

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2420

Chapter 187, Laws of 2010

61st Legislature
2010 Regular Session

FOREST PRODUCTS INDUSTRY--GREEN INDUSTRY GROWTH

EFFECTIVE DATE: 06/10/10

Passed by the House March 6, 2010
Yeas 94 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate February 27, 2010
Yeas 45 Nays 0

BRAD OWEN

President of the Senate

Approved March 24, 2010, 1:33 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2420** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 24, 2010

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2420

AS AMENDED BY THE SENATE

Passed Legislature - 2010 Regular Session

State of Washington 61st Legislature 2010 Regular Session

By House Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Orcutt, Van De Wege, Conway, Kessler, Blake, Hope, Herrera, Liias, Sullivan, Campbell, Schmick, Quall, Dammeier, Chase, Takko, Morrell, and Smith)

READ FIRST TIME 01/22/10.

1 AN ACT Relating to the promotion of the industries that rely on the
2 state's working land base; amending RCW 43.330.310 and 43.330.375; and
3 creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Washington's forest products industry plays a critical economic
7 and environmental role in the state. The industry provides a wide
8 range of services and goods both to Washingtonians and people around
9 the world and is vital to the well-being and lifestyle of the people of
10 the state of Washington; and

11 (b) It is in the best interest of the state to support and enhance
12 the forest products industry.

13 (2) The legislature further finds that the state's forest practices
14 are sustainably managed according to some of the most stringent
15 riparian growing and harvest rules of any state in the nation or in the
16 world, and that the state of Washington has received fifty-year
17 assurances from the federal government that the state's forest
18 practices satisfy the requirements of the federal endangered species
19 act for aquatic species. As part of their environmental stewardship,

1 forest landowners in Washington have repaired or removed nearly three
2 thousand fish passage barriers, returned nearly twenty-five hundred
3 miles of forest roads to their natural condition, and opened up nearly
4 fifteen hundred miles of riparian salmonid habitat.

5 (3) The legislature further finds that Washington's forests
6 naturally create habitat for fish and wildlife, clean water, and carbon
7 storage; all environmental benefits that are lost when land is
8 converted out of working forestry into another use. In recognition of
9 forestry's benefits, the international panel on climate change has
10 reported that a sustainable forest management strategy aimed at
11 maintaining or increasing forest carbon stocks, while producing an
12 annual sustained yield of timber, fiber, wood products, or energy from
13 the forest, will generate the largest sustained carbon mitigation
14 benefit.

15 (4) The legislature further finds that the forest products industry
16 is a seventeen billion dollar industry, making it Washington's second
17 largest manufacturing industry. The forest products industry alone
18 provides nearly forty-five thousand direct jobs and one hundred
19 sixty-two thousand indirect jobs, many located in rural areas.

20 (5) The legislature further finds that working forests help
21 generate wealth through recreation and tourism, the retention and
22 creation of green jobs, and through the production of wood products and
23 energy, a finding supported by the United States secretary of
24 agriculture.

25 **Sec. 2.** RCW 43.330.310 and 2008 c 14 s 9 are each amended to read
26 as follows:

27 (1) The legislature establishes a comprehensive green economy jobs
28 growth initiative based on the goal of, by 2020, increasing the number
29 of green economy jobs to twenty-five thousand from the eight thousand
30 four hundred green economy jobs the state had in 2004.

31 (2) The department, in consultation with the employment security
32 department, the state workforce training and education coordinating
33 board, the state board (~~of~~~~for~~) for community and technical
34 colleges, and the higher education coordinating board, shall develop a
35 defined list of terms, consistent with current workforce and economic
36 development terms, associated with green economy industries and jobs.

1 (3)(a) The employment security department, in consultation with the
2 department, the state workforce training and education coordinating
3 board, the state board for community and technical colleges, the higher
4 education coordinating board, Washington State University small
5 business development center, and the Washington State University
6 extension energy program, shall conduct labor market research to
7 analyze the current labor market and projected job growth in the green
8 economy, the current and projected recruitment and skill requirement of
9 green economy industry employers, the wage and benefits ranges of jobs
10 within green economy industries, and the education and training
11 requirements of entry-level and incumbent workers in those industries.

12 (i) The employment security department shall conduct an analysis of
13 occupations in the forest products industry to: (A) Determine key
14 growth factors and employment projections in the industry; and (B)
15 define the education and skill standards required for current and
16 emerging green occupations in the industry.

