

HOUSE BILL REPORT

HB 2227

As Reported by House Committee On:
Community & Economic Development & Trade
Education Appropriations

Title: An act relating to green jobs.

Brief Description: Enacting the evergreen jobs act.

Sponsors: Representatives Probst, Orwall, Santos, Nelson, Sullivan, Lias, Williams, Carlyle, Maxwell, Conway, Morrell, White, Goodman, Jacks, Kenney and Seaquist.

Brief History:

Committee Activity:

Community & Economic Development & Trade: 2/18/09, 2/19/09 [DPS];
Education Appropriations: 2/25/09, 2/26/09 [DP2S(w/o sub CEDT)].

Brief Summary of Second Substitute Bill

- Requires specified workforce education and training agencies to prioritize programs that lead to green industry credentials, certificates, and degrees.
- Establishes the Washington State Evergreen Jobs Initiative and requires the Workforce Training and Education Coordinating Board to convene the Evergreen Job Initiatives Workgroup.
- Authorizes the renamed "Evergreen Jobs Account" to include public or private gifts, grants or endowments, and expands its use in relation to educational purposes.

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Chase, Lias, Probst and Sullivan.

Minority Report: Do not pass. Signed by 3 members: Representatives Smith, Ranking Minority Member; Orcutt and Parker.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Meg Van Schoorl (786-7105)

Background:

2008 Green Economy Jobs Growth Initiative.

The 2008 Green Economy Jobs Growth Initiative (Green Jobs Initiative) was enacted as a part of Engrossed Second Substitute House Bill (E2SHB) 2815 during the 2008 legislative session. Its goal is to increase the number of clean energy jobs in the state to 25,000 by 2020. The Green Jobs Initiative required actions by agencies including the Department of Community, Trade and Economic Development (DCTED), the Employment Security Department, the Workforce Training and Education Coordinating Board (WTB), the State Board for Community and Technical Colleges (SBCTC), the Washington State University Small Business Development Center, the University of Washington Business and Economic Development Center, and the Higher Education Coordinating Board (HECB). The agencies were directed to:

- develop a defined list of terms associated with green-economy industries and jobs;
- analyze the current labor market, projected job growth, and wage and benefit ranges of jobs in the green economy;
- research the current and projected recruitment and skill requirements of green industry employers;
- analyze the education and training requirements of entry-level and incumbent workers;
- analyze current opportunities for and barriers to participation of women- and minority-owned businesses in the green economy, and recommend specific strategies to improve participation;
- propose which industries should be considered high-demand green industries;
- develop criteria for targeting existing investments; and
- recommend new or expanded financial incentives and comprehensive strategies to recruit, retain, and expand green economy industries and small businesses.

A Green Industries Job Training Account (Account) was created in the State Treasury. Expenditures from the Account may be used only for competitive grants: (1) to train workers for high-wage occupations in high-demand industries related to the green economy; and (2) for educational purposes related to the green economy. The WTB must create and pilot green industry skill panels in order to distribute grants for training workers. The SBCTC may distribute grants for educational purposes when other public or private funds are insufficient or unavailable, including for: curriculum development; transitional jobs strategies for dislocated workers in declining industries; workforce education; and adult basic and remedial education.

In response to the directives in the E2SHB 2815, during the 2008 interim the DCTED convened a Green-Economy Jobs Initiative Advisory Team with representatives from state government, education, labor, business, environmental, and technology stakeholder groups. In February of 2009, the DCTED provided the Legislature with a discussion draft report on their work, "Washington State's Green Economy-A Strategic Framework."

Summary of Substitute Bill:

The Legislature finds that federal and state policy proposals include new investments in green industry research and development, green energy production incentives, green energy installation, and energy efficiency retrofits. The anticipated increase in demand for green energy will create job opportunities for Washington residents; however, the state and residents may fail to take full advantage of these opportunities if there is a shortage of skilled workers. The Legislature intends that the state create a highly skilled green jobs work force through targeted allocation of existing education and training funds as well as federal appropriations. The Legislature also intends to create an Evergreen Jobs Authority (Authority) to ensure that the state is a national and world leader in the green economy.

The SBCTC, the WTB, and the Apprenticeship Council must give priority to work force training programs that lead to a credential, a certificate, or a degree in green economy jobs. Prioritization includes, but is not limited to:

- *The use of high employer-demand funding for work force training programs in green economy jobs*, defined as primary industries including clean energy, green building, green transportation, and environmental protection;
- *Increased outreach in partnership with local work force development councils to public utilities, education, labor, government, and private industry* to develop tailored, green job training programs; and,
- *Increased outreach in partnership with local work force development councils to target populations*, defined as: (1) entry-level or incumbent workers who are in, or preparing for, middle- or high-wage high-demand occupations; (2) dislocated workers in declining industries who may be retrained for middle- or high-wage occupations in the green economy; (3) eligible veterans or National Guard members; and (4) disadvantaged populations such as low-income people and communities of color.

The Green Industries Job Training Account is renamed the Evergreen Jobs Account. Funds deposited in the Account may include public or private gifts, grants, or endowments. The allowable uses of grant funds distributed on a competitive basis by the SBCTC from the Account are expanded to include coordination of outreach by higher education institutions and work force development councils.

