
Technology & Economic Development Committee

2SSB 6236

Brief Description: Establishing the Washington state economic growth commission.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Chase, Hasegawa and Palumbo).

Brief Summary of Second Substitute Bill

- Establishes the Washington State Economic Growth Commission to develop a state economic growth strategy and devise a plan for establishing a Manufacturing Innovation Institute.

Hearing Date: 2/22/18

Staff: Kirsten Lee (786-7133).

Background:

There are national economic development focused programs, including the National Network for Manufacturing Innovation and the Manufacturing Extension Partnership Program (MEP), that support the manufacturing industry. These national programs have regional or state associates that provide a range of support to manufacturing businesses, including financial, technological, and educational assistance. The state has a MEP associate and, until 2014, the state had a commission dedicated to the creation and implementation of economic development strategies and policies of the state.

State Economic Development Commission.

From 2002 until 2014 the Washington Economic Development Commission (EDC), created by Governor Locke through executive order, provided strategic and programmatic guidance to the Department of Community, Trade, and Economic Development (Department). The EDC's

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membership included representatives from the business and labor industries, providing a means for the private industry to participate in the development of the state's trade and economic development policies. The EDC's duties included reviewing and periodically updating the state's economic development strategy; providing policy, strategic, and programmatic direction to the Department; identifying policies and programs to assist Washington's small businesses; assisting the Department with procurement and deployment of private funds for economic development efforts; meeting with the chairs and ranking members of the legislative committees from the House of Representatives and Senate; and producing a biennial report to the legislative committees and on the EDC's review of the state's economic development policy.

Manufacturing Innovation Institute.

The Manufacturing USA Network or National Network for Manufacturing Innovation was initiated by way of pilot program in 2011 and is run within the United States Department of Commerce's National Institute of Standards and Technology (NIST). The program is operated by the Advanced Manufacturing National Program Office, located within the NIST and staffed by representatives from manufacturing-related federal agencies, businesses, and universities.

The Manufacturing USA Network is a network of public-private manufacturing institutes, currently 14 institutes located in 10 states, established to address the challenges in advanced manufacturing and to assist manufacturers in retaining or expanding production and jobs in the United States. These institutes have been deemed to have the potential to improve competitiveness of the manufacturing industry, accelerate nonfederal investment in advanced manufacturing production capacity, and enable commercial application of new technologies or industry-wide manufacturing processes. The activities of the institutes include education, training, and recruitment courses; research, development, and demonstration projects; development of innovative methodologies and practices for supply chain integration and introduction of new technologies into supply chains; and outreach and engagement with small and medium-sized manufacturing enterprises. Each institute specializes in a specific manufacturing technology.

Manufacturing Extension Partnership.

The federal Manufacturing Extension Partnership Program (MEP) of the NIST was established in 1988 to enhance the productivity and technological performance of national manufacturing and is incorporated into the Manufacturing USA Network planning to ensure the results from the program reach small and medium-sized businesses. The MEP is a public-private partnership and consists of a nationwide network of state affiliates, including state and local governments and businesses, that work with small to mid-size manufacturers to grow their businesses.

Impact Washington, a non-profit organization, is the state's MEP affiliate. Impact Washington provides a variety of consulting services to small to mid-sized manufacturing businesses in the state related to improving productivity, efficiency, and competitiveness.

Summary of Bill:

The Washington State Economic Growth Commission (Commission) is established, subject to the availability of appropriations. The purposes of the Commission are to develop a state

economic growth strategy related to accelerating technology innovation to increase the number of high-paying jobs in the state's economy, and establish the feasibility and devise a plan for establishing a manufacturing innovation institute.

The Commission consists of sixteen voting members appointed by the Governor, including the chair of the Commission:

- one representative from the Department of Commerce;
- four representatives from academia;
- three representatives from private industry or trade associations;
- three representatives from a labor organization;
- one senior economist with expertise in manufacturing and technology;
- one representative from Impact Washington;
- two representatives from the Workforce Training and Education Coordinating Board; and
- one representative from the State Board for Community and Technical Colleges.

The Commission is authorized to adopt rules for its own governance, hire staff, establish committees within the Commission, and meet no more than six times per year.

The Department is authorized to contract with the state's manufacturing extension partnership, which is currently Impact Washington, to develop a state economic growth strategy; and establish the feasibility and devise a plan for establishing a Manufacturing Innovation Institute.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.