
**Community & Economic Development &
Trade Committee**

HB 2420

Brief Description: Promoting industries that rely on the state's working land base.

Sponsors: Representatives Kenney, Orcutt, Van De Wege, Conway, Kessler, Blake, Hope, Herrera, Lias, Sullivan, Campbell, Schmick, Quall, Dammeier, Chase, Takko, Morrell and Smith.

Brief Summary of Bill

- Requires the Department of Commerce and other agencies to consider the "forest products industry" to be a green industry and to interpret the term to include, at a minimum, businesses that grow, manage, harvest, transport and process forest, wood and paper products.
- Expands the meaning of "clean energy" related to industry sectors represented on pilot green industry skills panels to include energy from wood biomass, liquid biofuels, or bio-based products.
- Requires all state agency environmental or economic studies that result in written reports or formal publications, with certain exceptions, to consider the forest products industry to be a green industry, and if not, to provide a rationale for its exclusion.

Hearing Date: 1/13/10

Staff: Meg Van Schoorl (786-7105).

Background:

2008 Green Economy Jobs Growth Initiative

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.

The 2008 Green Economy Jobs Growth Initiative (2008 Initiative) was one component of E2SHB 2815 which outlined a framework for reducing greenhouse gas emissions in the Washington economy. The 2008 Initiative established a goal of increasing the number of clean energy jobs in the state to 25,000 by 2020 and directed specific actions related to the green economy by a number of state agencies including the Department of Community, Trade and Economic Development (DCTED), the Employment Security Department (ESD), the University of Washington Business and Economic Development Center (UW BEDC), the Workforce Training and Education Coordinating Board (WTB), and the State Board for Community and Technical Colleges (SBCTC). The 2008 Initiative established a Green Industries Job Training Account in the State Treasury for green economy competitive grants to train workers for high-wage occupations in high-demand industries and for educational purposes. The 2008 Initiative identified six categories of targeted workers: entry-level or incumbent workers preparing for high-wage occupations; dislocated workers in declining industries; dislocated agriculture, timber or energy workers in declining industries; eligible veterans or National Guard members; disadvantaged populations; and anyone eligible to participate in the Opportunity Grant Program.

2009 The Evergreen Jobs Initiative

E2SHB 2227, enacted in 2009, established the Evergreen Jobs Initiative (2009 Initiative). Its goals were 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) secure and deploy federal funds, particularly American Recovery and Reinvestment Act funds, in an efficient, coordinated way to support green economy projects at the state and local levels; (4) prepare the workforce to take advantage of green economy job opportunities and meet the needs of industry and small business; (5) attract private sector investment to create and expand jobs; and increase the state's competitiveness; (6) make the state a net exporter of green industry products and services, especially renewable energy technology and components; (7) empower green job recruitment and training by local organizations; (8) capitalize on existing partnership agreements; and (9) operate according to 14 guiding principles included in a 2009 report by the DCTED. The 2009 Initiative directed specific actions by agencies including the Apprenticeship and Training Council; the DCTED; the Office of the Superintendent of Public Instruction (the OSPI); the SBCTC; the ESD, and the WTB. An Evergreen Jobs Training Account was created to be used for competitive grants for curriculum development, transitional jobs strategies for dislocated workers in declining industries, targeted workforce education, outreach, and other uses.

2009 Reports by the DCTED and the ESD

In a January 2009 draft paper, "Washington State's Green Economy – A Strategic Framework" the DCTED listed as green economy industries: clean energy (efficiency, renewable, alternative); green building; green transportation; and environmental protection and remediation (waste management, water conservation). The report noted: "Although we have not classified the entire forestry and agriculture sectors as green, many activities in those sectors do qualify as green practices. If the green economy is 'the development and use of products and services that promote environmental protection and/or energy security,' then forestry and agriculture – as a whole – fall outside of this definition. However organic farming and sustainable forest management are clearly contributors to pollution prevention, and conservation practices and recycled biomass in forestry and agriculture are certainly within the green realm. We have

chosen to capture those activities in the other green-economy industry groupings, such as renewable energy, water conservation, waste management, etc.”

As directed by the 2008 Initiative, the ESD conducted research into the current labor market and projected job growth for the green economy. The ESD used the same DCTED definition of the green economy but described the core green industries and businesses as “engaged in energy efficiency, renewable energy, preventing and reducing pollution, and mitigating or cleaning up pollution.” The results of its survey of private sector employers were presented in a January 2009 report, "Washington State Green Economy Jobs," and showed an estimated 47,000 in total direct, private sector green economy employment. Green jobs were reported in 27 industry classifications, including four related to the forest products industry: agriculture and forestry support activities, forestry and logging, wood products manufacturing, and paper manufacturing.

Summary of Bill:

The Legislature finds it in the state’s best interest to support and enhance the economic and environmental roles of the \$17 billion forest products industry. The state’s forest practices are sustainably managed, the forests create environmental benefits, and the industry provides 45,000 direct green jobs. The industry and the jobs connected to it should be endorsed by the state and federal government as green.

The Department of Commerce and other agencies when relevant must consider the forest products industry to be a green industry and must interpret “forest products industry” as including at least those businesses that grow, manage, harvest, transport, and process forest, wood and paper products. Agencies with responsibilities under the 2008 and 2009 Initiatives must take actions that are consistent with these requirements. For representation on pilot green industry skills panels, industry sectors related to clean energy include energy from wood biomass, liquid biofuels, or bio-based products.

All written reports or formal publications of state agency environmental or economic analyses and studies must consider the forest products industry to be a green industry, when relevant and not specifically exempted. The industry must be included in any category of industries identified by their positive contributions to the state’s environmental protection, ecological enhancement, clean energy future, or carbon reduction strategies. When an agency excludes the industry from such a category in a relevant study, the report must contain a rationale for the exclusion.

Appropriation: None.

Fiscal Note: Available.

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