

FINAL BILL REPORT

SHB 2726

C 34 L 06

Synopsis as Enacted

Brief Description: Creating Washington manufacturing services in statute.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Chase, Skinner, Kessler, Haler, Kilmer, Grant, Chandler, Blake, Clements, Linville, Newhouse, McCoy, Kristiansen, Kenney and Wallace).

House Committee on Economic Development, Agriculture & Trade

House Committee on Appropriations

Senate Committee on International Trade & Economic Development

Background:

Manufacturing is a major employer in Washington, employing 300,000 residents and accounting for 13 percent of all employment in the state. The manufacturing sector contributes \$26.6 billion to the gross state product. However, manufacturing in Washington is on the decline, losing more than 44,600 jobs between June 2000 and June 2003. With increased competition from overseas manufacturers as well as from manufacturers located in other states, Washington's manufacturers are facing economic challenges.

Washington Manufacturing Services (WMS) is a not-for-profit organization with the mission of "fostering economic prosperity in the state of Washington by helping Washington's smaller manufacturers take action to increase their competitiveness (in a socially acceptable and environmentally responsible manner)." Affiliated with the National Institute of Standards and Technology Manufacturing Extension Program, the WMS can link manufacturers with local experts and national resources. Although the WMS is headquartered in Mukilteo, Washington, it maintains field offices throughout the state.

After a free pre-project visit by a WMS project manager, the WMS will develop with the manufacturer a plan of action. The WMS offers a variety of services, including lean manufacturing, industrial marketing and quality, safety, energy conservation, e-Business, software selection, workforce training, and product development. The WMS charges fees for these services.

Summary:

The Legislature intends to increase the state's support for delivery of modernization services to small and midsize manufacturers as well as to leverage federal and private resources.

The WMS is organized as a private, nonprofit corporation in accordance with state law, with the mission of operating a modernization extension system, coordinating a network of private

and public modernization resources, and stimulating the competitiveness of small and midsize manufacturers in Washington.

The WMS will be governed by a board of directors. A majority of the board will be representatives of small and medium-sized manufacturing firms and industry associations, networks, or consortia. In addition, the board must have at least one representative of a labor union or labor council. Ex officio board members include the Director of the Department of Community, Trade, and Economic Development (DCTED), the Executive Director of the State Board for Community and Technical Colleges, and the Director of the Workforce Training and Education Coordinating Board (or their designees).

The WMS must develop policies, plans, and programs to assist in the modernization of businesses in the targeted sectors of Washington's economy and coordinate the delivery of the modernization services. The WMS must provide information about the advantages of modernization to economic development officials, state colleges and universities, and private providers. The WMS must collaborate with the Washington Quality Initiative in the development of manufacturing quality standards and quality certification programs. In addition, the WMS must serve as an information clearinghouse and provide access for users to the federal Manufacturing Extension Partnership's national research and information system. The WMS must also provide, directly or through partners, assistance to industry associations, networks or consortia that would be of value to their members' firms in such areas as advanced business management practices, product development, market research, and workforce training.

The WMS may charge fees for services and make and execute contracts or other legal instruments. The WMS may also receive funds from federal, state or local governments, private businesses, foundations, or any other source.

Votes on Final Passage:

House	97	1
Senate	47	0

Effective: June 7, 2006