# Washington State House of Representatives Office of Program Research

### BILL ANALYSIS

## **Technology & Economic Development Committee**

### **HB 2434**

**Brief Description**: Concerning Washington state's space exploration sector.

**Sponsors**: Representatives Morris, Smith, Tarleton, Stokesbary, Magendanz, Stanford, Haler and Santos.

#### **Brief Summary of Bill**

• Directs the Department of Commerce to select an entity to host and oversee the Washington State Space Exploration Center of Excellence.

Hearing Date: 1/19/16

Staff: Nikkole Hughes (786-7156).

#### Background:

#### Department of Commerce.

The Department of Commerce (Department) must promote job growth and facilitate innovation in the state by providing business assistance and economic development services through sector, cluster-, and regionally-based partners rather than by assisting individual firms directly. The Department's Office of Aerospace coordinates a support chain to grow the state's aerospace industry sector, including the emerging sub-sector of space exploration.

#### Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee (JLARC) is tasked with making state government operations more effective, efficient, and accountable by conducting performance audits, program evaluations, sunset reviews, and other analyses. Assignment to conduct studies are made by the Legislature.

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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.

#### **Summary of Bill:**

#### Department of Commerce.

The Department of Commerce (Department) must select an academic, government, or nongovernmental entity to host and oversee the Washington State Space Exploration Center of Excellence (Space Exploration Center). The Department must give preference to entities that have a close nexus to the space exploration private sector, have the lowest overhead rate, and demonstrate an ability to meet certain milestones. Facilities and resources, including internships and on-the-job training, must be readily available to all four-year institutions of higher education in the state.

The tasks established for the Space Exploration Center include:

- pursuing joint industry-university research in developing and supporting new and existing technologies that can be used by space exploration firms;
- working directly with existing small, medium, and large-sized space exploration firms and space industry associations to identify research needs; and
- promoting and fostering local space exploration industry efforts to increase statewide competitiveness.

The Space Exploration Center is governed by a board of directors (Board) appointed by the Governor, consisting of eight voting members and one chair, who may vote if necessary to break a tie. The eight voting members of the Board must include one representative from each of the following:

- small-sized space exploration firms;
- medium-sized space exploration firms;
- large-sized space exploration firms; and
- labor.

The Board must also include two representatives from space exploration industry associations and two representatives from higher education. The chair and ranking minority members of the technology committees of the House of Representatives and the Senate are ex-officio members of the Board, and the record of their attendance at Board meetings must be spread across the journals of each chamber.

The Board must hire an executive director and may hire additional staff. Staff support may be provided from among the cooperating institutions through cooperative agreements, to the extent funds are available.

The Board is authorized to create a nonprofit corporation in order to receive and distribute nonstate dollars. The Board's duties include:

- identifying entrepreneurial researchers to join or lead research teams, in cooperation with the University of Washington and Washington State University;
- developing internships, on-the-job training, research, and other opportunities for undergraduate and graduate students enrolled in space exploration curricula; and
- sponsoring at least one annual symposium focusing on space exploration research and innovation in Washington.

By January 9, 2017, the Board must develop short and long-term operating plans that include the specific processes, methods, or mechanisms the Space Exploration Center will use to accomplish its duties. The operating plans must include appropriate performance metrics, including the total number of federal space exploration research dollars leveraged and the total number of jobs created. The Board must report biennially to the Legislature and the Governor about the impact of the Space Exploration Center's work on the state's economy and the space exploration sector.

#### Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee (JLARC) must conduct an evaluation of the Space Exploration Center and report its findings and recommendations to the Governor and the economic development committees of the Legislature by July 1, 2027. The report must identify the extent to which the Space Exploration Center has contributed to the economic development of the state, as indicated by the achievement of the following milestones:

- an increase in federal space exploration dollars by 30 percent;
- establishment of a program to recruit future space exploration sector research experts to Washington academic institutions;
- an increase in the number of jobs in the space exploration sector by 15 percent;
- assistance in creating a space exploration research curriculum in a Washington state college or university; and
- creation of an ongoing 10-year plan for creating economic growth in the space exploration center, including workforce development.

#### Severability and Funding.

A severability clause is included. The act is null and void unless specific funding for the purposes of the act is provided in the budget.

**Appropriation**: None.

**Fiscal Note**: Requested on January 14, 2016.

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