

SENATE BILL REPORT

SB 5932

As Reported By Senate Committee On:
Labor, Commerce & Trade, March 1, 1995

Title: An act relating to establishing the Washington alliance for manufacturing.

Brief Description: Establishing the Washington alliance for manufacturing.

Sponsors: Senators Drew, Pelz, Schow, Deccio and Prince.

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/20/95, 3/1/95 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5932 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse, Palmer and Wojahn.

Staff: Jack Brummel (786-7428)

Background: Many economic development specialists believe that America will be richer if the government can successfully encourage continuous modernization in the private sector, and that the alternative competitive path, lowering production costs and wages toward the level of less industrialized nations, will result in a lower standard of living and quality of life for many Americans.

According to the 1993 report of the Modernization Forum Skills Commission, modernization is a complex process of managing simultaneous change across several elements of a firm, including work organization, manager and worker skills, marketing efforts, adoption of new technologies, and cooperation with kindred and competing firms.

One model for encouraging modernization and high performance manufacturing is the industrial extension model, patterned after the successful agricultural extension programs carried out by land grant colleges.

Summary of Substitute Bill: The Department of Community, Trade, and Economic Development serves as an extension system partner with the Washington Alliance for Manufacturing, assists in planning and grant seeking, and contracts for the delivery modernization services. The department is to conduct yearly evaluations on the effectiveness of its extension service partners in consultation with a business and labor advisory committee.

The Washington Alliance for Manufacturing is formed as a not-for-profit organization to operate a modernization extension system and develop a network of modernization resources.

The State Board for Community and Technical Colleges must develop competency-based technical degree programs which include quality management training and assist firms in the development of work-based learning techniques.

Substitute Bill Compared to Original Bill: The substitute bill eliminates language regarding the Washington Alliance for Manufacturing's permitted activities, and adds language about board membership and the department's use of an advisory committee.

Appropriation: \$1 million.

Fiscal Note: Requested on February 16, 1995.

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

Testimony For: This proposal is based on successful extension models. It will provide technical assistance to improve productivity. Small manufacturers need help in accessing and implementing new technologies.

Testimony Against: None.

Testified: PRO: Senator Drew, prime sponsor; Paul Knox, Department of Community, Trade, and Economic Development; Peggy Flynn, Richard Richings, Washington Alliance for Manufacturing; Ian McGowan, American Electronics Association; Jeff Johnson, WA State Labor Council.