
SUBSTITUTE HOUSE BILL 2726

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Chase, Skinner, Kessler, Haler, Kilmer, Grant, Chandler, Blake, Clements, Linville, Newhouse, McCoy, Kristiansen, Kenney and Wallace)

READ FIRST TIME 02/08/06.

1 AN ACT Relating to assisting small manufacturers; and adding a new
2 chapter to Title 24 RCW.

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

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

5 (a) To perform in the emerging global marketplace, Washington
6 manufacturers must master new technologies, production processes, and
7 methods of work organization;

8 (b) Only through modernization can Washington manufacturers both
9 compete successfully in the market of the future and pay good wages;

10 (c) Most small and midsize manufacturers cannot easily access the
11 technical assistance and skills training needed to make them globally
12 competitive;

13 (d) To be effective, any program to improve the capability of
14 Washington small and midsize manufacturers must reflect the specific
15 needs and capabilities of those firms.

16 (2) It is the intent of the legislature that the state increase its
17 support for delivery of modernization services to small and midsize
18 manufacturers and leverage federal and private resources devoted to

1 such efforts. It is the further intent of the legislature that the
2 state facilitate the delivery of modernization services and:

3 (a) Encourage small and midsize firms to aggregate their demand for
4 training and other modernization services, thus driving down the cost
5 to the individual firm and securing more effective services; and

6 (b) Encourage large firms to support training consortia among their
7 suppliers and validate the importance of high performance work
8 organization and workplace learning as desirable supplier practices.

9 NEW SECTION. **Sec. 2.** (1) Washington manufacturing services is
10 organized as a private, nonprofit corporation in accordance with
11 chapter 24.03 RCW and this section. The mission of the center is to
12 operate a modernization extension system, coordinate a network of
13 public and private modernization resources, and stimulate the
14 competitiveness of small and midsize manufacturers in Washington.

15 (2) Washington manufacturing services shall be governed by a board
16 of directors. A majority of the board of directors shall be
17 representatives of small and medium-sized manufacturing firms and
18 industry associations, networks, or consortia. The board shall also
19 include at least one member representing labor unions or labor councils
20 and, as ex officio members, the director of the department of
21 community, trade, and economic development, the executive director of
22 the state board for community and technical colleges, and the director
23 of the work force training and education coordinating board, or their
24 respective designees.

25 (3) Washington manufacturing services may:

26 (a) Charge fees for services, make and execute contracts with any
27 individual, corporation, association, public agency, or any other
28 entity, and employ all other legal instruments necessary or convenient
29 for the performance of its duties and the exercise of its powers and
30 functions under this chapter; and

31 (b) Receive funds from federal, state, or local governments,
32 private businesses, foundations, or any other source for purposes
33 consistent with this chapter.

34 (4) Washington manufacturing services shall:

35 (a) Develop policies, plans, and programs to assist in the
36 modernization of businesses in targeted sectors of Washington's economy
37 and coordinate the delivery of modernization services;

1 (b) Provide information about the advantages of modernization and
2 the modernization services available in the state to federal, state,
3 and local economic development officials, state colleges and
4 universities, and private providers;

5 (c) Collaborate with the Washington quality initiative in the
6 development of manufacturing quality standards and quality
7 certification programs;

8 (d) Serve as an information clearinghouse and provide access for
9 users to the federal manufacturing extension partnership national
10 research and information system; and

11 (e) Provide, either directly or through contracts, assistance to
12 industry associations, networks, or consortia, that would be of value
13 to their member firms in:

14 (i) Adopting advanced business management practices such as
15 strategic planning and total quality management;

16 (ii) Developing mechanisms for interfirm collaboration and
17 cooperation;

18 (iii) Appraising, purchasing, installing, and effectively using
19 equipment, technologies, and processes that improve the quality of
20 goods and services and the productivity of the firm;

21 (iv) Improving human resource systems and work force training in a
22 manner that moves firms toward flexible, high-performance work
23 organizations;

24 (v) Developing new products;

25 (vi) Conducting market research, analysis, and development of new
26 sales channels and export markets;

27 (vii) Improving processes to enhance environmental, health, and
28 safety compliance; and

29 (viii) Improving credit, capital management, and business finance
30 skills.

31 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a
32 new chapter in Title 24 RCW.

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