

HOUSE BILL REPORT

HB 2721

As Reported by House Committee On:
Innovation, Technology & Economic Development

Title: An act relating to the joint center for aerospace technology innovation.

Brief Description: Extending the joint center for aerospace technology innovation program.

Sponsors: Representatives Mead, Kilduff, Leavitt and Boehnke.

Brief History:

Committee Activity:

Innovation, Technology & Economic Development: 1/29/20, 2/4/20 [DPS].

Brief Summary of Substitute Bill

- Extends the sunset date for the Joint Center for Aerospace Technology Innovation from July 1, 2020, to July 1, 2030.

HOUSE COMMITTEE ON INNOVATION, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Entenman, Slatter, Tarleton, Van Werven and Wylie.

Staff: Kyle Raymond (786-7190).

Background:

The Joint Center for Aerospace Technology Innovation (JCATI) was created in 2012 to pursue joint industry-university aerospace research, enhance the education of students, and work directly with aerospace firms in Washington.

The JCATI operates as a multi-institutional center under the joint authority of the University of Washington and Washington State University. The JCATI has a board of directors

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appointed by the Governor, representing a cross section of the aerospace industry and higher education. The Legislature provides \$3 million per biennium to JCATI.

The sunset date for the JCATI is July 1, 2020. The Joint Legislative Audit Review Committee (JLARC) performed a sunset review of the JCATI and published their recommendations in December 2019. The JLARC recommended the Legislature continue the program as it meets the legislative intent to pursue joint university-industry aerospace research in Washington.

Summary of Substitute Bill:

The sunset date for the Joint Center for Aerospace Technology Innovation (JCATI) is extended to July 1, 2030.

When determining partners, the JCATI must terminate any relationship or potential relationship with an industry partner that has been found by the Office of the Attorney General to have violated the Washington Law Against Discrimination, unless the industry partner has: (1) fulfilled the conditions or obligations associated with any court order or settlement resulting from that violation; or (2) taken significant and meaningful steps to correct the violation, as determined by the Washington State Human Rights Commission.

Substitute Bill Compared to Original Bill:

The substitute bill requires the Joint Center for Aerospace Technology Innovation to terminate any relationship or potential relationship with an industry partner that has been found by the Office of the Attorney General to have violated the Washington Law Against Discrimination, unless the industry partner has: (1) fulfilled the conditions or obligations associated with any court order or settlement resulting from that violation; or (2) taken significant and meaningful steps to correct the violation, as determined by the Washington State Human Rights Commission.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Over the past eight years, the Joint Center for Aerospace Technology Innovation (JCATI) program has been a success. The aerospace industry is a huge part of Washington's economy, including both airplane manufacturers and ancillary businesses. Washington is the

leading location in the world for aerospace competitiveness. The JCATI is a critical asset in Washington's aerospace efforts.

The JCATI supports economic development and job creation for the state's aerospace industry through academic industry collaboration and projects. The JCATI leverages public and private funds to conduct research by Washington engineering students that addresses aerospace technology challenges. The JCATI helps the aerospace industry advance cutting edge ideas without affecting production rates, while also providing students with hands-on industry experience. This program benefits students and aerospace companies of all sizes across the state.

The JCATI has provided a return on state investment through its aerospace research and development. Industry partners contribute \$7 million in cash or in kind support. Projects from the JCATI program enable faculty to bring more than \$20 billion of external funding to Washington. This past December, the Joint Legislative Audit and Review Committee reviewed the JCATI and determined that the program met all of the performance measures in statute, and the legislative auditors recommend continuing the program.

The JCATI provides students with an invaluable learning experience. The projects under the JCATI allow students to engage in hands-on, cutting edge research, while also gaining industry connections and valuable experience that will help students find good jobs post graduation. The aerospace industry provides great paying jobs with excellent benefits. An example of a current JCATI project is a project that develops a personal exposure monitoring system to keep workers safe.

In addition to supporting existing aerospace companies, the JCATI has also been a critical partner for entrepreneurs through helping in the development of new startups.

(Opposed) None.

Persons Testifying: Representative Mead, prime sponsor; Mehran Mesbahi, Joint Center for Aerospace Technology Innovation; Sep Makhsous, University of Washington; and Robin Toth, Department of Commerce.

Persons Signed In To Testify But Not Testifying: None.