

SENATE BILL REPORT

E2SHB 2227

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, March 30, 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: Passed House: 3/09/09, 76-19.

Committee Activity: Economic Development, Trade & Innovation: 3/19/09, 3/30/09 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: Do pass as amended.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Eide and Kilmer.

Minority Report: Do not pass.

Signed by Senator Delvin.

Minority Report: That it be referred without recommendation.

Signed by Senator Zarelli, Ranking Minority Member.

Staff: Philip Brady (786-7460)

Background: The Green Economy Jobs Growth Initiative (Green Jobs Initiative) was enacted during the 2008 legislative session to increase the number of clean energy jobs in the state to 25,000 by 2020. It required a number of actions by agencies including the Department of Community, Trade and Economic Development (CTED), 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.

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 Green Industries Job Training Account (Account) was created, and expenditures 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 when other public or private funds are insufficient or unavailable, for purposes 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 Green Jobs Initiative, CTED convened a Green Economy Jobs Initiative Advisory Team with representatives from state government, education, labor, business, environmental, and technology stakeholder groups. In February 2009 CTED provided the Legislature with a draft report on their work, "Washington State's Green Economy-A Strategic Framework."

Summary of Bill (Recommended Amendments): The Washington Evergreen Jobs Initiative is established as a comprehensive green economy jobs growth initiative to create 15,000 new green economy jobs by 2020, with a goal of 30 percent going to veterans, National Guard members, and low-income or otherwise disadvantaged persons.

CTED and the WTB board must work with a working group to develop and maintain a comprehensive strategic plan to: coordinate and accelerate efforts to capture and use federal stimulus dollars across the state, both at the local and state level; develop a statewide framework to provide state assistance to local organizations seeking to draw green businesses to the state; and emphasize projects that lead to exportable goods or services or have a strong and lasting economic or environmental impact. They must also identify emerging technologies, performance metrics for projects receiving assistance, and strategies to allocate existing and new funding streams for green economy workforce training programs.

CTED, WTB, and their working group must also provide semi-annual performance reports to the Legislature on specified criteria, including those developed by the working group and explanations of how projects have been supported, as well as any information that associate development organizations or workforce development councils choose to pass on to the Legislature.

The Employment Security Department is required to define middle- and high-wage green economy occupations. SBCTC, WTB, and the Apprenticeship Council may prioritize programs that lead to credentials, certificates, or degrees in green economy jobs.

The Account is renamed the Evergreen Jobs Account and the Account may accept public or private gifts, grants, or endowments. Competitive grant funds may be used to coordinate outreach efforts by higher education institutions and workforce development councils.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Amendments): CTED and WTB are no longer required to create and maintain a priority list of projects. They instead are required to create and maintain a comprehensive strategic plan, as well as a framework to provide state

support to local agencies pursuing funding or new job opportunities in the green economy. Specified criteria are reduced, and reporting requirements are lessened.

The Employment Security Division is required to create new definitions for middle- and high-wage occupations within the green economy, and the SBCTC, WTB, and the Apprenticeship Council are permitted to prioritize programs leading to a degree, credential, or certificate in a green economy field.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed Second Substitute House Bill: PRO: Oregon is getting a lot of jobs (1,300) and investment (\$500 million) in green energy technologies. It's a \$70 billion industry and will triple in the next ten years. The Federal Recovery Act has \$100 billion in competitive funds, with tens of billions for renewable energy. This program would create a coordinated and successful effort all the way down to the local level to capture these funds. These funds could be used to train people so that future projects wouldn't have to be delayed. It would build on existing efforts without being overly bureaucratic. Washington is ahead of the green economy game, but providing the right incentives would reinforce that advantage. The ability to respond quickly to receive federal funds is good, so the bill should be more goal-oriented and less prescriptive, and should focus on new funds rather than reallocating existing funds. "Green jobs" shouldn't be defined narrowly because we can't know what they will be in the future. Washington was the first state to create a green jobs program, and this expansion would help Washington compete with other states who are creating these kinds of efforts. It would connect people who need work with work that's needed. The carve out for veterans is important, because it won't leave anyone behind in training.

OTHER: There are a lot of positive things about this bill, but there are some things that need to be worked on. It should be flexible and not overly specific or exclusive. If it's too prescriptive, funds may not be able to flow through quickly. The goals are good, but the implementation needs work. The 14 policy principles created by CTED are valuable guiding principles. They should be used rather than creating new, specific metrics. This bill should be reconciled with SB 5649. The emphasis on green jobs shouldn't displace current emphasis on high-demand training. Employers are strongly interested in greening the existing economy rather than creating a new "green" economy.

Persons Testifying: PRO: Representative Probst, prime sponsor; Representative Orwall; Tina Bloomer, Washington State Board for Community and Technical Colleges; Miguel Perez-Gibson, Climate Solutions.

OTHER: Marie Sullivan, CTED; Amber Carter, Association of Washington Businesses; Carolyn McKinnon, Workforce Training Board.