

SENATE BILL REPORT

SB 6219

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY
& ECONOMIC DEVELOPMENT, FEBRUARY 2, 1994

Brief Description: Establishing the Washington manufacturing extension center.

SPONSORS: Senators Skratek, Bluechel, Sheldon, Williams, Erwin, M. Rasmussen and Winsley

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6219 be substituted therefor, and the substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Cantu, Erwin, M. Rasmussen and Williams.

Staff: Jack Brummel (786-7428)

Hearing Dates: January 18, 1994; February 2, 1994

BACKGROUND:

Many economic development specialists believe that America will be richer if the government can successfully encourage continuous modernization in the private sector. To modernize, firms must master new technologies, techniques, and methods of work organization. The alternative competitive path, lowering production costs and wages toward the level of less industrialized nations, will result in a lower standard of living and quality of life for many Americans.

According to the 1993 report of the Modernization Forum Skills Commission, modernization is a complex process of managing simultaneous change across several elements of a firm, including work organization, manager and worker skills, marketing efforts, adoption of new technologies, and cooperation with kindred and competing firms. The commission believes that because modernization involves multi-dimensional change, "firms will not sustain modernization unless their employees can acquire the knowledge and skills essential for high performance manufacturing."

One model for encouraging modernization and high performance manufacturing is the industrial extension model, patterned after the successful agricultural extension programs carried out by land grant colleges.

SUMMARY:

The Department of Community, Trade, and Economic Development and the State Board for Community and Technical Colleges will assist in the establishment of the Washington Manufacturing

Extension Center. The department is to conduct yearly evaluations on the effectiveness of the center.

The Washington Manufacturing Extension Center is to be formed as a not-for-profit membership organization with a majority of its board representing industry associations, networks, or consortiums. The center is to provide technical assistance in advanced management practices, mechanisms for inter-firm collaboration, choosing technologies and processes that improve quality and productivity, product development, and human resource and training systems. The center is also to train network brokers and other modernization service providers, and provide information about its services and the services available from other assistance providers.

The State Board for Community and Technical Colleges is to develop competency-based technical degree programs which will include quality management training and assist firms in the development of work-based learning techniques.

The Higher Education Coordinating Board is to ensure that state educational institutions give the highest priority to requests for assistance from the Washington Manufacturing Extension Center.

EFFECT OF PROPOSED SUBSTITUTE:

The center and DCTED are to determine industry needs and the best mechanisms for meeting them. The center's initial focus is aerospace and electronics in the central Puget Sound area. A majority of the center's board is to represent small and medium-sized manufacturing firms and industry groups.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This bill lets the state serve as a catalyst for a private-public partnership in sectoral modernization that will be customer driven. This strategic approach allows us to capitalize on some federal initiatives. Directing DCTED and the colleges to work together is a step forward.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Meg Van Schoorl, Paul Knox, DCD; Marlene Copeland, Workforce Training and Education Coordinating Board; Jeff Johnson, WA State Labor Council; Dan McConnon, State Board for Community and Technical Colleges