

HOUSE BILL REPORT

HB 2088

As Reported by House Committee On: Appropriations

Title: An act relating to appropriations specifically for activities related to the aerospace industry for permitting and training, including program development, staff, facilities, and equipment.

Brief Description: Making appropriations specifically for activities related to the aerospace industry for permitting and training, including program development, staff, facilities, and equipment.

Sponsors: Representatives Sells, Seaquist, Senn and Morrell; by request of Governor Inslee.

Brief History:

Committee Activity:

Appropriations: 11/8/13 [DP].

Brief Summary of Bill

- Makes supplemental appropriations to the 2013-15 Operating Budget for aerospace worker education and training, and environmental permitting activities related to large aerospace facilities.
- Makes supplemental appropriations to the 2013-15 Capital Budget related to facilities for aerospace worker education and training.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 19 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle, Dahlquist, Fagan, Harris, Hudgins, Hunt, Jinkins, Morrell, Parker, Pettigrew, Schmick, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 3 members: Representatives Buys, Haler and Taylor.

Staff: Charlie Gavigan (786-7340).

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:

Aerospace Workforce Education and Training.

There are a variety of programs to educate and train students and workers in science, technology, engineering, and math in K-12 schools, community and technical colleges, and four-year institutions. In addition, there are programs and funding specifically for education and training related to high demand fields including the aerospace industry.

As directed by the Legislature in 2011, the State Board for Community and Technical Colleges (SBCTC) established the Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee (Advisory Committee). The Advisory Committee is required to:

- direct the development of a skills gap analysis produced with the Workforce Training and Education Coordinating Board (Workforce Board) using data developed through the Education Data Center at the Office of Financial Management, and consistent with the joint assessment of higher education and training credentials required to match employer demand;
- establish goals for students served, program completion rates, and employment rates;
- coordinate and disseminate industry advice for training programs; and
- recommend training programs for review by the Workforce Board in coordination with the SBCTC.

The Washington Aerospace Training and Research Center (WATR) provides short-term training courses teaching skills required in the aerospace industry and providing college credit. The WATR opened in 2010 and is operated by Edmonds Community College. It is located at Paine Field in Snohomish County.

The City of Renton is in the process of developing the Renton Aerospace Training Center at the Renton Airport. Renton Technical College will train aerospace workers at the facility.

Project Permitting.

The state regulates land use and development activities within its borders through a number of statutes, including the State Environmental Policy Act (SEPA). The SEPA requires that an Environmental Impact Statement (EIS) be prepared if a proposal is likely to have significant adverse environmental impacts. The EIS includes, in part, detailed information about the environmental impact of the project, any adverse environmental effects that cannot be avoided if the proposal is implemented, and alternatives, including mitigation, to the proposed action.

Most cities and counties may adopt a process in accordance with requirements prescribed in the SEPA that allow for up-front planning activities in specific geographic areas. Up-front analysis of impacts and mitigation measures can facilitate environmental review of subsequent individual development projects. Local jurisdictions may assess a fee upon subsequent development that will make use of and benefit from the up-front analysis.

Summary of Bill:

Operating Budget.

Supplemental appropriations are made to the 2013-15 Operating Budget for aerospace worker education and training, and environmental permitting activities related to large aerospace facilities.

Eight million dollars General Fund-State (GF-S) is appropriated in fiscal year (FY) 2015 for the State Board for Community and Technical Colleges (SBCTC) to add 1,000 full-time equivalent students in the 2014-15 school year. The additional enrollments are to take place at locations and in programs recommended by the Washington Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee. It is the intent of the Legislature that funding be ongoing as long as there is a demonstrated need. In addition, \$500,000 GF-S is appropriated in FY 2015 to the SBCTC to develop a fabrication composite wing training program for current aerospace workers at the WATR. It is the intent of the Legislature to continue this training in FY 2016.

Two million dollars GF-S is appropriated to the Department of Commerce to make grants to local governments to assist in paying the cost of an environmental analysis that advances environmental permitting activities related to large manufacturing sites for aerospace and other key economic growth centers.

Capital Budget.

Supplemental appropriations are also made to the 2013-15 Capital Budget related to facilities for aerospace worker education and training.

Five million dollars is appropriated from the bond financed State Building Construction Account-State to the Department of Commerce for the Renton Aerospace Training Center construction. This is in addition to \$5 million provided in the underlying biennial capital budget.

One and a half million dollars is appropriated from the State Building Construction Account-State to the SBCTC for building modifications to the WATR and for acquisition of specialized equipment related to a fabrication composite wing training program for current aerospace workers.

Appropriation: The bill contains multiple appropriations. Please see summary.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) These workforce investments at the community and technical colleges are great investments for Washington whether the 777X is built here or not. The need for 1,000 full-time equivalent students in aerospace-related programs was identified by the Aerospace and Advanced Materials Manufacturing Pipeline Advisory Committee (Advisory Committee). A

large number of job openings have been forecast for aerospace industry employers in a variety of aerospace occupations, even without the inclusion of Boeing data.

The creation of the carbon fiber wing fabrication program at Renton would be the first of its kind in North America. These facilities could be used by a variety of educational institutions from postsecondary institutions, to apprenticeships and K-12. There has been a lot of hard work to ensure that our area has training opportunities for Boeing and all other aerospace employers. Community and technical colleges provide a wide variety of aerospace-related degrees and certificate programs, working closely with industry and the Advisory Committee.

The modest grant program for the Department of Commerce will help local jurisdictions to advance permitting for current and future large manufacturing sites for aerospace and other key industries.

This proposal is about jobs. It is about creating jobs for generations.

About half of the aerospace machinists will be eligible to retire within the next five years and will need to be replaced. This is not just a Puget Sound issue but also affects Spokane and other areas of the state.

(With concerns) Waiving the five-day hearing rule and rushing ahead before knowing the results of the vote on the labor contract proposal is a concern.

(Opposed) None.

Persons Testifying: (In support) Alex Pietsch, Office of the Governor; John Lovick, Snohomish County; Troy McClelland, Snohomish County Economic Alliance; Paul Roberts, City of Everett; John Mohr, Port of Everett; Marty Brown, State Board for Community and Technical Colleges; Larry Brown, Aerospace Machinists; Larry Cluphf, Edmonds Community College Business Training Center; and Carol Weigand, Spokane Community College.

(With concerns) Patrick Connor, National Federation of Independent Business.

Persons Signed In To Testify But Not Testifying: None.