

# FINAL BILL REPORT

## SB 5731

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Synopsis as Enacted

**Brief Description:** Concerning Washington manufacturing services.

**Sponsors:** Senators Chase, Kastama, Shin and Conway.

**Senate Committee on Economic Development, Trade & Innovation**  
**House Committee on Community Development & Housing**

**Background:** In 2006 the Legislature created the Washington Manufacturing Services in statute as a nonprofit corporation (the corporation) to operate a modernization extension system, coordinate a network of public and private modernization resources, and stimulate the competitiveness of small and midsize manufacturers. The Legislature stated an intent to encourage small and midsize firms to aggregate their demand for training and other modernization services, thus driving down the cost to the individual firm and securing more effective services, and directed the corporation to provide assistance to industry associations, networks, or consortia. In 2010 the board of directors of the corporation changed the name of Washington Manufacturing Services to Impact Washington.

The U.S. Department of Commerce commissions an annual audit of the corporation's clients. Their most recent audit results for 2010 showed increased sales of \$47,806,779; 150 jobs created; 410 jobs retained; decreased costs of \$12,127,512; and increased capital spending of \$18,576,608.

The corporation receives about \$2 million annually from the federal government. The federal government requires local matching funds. The corporation receives \$200,000 annually from the state, and the remainder of its \$4 million annual budget comes from fee for services.

The U.S. Department of Commerce's Trade Adjustment Assistance for Firms program helps American companies become more competitive when faced with import competition in their markets. Companies can receive up to \$75,000 in matching grant funding for assistance projects that enhance their competitiveness. The types of projects funded include re-engineering, production control and inventory systems, marketing and sales, cost reduction, and information technology.

**Summary:** The corporation may be known as Impact Washington. Impact Washington is to collaborate with industry sector and cluster associations to inform import-impacted

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manufacturers about Trade Adjustment Assistance funding. A minimum of 35 percent and a maximum of 65 percent of its state funding must be used to provide assistance to industry or cluster associations, networks, or consortia.

**Votes on Final Passage:**

Senate	47	1	
House	93	2	(House amended)
Senate	44	0	(Senate concurred)

**Effective:** July 22, 2011.