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HOUSE BILL 2726

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State of Washington

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By Representatives Chase, Skinner, Kessler, Haler, Kilmer, Grant, Chandler, Blake, Clements, Linville, Newhouse, McCoy, Kristiansen, Kenney and Wallace

Read first time 01/12/2006. Referred to Committee on Economic Development, Agriculture & Trade.

1 AN ACT Relating to assisting small manufacturers; adding a new  
2 section to chapter 43.330 RCW; adding a new chapter to Title 24 RCW;  
3 creating a new section; and making an appropriation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) To perform in the emerging global marketplace, Washington  
7 manufacturers must master new technologies, production processes, and  
8 methods of work organization;

9 (b) Only through modernization can Washington manufacturers both  
10 compete successfully in the market of the future and pay good wages;

11 (c) Most small and midsize manufacturers cannot easily access the  
12 technical assistance and skills training needed to make them globally  
13 competitive;

14 (d) To be effective, any program to improve the capability of  
15 Washington small and midsize manufacturers must reflect the specific  
16 needs and capabilities of those firms.

17 (2) It is the intent of the legislature that the state increase its  
18 support for delivery of modernization services to small and midsize

1 manufacturers and leverage federal and private resources devoted to  
2 such efforts. It is the further intent of the legislature that the  
3 state facilitate the delivery of modernization services and:

4 (a) Encourage small and midsize firms to aggregate their demand for  
5 training and other modernization services, thus driving down the cost  
6 to the individual firm and securing more effective services; and

7 (b) Encourage large firms to support training consortia among their  
8 suppliers and validate the importance of high performance work  
9 organization and workplace learning as desirable supplier practices.

10 NEW SECTION. **Sec. 2.** (1) Washington manufacturing services is  
11 organized as a private, nonprofit corporation in accordance with  
12 chapter 24.03 RCW and this section. The mission of the center is to  
13 operate a modernization extension system, coordinate a network of  
14 public and private modernization resources, and stimulate the  
15 competitiveness of small and midsize manufacturers in Washington.

16 (2) Washington manufacturing services shall be governed by a board  
17 of directors. A majority of the board of directors shall be  
18 representatives of small and medium-sized manufacturing firms and  
19 industry associations, networks, or consortia. The board shall also  
20 include at least one member representing labor unions or labor councils  
21 and, as ex officio members, the director of the department of  
22 community, trade, and economic development, the executive director of  
23 the state board for community and technical colleges, and the director  
24 of the work force training and education coordinating board, or their  
25 respective designees.

26 (3) Washington manufacturing services may:

27 (a) Charge fees for services, make and execute contracts with any  
28 individual, corporation, association, public agency, or any other  
29 entity, and employ all other legal instruments necessary or convenient  
30 for the performance of its duties and the exercise of its powers and  
31 functions under this chapter; and

32 (b) Receive funds from federal, state, or local governments,  
33 private businesses, foundations, or any other source for purposes  
34 consistent with this chapter.

35 (4) Washington manufacturing services shall:

36 (a) Develop policies, plans, and programs to assist in the

1 modernization of businesses in targeted sectors of Washington's economy  
2 and coordinate the delivery of modernization services;

3 (b) Provide information about the advantages of modernization and  
4 the modernization services available in the state to federal, state,  
5 and local economic development officials, state colleges and  
6 universities, and private providers;

7 (c) Collaborate with the Washington quality initiative in the  
8 development of manufacturing quality standards and quality  
9 certification programs;

10 (d) Serve as an information clearinghouse and provide access for  
11 users to the federal manufacturing extension partnership national  
12 research and information system; and

13 (e) Provide, either directly or through contracts, assistance to  
14 industry associations, networks, or consortia, that would be of value  
15 to their member firms in:

16 (i) Adopting advanced business management practices such as  
17 strategic planning and total quality management;

18 (ii) Developing mechanisms for interfirm collaboration and  
19 cooperation;

20 (iii) Appraising, purchasing, installing, and effectively using  
21 equipment, technologies, and processes that improve the quality of  
22 goods and services and the productivity of the firm;

23 (iv) Improving human resource systems and work force training in a  
24 manner that moves firms toward flexible, high-performance work  
25 organizations;

26 (v) Developing new products;

27 (vi) Conducting market research, analysis, and development of new  
28 sales channels and export markets;

29 (vii) Improving processes to enhance environmental, health, and  
30 safety compliance; and

31 (viii) Improving credit, capital management, and business finance  
32 skills.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330 RCW  
34 to read as follows:

35 (1) In carrying out the targeted sector assistance authorized under  
36 RCW 43.330.090, the department shall:

1 (a) Assist Washington manufacturing services in applying for  
2 federal and private grants; and

3 (b) Contract with Washington manufacturing services for the  
4 delivery of:

5 (i) Educational assistance and training services to industry  
6 associations, networks, or consortia on continuous process improvement;  
7 quality assurance; environmental, health, and safety compliance; and  
8 market expansion opportunities; and

9 (ii) Technical assistance and consulting services to individual  
10 manufacturing firms.

11 (2) The department shall require Washington manufacturing services  
12 to collect such information as is necessary to determine the  
13 effectiveness of its services.

14 NEW SECTION. **Sec. 4.** The department of community, trade, and  
15 economic development shall contract with Washington manufacturing  
16 services to develop and implement an educational strategy for assisting  
17 small manufacturing firms, with an emphasis on manufacturers who employ  
18 one hundred or fewer employees. The educational assistance program may  
19 include a combination of seminars and training sessions that provide  
20 broad instruction to a large cross section of small manufacturing  
21 employers and a program to provide direct consulting services for  
22 individual manufacturing firms. Up to a maximum of thirty percent of  
23 the funding for the Washington manufacturing services contract may be  
24 used for sponsoring seminars and training sessions. The remaining  
25 funding for the Washington manufacturing services contract shall be  
26 used to provide individualized consulting services to companies with  
27 one hundred or fewer employees. Firms that participate in this  
28 individualized training program may be required to contribute up to  
29 fifty percent of the cost of the consulting services. The educational  
30 assistance program should complement other department of community,  
31 trade, and economic development, department of ecology, or other agency  
32 strategies designed for assisting manufacturers and industrial  
33 processors.

34 NEW SECTION. **Sec. 5.** The sum of four hundred thousand dollars, or  
35 as much thereof as may be necessary, is appropriated for the fiscal

1 year ending June 30, 2007, from the general fund to the department of  
2 community, trade, and economic development to carry out the purposes of  
3 section 4 of this act.

4 NEW SECTION. **Sec. 6.** Sections 1 and 2 of this act constitute a  
5 new chapter in Title 24 RCW.

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