
ENGROSSED SUBSTITUTE SENATE BILL 6219

State of Washington

53rd Legislature

1994 Regular Session

By Senate Committee on Trade, Technology & Economic Development
(originally sponsored by Senators Skratek, Bluechel, Sheldon, Williams,
Erwin, M. Rasmussen and Winsley)

Read first time 02/04/94.

1 AN ACT Relating to establishing the Washington manufacturing
2 extension center; adding a new section to chapter 43.330 RCW; adding a
3 new section to chapter 28B.50 RCW; adding a new chapter to Title 24
4 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) To perform in the emerging global marketplace, Washington firms
8 must master new technologies, production processes, and methods of work
9 organization, all of which demand substantial improvement in worker
10 skills;

11 (b) Only through modernization can Washington firms both compete
12 successfully in the market of the future and pay good wages;

13 (c) Most Washington firms are not exposed to the potential benefits
14 of flexible, high-performance work organizations demanding highly
15 skilled workers;

16 (d) There are few mechanisms for most firms to learn from the
17 experiences of high performance firms and few models of inter-firm
18 cooperation in modernization; and

1 (e) To be effective, any program to improve the capability of
2 Washington firms must reflect the specific needs and capabilities of
3 those firms.

4 (2) It is the intent of the legislature that the state increase its
5 support for delivery of modernization services to targeted sectors of
6 the Washington economy and leverage federal and private resources
7 devoted to such efforts. The purpose of this act is to assist in
8 meeting the modernization needs of targeted industry sectors and to
9 support the formation and growth of the Washington manufacturing
10 extension center. It is the further intent of the legislature that the
11 Washington manufacturing extension center coordinate the delivery of
12 modernization services and act as a catalyst to:

13 (a) Increase inter-firm cooperation in important sectors of the
14 state's economy;

15 (b) Encourage small and medium-sized firms to aggregate their
16 demand for training and other modernization services, thus driving down
17 the cost to the individual firm and securing more effective services;
18 and

19 (c) Encourage large firms to support training consortia among their
20 suppliers, share their training facilities, and validate the importance
21 of high performance work organization and workplace learning as
22 desirable supplier practices.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW
24 to read as follows:

25 (1) In carrying out the targeted sector assistance authorized under
26 RCW 43.330.090, the department shall work with the state board for
27 community and technical colleges to assist in the operation of the
28 Washington manufacturing extension center, consistent with this section
29 and sections 3, 4, and 5 of this act. The department shall: (a)
30 Assist the Washington center in applying for federal and private
31 grants; (b) jointly conduct with the center a state-wide planning
32 process to determine the modernization needs of key industry sectors
33 and geographic regions and optimum mechanisms for delivering
34 modernization services; and (c) contract with the center for delivery
35 of client-directed problem-solving services that will assist the
36 modernization efforts of firms, industry associations, networks, and
37 consortiums in targeted sectors.

1 (2) The department shall report annually on the effectiveness of
2 the center to the governor and the appropriate legislative committees.

3 (3) In carrying out the requirements of this section, the
4 department shall make use of the expertise available to it as a member
5 of USNet and available from other federally funded modernization
6 projects in the state.

7 NEW SECTION. **Sec. 3.** A private, not-for-profit corporation shall
8 be organized with the assistance of the department of community, trade,
9 and economic development and the state board for community and
10 technical colleges, under Title 24 RCW and this section and sections 2,
11 4, and 5 this act, to be known as the Washington manufacturing
12 extension center. The mission of the center shall be to operate a
13 modernization extension system, coordinate a network of public and
14 private modernization resources, and stimulate the competitiveness of
15 firms within targeted business sectors of Washington's economy. The
16 center shall jointly conduct with the department of community, trade,
17 and economic development a state-wide planning process to determine the
18 modernization needs of key industry sectors and geographic regions and
19 optimum mechanisms for delivering modernization services. The center
20 shall initially target firms in the aerospace, electronics, and related
21 industries in the central Puget Sound area of the state.

22 NEW SECTION. **Sec. 4.** The Washington manufacturing extension
23 center shall be a membership organization. A majority of the board of
24 directors of the Washington manufacturing extension center shall be
25 composed of representatives of small and medium-sized manufacturing
26 firms and industry associations, networks, or consortiums. The board
27 shall also include at least two members representing labor unions or
28 labor councils and, as ex-officio members, the director of the
29 department of community, trade, and economic development, the director
30 of the state board for community and technical colleges, and the
31 director of the work force training and education coordinating board.
32 The board of directors' authority includes, but is not limited to, the
33 authority to:

34 (1) Set membership dues for its members;

35 (2) Charge fees for services, make and execute contracts with any
36 individual, corporation, association, public agency, or any other
37 entity, and employ all other legal instruments necessary or convenient

1 for the performance of its duties and the exercise of its powers and
2 functions under this section and sections 2, 3, and 5 of this act;

3 (3) Receive funds from federal, state, or local governments,
4 private businesses, foundations, or any other source for purposes
5 consistent with this section and sections 2, 3, and 5 of this act;

6 (4) Develop policies, plans, and programs to assist in the
7 modernization of businesses in targeted sectors of Washington's
8 economy;

9 (5) Provide information about the advantages of modernization and
10 evaluative information on the modernization services available from the
11 center to federal, state, and local governments, state colleges and
12 universities, and private providers;

13 (6) Collaborate with the Washington quality initiative in the
14 development of manufacturing quality standards and quality
15 certification programs;

16 (7) Establish a training program for network brokers and other
17 modernization service providers; and

18 (8) Provide, either directly or through contracts, assistance to
19 industry associations, networks, or consortiums, that would be of value
20 to their member firms in:

21 (a) Adopting advanced business management practices such as
22 strategic planning and total quality management;

23 (b) Developing mechanisms for inter-firm collaboration and
24 cooperation;

25 (c) Appraising, purchasing, installing, and effectively using
26 equipment, technologies, and processes that improve the quality of
27 goods and services and the productivity of the firm;

28 (d) Improving human resource systems and work force training in a
29 manner that moves firms toward flexible, high-performance work
30 organizations;

31 (e) Developing new products;

32 (f) Market research, analysis, and development of new sales
33 channels and export markets; and

34 (g) Improving credit, capital management, and business finance
35 skills.

36 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.50 RCW
37 to read as follows:

1 The state board for community and technical colleges shall: (1)
2 Assist in the establishment of the Washington manufacturing extension
3 center; and (2) develop competency-based technical degree programs to
4 be offered by community and technical colleges serving modernizing
5 firms. The programs shall include quality management training and
6 assist small and medium-sized firms in the development of work-based
7 learning to enhance the skills and knowledge of workers performing
8 modern work processes. The programs shall prepare new entrants to
9 technical and managerial jobs in manufacturing in ways that meet the
10 needs of firms that have chosen to modernize via high-performance work
11 organizations.

12 NEW SECTION. **Sec. 6.** Sections 3 and 4 of this act shall
13 constitute a new chapter in Title 24 RCW.

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