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**SUBSTITUTE HOUSE BILL 1170**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Community & Economic Development (originally sponsored by Representatives Boehnke, Paul, Walsh, Kloba, Shewmake, Santos, Springer, Dolan, Dye, Graham, Leavitt, McCaslin, Young, Walen, Riccelli, Bateman, Lovick, Lekanoff, Eslick, Frame, Barkis, Sutherland, Robertson, and Dent)

1       AN    ACT    Relating   to   building   economic   strength   through  
2   manufacturing;   adding   new   sections   to   chapter   43.330   RCW;   and  
3   creating   a   new   section.

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

5       NEW SECTION.   **Sec. 1.**   This act may be known and cited as the  
6   Washington BEST manufacturing act.

7       NEW SECTION.   **Sec. 2.**   It is the intent of the legislature that  
8   Washington retain and build on its leadership in the manufacturing  
9   and research and development sectors. The legislature finds that a  
10   thriving research and production sector are complimentary and should  
11   be promoted in every region of the state. The legislature finds this  
12   is critical to provide a strong, resilient tax base for good schools,  
13   safe streets, and community optimism. Therefore, the legislature  
14   intends to identify and invest in strategies to ensure every  
15   geographic region of the state can benefit from a strong  
16   manufacturing and research and development base, with the goal of  
17   doubling the state's manufacturing employment base, the number of  
18   small businesses, and the number of women and minority-owned  
19   manufacturing businesses in the next 10 years.

1        NEW SECTION.        **Sec. 3.**        (1) The department is responsible for  
2 identifying and developing strategies to help achieve the goals  
3 established in section 2 of this act. In support of pursuing the  
4 goal, the department must prepare and update each fiscal biennium a  
5 report on the state of the manufacturing and research and development  
6 industry and workforce. The report must identify progress or  
7 challenges the state has encountered in achieving the goals  
8 established in section 2 of this act and identify recommendations to  
9 the legislature.

10        (2) The report may include, but not be limited to:

11        (a) Recommendations for specific actions to develop a  
12 manufacturing workforce pipeline and specific manufacturing  
13 subsectors that present workforce opportunities or challenges;

14        (b) Identification of dislocated workers;

15        (c) Career-connected learning opportunities;

16        (d) A survey of financial aid that can be leveraged to fund  
17 training for the manufacturing workforce pipeline, such as Washington  
18 college grant opportunities, passport to careers, and prison to  
19 postsecondary funding;

20        (e) Recommendations on improving the state's competitiveness for  
21 manufacturing and research and development job retention and  
22 creation;

23        (f) Identification of high-demand advanced manufacturing  
24 industries and subsectors globally;

25        (g) Identification of site selection criteria of advanced  
26 manufacturing and research and development projects; and

27        (h) Recommendations of best practices to streamline environmental  
28 permit approval and appeal processes for the purpose of getting  
29 manufacturing businesses who want to site or expand in Washington  
30 more certainty, faster.

31        (3) The department must convene a manufacturing council to advise  
32 and consult on the development of the report and recommendations.

33        (a) The director or the director's designee must appoint to the  
34 council such persons from the private, nonprofit, and public sectors  
35 as may best inform the state's ability to innovate, diversify supply  
36 chains, and expand living wage jobs in the manufacturing sector.

37        (b) Representatives must include small to mid-sized private  
38 sector manufacturing businesses, labor and apprenticeship programs,  
39 statewide business associations, higher education institutions, and  
40 workforce partners. The department must work to ensure:

(i) Equal representation of business and labor on the council;  
(ii) That appointees represent every region of the state such that economic diversification across all regions is supported; and  
(iii) That the council includes a strong array of voices from women and minority executives and labor in manufacturing.

(4) All state agencies with expertise in workforce development and economic development are encouraged to provide such information and resources as may be requested to inform and facilitate identification and analysis of public policy challenges and potential recommendations for the report in subsections (1) and (2) of this section.

(5) In its first biennial report, the department shall coordinate with the office of the superintendent of public instruction and the state board for community and technical colleges to assess any inadequacy or gaps in delivering hands-on, skills-based learning remotely to all Washingtonians seeking to enter the manufacturing workforce or to be retrained for a transition within the manufacturing workforce.

NEW SECTION.     **Sec. 4.**     (1) The department must support the development of regionally tailored strategies to facilitate the continued existence and development of manufacturing workforce across the state.

(2) To support regional manufacturing cluster development and job creation, the department must grant any funding provided in section 5 of this act for initiatives that accelerate the development of regional clusters intended to grow living wage jobs in manufacturing and research and development.

(3) The department is encouraged to consider the creation of regional offices or establishing additional duty stations that facilitate sector leads to be located in the regions most dependent on their sector.

NEW SECTION.     **Sec. 5.**     (1) The manufacturing cluster acceleration subaccount is established in the economic development strategic reserve account. All receipts from appropriations made to the manufacturing cluster acceleration subaccount shall be deposited into the subaccount.

(2) The department may make expenditures from the subaccount to support regional cluster acceleration strategies, including:

1 Supporting projects to assist manufacturers to diversify their  
2 customer base and supply chain, supporting pilot or demonstration  
3 manufacturing projects coordination with organized cluster  
4 initiatives, and supporting projects that are intended to increase  
5 manufacturing and research and development jobs regionally.

6 (3) The department is encouraged to seek match funds for any  
7 funds appropriated to this account and may utilize funds to match  
8 nonstate funds being expended on a specific project that aligns with  
9 the purpose of this section.

10 NEW SECTION. **Sec. 6.** (1) The department must appoint a  
11 workforce innovation sector lead, to coordinate workforce activities  
12 and needs identified by industry sector leads such as the  
13 manufacturing, clean technology, and aerospace sector leads, and  
14 connect this work with the lead workforce agencies to inform  
15 strategic allocation of funding.

16 (2) Within existing resources, the department must report to the  
17 appropriate committees of the legislature beginning December 1, 2022,  
18 and continuing every fourth year thereafter, the progress made in  
19 developing, recruiting, and retaining research and development  
20 employers and workforce; and a description of how the state's policy  
21 toolkit for developing strength in research and development as a  
22 sector compares to competitor states.

23 NEW SECTION. **Sec. 7.** The duties in sections 2 through 6 of this  
24 act are subject to the availability of amounts appropriated for the  
25 specific purpose.

26 NEW SECTION. **Sec. 8.** Sections 2 through 7 of this act are each  
27 added to chapter 43.330 RCW and codified with the subchapter heading  
28 of "MANUFACTURING AND RESEARCH AND DEVELOPMENT SECTOR PROMOTION."

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