

HOUSE BILL REPORT

E2SHB 2227

As Passed House:

March 9, 2009

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.

Brief Summary of Engrossed Second Substitute Bill

- Establishes the Evergreen Jobs Initiative (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.
- Provides for Initiative goals, tasks, performance metrics, and reporting requirements.
- Requires specified agencies to prioritize workforce training programs that lead to a credential, certificate, degree or apprenticeship program in green economy jobs.
- Clarifies that community and technical college high-demand funding authorized for 2009-11 and thereafter is subject to prioritization.
- 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

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.

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 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); and (8) capitalize upon existing partnership agreements.

Evergreen Jobs Initiative Tasks.

The DCTED and the WTB will work with the SBCTC, the ESD, business, organized labor, WDCs, ADOs, and higher education to:

- develop and maintain an updated, prioritized list of projects statewide that will create green jobs and have long-term economic and environmental impact;
- develop a process and criteria for soliciting and evaluating Evergreen Jobs Act Priority Projects to be proposed by organizations including ADOs and WDCs. Projects will be evaluated, at a minimum, as to whether they will: (1) create jobs; (2) position the state to become a major exporter of renewable energy technology and components; (3) strengthen the state's competitiveness in a targeted green economy niche; and (4) create lasting environmental benefits. Projects with the following characteristics will receive additional evaluation points: (1) compliance with the prevailing wage provisions of chapter 39.12 RCW or with area standard wages for public works; (2) employment opportunities for veterans, National Guard members, and low-income and disadvantaged populations; and (3) quality and training standards that ensure that apprentices will perform 15 percent of the labor hours;
- create a more focused "green jobs" definition, including but not limited to jobs that promote energy efficiency and conservation, sustainable materials, and production of alternative, sustainable energy;
- accelerate and coordinate efforts to identify and secure funding, with a particular emphasis on funds available from the 2009 American Recovery and Reinvestment Act;

- use the Evergreen Jobs Act Priority Projects list to inform and coordinate federal funding applications and to coordinate local project funding and implementation. This requirement does not obligate any agency to gain approval from another before allocating local project funding;
- coordinate, streamline, and accelerate project support to local ADOs, WDCs, public utility districts, and community action agencies. Each ADO and WDC will report to the Legislature annually regarding the effectiveness and timeliness of state agencies' support;
- consult with the Washington State University Energy Extension Program when necessary to determine appropriate energy efficiency and renewable energy improvement technologies;
- develop, track, and report performance metrics, including at a minimum: (1) the number of new green jobs created each year; (2) the number of new green jobs created for veterans, National Guard members, and low-income and disadvantaged populations; (3) new job wage levels; (4) new federal funding secured and allocated to the state and local levels; and (5) state agencies' timeliness in funding deployed to the local level;
- focus on additional local projects or additional high employer-demand fields as necessary and report performance in these fields;
- provide a December 1, 2009 progress report to appropriate committees of the Legislature that includes: methods to encourage the creation and expansion of businesses and jobs in the state's green economy; actions and accomplishments in securing funds; recommended performance metrics and performance outcomes to date; and a list of Evergreen Jobs Act Priority Projects and actions taken to date on each; and
- provide quarterly performance reports to appropriate committees of the legislature that include, at a minimum, performance metrics and actual performance outcomes; the updated list of Evergreen Jobs Act Priority Projects and actions taken; actions taken to empower local organizations; and, reports from local ADOs and WDCs on the effectiveness and timeliness of state support for their efforts.

Prioritization of Existing and New Funding Streams.

The WTB and DCTED shall develop plans that direct existing and new workforce training program funding streams to ADOs and WDCs in a coordinated and efficient manner; lead to a credential, certificate or degree in green economy jobs; and, increase capacity for ADOs and WDCs to respond to future priority projects and green job recruitment opportunities.

The SBCTC, the WTB, and the Apprenticeship Council must 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, 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.*

The Green Industries Jobs 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 WDCs.

Other.

The requirement that the University of Washington Business and Economic Development Center study current opportunities in the green economy for minority- and women-owned business enterprises has been fulfilled and is removed.

Definitions are added for: "apprentice," "high-demand occupation," and "labor hours."

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.