

**Recommendations for Prop. 39 Implementation:
Jobs and Workforce Development Program Elements**

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PROGRAM ELEMENTS

This document presents guidelines for Prop. 39 program design that can ensure better jobs and workforce development outcomes. Given the variety of issues that must be addressed to maximize the jobs benefits of Prop. 39, we recommend that the Labor Agency or an inter-agency task force oversee the jobs aspects of Prop. 39 program development. This role would be parallel to the potential role of the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) in providing schools and community colleges with expertise on energy and ensuring alignment with other on-going state efforts. In addition, the Citizens Oversight Board should include both a workforce development expert and a representative of organized labor.

1. Performance Goals and Data Tracking for Jobs

Issue

Policymakers have not identified specific goals and related metrics for the job impacts of Prop. 39. The LAO's analysis of Governor Brown's budget interprets the jobs goal as simply the quantity of in-state jobs.¹ However, this is insufficient; if all the jobs created were low-wage, dead-end jobs there would be considerable public disappointment. The Proposition states that funds should "create *good-paying* energy efficiency and clean energy jobs in California". Policymakers must consider not only the quantity of jobs, but also their quality in terms of wages, benefits and long-term career trajectories (beyond the five years of Prop. 39 funding). In addition, they should consider access for workers from disadvantaged communities to the entry-level jobs that are created. The current lack of clarity on jobs goals and how to measure them will impede a sound assessment of the trade-offs inherent in policy decisions.

¹ Legislative Analyst's Office 2013-2014 Budget Overview, p. 25.

Recommendation

Prop. 39 implementation should contain explicit goals for the quantity and quality of jobs created and the demographic and geographic distribution of workers, particularly those in entry-level jobs, based on realistic investment and job projections. Performance metrics and job reporting requirements should be developed using a common state-wide computerized job tracking and labor compliance system such as LCP Tracker² or B2G³. These tracking systems can capture quantity and quality of jobs, as well as zip codes of workers. Zip codes can show the distribution of jobs across the state and, if linked to other data, illustrate the job impacts in disadvantaged communities. The Labor Agency should be assigned to coordinate the development of job goals and metrics and oversee the implementation of job tracking.

2. Training Investments, Performance Goals, and Data Tracking for Training

Issue

Prop. 39 requires that some portion of the funding be dedicated to workforce training. The Budget now suggests that these funds may be allocated at the discretion of the Community College Chancellor and the California Department of Education (CDE) for energy efficiency and clean energy workforce training.⁴ Recent experiences with some ARRA-funded California green jobs training initiatives showed that those programs with strong pre-existing links with employers and state-certified apprenticeship programs had much higher job placement rates than other programs⁵. The 2011 California Workforce Education and Training Needs Assessment⁶ carried out by UC Berkeley, as well as other studies, document the importance of employer commitment and effective pipelines into career-track jobs extensively.

Recommendation

To ensure alignment with the rest of the state's workforce development investments and with the state-certified apprenticeship system, the allocation of Prop. 39 funds should follow the guidelines laid out in the Green Collar Jobs Council policy document on Prop. 39 and in AB 554.

² <http://www.lcptracker.com/>

³ <http://www.b2gnow.com/index.asp>

⁴ 2013-2014 Governor's Budget Summary, p. 24.

⁵ 2012, Final Report for the California Clean Energy Workforce Training Program, Employment Development Department, Contract Agreement Number: 180-09-001. .

⁶ Zabin et al (2011), *California Workforce Education and Training Needs Assessment for Energy Efficiency, Demand Response, and Distributed Generation*, www.irle.berkeley.edu/vial/

This will help improve the job placement rate for training graduates, and avoid unnecessary duplication and competition among training programs.

Prop. 39 training investments should:

- Support local/targeted hire goals by preparing a pool of entry-level workers for employment in school districts that receive project funding.
- Provide upgrade training for energy efficiency and clean energy specific training for incumbent workers currently enrolled in or graduated from state-certified apprenticeship programs.
- Provide energy efficiency and clean energy specific training for incumbent school employees responsible for the operation of school facilities.
- Fill other training gaps associated with the implementation of Prop. 39.