An Evergreen Jobs Authority is established with responsibility for:

- managing, directing, inventorying, and coordinating state efforts to promote, develop, and encourage evergreen jobs;
- working with the SBCTC, the WTB, and the Apprenticeship Council to develop plans to prioritize existing funding to study programs that lead to a credential, a certificate, or a degree in green industry occupations;
- working with work force development councils, governments, and others to identify and, when possible, support regional industry clusters and cluster associations in the green jobs industry;
- collaborating with local green-job businesses, identifying local and statewide skill gaps and labor shortages;
- implementing a green employment study of public sector organizations to estimate green jobs statewide;

- developing a strategic plan and performance metrics to create 15,000 green jobs statewide by 2020;
- implementing the Green Jobs Initiative and Energy Freedom Program; and
- reporting to appropriate legislative committees by December 1, 2009, and again one year later on progress in encouraging creation and promotion of businesses in the state's green jobs industry.

Substitute Bill Compared to Original Bill:

Terms are changed throughout for consistency with other statutes, reports, and current usage, such as:

- "green jobs economy" to "green economy;"
- "green industry occupations" to "green economy jobs;"
- "high demand" to "high employer demand" or "high demand occupations;"
- "job-specific training program" to "work force training program;"
- "programs of study" to "work force training program;" and
- "high wage occupations" to "middle or high wage occupations."

The primary industries of the green economy are listed, including: clean energy; green building; green transportation; and environmental protection.

"Target populations" are defined with consistency, and duplicative references to dislocated workers are deleted. Definitions are added for "high demand occupation" and "green economy." The Authority is established as provided in law.

Appropriation: None.

Fiscal Note: Requested on February 16, 2009. New fiscal note requested on February 19, 2009.

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

Staff Summary of Public Testimony:

(In support) The 2009 legislative session must be about creating and retaining jobs. At the same time that much of the national economy is under stress, the renewable energy industry is taking off. Companies and workers in Washington should become involved in green energy production, installation, and retrofit. Existing work force education and training programs, along with incoming federal economic stimulus funds, should be prioritized in ways that will lead to green industry credentials, certificates, and degrees. How the prioritization occurs is purposely not dictated in the bill language. More work needs to occur on structure and revenue-neutral funding for the Authority so the skills and incentive components for this emerging industry can be coordinated.

(With concerns) Adding a new organizational structure in difficult budget times is a concern. Why not use existing agencies and trades organizations to do this work? In addition, prioritizing existing high demand funding for green economy jobs is problematic when there are other industries-health care, science/technology/engineering/math, and information systems-that have huge demand. There needs to be some clarification of terms so they are consistent with other legislation, reports, and usage. A sunset date should be provided. The Running Start program to the trades should be incorporated.

(Opposed)

Persons Testifying: (In support) Representative Probst, prime sponsor.

(With concerns) Jim Crabbe, State Board for Community and Technical Colleges; Carolyn McKinnon, Workforce Education and Training Coordinating Board; and Terry Tilton, Washington State Building Construction Trades Council.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Community & Economic Development & Trade. Signed by 13 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Priest, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Carlyle, Cox, Haler, Hunter, Kagi, Probst, Quall, Rolfes and Wallace.

Minority Report: Do not pass. Signed by 1 member: Representative Anderson.

Staff: Debbie Driver (786-7143)

Summary of Recommendation of Committee On Education Appropriations Compared to Recommendation of Committee On Community & Economic Development & Trade:

The second substitute bill eliminates the Evergreen Jobs Authority and associated responsibilities. It establishes the Washington State Evergreen Jobs Initiative, which has seven primary goals, including creating 15,000 new green economy jobs by 2020 and attracting private sector investment that will result in job creation and expansion. It requires the Workforce Training and Education Coordinating Board to convene the Evergreen Jobs Initiative Working Group (Working Group) with representation from a broad range of state, local, public, and private organizations. The Working Group will accelerate and coordinate efforts to secure funds, develop plans to prioritize new and existing funding streams for programs that lead to credentials, certificates or degrees, and identify strategies to allocate existing and new funding to build local capacity. The second substitute bill also specifies that it is the community and technical college high demand funding authorized for the 2009-11 fiscal biennium and beyond that will be subject to prioritization for workforce training related to green economy jobs. Finally, the second substitute bill requires the Working Group to terminate if it fails to secure competitive federal funding by December 31, 2010.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The bill requires economic development and workforce training agencies to work together to draw as much competitive funding from the federal government funding as possible. It also sets a framework to move those funds quickly and easily to the local level. In addition, the bill asks the same groups to look at what they are doing with existing funds to prioritize and promote green jobs. Inclusion of the "Green Jobs Account" in the bill will position Washington to receive federal stimulus package funding. The strong partnerships that currently exist and the plans that have been agreed to by these agencies provide a solid foundation for the work the bill requires.

(With concerns) There is concern with the prioritization of existing high demand funding to green jobs given the funding for high demand enrollments is already deployed. There is a growing demand for these high demand dollars and it is not clear how to implement the prioritization aspects of the bill.

(Opposed) None.

Persons Testifying: (In support) Representative Probst, prime sponsor; Carolyn McKinnon, Workforce Training and Education Coordinating Board; and Miguel Perez-Gibson, Climate Solutions.

(With concerns) Jim Crabbe, State Board for Community and Technical Colleges.

Persons Signed In To Testify But Not Testifying: None.