

# SENATE BILL REPORT

## SB 6236

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As of February 5, 2018

**Title:** An act relating to establishing the Washington state economic growth commission.

**Brief Description:** Establishing the Washington state economic growth commission.

**Sponsors:** Senators Chase, Hasegawa and Palumbo.

**Brief History:**

**Committee Activity:** Economic Development & International Trade: 1/25/18.

**Brief Summary of 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.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & INTERNATIONAL TRADE

**Staff:** Greg Vogel (786-7413)

**Background:** Economic Development Commission. In 2002, Governor Locke created the Washington Economic Development Commission (EDC) through executive order as a means for business and labor leaders to assist in the improvement and development of the state's economy. The following year, the Legislature established the EDC in statute as an advisory body to the Department of Community, Trade, and Economic Development, now the Department of Commerce.

The EDC assisted the Governor and Legislature by providing leadership, direction, and guidance on a long-term and systematic approach to economic development. In 2011, the EDC was directed to concentrate its major efforts on strategic planning, policy research and analysis, advocacy, evaluation, and promoting coordination and collaboration.

In 2014, the EDC was eliminated.

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Manufacturing Innovation Institute. Manufacturing innovation institutes are public-private institutes that serve as regional hubs, bridging the gap between applied research and product development by bringing together companies, universities and other academic and training institutions, and federal agencies to co-invest in key technology areas that encourage investment and production in the United States. The institutes provide education and training for students and workers at all levels, while providing shared assets to help companies access the capabilities and equipment to design, test, and pilot new products and manufacturing processes.

Following recommendations by the U.S. President's Council of Advisors on Science and Technology, the Advanced Manufacturing Program Office and the National Network for Manufacturing Innovation were established in 2011. In May 2013, the Obama administration launched competitions for three manufacturing innovation institutes with a federal commitment of \$200 million across five agencies—the departments of Defense, Energy, Commerce, NASA, and the National Science Foundation—building off a pilot institute headquartered in Youngstown, Ohio. Today, there are 14 existing institutes.

**Summary of Bill:** The Washington State Economic Growth Commission (Commission) is established to develop a state economic growth strategy, and devise a plan for establishing a manufacturing innovation institute. The Commission consists of four representatives from academia, one senior economist with expertise in manufacturing and technology, one representative from Impact Washington, and one representative from the Washington Workforce Training and Education Coordinating Board.

**Appropriation:** The sum of \$100,000, or as much thereof as may be necessary, is appropriated for the fiscal year ending June 30, 2019, from the general fund to the Department of Commerce, for the purposes of this act.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: The state needs a strategy for economic growth and needs to be thoughtful and deliberate about developing it. The federal Department of Commerce and NIST established a program for establishing manufacturing innovation institutes around the country. This proposal would be to plan for bringing a manufacturing innovation institute to Washington. There is amazing support from academic institutions and the private sector on this bill. Workforce is a number one concern for middle market companies. Seventy percent of jobs require training somewhere between high school and a four year degree. The middle market is often working with its nose to the grindstone, and is not always clued into the workforce pipeline available. This bill can help notify them of these opportunities.

OTHER: There is merit in these kinds of activities. The department is working with Impact Washington and other stakeholders on how to use this framework strategically. The new language in the proposed substitute focuses on innovation and technology and aligns the bill

with some of the work that Commerce is doing now, in terms of where the workforce is going.

**Persons Testifying:** PRO: Senator Maralyn Chase, Prime Sponsor; Katherine Mahoney, State Board for Community and Tech Colleges.

OTHER: Chris Green, Department of Commerce.

**Persons Signed In To Testify But Not Testifying:** No one.