

**Manufacturing
Innovation
Sunset Review:
Legislature
Should Allow
Unused Program
to Expire
Report 11-9**

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STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

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In Summary

In 2008, the Legislature created the “Washington Manufacturing Innovation and Modernization Extension Service Program” (MIMES Program; SSB 6510).

The purpose of the MIMES Program was to increase the availability of innovation and modernization services to Washington manufacturers, with the intent of enabling these manufacturers to reduce costs, increase sales, become more profitable, and expand job opportunities. Legislation also noted that this growth would result in increased revenues from business and occupation taxes paid by these manufacturers. **However, no manufacturer has used the MIMES Program.**

The 2008 legislation included a sunset of the MIMES Program statutes. The Sunset statutes (Chapter 43.131 RCW) direct that, absent specific action by the Legislature, the “Washington Manufacturing Innovation and Modernization Extension Service Program” will cease to exist on June 30, 2012. These statutes also require the Joint Legislative Audit and Review Committee (JLARC) to review the MIMES Program and respond to the following four questions:

1. **Does the Program comply with legislative intent?** No. The MIMES Program has not been used. Therefore it has not met the expected outcomes - for manufacturers who have engaged in innovation and modernization services - to reduce costs, increase sales, become more profitable, and expand jobs.
2. **Is the Program operating efficiently?** Because the MIMES Program has not been used, JLARC could not assess the efficiency of the Program.
3. **Is the Program meeting its performance goals and targets?** Because manufacturers have not used the Program, JLARC could not assess whether manufacturers who received innovation and modernization services improved their performance.
4. **Is the Program duplicating services?** JLARC did not find duplication of services with the MIMES Program, although there is possible overlap with programs that provide general assistance to Washington businesses.

Because no manufacturers are using the Program, this JLARC sunset review recommends that the Legislature **allow the MIMES Program to expire.**