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**SUBSTITUTE SENATE BILL 5618**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Economic Development, Trade & Management  
(originally sponsored by Senators Shin, Clements, Sheldon, Rasmussen,  
Kilmer and Kastama)

READ FIRST TIME 02/12/07.

1 AN ACT Relating to assisting manufacturers; amending RCW 24.50.010;  
2 creating a new section; and making appropriations.

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

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

5 (a) Through modernization programs reflecting the specific needs  
6 and capabilities of the individual firms, Washington manufacturers can  
7 compete successfully in the market of the future and provide living  
8 wage jobs. Most small and midsize manufacturers will face financing,  
9 marketing, production, or other challenges during their early  
10 formation. Often, they do not have the resources that will allow them  
11 to easily access the technical assistance and skills training needed to  
12 make them globally competitive;

13 (b) Foreign markets are now providing small manufacturers with  
14 opportunities for direct sale of their products and for opportunities  
15 to become a supplier in a large manufacturer's supply chain. To enter  
16 these markets, advanced manufacturers must demonstrate high standards  
17 of product and process quality and be certified by organizations such  
18 as the international standards organization 9000 and the AS9100  
19 aerospace standard. In the United States, Washington is twentieth in

1 the total number of manufacturers, but twenty-fifth in the number of  
2 international standards organization certified firms, and thirty-first  
3 out of all states in the percentage of companies that are certified by  
4 the international standards organization;

5 (c) Public and private partnerships directed at business education  
6 may result in benefits to manufacturing and improvements to the  
7 environment. Through a recent federally funded pilot project between  
8 the department of ecology and Washington manufacturing services,  
9 several small manufacturing firms found significant benefits through a  
10 "lean and clean" manufacturing education program. The project  
11 demonstrated that the partnerships assist manufacturers in reducing  
12 their operating costs, increase their environmental compliance, and  
13 expand the opportunity for the manufacturers to grow jobs within the  
14 state; and

15 (d) Washington state manufacturers will be successful only if they  
16 are able to attract employees with the right mix of skills in certain  
17 job functions to meet the demands of modern manufacturing. The "dream  
18 it do it" campaign, which is being coordinated in Washington state by  
19 Washington manufacturing services, is providing information on a wide  
20 range of ways in which students can learn about high paying careers in  
21 manufacturing and how they might qualify for those jobs. An early  
22 understanding of career opportunities and of those skills necessary to  
23 enter such professions will improve the qualifications of our workforce  
24 and ensure economic expansion within our manufacturing community.

25 (2) It is the intent of the legislature that Washington state  
26 increase its support for the manufacturing extension program, to expand  
27 the delivery of modernization services to small Washington  
28 manufacturers, and to leverage federal and private resources devoted to  
29 such efforts.

30 **Sec. 2.** RCW 24.50.010 and 2006 c 34 s 2 are each amended to read  
31 as follows:

32 (1) Washington manufacturing services is organized as a private,  
33 nonprofit corporation in accordance with chapter 24.03 RCW and this  
34 section. The mission of the center is to operate a modernization  
35 extension system, coordinate a network of public and private  
36 modernization resources, and stimulate the competitiveness of small and  
37 midsize manufacturers in Washington.

1 (2) Washington manufacturing services shall be governed by a board  
2 of directors. A majority of the board of directors shall be  
3 representatives of small and medium-sized manufacturing firms and  
4 industry associations, networks, or consortia. The board shall also  
5 include at least one member representing labor unions or labor councils  
6 and, as ex officio members, the director of the department of  
7 community, trade, and economic development, the executive director of  
8 the state board for community and technical colleges, and the director  
9 of the work force training and education coordinating board, or their  
10 respective designees.

11 (3) Washington manufacturing services may:

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

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

20 (4) Washington manufacturing services shall:

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

24 (b) In cooperation with industry associations, cluster  
25 associations, chambers of commerce, and associate development  
26 organizations, create programs which:

27 (i) Provide modernization services to manufacturing firms with  
28 fifty or fewer employees;

29 (ii) Assist small manufacturers to become certified in  
30 internationally accepted quality assurance programs by providing  
31 training classes on the requirements of international standards.  
32 Through the classes the Washington manufacturing services will provide  
33 internal audit training, critique processes and procedures, and provide  
34 a gap audit by a lead auditor, who has obtained certification from a  
35 nationally recognized certification board, to help companies finalize  
36 their requirements for certification;

37 (iii) Develop partnerships for the delivery of services which will

1 assist manufacturers in reducing costs, and increases their  
2 environmental compliance; or  
3 (iv) Educate students about careers in manufacturing, provide  
4 teachers with valuable education resources, provide analytical tools  
5 with which young people may choose careers, or provide other resources  
6 that will help students find great, high paying careers they can be  
7 proud of;  
8 (c) Provide information about the advantages of modernization and  
9 the modernization services available in the state to federal, state,  
10 and local economic development officials, state colleges and  
11 universities, and private providers;  
12 ~~((e))~~ (d) Collaborate with the Washington quality initiative in  
13 the development of manufacturing quality standards and quality  
14 certification programs;  
15 ~~((d))~~ (e) Serve as an information clearinghouse and provide  
16 access for users to the federal manufacturing extension partnership  
17 national research and information system; and  
18 ~~((e))~~ (f) Provide, either directly or through contracts,  
19 assistance to industry associations, networks, or consortia, that would  
20 be of value to their member firms in:  
21 (i) Adopting advanced business management practices such as  
22 strategic planning and total quality management;  
23 (ii) Developing mechanisms for interfirm collaboration and  
24 cooperation;  
25 (iii) 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 (iv) Improving human resource systems and work force training in a  
29 manner that moves firms toward flexible, high-performance work  
30 organizations;  
31 (v) Developing new products;  
32 (vi) Conducting market research, analysis, and development of new  
33 sales channels and export markets;  
34 (vii) Improving processes to enhance environmental, health, and  
35 safety compliance; and  
36 (viii) Improving credit, capital management, and business finance  
37 skills.

1        NEW SECTION.    **Sec. 3.**    (1)    The sum of five hundred thousand  
2 dollars, or as much thereof as may be necessary, is appropriated for  
3 the fiscal year ending June 30, 2008, from the general fund--state to  
4 the department of community, trade, and economic development to carry  
5 out the purposes of section 2 of this act.

6        (2)    The sum of five hundred thousand dollars, or as much thereof as  
7 may be necessary, is appropriated for the fiscal year ending June 30,  
8 2009, from the general fund--state to the department of community,  
9 trade, and economic development to carry out the purposes of section 2  
10 of this act.

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