

HOUSE BILL REPORT

SSB 5982

As Passed House - Amended:

March 1, 2012

Title: An act relating to the joint center for aerospace technology innovation.

Brief Description: Creating the joint center for aerospace technology innovation.

Sponsors: Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Shin, Hobbs, Harper, Eide, Kilmer, Conway, Sheldon, Haugen, Kohl-Welles, Frockt, Keiser, Fain, Tom, Chase and McAuliffe; by request of Governor Gregoire).

Brief History:

Committee Activity:

Higher Education: 2/16/12, 2/20/12 [DPA];

Ways & Means: 2/24/12, 2/25/12 [DPA(WAYS w/o HE)].

Floor Activity:

Passed House - Amended: 3/1/12, 95-1.

Brief Summary of Substitute Bill (As Amended by House)

- Creates the Joint Center for Aerospace Technology Innovation (Center) to pursue joint industry-university research.
- Creates a board of directors for the Center that is comprised of representatives from the aerospace industry and higher education.
- Requires the Center to develop an operating plan by June 30, 2013, and submit a biennial report to the Governor and Legislature.
- Requires that all public baccalaureate institutions have access to the resources and facilities of the Center to fulfill aerospace industry needs.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 15 members: Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking

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Minority Member; Asay, Crouse, Fagan, Hasegawa, Pollet, Reykdal, Sells, Springer, Warnick, Wylie and Zeiger.

Minority Report: Do not pass. Signed by 1 member: Representative Buys.

Staff: Madeleine Thompson (786-7304).

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Ways & Means and without amendment by Committee on Higher Education. Signed by 27 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

Staff: Trista Zugel (786-7157).

Background:

According to a 2009 study conducted for the Snohomish County Economic Development Council, there are over 250 aerospace companies in Washington and the business activity generated results in over \$36 billion in economic value to the state. When aerospace suppliers are included the number of Washington aerospace companies grows to 600.

The study also found that Washington is the highest per capita aerospace employer of all the states, with 44 jobs per 1,000 workers and that aerospace accounts for nearly one-sixth of Washington's Gross State Product.

In response to global competition, a number of states have developed strategies to strengthen academic/industry collaboration, including research development, to support their aerospace industry.

Summary of Amended Bill:

The Joint Center for Aerospace Technology Innovation (Center) is created to pursue joint industry-university research that can be used in aerospace firms, enhance the education of engineering students, and work with the aerospace industry to identify research needs and opportunities to transfer off-the-shelf technologies. The Center is to operate as a multi-institutional center under the joint authority of the University of Washington and Washington State University. In order to meet industry needs, the facilities and resources of the Center must be made available to all public baccalaureate institutions. Resources include, but are not limited to, internships, on-the-job training, and research opportunities for undergraduate and graduate students and faculty.

The Center will have a board of directors appointed by the Governor, representing a cross-section of the aerospace industry and higher education. The board is to:

- hire an executive director;
- identify research areas to benefit the aerospace industry in Washington;
- identify entrepreneurial researchers and the steps the universities will take to recruit such researchers;
- assist firms to integrate existing technologies into their operations;
- align the Center's activities with those of Impact Washington and Innovate Washington;
- ensure that students enrolled in an aerospace engineering curriculum have direct experience with aerospace firms;
- assist researchers and firms in guarding intellectual property;
- promote collaboration between industry and faculty; and
- develop non-state support for research.

By June 30, 2013, the board is to develop an operating plan that includes specifics on how the Center will accomplish its duties. The board is to provide a biennial report to the Legislature and the Governor. The Center may solicit funds from a variety of sources to carry out its obligations.

The Joint Legislative Audit and Review Committee must conduct a formal sunset review that includes an evaluation of program effectiveness and is due July 1, 2015. The program is repealed effective July 1, 2016.

The provisions of the bill are subject to funds appropriated for this purpose as required by the null and void clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Higher Education):

(In support) This is part of Washington's effort to make sure airplane manufacturing stays and grows in Washington. This bills tries to bring aerospace technology to the northwest and have aerospace technology be centered in the northwest. We want to make sure aerospace companies can meet their technology needs in the northwest. This will be a collaborative effort. We must invest in this technology or someone else will. This is vital to the future of the state. Other states and other countries are competing with Washington to conduct research that supports the aerospace industry. A dynamic Center can bring the researchers, the students, and the industry together to develop the next generation of ideas for the next generation of planes. The Center would be seen as a place to go for the aerospace industry to find out about and engage in research. The purpose of the Center is for cross-collaboration to the benefit of the aerospace industry.

We would like to see a more explicit reference to the collaboration of all public baccalaureate institutions and access to the internship opportunities for our graduate and undergraduate students in plastics, manufacturing, and electrical engineering. Aerospace programs at some public baccalaureate institutions come at a lower cost than others, and are therefore a good deal for the state, and they should be included. There is some value to centering this effort in an institution that already exists.

(Opposed) None.

Staff Summary of Public Testimony (Ways & Means):

(In support) For Washington to maintain its competitiveness in the area of aerospace it needs to be a center for innovative product development. This bill does just that. This bill builds on current public private-partnerships. Establishment of this Joint Center for Aerospace Technology Innovation will allow continued research in this area. This allows us to leverage state dollars. This bill is a top priority for the Governor and the Economic Development Commission because they have made innovation a key component of economic development. This bill aligns with that initiative. This bill will help strengthen the innovation ecosystem and will help this most important economic cluster which helps us be competitive.

(Opposed) None.

Persons Testifying (Higher Education): Senator Kastama, prime sponsor; Leslie Goldstein, Office of the Governor; Sherry Burkey, Western Washington University; and Steve Dupont, Central Washington University.

Persons Testifying (Ways & Means): Heidi Hughes, Office of the Governor; and Egils Milbergs, Economic Development Commission.

Persons Signed In To Testify But Not Testifying (Higher Education): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.