

SENATE BILL REPORT

EHB 1674

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, March 17, 2011

Title: An act relating to providing that the manufacturing innovation and modernization extension service program is not to sunset.

Brief Description: Providing that the manufacturing innovation and modernization extension service program is not to sunset.

Sponsors: Representatives Kenney, Smith, Ryu, Johnson, Walsh, Finn, Maxwell and Stanford.

Brief History: Passed House: 3/03/11, 98-0.

Committee Activity: Economic Development, Trade & Innovation: 3/09/11, 3/10/11, 3/17/11 [DP, w/oRec].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Hatfield, Holmquist Newbry, Kilmer and Shin.

Minority Report: That it be referred without recommendation.

Signed by Senator Baumgartner, Ranking Minority Member.

Staff: Jack Brummel (786-7428)

Background: Impact Washington is the only Washington-based affiliate of the federal Manufacturing Extension Partnership Program (MEP Program) of the United States Department of Commerce's National Institute of Standards and Technology.

The Washington Manufacturing Innovation and Modernization Extension Service program (program) was created in 2008 and is administered by the Department of Commerce (Department). Under the program, small manufacturers, industry associations, or cluster associations may receive vouchers of up to \$200,000 per year from the Department to cover the costs of manufacturing extension services. Such services are to be provided by a qualified manufacturing extension partnership affiliate. Services may include strategic planning, continuous improvement, business development, lean processes, and supply chain management, among others.

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.

The costs of the manufacturing extension services must be repaid, with payments deposited in a dedicated account. All repayments are intended, by statute, to be eligible as the state match in a qualified affiliate's application for federal matching funds under the MEP Program. A qualified affiliate receiving program funds must report annually to the Department, and the Department must provide a biennial evaluation and report to legislative committees.

A sunset review of the program is scheduled in 2012 with a repeal of the program effective on June 30, 2013.

Summary of Bill: The requirement for the Department of Commerce to provide a biennial report on the program is changed to a report in any year following the year in which funding was received by a qualified affiliate.

The sunset review and termination provisions for the program are repealed.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: It is important that small businesses survive and grow. This is a win-win. This will make the program permanent. We have to help small manufacturers. Impact Washington has had clients throughout every part of the state.

Persons Testifying: PRO: Representative Kenney, prime sponsor; Ron Newbry, Impact Washington.