17 (ii) The term "forest products industry" must be given a broad
18 interpretation when implementing (a)(i) of this subsection and
19 includes, but is not limited to, businesses that grow, manage, harvest,
20 transport, and process forest, wood, and paper products.

21 (b) The University of Washington business and economic development
22 center shall: Analyze the current opportunities for and participation
23 in the green economy by minority and women-owned business enterprises
24 in Washington; identify existing barriers to their successful
25 participation in the green economy; and develop strategies with
26 specific policy recommendations to improve their successful
27 participation in the green economy. The research may be informed by
28 the research of the Puget Sound regional council prosperity
29 partnership, as well as other entities. The University of Washington
30 business and economic development center shall report to the
31 appropriate committees of the house of representatives and the senate
32 on their research, analysis, and recommendations by December 1, 2008.

33 (4) Based on the findings from subsection (3) of this section, the
34 employment security department, in consultation with the department and
35 taking into account the requirements and goals of chapter 14, Laws of
36 2008 and other state clean energy and energy efficiency policies, shall
37 propose which industries will be considered high-demand green
38 industries, based on current and projected job creation and their

1 strategic importance to the development of the state's green economy.
2 The employment security department and the department shall take into
3 account which jobs within green economy industries will be considered
4 high-wage occupations and occupations that are part of career pathways
5 to the same, based on family-sustaining wage and benefits ranges.
6 These designations, and the results of the employment security
7 department's broader labor market research, shall inform the planning
8 and strategic direction of the department, the state workforce training
9 and education coordinating board, the state board for community and
10 technical colleges, and the higher education coordinating board.

11 (5) The department shall identify emerging technologies and
12 innovations that are likely to contribute to advancements in the green
13 economy, including the activities in designated innovation partnership
14 zones established in RCW 43.330.270.

15 (6) The department, consistent with the priorities established by
16 the state economic development commission, shall:

17 (a) Develop targeting criteria for existing investments, and make
18 recommendations for new or expanded financial incentives and
19 comprehensive strategies, to recruit, retain, and expand green economy
20 industries and small businesses; and

21 (b) Make recommendations for new or expanded financial incentives
22 and comprehensive strategies to stimulate research and development of
23 green technology and innovation, including designating innovation
24 partnership zones linked to the green economy.

25 (7) For the purposes of this section, "target populations" means
26 (a) entry-level or incumbent workers in high-demand green industries
27 who are in, or are preparing for, high-wage occupations; (b) dislocated
28 workers in declining industries who may be retrained for high-wage
29 occupations in high-demand green industries; (c) dislocated
30 agriculture, timber, or energy sector workers who may be retrained for
31 high-wage occupations in high-demand green industries; (d) eligible
32 veterans or national guard members; (e) disadvantaged populations; or
33 (f) anyone eligible to participate in the state opportunity grant
34 program under RCW 28B.50.271.

35 (8) The legislature directs the state workforce training and
36 education coordinating board to create and pilot green industry skill
37 panels. These panels shall consist of business representatives from:
38 Green industry sectors (~~((related to clean energy))~~), including but not

1 limited to forest product companies, companies engaged in energy
2 efficiency and renewable energy production, companies engaged in
3 pollution prevention, reduction, and mitigation, and companies engaged
4 in green building work and green transportation; labor unions
5 representing workers in those industries or labor affiliates
6 administering state-approved, joint apprenticeship programs or labor-
7 management partnership programs that train workers for these
8 industries((τ)); state and local veterans agencies((τ)); employer
9 associations((τ)); educational institutions((τ)); and local workforce
10 development councils within the region that the panels propose to
11 operate((τ)); and other key stakeholders as determined by the
12 applicant. Any of these stakeholder organizations are eligible to
13 receive grants under this section and serve as the intermediary that
14 convenes and leads the panel. Panel applicants must provide labor
15 market and industry analysis that demonstrates high demand, or demand
16 of strategic importance to the development of the state's clean energy
17 economy as identified in this section, for high-wage occupations, or
18 occupations that are part of career pathways to the same, within the
19 relevant industry sector. The panel shall:

20 (a) Conduct labor market and industry analyses, in consultation
21 with the employment security department, and drawing on the findings of
22 its research when available;

23 (b) Plan strategies to meet the recruitment and training needs of
24 the industry and small businesses; and

25 (c) Leverage and align other public and private funding sources.

