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**HOUSE BILL 2434**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Representatives Morris, Smith, Tarleton, Stokesbary, Magendanz, Stanford, Haler, and Santos

AN ACT Relating to the promotion of space exploration; adding a new section to chapter 44.28 RCW; adding a new chapter to Title 28B RCW; and creating new sections.

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

NEW SECTION. **Sec.**  It is the intent of the legislature to assist and expedite the growth of Washington state's nascent space exploration-related manufacturing and intellectual property sectors. In partnership with space exploration industry sector participants, it is the intent of the legislature to create tools for the industry through a public-private partnership called the Washington state space exploration center of excellence that will assist this nascent sector in distinguishing itself from aerospace sectors, establishing the reputation of the Washington state space exploration sector, increasing the number of federal research dollars awarded to the state, recruiting future sector experts, and creating a method to measure the success of these goals.

NEW SECTION. **Sec.**  The Washington state space exploration center of excellence is hereby created to:

(1) Pursue joint industry-university research in developing and supporting new and existing technologies that can be used in space exploration firms;

(2) Recruit future space exploration sector leaders in space exploration that will enhance the education of students in the engineering and other space exploration-related departments of the University of Washington, Washington State University, and other participating institutions through industry-focused research;

(3) Work directly with existing small, medium, and large-sized space firms and space industry associations to identify research needs and opportunities to transfer technologies that would benefit such firms;

(4) Provide a centralized Washington space exploration industry hub to facilitate communication, participation, and growth of the industry;

(5) Promote and foster local space exploration industry efforts to increase statewide competitiveness; and

(6) Coordinate efforts with other governmental entities, nongovernmental organizations, and academics to solicit significant industry conferences and meetings to Washington, including those events that would facilitate and encourage industry development, collaboration, and planning.

NEW SECTION. **Sec.**  The department of commerce shall select an academic, government, or nongovernmental entity to host and oversee the Washington state space exploration center of excellence, pursuant to all applicable laws and procedures governing procurement of goods and services by state agencies. The department must give preference to entities that have a close nexus to the space exploration private sector; have the lowest overhead rate, with a target of eighteen percent; and demonstrate an ability to meet the milestones established in this act to meet space exploration industry needs. Facilities and resources of the center must be readily available to all four-year institutions of higher education, as defined in RCW 28B.10.016. Resources include, but are not limited to, internships, on-the-job training, and research opportunities for undergraduate and graduate students and faculty.

NEW SECTION. **Sec.**  (1)(a) The powers of the center are vested in and shall be exercised by a board of directors, consisting of nine members appointed by the governor. The governor shall appoint a chair, who has no vote except as provided in (c) of this subsection.

(b) Of the eight voting members of the board, one member must represent small-sized space exploration firms, one member must represent medium-sized space exploration firms, one member must represent large-sized space exploration firms, one member must represent labor, two members must represent space exploration industry associations, and two members must represent higher education. The terms of the initial members must be staggered.

(c) In the event of a tie vote among the voting members, the chair may vote to break a tie.

(d) The chair and ranking minority members of the technology committees in the house of representatives and the senate are ex officio members of the board, and the record of their attendance at board meetings must be spread across the journals of each chamber.

(2) The board shall hire an executive director. The executive director shall hire such staff as the board deems necessary, within budget constraints, to meet the statutory goals of this act. Staff support may be provided from among the cooperating institutions through cooperative agreements, to the extent funds are available. The executive director may enter into cooperative agreements for programs and research with public and private organizations, including state and nonstate agencies, consistent with policies of the participating institutions.

(3) The board is authorized to create a nonprofit corporation in order to receive and distribute nonstate dollars to meet the goals of this act.