Priority training investments should include the following features:

- Training for specific skills related to energy efficiency and clean energy should be embedded in or linked to a broader occupational training program, and not a stand-alone training that only addresses specialized energy efficiency and clean energy tasks. Broad occupational training prepares workers for a long-term career and leads to increased energy efficiency savings and clean energy generation.
- Training should lead to industry-recognized credentials and certifications that, to the extent possible, provide college credit or are linked to credit-bearing programs.
- Training should expand the utilization of state-approved apprenticeship programs and other “learn-and-earn” models that promote industry-recognized skills and credentials.
- Training programs should demonstrate a high probability that trainees will be placed into jobs, including but not limited to specific commitments by employers.
- Funds should be available for planning and partnership development as well as for actual training.

Training funds should be allocated through an RFP or similar process whose development, review and selection is carried out by an inter-agency committee that includes the training departments within the Labor Agency (CWIB, ETP etc.), the Community Colleges Chancellor’s office, CDE, the CEC and the CPUC. Performance goals and tracking systems should be developed for training investments that include number of workers trained, number of training completions, cost of training per worker, number and type of credentials and certificates awarded, number of trainees enrolled in state-certified apprenticeship programs, and number of job placements for trainees, including their wages and benefits, demographic and geographic profile, and retention rates for trainees placed in related employment.

3. Contractor Qualifications and Worker Skill Certifications

Issue

Prop. 39 programs should meet the highest standard of quality control in order to maximize the energy savings of the investments. The lack of skill certification requirements in this sector has led not only to quality problems but also results in confusion about what training is actually needed.

Recommendation

Prop. 39 and leveraged funds should explicitly include standards for participating contractors and minimum training and skill standards for workers. Specifically, Prop. 39 investments should utilize contractors who participate in high performing state-certified apprenticeship programs⁷, which offer workers career training and tie wages to skill acquisition. As appropriate, specialized skill certifications should be required for key tasks. These should be identified by the CEC, CPUC, and Labor Agency, with input from the key trade associations who represent contractors eligible for this work.

4. Providing Employment for Californians from Disadvantaged Communities

Issue

Prop. 39 includes the goal of training and *employing* “disadvantaged youth, veterans, and others”. Some school districts already have project labor agreements with local/targeted hire goals which have had success in providing access to career construction jobs for disadvantaged workers, but many do not.

Recommendation

Prop. 39 funding should be subject to existing project labor agreements with local/targeted hire goals. In districts without such agreements, Prop. 39 funding should require adoption of a project labor agreement with local/targeted hire goals and support for building training partnerships with local institutions that have a proven track record of placing disadvantaged workers in career-track jobs (such as community colleges, nonprofit organizations, labor management partnerships, state-certified apprenticeship programs, and high school career technical academies). The Labor Agency should work with the CDE and Community College

⁷ Where high- performing is defined as those programs with graduation rates in excess of 50% of the average completion rate for the applicable trade over the previous 5 years.

Chancellor’s Office to identify the best practice local/targeted hire policies and programs and incorporate them in statewide program design and implementation.

5. Compliance

Issue

In addition to enforcement of building codes and standards which are necessary to achieve the energy benefits of Prop. 39, enforcement of labor policies is necessary to maximize jobs benefits. This includes not only the public works contracting compliance that is already in place, but additional tasks such as oversight on local/targeted hire provisions, that are part of program design.

Recommendation

Funding for the Department of Industrial Relations Compliance Monitoring Unit must be adequate for ensuring compliance with the public works section of the California Labor Code and Prop. 39 programs.

6. Program Evaluation

Issue

The Proposition states that funds should “create good-paying energy efficiency and clean energy jobs in California”. Evaluation of the jobs and workforce development outcomes of the program is critical to insure accountability and improve program performance as necessary.

Recommendation

A process evaluation should be conducted after the first year of the program to review and assess whether the program elements are working, identify problems and barriers, and develop solutions to improve program performance. An outcome evaluation should be conducted, at minimum, midway through and at the end of the program to evaluate whether the program met jobs and workforce development goals. The outcome evaluation should compile and evaluate the performance goals and metrics previously outlined, including:

- Quantity and quality of jobs created, including wages and benefits, and the demographic and geographic profile of workers, particularly those in entry-level jobs.

- Number of workers trained, number of training completions, cost of training per worker, number and type of credentials and certificates awarded, number of trainees enrolled in state-certified apprenticeship programs, and number of job placements for trainees, including their wages and benefits, demographic and geographic profile, and retention rates for trainees placed in related employment.