26 (9) The green industries jobs training account is created in the
27 state treasury. Moneys from the account must be utilized to supplement
28 the state opportunity grant program established under RCW 28B.50.271.
29 All receipts from appropriations directed to the account must be
30 deposited into the account. Expenditures from the account may be used
31 only for the activities identified in this subsection. The state board
32 for community and technical colleges, in consultation with the state
33 workforce training and education coordinating board, informed by the
34 research of the employment security department and the strategies
35 developed in this section, may authorize expenditures from the account.
36 The state board for community and technical colleges must distribute
37 grants from the account on a competitive basis.

1 (a)(i) Allowable uses of these grant funds, which should be used
2 when other public or private funds are insufficient or unavailable, may
3 include:

4 (A) Curriculum development;

5 (B) Transitional jobs strategies for dislocated workers in
6 declining industries who may be retrained for high-wage occupations in
7 green industries;

8 (C) Workforce education to target populations; and

9 (D) Adult basic and remedial education as necessary linked to
10 occupation skills training.

11 (ii) Allowable uses of these grant funds do not include student
12 assistance and support services available through the state opportunity
13 grant program under RCW 28B.50.271.

14 (b) Applicants eligible to receive these grants may be any
15 organization or a partnership of organizations that has demonstrated
16 expertise in:

17 (i) Implementing effective education and training programs that
18 meet industry demand; and

19 (ii) Recruiting and supporting, to successful completion of those
20 training programs carried out under these grants, the target
21 populations of workers.

22 (c) In awarding grants from the green industries jobs training
23 account, the state board for community and technical colleges shall
24 give priority to applicants that demonstrate the ability to:

25 (i) Use labor market and industry analysis developed by the
26 employment security department and green industry skill panels in the
27 design and delivery of the relevant education and training program, and
28 otherwise utilize strategies developed by green industry (~~skills~~
29 ~~{skill}~~) skill panels;

30 (ii) Leverage and align existing public programs and resources and
31 private resources toward the goal of recruiting, supporting, educating,
32 and training target populations of workers;

33 (iii) Work collaboratively with other relevant stakeholders in the
34 regional economy;

35 (iv) Link adult basic and remedial education, where necessary, with
36 occupation skills training;

37 (v) Involve employers and, where applicable, labor unions in the

1 determination of relevant skills and competencies and, where relevant,
2 the validation of career pathways; and

3 (vi) Ensure that supportive services, where necessary, are
4 integrated with education and training and are delivered by
5 organizations with direct access to and experience with the targeted
6 population of workers.

7 **Sec. 3.** RCW 43.330.375 and 2009 c 536 s 4 are each amended to read
8 as follows:

9 (1) The department and the workforce board(~~(, in consultation with~~
10 ~~the leadership team,~~) must:

11 (a) Coordinate efforts across the state to ensure that federal
12 training and education funds are captured and deployed in a focused and
13 effective manner in order to support green economy projects and
14 accomplish the goals of the evergreen jobs initiative;

15 (b) Accelerate and coordinate efforts by state and local
16 organizations to identify, apply for, and secure all sources of funds,
17 particularly those created by the 2009 American recovery and
18 reinvestment act, and to ensure that distributions of funding to local
19 organizations are allocated in a manner that is time-efficient and
20 user-friendly for the local organizations. Local organizations
21 eligible to receive support include but are not limited to:

22 (i) Associate development organizations;

23 (ii) Workforce development councils;

24 (iii) Public utility districts; and

25 (iv) Community action agencies;

26 (c) Support green economy projects at both the state and local
27 level by developing a process and a framework to provide, at a minimum:

28 (i) Administrative and technical assistance;

29 (ii) Assistance with and expediting of permit processes; and

30 (iii) Priority consideration of opportunities leading to exportable
31 green economy goods and services, including renewable energy
32 technology;

33 (d) Coordinate local and state implementation of projects using
34 federal funds to ensure implementation is time-efficient and user-
35 friendly for local organizations;

36 (e) Emphasize through both support and outreach efforts, projects
37 that:

- 1 (i) Have a strong and lasting economic or environmental impact;
- 2 (ii) Lead to a domestically or internationally exportable good or
- 3 service, including renewable energy technology;
- 4 (iii) Create training programs leading to a credential,
- 5 certificate, or degree in a green economy field;
- 6 (iv) Strengthen the state's competitiveness in a particular sector
- 7 or cluster of the green economy;
- 8 (v) Create employment opportunities for veterans, members of the
- 9 national guard, and low-income and disadvantaged populations;
- 10 (vi) Comply with prevailing wage provisions of chapter 39.12 RCW;
- 11 (vii) Ensure at least fifteen percent of labor hours are performed
- 12 by apprentices;
- 13 (f) Identify emerging technologies and innovations that are likely
- 14 to contribute to advancements in the green economy, including the
- 15 activities in designated innovation partnership zones established in
- 16 RCW 43.330.270;
- 17 (g) Identify barriers to the growth of green jobs in traditional
- 18 industries such as the forest products industry;
- 19 (h) Identify statewide performance metrics for projects receiving
- 20 agency assistance. Such metrics may include:
- 21 (i) The number of new green jobs created each year, their wage
- 22 levels, and, to the extent determinable, the percentage of new green
- 23 jobs filled by veterans, members of the national guard, and low-income
- 24 and disadvantaged populations;
- 25 (ii) The total amount of new federal funding secured, the
- 26 respective amounts allocated to the state and local levels, and the
- 27 timeliness of deployment of new funding by state agencies to the local
- 28 level;
- 29 (iii) The timeliness of state deployment of funds and support to
- 30 local organizations; and
- 31 (iv) If available, the completion rates, time to completion, and
- 32 training-related placement rates for green economy postsecondary
- 33 training programs;
- 34 (~~(h)~~) (i) Identify strategies to allocate existing and new
- 35 funding streams for green economy workforce training programs and
- 36 education to emphasize those leading to a credential, certificate, or
- 37 degree in a green economy field;

1 ~~((i))~~ (j) Identify and implement strategies to allocate existing
2 and new funding streams for workforce development councils and
3 associate development organizations to increase their effectiveness and
4 efficiency and increase local capacity to respond rapidly and
5 comprehensively to opportunities to attract green jobs to local
6 communities;

7 ~~((j))~~ (k) Develop targeting criteria for existing investments
8 that are consistent with the economic development commission's economic
9 development strategy and the goals of this section and RCW 28C.18.170,
10 28B.50.281, and 49.04.200; and

11 ~~((k))~~ (l) Make and support outreach efforts so that residents of
12 Washington, particularly members of target populations, become aware of
13 educational and employment opportunities identified and funded through
14 the evergreen jobs act.

15 (2) The department and the workforce board ~~((, in consultation with~~
16 ~~the leadership team,))~~ must provide semiannual performance reports to
17 the governor and appropriate committees of the legislature on:

18 (a) Actual statewide performance based on the performance measures
19 identified in subsection (1) ~~((g))~~ (h) of this section;

20 (b) How the state is emphasizing and supporting projects that lead
21 to a domestically or internationally exportable good or service,
22 including renewable energy technology;

23 (c) A list of projects supported, created, or funded in furtherance
24 of the goals of the evergreen jobs initiative and the actions taken by
25 state and local organizations, including the effectiveness of state
26 agency support provided to local organizations as directed in
27 subsection (1)(b) and (c) of this section;

28 (d) Recommendations for new or expanded financial incentives and
29 comprehensive strategies to:

30 (i) Recruit, retain, and expand green economy industries and small
31 businesses; and

32 (ii) Stimulate research and development of green technology and
33 innovation, which may include designating innovation partnership zones
34 linked to the green economy;

35 (e) Any information that associate development organizations and
36 workforce development councils choose to provide to appropriate
37 legislative committees regarding the effectiveness, timeliness, and

1 coordination of support provided by state agencies under this section
2 and RCW 28C.18.170, 28B.50.281, and 49.04.200; and

3 (f) Any recommended statutory changes necessary to increase the
4 effectiveness of the evergreen jobs initiative and state responsiveness
5 to local agencies and organizations.

6 (3) The definitions, designations, and results of the employment
7 security department's broader labor market research under RCW
8 43.330.010 shall inform the planning and strategic direction of the
9 department, the state workforce training and education coordinating
10 board, the state board for community and technical colleges, and the
11 higher education coordinating board.

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