(4) The board must:

(a) Work with space exploration industry associations and space exploration firms of all sizes to identify the research areas that will benefit the intermediate and long-term economic vitality of the Washington space exploration industry;

(b) Identify entrepreneurial researchers to join or lead research teams in the research areas specified in (a) of this subsection and the steps the University of Washington and Washington State University will take to recruit such researchers;

(c) Assist firms to integrate existing technologies into their operations and align the activities of the center with those of the space exploration industry to enhance services available to space exploration firms;

(d) Develop internships, on-the-job training, research, and other opportunities, and ensure that all undergraduate and graduate students enrolled in space exploration curriculums have direct experience with space exploration firms;

(e) Assist researchers and firms in safeguarding intellectual property while advancing space exploration industry innovation;

(f) Develop and strengthen university-industry relationships through promotion of faculty collaboration with industry;

(g) Sponsor at least one annual symposium focusing on space exploration research and innovation in Washington;

(h) Encourage a full range of projects, from small research projects that meet the specific needs of a smaller company to large scale, multipartner projects;

(i) Develop nonstate support of the center's research activities through leveraging dollars from federal and private for-profit and nonprofit sources;

(j) Leverage the center's financial impact through joint support arrangements on a project-by-project basis, as appropriate;

(k) Establish mechanisms for soliciting and evaluating proposals and for making awards and reporting on technological progress, financial leverage, and other measures of impact;

(l) Allocate seed funds for at least one of the following purposes:

(i) Educating space exploration industry firms on available tax credits;

(ii) Creating a centralized resource for space industry participants to access government contracting and grant information including, but not limited to, small business innovation research grants; or

(iii) Workforce development for the space exploration industry;

(m) By January 9, 2017, develop short and long-term operating plans that include the specific processes, methods, or mechanisms the center will use to accomplish each of the duties provided in this subsection (4):

(i) The long-term operating plan required by this subsection (4)(m) must be a ten-year plan;

(ii) The operating plan must include appropriate performance metrics, including the:

(A) Total number of federal space exploration research dollars leveraged;

(B) Total number of space exploration researchers recruited;

(C) Total workforce trained;

(D) Total number of jobs created, calculated by using the Washington state space exploration sector employment number per firm as a mean;

(E) Total number of products or processes that have progressed to commercialization and private sector deployment; and

(F) Space exploration research curriculum created;

(n) Assist in Washington state hosting five major space exploration industry events, as identified from the list of potential meetings in the center's initial business plan;

(o) Hold at least two annual meetings to provide a forum for space exploration industry experts, firms, governmental entities, and other space exploration industry participants to discuss the successes, barriers, and needs of the space exploration industry; and

(p) Report biennially to the legislature and the governor about the impact of the center's work on the state's economy and the space exploration sector, including: (i) Projections for future impact; (ii) indicators of the center's impact; (iii) an outline of ideas for enhancing benefits to the state; and (iv) progress updates on the center's short and long-term operating plans, including the status of achieving the milestones identified in this act and in the center's long-term operating plan.

NEW SECTION. **Sec.**  A new section is added to chapter 44.28 RCW to read as follows:

The joint legislative audit and review committee shall conduct an evaluation of the performance of the center created in chapter 28B.--- RCW (the new chapter created in section 6 of this act) and report findings and recommendations to the governor and the economic development committees of the senate and house of representatives by July 1, 2027. The purpose of the evaluation is to determine the extent to which the center has contributed to the economic development of the state, as indicated by achievement of the following milestones, measured using the metrics identified in section 4 of this act:

(1) An increase in federal space exploration federal dollars by thirty percent;

(2) Establishment of a program to recruit future space exploration sector research experts to Washington academic institutions;

(3) An increase in the number of jobs in the space exploration sector by fifteen percent;

(4) Assistance in creating a space exploration research curriculum in a Washington state college or university; and

(5) Creation of an ongoing ten-year plan for creating economic growth in the space exploration sector, including workforce development.

NEW SECTION. **Sec.**  Sections 2 through 4 of this act constitute a new chapter in Title 28B RCW.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2016, in the omnibus appropriations act, this act is null and void.

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