



BILL BRIEF

HB 1170 – Washington BEST Manufacturing

Key provisions

- The Building Economic Strength Through Manufacturing Act (“BEST Manufacturing Act”) sets a goal for the state to double manufacturing jobs, manufacturing firms, and women & minority-owned manufacturing firms by 2030.
- Washington is only 27th in the nation for manufacturing jobs as a share of the overall economy. To be #1, we need to add 300,000 manufacturing jobs by 2030. Our current manufacturing employment is 268,000.
- The bill directs the State Commerce Department to take the lead role in designing strategies to meet the goals, to develop a regional strategy to lift manufacturing in every part of the state, and also to report on the complimentary role of research and development and how to grow that sector.

Background

Washington is 27th in the nation in the share of workforce in manufacturingⁱ. These are good paying family-wage jobs paying on average \$93,000/year. Washington state’s current manufacturing workforce is 268,000, out of total non-farm workforce of 3.35 million. Washington has never set a goal for where it wants to arrive in terms of its manufacturing employment policy. This bill provides that goal and a structure to achieve the goal. If Washington adds 300,000 manufacturing jobs by 2030, we will lead the nation. The bill recognizes the virtuous cycle of investment that grows manufacturing requires a strong focus as well on research and development—the innovation ecosystem that drives new products and evolution of existing products.

The R&D sector also improves society in ways beyond the paychecks it provides. A new studyⁱⁱ has found that for every dollar invested in research and development, \$20 is returned when one accounts for the social benefits of innovation like improved health. Washington is a relatively big player in R&D, as it is among the top 10 states for receipt of federal R&D spending, but there are orders of magnitude between us and R&D competitors like California and Massachusetts. We need a game plan and a vision for competing against the larger research corridors. The spillover effects in our economy are worth setting an ambitious goal to be #1 in R&D.

What this legislation does

- Provides a state goal to double the state’s manufacturing employment base, the number of small manufacturing businesses, and the number of women-and minority-owned manufacturing businesses in 10 years.
- Requires Commerce to produce a biennial report on manufacturing and research and development.
- Requires Commerce to convene an advisory council with equal representation of business and labor.
- Requires Commerce to do grant funding for initiatives that accelerate the development of regional clusters in manufacturing and research and development.
- Requires that Commerce submit a R&D progress report to the Legislature every four years.
- Requires Commerce to appoint a workforce innovation sector lead to coordinate workforce activities.

[Bill Status](#) as of April 25, 2021: Passed Legislature.

Fiscal information

\$3 million per biennium. Expenditures include a workforce lead for the sector, and specialist to coordinate the work of the Manufacturing Council. There is \$1 million per fiscal year to support regional cluster acceleration strategies.

Stakeholders

Tommy Gantz, Association of Washington Business; Vladimir Gutman-Britten, Washington State Labor Council; Joel Bouchey, Inland Northwest Associated General Contractors; Stephanie Swanberg, Tri-City Regional Chamber of Commerce; Hillary Haden, Washington Fair Trade Coalition; Emily Wittman, Aerospace Futures Alliance; Steven Ashby, Battelle; Allison Budvarson, Out of the Box Manufacturing Limited Liability Company; Kate Lampson, Lampson International, LLC.; Chris Green, Department of Commerce; Stephen Tibbitts, ZEVA, Inc.; and Frank Boykin, South Sound Manufacturing Industrial Council.

Additional information

Rank of Best States for Manufacturing Employment		
Rank	State	Mfg. Share of Nonfarm Employment (2019)
1	Indiana	17.07%
2	Wisconsin	15.89%
3	Iowa	14.35%
4	Michigan	14.20%
9	Ohio	12.56%
10	South Carolina	11.72%
14	North Carolina	10.36%
15	Oregon	10.35%
24	Idaho	9.29%
27	Washington	8.52%

ⁱ Source: National Association of Manufacturing data.

ⁱⁱ Benjamin F. Jones & Lawrence H. Summers, "A Calculation of the Social Returns to Innovation," National Bureau of Economic Research, Working Paper #27863. September 2020.