

FINAL BILL REPORT

2ESB 5764

PARTIAL VETO C 14 L 11 E 1 Synopsis as Enacted

Brief Description: Creating innovate Washington.

Sponsors: Senators Kastama, Chase, Shin, Kilmer, Brown, Conway and McAuliffe.

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means
House Committee on Higher Education
House Committee on Ways & Means

Background: The Legislature created the Washington Technology Center (WTC) in 1983 and the Spokane Intercollegiate Research and Technology Institute (SIRTI) in 1998. Both have a mission to conduct and commercialize research and to strengthen university-industry relationships through the conduct of research that is primarily of interest to Washington-based companies or state economic development programs. WTC's focus is state-wide while SIRTI's is Eastern Washington.

WTC operates a Small Business Innovation Research (SBIR) Assistance Program and SIRTI has taken part in the program by assisting small businesses in applying for federal SBIR grants. WTC has a statutory obligation to operate the Investing in Innovation Grants Program, but funding has never been appropriated for its operation.

The Clean Energy Leadership Council (CELC) was created in 2009 to develop strategies and recommendations for growing the state's clean energy sector. CELC was directed to identify the clean energy industry segments and where the state has competitive advantages or emerging strength in research, development, or deployment of clean energy solutions.

Summary: Innovate Washington is created as the successor agency to WTC and SIRTI and is the primary state agency responding to the technology transfer needs of existing businesses in the state. Innovate Washington:

- facilitates research supportive of state industries and provides mechanisms for collaboration between technology-based industries and higher education institutions;
- helps businesses secure research funds and develops and integrates technology into new products;
- offers technology transfer and commercialization training opportunities;
- serves as the lead entity for coordinating clean energy initiatives; and

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- administers technology and innovation grant and loan programs.

Innovate Washington must develop a five-year business plan to be updated every even-numbered year. The first plan is due by December 1, 2012, and must include a plan for operating additional facilities in Vancouver, the Tri-Cities, and Bellingham. The plan must also include methods of working with community and technical colleges, including Centers of Excellence; methods to ensure access to Innovate Washington's services by clients of Impact Washington; mechanisms for outreach to firms in Innovation Partnership Zones; and a clean energy component consistent with CELC recommendations.

A board of directors (board) governs Innovate Washington. The board must convene a group to determine the best method to develop and make available a database of in-state technologies and inventions. It must also report to the Governor and the Legislature every year on customer satisfaction and a variety of outcome measures. The board is authorized to:

- employ staff and engage technical experts;
- create advisory committees;
- enter into agreements with other entities to carry out any of its programs;
- solicit funds from a variety of sources;
- establish affiliated organizations, special funds, and controls as it sees fit; and
- delegate any of its powers and duties if consistent with the purposes of the act.

Innovate Washington must operate a small business innovation assistance program to help in the procurement of awards from federal small business research programs.

Centers of Excellence are to broker assistance available for firms in targeted industries and work with Innovate Washington to develop methods to identify businesses within a targeted industry that could benefit from the services of Innovate Washington.

The Investing in Innovation Grants Program is changed to the Investing in Innovation Program. The program is operated by Innovate Washington and may make both loans and grants using funds raised by the board of directors. Proprietary information of those applying or receiving funding through the Investing in Innovation Program is not subject to public disclosure. The Investing in Innovation Account is established in the custody of the State Treasurer.

Votes on Final Passage:

Senate 46 2

First Special Session

Senate 43 0

House 53 35 (House amended)

Senate 45 2 (Senate concurred)

Effective: August 1, 2011.

Partial Veto Summary: The requirements that the Joint Legislative Audit and Review Committee (1) review the performance of Innovate Washington regarding the effectiveness

of Innovate Washington programs, and (2) make recommendations to the appropriate policy and fiscal committees of the Legislature by December 1, 2015 were vetoed.