

HOUSE BILL REPORT

HB 1715

As Reported by House Committee On:
Community & Economic Development & Trade

Title: An act relating to assisting manufacturers.

Brief Description: Assisting manufacturers.

Sponsors: Representatives Chase, Miloscia, B. Sullivan, Skinner, Grant, Hunt, McDermott, Morrell, Eickmeyer, Kessler, Haler, Kristiansen, Conway, Sells, Kenney and Simpson.

Brief History:

Committee Activity:

Community & Economic Development & Trade: 2/8/07, 2/22/07 [DPS].

Brief Summary of Substitute Bill

- Directs Washington Manufacturing Services to create additional programs to assist small manufacturers and to educate students regarding careers in manufacturing.

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Kenney, Chair; Pettigrew, Vice Chair; Bailey, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Chase, Darneille, Haler, Rolfes and P. Sullivan.

Staff: Tracey Taylor (786-7196).

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.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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 of Substitute Bill:

The WMS is directed to create programs which provide modernization services to manufacturing firms with 50 or fewer employees. In addition, the WMS must create programs to assist small manufacturers to become certified in internationally accepted quality assurance programs. The WMS shall develop partnerships for the delivery of services which will assist manufacturers in reducing costs, and increase their environmental compliance.

Substitute Bill Compared to Original Bill:

The substitute bill removes the requirement that the WMS educate students about careers in manufacturing, provide teachers with valuable educational resources and create other resources to promote manufacturing related careers. In addition, the appropriation in the bill is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill accomplishes a number of things for the manufacturing industry in Washington. First, it allows the successful partnership with our neighboring states that assists food processors with training and lean manufacturing implementation. Four-hundred-eighty-eight employees in 13 Washington companies have received training over the past two years, and results show that the companies have experienced impressive productivity gains and improved company culture. Second, this bill will allow the WMS to focus on Washington's smaller manufacturing firms which have limited resources to spend on training and

productivity improvements. Third, the WMS will be able to assist firms achieve appropriate quality certifications. Certification is becoming more and more important in today's global market, especially for smaller firms who subcontract with large manufacturers such as Boeing. The WMS will assist Washington manufacturing firms achieve certification and remain competitive in the global economy. Fourth, there is a need for a skilled workforce and the WMS's "Dream it, Do it" program will help young people enter careers related to manufacturing. Fifth, the WMS has been instrumental in working with manufacturers to reduce pollution and waste. In collaboration with the Department of Ecology, the WMS would expand the pilot program to assist manufacturing firms reduce waste and toxics in Washington.

(Opposed) None.

Persons Testifying: Representative Chase, prime sponsor; John Vicklund, Washington Manufacturing Services; Kay Seiler, Department of Ecology; and John Earl, Canyon Creek Cabinets.

Persons Signed In To Testify But Not Testifying: None.