

HOUSE BILL REPORT

E2SHB 2227

As Passed Legislature

Title: An act relating to green jobs.

Brief Description: Enacting the evergreen jobs act.

Sponsors: House Committee on Education Appropriations (originally sponsored by 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)].

Floor Activity:

Passed House: 3/9/09, 76-19.
Senate Amended.
Passed Senate: 4/16/09, 34-14.
House Concurred.
Passed House: 4/21/09, 76-22.
Passed Legislature.

Brief Summary of Engrossed Second Substitute Bill

- Establishes the Evergreen Jobs Initiative to create 15,000 new green economy jobs by 2020 and target 30 percent of the jobs to veterans, National Guard members, and low-income and disadvantaged populations.
- Tasks a "Leadership Team" with accelerating and coordinating efforts to identify, secure, and deploy funding, particularly through the 2009 American Recovery and Reinvestment Act, for green economy projects at the state and local levels.
- Requires the identification of skills and qualifications needed to perform energy audits and efficiency services, and the development of curriculum and targeting of resources to establish relevant workforce education and training programs.

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.

- Authorizes statewide workforce training agencies to give funding and outreach priority to workforce training programs that lead to a credential, certificate, degree or apprenticeship program in green economy jobs.
- Creates the Evergreen Jobs Training Account in the State Treasury.

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, Liias, Probst and Sullivan.

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

Staff: Meg Van Schoorl (786-7105)

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)

Background:

2008 Green Economy Jobs Growth Initiative.

The 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 was to increase the number of clean energy jobs in the state to 25,000 by 2020. The Green Jobs Initiative required a number of actions by agencies including the Department of Community, Trade and Economic Development (DCTED), the Employment Security Department (ESD), 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).

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: curriculum development; transitional job 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 2009, the DCTED provided the Legislature with a draft report on their work, "Washington State's Green Economy-A Strategic Framework."

Summary of Engrossed Second Substitute Bill:

Findings and Intent.

The Legislature finds that federal and state policies 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.

Evergreen Jobs Initiative Goals.

The Washington state Evergreen Jobs Initiative is established to: (1) create 15,000 new green economy jobs by 2020; (2) target 30 percent of these jobs to veterans, National Guard members, and low-income and disadvantaged populations; (3) coordinate state agencies to secure and deploy federal funds in a focused, effective way; (4) prepare the workforce to take full advantage of green economy job opportunities; (5) attract private sector investment for job creation and expansion; (6) make the state a net exporter of green industry products and services; (7) empower green job recruitment and training by local workforce development councils (WDCs) and associate development organizations (ADOs); (8) capitalize upon existing partnership agreements; and (9) operate according to the 14 guiding principles in the "Green Economy Strategic Framework."

Evergreen Jobs Leadership Team and Its Responsibilities.

The DCTED and the WTB will create the Evergreen Jobs Leadership Team (Leadership Team). The Leadership Team will be chaired by the person designated by the Governor as the single point of accountability for energy and climate change initiatives within state agencies. The Leadership Team will include the WTB, the Economic Development Commission (Commission), the SBCTC, the ESD, the Apprenticeship Training Council, the Office of the Superintendent of Public Instruction, labor, business, at least one representative of a WDC, and other agency representatives as necessary. The Leadership Team's responsibilities are to:

- accelerate and coordinate efforts to identify and secure funding, with a particular emphasis on funds available from the 2009 American Recovery and Reinvestment Act;
- coordinate efforts to ensure federal training and education funds are captured and deployed to support green economy projects at the state and local levels in a time-efficient, user-friendly manner;
- identify emerging technologies and innovations likely to contribute to green economy advancements, including innovation partnership zone activities;
- emphasize, through support and outreach, projects that: have a strong and lasting environmental and economic impact; lead to a domestically or internationally exportable good or service; create training programs leading to a credential, certificate or degree in a green economy field; strengthen the state's competitiveness in a particular green economy sector or cluster; create employment opportunities for veterans, National Guard members, and low-income and disadvantaged populations; comply with prevailing wage provisions; and ensure at least 15 percent of labor hours are performed by apprentices;
- identify and implement strategies to allocate existing and new funding streams to WDCs and ADOs to increase their effectiveness, efficiency, and capacity to respond rapidly and comprehensively to green job attraction opportunities;
- identify strategies to allocate existing and new funding streams for green economy workforce training programs and education that lead to a credential, certificate or degree in a green economy field;
- identify skills and qualifications required to perform energy audits and efficiency services, and must direct education and training resources provided in the appropriations act to establish workforce training and apprenticeship programs to meet the demand for such work;
- develop a logo or sign to indicate funding of projects by the Evergreen Jobs Act;
- develop targeting criteria consistent with the Commission's economic development strategy and other goals in this act;
- make and support outreach efforts to Washington residents, particularly target populations, to increase awareness of educational and employment opportunities;
- identify statewide performance metrics for projects receiving agency assistance; and
- provide semi-annual performance reports to Governor and appropriate legislative committees.

Agency-specific Responsibilities.

The Apprenticeship Council must evaluate the potential of existing programs to produce skilled workers for energy audits and energy efficiency services and deliver its findings to the DCTED, the Leadership Team, and appropriate legislative committees by January 18, 2010.

The SBCTC must work with the Leadership Team, Apprenticeship and Training Council, and SPI to jointly develop, by June 30, 2010, curricula and training programs to develop skills and qualifications for energy audits and efficiency services. The SBCTC must target a portion of any federal stimulus funding to ensure commensurate capacity for high-employer demand programs of study developed. The SBCTC must provide an interim report by December 1, 2011, and a final report by December 1, 2013 on the effectiveness of the curricula.

The Employment Security Department, in consultation with the DCTED, the WTB, and the Leadership Team must biennially conduct and update green economy-related labor market research; propose which industries will be considered high-demand green industries; and define which family-sustaining wage and benefits ranges within green economy industries will be considered middle- or high-wage occupations and career pathways.

The SBCTC, the WTB, and the Apprenticeship Council may give priority to work force training programs that lead to a credential, a certificate, a degree, or an apprenticeship program 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, the forestry industry, 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: veterans, National Guard members, and low-income and disadvantaged populations.

Evergreen Jobs Training Account.

The Evergreen Jobs Account (Account) is created in the State Treasury. Funds deposited in the Account may include public or private gifts, grants, or endowments. Moneys in the Account must be used to supplement the state Opportunity Grant Program (Program), but may not be used for student assistance support services available through the Program. The SBCTC, in consultation with the DCTED and the Leadership Team, may authorize expenditures from the Account. The allowable uses of grant funds distributed on a competitive basis by the SBCTC from the Account include: curriculum development; transitional jobs strategies for dislocated workers in declining industries; workforce education to target populations; adult basic and remedial education linked to occupation skills training; and coordinated outreach by higher education institutions and the WDCs.

Other.

Chapter 43.330.310 RCW, the Comprehensive Green Economy Jobs Growth Initiative and the Green Industries Jobs Training Account, are repealed.

Nothing in this act: requires any agency to get approval from another before allocating funding to the local level; precludes nonstate agencies from applying for federal funding directly; nor allows additional reporting or approval processes or imposition of unfunded mandates on local organizations.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony (Community & Economic Development & Trade):

(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)

Staff Summary of Public Testimony (Education Appropriations):

(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 (Community & Economic Development & Trade): (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 Testifying (Education Appropriations): (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 (Community & Economic Development & Trade): None.

Persons Signed In To Testify But Not Testifying (Education Appropriations): None.