

# SENATE BILL REPORT

## SB 6139

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As of February 5, 2020

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

**Brief Description:** Extending the joint center for aerospace technology innovation program.

**Sponsors:** Senators Mullet, Wagoner, Takko, Wilson, L., Wilson, C., Randall, Conway, Stanford and Carlyle.

**Brief History:**

**Committee Activity:** Financial Institutions, Economic Development & Trade: 1/21/20, 1/30/20 [DPS-WM, DNP].

**Ways & Means:** 2/04/20.

**Brief Summary of First Substitute Bill**

- Changes the sunset date for the Joint Center for Aerospace Technology Innovation from July 1, 2020, to July 1, 2030.

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**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE**

**Majority Report:** That Substitute Senate Bill No. 6139 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Wilson, L., Ranking Member; Braun and Hobbs.

**Minority Report:** Do not pass.

Signed by Senator Ericksen.

**Staff:** Kellee Gunn (786-7429)

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**SENATE COMMITTEE ON WAYS & MEANS**

**Staff:** Michele Alishahi (786-7433)

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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.*

**Background:** The Joint Center for Aerospace Technology Innovation (JCATI) was created in 2012 to pursue joint industry-university aerospace research. Ultimately, the research could then be used in aerospace firms, enhance the education of engineering students, and assist the aerospace industry in identifying research needs and opportunities. JCATI would operate as a multi-institutional center under the joint authority of the University of Washington (UW) and Washington State University. JCATI has a board of directors appointed by the Governor, representing a cross section of the aerospace industry and higher education. The Legislature provides \$3 million per biennium to JCATI.

The JCATI sunsets July 1, 2020, unless there is legislative action. The Joint Legislative Audit Review Committee (JLARC) performed a sunset review of JCATI and published their recommendation in December 2019. JLARC recommended the Legislature continue the program as it meets the legislative intent to pursue joint university-industry aerospace research in Washington.

**Summary of Bill (First Substitute):** The sunset date for JCATI is changed from July 1, 2020, to July 1, 2030.

The JCATI must terminate any relationship or potential relationship with an industry partner that has been found to have violated the freedom from discrimination act by the Office of the Attorney General until the industry partner has satisfied any conditions of the court order or settlement resulting from that violation, or they taken significant and meaningful steps to correct the violation, as determined by the Washington State Human Rights Commission.

**EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE COMMITTEE (First Substitute):** Requires the JCATI to terminate any relationship or potential relationship with an industry partner that has been found to have violated the freedom from discrimination act by the attorney general until:

- the industry partner has satisfied any conditions of the court order or settlement resulting from that violation; or
- the industry partner has taken significant and meaningful steps to correct the violation, as determined by the Washington State Human Rights Commission.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill (Financial Institutions, Economic Development & Trade):** *The committee recommended a different version of the bill than what was heard.* PRO: JCATI supports economic development in the aerospace industry. This program leverages private dollars to solve aerospace issues through partnerships with institutions of higher education. This benefits students and aerospace businesses across the state. Since it began, 109 grants have been awarded. JCATI has provided a return on investment. JLARC's audit concluded that this program met its legislative intent. We are

supportive of JCATI. One project, with the University of Washington, created a coalition of four different aerospace partners to advance a idea for a new composite. The grant allowed the UW to get a professor to work on it, and a white paper written. The white paper's research opened the door for more funded research related to the project. I am a student participating in JCATI. I am currently working on a thruster with an aerospace business partner. It has provided me with the opportunity to gain experience and industry connections. JCATI holds a symposium in April to highlight student work. Without JCATI, I would not have had the same opportunities.

**Persons Testifying (Financial Institutions, Economic Development & Trade):** PRO: Senator Mark Mullet, Prime Sponsor; Richard Wang, University of Washington Student; Beth Hacker, Joint Center for Aerospace Technology Innovation; Ben Hempstead, Electroimpact.

**Persons Signed In To Testify But Not Testifying (Financial Institutions, Economic Development & Trade):** No one.

**Staff Summary of Public Testimony on First Substitute (Ways & Means):** PRO: The intent of the bill in 2013 was to create a partnership between our public universities, both professors and students, and the private aerospace sector, and then leverage that partnership to bring private investment into these areas. The JLARC study indicated that the program worked exactly as intended and recommended that we keep the program going. If we do not take action before the end of session, it will expire. JCATI pairs state researchers at our public higher education institutions with Washington companies to address aerospace technology challenges and engages Washington engineering students with hands on learning and the opportunity to engage in an industry they are interested in studying. To date, 109 grants have been awarded, 64 companies have participated, and 392 students have benefited. JCATI has proven not only to be a good buy but also a model for other research collaborations.

**Persons Testifying (Ways & Means):** PRO: Senator Mark Mullet, Prime Sponsor; Morgan Hickel, University of Washington; Chris Mulick, Washington State University.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.