

HOUSE BILL REPORT

HB 2932

As Amended by the Senate

Title: An act relating to the Washington technology center.

Brief Description: Revising the Washington technology center.

Sponsor(s): Representatives Cantwell, Forner, Rasmussen,
Ludwig and Paris.

Brief History:

Reported by House Committee on:
Trade & Economic Development, February 6, 1992, DP;
Passed House, February 18, 1992, 98-0;
Amended by Senate.

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *Do pass.* Signed by 11 members:
Representatives Cantwell, Chair; Sheldon, Vice Chair;
Forner, Ranking Minority Member; Betrozoff, Assistant
Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer;
Rasmussen; Riley; and Roland.

Staff: Charlie Gavigan (786-7340).

Background:

In Washington State, several organizations play a role in public technology development and commercialization efforts. The University of Washington and Washington State University do an extensive amount of basic research, most of which is funded by the federal government. Both universities have offices that attempt to identify and protect research that has commercial potential.

In 1983, the Legislature created the Washington Technology Center (WTC) to form a university-industry-government partnership to conduct research that has a greater likelihood of being commercially applicable than traditional research done solely by a university. The WTC is headquartered at the University of Washington and is administered by a board of directors appointed by the University of Washington (UW) Board of Regents. State funding for the WTC is administered by the Department of

Trade and Economic Development. Since its inception, the WTC has received approximately \$47 million from the state.

The WTC is comprised of seven "centers" - five at UW, two at Washington State University - and two "sub-centers." The seven centers are: (1) the Advanced Materials Technology Center; (2) the Compound Semiconductor Technology Center; (3) the Computer Systems and Software Technology Center; (4) the Manufacturing Systems Technology Center; (5) the Medical/Veterinary Biotechnology Center; (6) the Microsensor Technology Center; and (7) the Plant Biotechnology Center. The two sub-centers are the Human Interface Technology Center and the Center for Design of Analog-Digital Integrated Circuits.

The Department of Trade and Economic Development, as directed by the Legislature, recently completed two reports addressing the issues of the state role in technology development and commercialization and an assessment of the Washington Technology Center. The Washington Technology Center Assessment, done through Battelle, concludes that the Washington Technology Center is a viable organization and makes several recommendations including: (1) that the WTC develop a strategic plan; (2) that the WTC give increased emphasis to technology commercialization and transfer; (3) that the WTC respond to its mandate for education and training; (4) that the WTC increase accountability; (5) that the WTC evaluate the number of centers and strongly consider reducing that number to better utilize limited resources; (6) that the WTC build direct lines of communication between the universities, industry, and state government; and (7) that the WTC operations and organizational structure be refined.

Summary of Bill:

The enabling legislation creating the Washington Technology Center (WTC) is modified. The mission of the Washington Technology Center is to perform research on a state-wide basis, and to help commercialize this research, that benefits the intermediate and long-term economic vitality of the Washington State. The Washington Technology Center is also to develop and strengthen university-industry relationships through conducting research that primarily benefits Washington-based companies.

The Department of Trade and Economic Development provides guidance to the WTC regarding development of the center's strategic plan. The department is also responsible to the Legislature for the public contractual performance of the WTC. Under contract with the department, the Board of

Regents administers the WTC. The WTC board is responsible for the operations of the WTC.

EFFECT OF SENATE AMENDMENT(S): The Senate striking amendment makes the following changes:

- (1) The WTC Board of Directors is independent (appointed by the governor) rather than governed by the University of Washington (appointed by the UW Board of Regents); and
- (2) The WTC must go through the sunset review process in 1996.

Fiscal Note: Not requested.

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

Testimony For: The vagueness of the statute creating the Washington Technology Center (WTC) has caused problems. The goals of the WTC and the roles the major partners in the WTC (the universities, the private sector, and the state) are not clear. This bill defines the mission of the WTC and clarifies the roles of the universities, the WTC board of directors, and the state.

Testimony Against: The mission of the Washington Technology Center (WTC) should be clarified in statute, which the bill does. However, the governance of the WTC should be given to an independent board of directors, one that balances the academic interest with private industry, rather than the current approach with weights heavily in favor of academic interests.

Witnesses: Senator Bluechel (favors different approach); Paul Isaki, Director, Department of Trade and Economic Development (Pro); Michael L. Knotek, Battelle Pacific Northwest Labs, Washington Technology Center, Board of Directors (Pro); Barbara Kommer, American Electronics Association (Pro); and Peter Odabashian, Washington Technology Center, on behalf of the University of Washington (Pro).

VOTE ON FINAL PASSAGE:

Yeas 98