving grants.

**Testimony Against:** None.

**Who Testified:** Scott Hazlegrove, WA Tech. Center.