
SUBSTITUTE HOUSE BILL 1715

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Community & Economic Development & Trade
(originally sponsored by Representatives Chase, Miloscia, B. Sullivan, Skinner, Grant, Hunt, McDermott, Morrell, Eickmeyer, Kessler, Haler, Kristiansen, Conway, Sells, Kenney and Simpson)

READ FIRST TIME 02/26/07.

1 AN ACT Relating to assisting manufacturers; amending RCW 24.50.010;
2 and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) Through modernization programs reflecting the specific needs
6 and capabilities of the individual firms, Washington manufacturers can
7 compete successfully in the market of the future and provide living
8 wage jobs. Most small and midsize manufacturers will face financing,
9 marketing, production, or other challenges during their early
10 formation. Often, they do not have the resources that will allow them
11 to easily access the technical assistance and skills training needed to
12 make them globally competitive;

13 (b) Foreign markets are now providing small manufacturers with
14 opportunities for direct sale of their products and for opportunities
15 to become a supplier in a large manufacturer's supply chain. To enter
16 these markets, advanced manufacturers must demonstrate high standards
17 of product and process quality and be certified by organizations such
18 as the international standards organization 9000 and the AS9100
19 aerospace standard. In the United States, Washington is twentieth in

1 the total number of manufacturers, but twenty-fifth in the number of
2 international standards organization certified firms, and thirty-first
3 out of all states in the percentage of companies that are certified by
4 the international standards organization;

5 (c) Public and private partnerships directed at business education
6 may result in benefits to manufacturing and improvements to the
7 environment. Through a recent federally funded pilot project between
8 the department of ecology and Washington manufacturing services,
9 several small manufacturing firms found significant benefits through a
10 "lean and clean" manufacturing education program. The project
11 demonstrated that the partnerships assist manufacturers in reducing
12 their operating costs, increase their environmental compliance, and
13 expand the opportunity for the manufacturers to grow jobs within the
14 state; and

15 (d) Washington state manufacturers will be successful only if they
16 are able to attract employees with the right mix of skills in certain
17 job functions to meet the demands of modern manufacturing. The "dream
18 it do it" campaign, which is being coordinated in Washington state by
19 Washington manufacturing services, is providing information on a wide
20 range of ways in which students can learn about high paying careers in
21 manufacturing and how they might qualify for those jobs. An early
22 understanding of career opportunities and of those skills necessary to
23 enter such professions will improve the qualifications of our workforce
24 and ensure economic expansion within our manufacturing community.

25 (2) It is the intent of the legislature that Washington state
26 increase its support for the manufacturing extension program, to expand
27 the delivery of modernization services to small Washington
28 manufacturers, and to leverage federal and private resources devoted to
29 such efforts.

30 **Sec. 2.** RCW 24.50.010 and 2006 c 34 s 2 are each amended to read
31 as follows:

32 (1) Washington manufacturing services is organized as a private,
33 nonprofit corporation in accordance with chapter 24.03 RCW and this
34 section. The mission of the center is to operate a modernization
35 extension system, coordinate a network of public and private
36 modernization resources, and stimulate the competitiveness of small and
37 midsize manufacturers in Washington.

1 (2) Washington manufacturing services shall be governed by a board
2 of directors. A majority of the board of directors shall be
3 representatives of small and medium-sized manufacturing firms and
4 industry associations, networks, or consortia. The board shall also
5 include at least one member representing labor unions or labor councils
6 and, as ex officio members, the director of the department of
7 community, trade, and economic development, the executive director of
8 the state board for community and technical colleges, and the director
9 of the work force training and education coordinating board, or their
10 respective designees.

11 (3) Washington manufacturing services may:

12 (a) Charge fees for services, make and execute contracts with any
13 individual, corporation, association, public agency, or any other
14 entity, and employ all other legal instruments necessary or convenient
15 for the performance of its duties and the exercise of its powers and
16 functions under this chapter; and

17 (b) Receive funds from federal, state, or local governments,
18 private businesses, foundations, or any other source for purposes
19 consistent with this chapter.

20 (4) Washington manufacturing services shall:

21 (a) Develop policies, plans, and programs to assist in the
22 modernization of businesses in targeted sectors of Washington's economy
23 and coordinate the delivery of modernization services;

24 (b) Create programs which:

25 (i) Provide modernization services to manufacturing firms with
26 fifty or fewer employees;

27 (ii) Assist small manufacturers to become certified in
28 internationally accepted quality assurance programs; or

29 (iii) Develop partnerships for the delivery of services which will
30 assist manufacturers in reducing costs, and increases their
31 environmental compliance;

32 (c) Provide information about the advantages of modernization and
33 the modernization services available in the state to federal, state,
34 and local economic development officials, state colleges and
35 universities, and private providers;

36 ~~((e))~~ (d) Collaborate with the Washington quality initiative in
37 the development of manufacturing quality standards and quality
38 certification programs;

1 ~~((d))~~ (e) Serve as an information clearinghouse and provide
2 access for users to the federal manufacturing extension partnership
3 national research and information system; and
4 ~~((e))~~ (f) Provide, either directly or through contracts,
5 assistance to industry associations, networks, or consortia, that would
6 be of value to their member firms in:
7 (i) Adopting advanced business management practices such as
8 strategic planning and total quality management;
9 (ii) Developing mechanisms for interfirm collaboration and
10 cooperation;
11 (iii) Appraising, purchasing, installing, and effectively using
12 equipment, technologies, and processes that improve the quality of
13 goods and services and the productivity of the firm;
14 (iv) Improving human resource systems and work force training in a
15 manner that moves firms toward flexible, high-performance work
16 organizations;
17 (v) Developing new products;
18 (vi) Conducting market research, analysis, and development of new
19 sales channels and export markets;
20 (vii) Improving processes to enhance environmental, health, and
21 safety compliance; and
22 (viii) Improving credit, capital management, and business finance
23 skills.

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