

HOUSE BILL REPORT

HB 2434

As Reported by House Committee On:
Technology & Economic Development

Title: An act relating to the promotion of space exploration.

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

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

Brief History:

Committee Activity:

Technology & Economic Development: 1/19/16, 1/26/16 [DPS].

Brief Summary of Substitute Bill

- Creates the Washington State Space Exploration Center of Excellence within the Department of Commerce.

HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Morris, Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Hudgins, Magendanz, Nealey, Rossetti, Santos, Wylie and Young.

Minority Report: Without recommendation. Signed by 1 member: Representative Fey.

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

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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. Assignments to conduct studies are made by the Legislature.

Summary of Substitute Bill:

Department of Commerce.

The Washington State Space Exploration Center of Excellence (Space Exploration Center or Center) is created within the Department. The purpose of the Space Exploration Center includes:

- supporting joint industry-university research in developing and supporting new and existing technologies that can be used by space exploration firms;
- assisting the University of Washington and Washington State University in recruiting future space exploration sector leaders to enhance the education of both K-12 and post-secondary students; and
- providing a centralized state space exploration industry hub.

The Space Exploration Center is authorized to receive and expend gifts, grants, funds, fees, and endowments. The Center may also enter into, amend, and terminate contracts for services with individuals, corporations, trade associations, and research institutions.

The Space Exploration Center must make its facilities and resources, including internships and research opportunities, available to all four-year institutions of higher education as well as to certain K-12 programs. The Space Exploration Center must also maintain transparency by requiring that no grants be made to any space flight project if the payload of the space flight is not disclosed in the grant application.

By January 9, 2017, the Space Exploration Center must develop short- and long-term work or operating plans that include the specific processes, methods, or mechanisms the Space Exploration Center will use to accomplish its duties. The work plans must include appropriate performance metrics, including the total number of jobs created. The Space Exploration Center 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 college or university;
- an increase in the number of secondary and post-secondary students who participate in work-based learning or research, and who complete internships or on-the-job training related to the space exploration sector; 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.

Legislative Intent.

Legislative intent language is established that limits the total state contribution toward establishing the Center to \$250,000.

Substitute Bill Compared to Original Bill:

The substitute bill:

- creates the Center in the Department rather than directing the Department to select a host entity;
- adds language to the intent section limiting the state's total contribution toward establishing the Center to not more than \$250,000;
- authorizes the Center to receive and expend gifts, grants, funds, fees, and endowments;
- authorizes the Center to initiate, amend, and terminate contracts for service;
- directs the Center to solicit financial contributions and support from private sector sources, foundations, and grants from governmental sources;
- adds language clarifying the purposes and duties of the Center with respect to K-12 education and applied learning in the field of space exploration and related areas of study; and
- requires the Center to maintain transparency around the payloads of space flight projects that receive grants from the Center.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on January 28, 2016.

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

Staff Summary of Public Testimony:

(In support) This bill will provide a greenhouse function for business growth in the space exploration sector. Landing some of the larger sector trade shows is often a way to highlight a nascent industry cluster and showcase it nationally. The performance metrics included in this bill will help measure the success of the Center in the future.

(Opposed) None.

Persons Testifying: Representative Morris, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.