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**Community & Economic Development &  
Trade Committee**

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**2SSB 6678**

**Brief Description:** Concerning the creation of entities to address the long-range impact of opportunities and changes in the aerospace industry.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Hobbs, Kilmer, Marr, Berkey, Tom and Shin).

**Brief Summary of Second Substitute Bill**

- To the extent funding is available, creates the Aerospace Training and Coordination Institute headquartered in Snohomish county to improve the state's aerospace training, education, research and development programs.
- To the extent funding is available, creates the Center for Aerospace Technology Innovation headquartered at the University of Washington to advance collaborative research and development of new aerospace technologies by the state's research institutions and the aerospace industry.
- Sets out goals, duties, authorities, fiscal and governance structures for both organizations.

**Hearing Date:** 2/18/10

**Staff:** Meg Van Schoorl (786-7105).

**Background:**

*Washington's Aerospace Industry.*

According to the January 2010 "Washington Council on Aerospace Report to the Governor and Legislature", the aerospace industry in Washington consists of approximately 660 companies. About 160 of them specialize exclusively in aerospace, and the other 500 provide manufacturing, maintenance and engineering services such as avionics, composites, unmanned aerial vehicles,

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interiors, tooling, and Federal Aviation Administration repair stations. These products and services are supplied to original equipment manufacturers worldwide. Aerospace research and development (R&D) activities also are prevalent in the state, particularly in composites and advanced materials. In 2008, the state's aerospace sector employment averaged over 82,000 workers. The industry and supplier network is concentrated in King, Snohomish, Pierce, and Spokane counties, with pockets of activity elsewhere in the state. According to U.S. Department of Commerce export data reported through Wisier Trade, Washington's aerospace product exports in 2008 amounted to \$33.8 billion, making Washington the country's largest aerospace exporter.

*Washington Council on Aerospace.*

The Washington Council on Aerospace was established by Governor Gregoire under Executive Order 09-04. Its responsibilities include: improving coordination, responsiveness and integration of the state's aerospace training, education, research and development programs to meet industry needs; enhancing the state's economic climate for the industry; providing a forum for industry, labor and government to collaborate; and "ensuring that the state remains the best place in the world to design and manufacture aircraft and grow aerospace industry jobs." The Council submitted a report on January 1, 2010 to the Governor and Legislature identifying challenges and recommended strategies in three categories: economic development, workforce training and talent, and research.

**Summary of Bill:**

*Part I - Aerospace Training and Research Coordination.*

To the extent state appropriations or other funding is available, the Washington state Aerospace Training and Coordination Institute (Institute) is created. Its goal is to improve the state's aerospace training, education, research and development programs through coordinating, providing and developing curricula for a statewide consortium of aerospace workforce education and training schools and programs. The Institute is to concentrate on providing training and education programs, fostering creation and retention of family wage jobs, integrating research and development with workforce training and education, and facilitating industry growth and innovation.

The Institute must be headquartered in Snohomish county, employ an executive director, and be overseen by a 13-member board of advisors representing named interests from industry, labor, K-12 education, higher education, and state government. Board member appointments, terms, and duties are provided. Primary board duties, aside from Institute governance, include: developing and maintaining a state comprehensive plan for aerospace training and education programs; developing a program in partnership with the Office of the Superintendent of Public Instruction and skill centers to prepare students for aerospace industry education, careers, and apprenticeships; establishing and maintaining an inventory of aerospace training programs and R&D discoveries at higher education institutions, assessing the programs' effectiveness and evaluating how R&D discoveries are to be incorporated into training programs. The board may contract for services to fulfill its responsibilities.

The Institute is authorized to receive public or private gifts, grants, or endowments, and may accept appropriate financial support levels by private business, community groups, foundations

and individuals, as long as such receipt does not violate the time limitations on state officials soliciting or accepting contributions under the state's campaign finance laws. These moneys as well as funds administered under the Governor's discretion and legislative appropriations are to be deposited into an Aerospace Futures Account created in the custody of the State Treasurer. The Governor may authorize Account expenditures only for the purpose of statewide aerospace workforce and industry development. Administrative expenses may be paid from the Account.

*Part II - University of Washington -- Center for Aerospace Technology Innovation.*

To the extent state appropriations or other funding is available, the Center for Aerospace Technology Innovation (Center) is created and headquartered at the University of Washington (UW). Its mission is to advance the R&D of new aerospace technologies on a statewide basis. The Center must perform and facilitate research that supports state science and technology objectives, particularly related to aerospace; provide leading edge collaborative research in aerospace; develop non-state support for its research activities; and provide a venue for interaction and collaboration between the state's research institutions and the aerospace industry.

The Center must employ an executive director, and must contract with the UW to provide services needed to operate the Center and implement its duties. The executive director will be the sole nonvoting member of the Center's board of directors, whose voting members are: the provosts of the UW and Washington State University (WSU), or designees; the Department of Commerce director, or designee; a representative of an aerospace company with fewer than 60,000 employees; and, a representative of an aerospace company with 60,000 or more employees. Board member appointments, terms, and duties are provided. Primary board duties, aside from Center governance, include: establishing criteria for, approving, and allocating funding for research projects by the Center based on faculty and aerospace company recommendations; developing a biennial work plan and five year strategic plan for the Center; and, coordinating with the UW and WSU on development of R&D programs to be conducted at the Center.

The Center is authorized to receive and spend for its purposes public or private gifts, grants or endowments, as long as such receipt does not violate the time limitations on state officials soliciting or accepting contributions under the state's campaign finance laws.

**Appropriation:** None.

**Fiscal Note:** Requested on 2/16/2010.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.