

Angelo Farooq, Chair

Gavin Newsom, Governor

TO: Greenhouse Gas Reduction Fund Program

FROM: *Stewart Knox*
Secretary
Labor and Workforce Development Agency

Curtis Notsinneh
Chief Deputy Director
California Workforce Development Board

DATE: 11/8/2023

SUBJECT: GREENHOUSE GAS REDUCTION FUND:
California Workforce Development Board

EXPENDITURE RECORD [FOR FISCAL YEAR 2023-24*]
High RoadSM Training Partnerships, Resilient Workforce Program,
Low Carbon Economy Grants

This Attestation Memorandum documents that California Workforce Development Board completed the attached Expenditure Record on *November 8, 2023*, for *High RoadSM Training Partnerships, Resilient Workforce Program, Low Carbon Economy Grants*. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to CARB for public posting on the CARB website at: www.arb.ca.gov/caclimateinvestments. Questions on this Attestation Memorandum or Expenditure Record may be directed to *Deputy Director of Operations, Emily Sunahara* at (916) 926-3342 or emily.sunahara@cwdb.ca.gov.

X *Stewart Knox*
Stewart Knox, Secretary
Labor and Workforce Development Agency

X *Joelle Ball* for Curtis Notsinneh
Curtis Notsinneh, Chief Deputy Director
California Workforce Development Board



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Attachment: CWDB GGRF Expenditure Record

Greenhouse Gas Reduction Fund: Expenditure Record

California Workforce Development Board
High RoadSM Training Partnerships

Authorizing legislation: Item 7120-101-3228 of the Budget Act of 2023 (Chapter 38, Statutes of 2023) appropriates to the California Workforce Development Board \$15 million to support apprenticeship and job training programs, including support for training opportunities necessary to transition the State's workforce to a low-carbon economy.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

Agency that will administer funding:

- California Workforce Development Board (CWDB)

Amount of proposed expenditure and appropriation reference:

- The total expenditure authority for Local Assistance is \$15 million per Section number 7120-101-3228 of the Budget Act of 2023 (Chapter 38, Statutes of 2023). CDWB will allocate \$15 million for High RoadSM Training Partnerships.
- This Expenditure Record is for the High RoadSM Training Partnerships Program and will fund planning/development and implementation projects.

Estimated amount of expenditures for administering agency administrative costs:

- The estimated administrative expenditures for FY 23/24 are \$1,400,000 carried forward from a \$2,754,000 operations allocation item 7120-001-3228, Budget Act of 2022 (Chapters 43 and 45, Statutes of 2022) open for encumbrance or expenditure until June 30, 2024.

California Workforce Development Board (CWDB) Expenditure Record
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If applicable, identify laws or regulations that govern how funds will be used.

- AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), AB 1550 (Gomez, Chapter 369, Statutes of 2016), AB 398 (E. Garcia, Chapter 135, Statutes of 2017), AB 1237 (Aguiar-Curry, Chapter 357, Statutes of 2019), AB 794 (Carrillo, Chapter 748, Statutes of 2021), and AB 680 (Burke, Chapter 746, Statutes of 2021) provide the framework for how the auction proceeds will be administered to further the purposes of AB 32.

Continuation of existing Expenditure Record

- This is a continuation of prior fiscal years expenditure records with a multi-year gap during which the H RTP solicitation process has been slightly modified.

Project Type(s)

- **Planning and Development (Up to \$500,000):** Planning and Development Projects require funding to complete the project design work and achieve Training Implementation status at a later point. Grants will support the research of industry demand and achievement of the High RoadSM elements, staff time to develop and cultivate partnerships, and program design for training and employment outcomes. Planning grants must show a clear problem statement that specifically describes how planning and development activities will resolve identified issues with a training program. Implementation plan due at time of grant close.
- **Training Implementation (\$500,000 - \$5,000,000):** Training Implementation Projects deliver training programs to achieve employment and/or career advancement outcomes for participants. These projects may also include Planning and Development alongside required training components. Training Implementation Projects must have a research supported Training Plan and project development, an existing partnership with one or more employers (partnerships with multiple employers are encouraged for larger grants), at least one worker organization, and a training provider.
- **Expanding (\$5,000,000 - \$15,000,000):** An Expanding Project is an existing H RTP or an existing industry partnership that can demonstrate that it meets the H RTP elements and is expanding the partnership and program work. Expanding projects will have demonstrated success in achieving training outcomes and will focus on scale and/or replication. Projects will increase the number of participants and expand the partnership within the industry. Projects may also expand to adjacent industry sectors and/or replicate the project in other regions. Expanding projects will deliver training programs for participants to achieve employment and/or career advancement outcomes. Expanding projects must also have completed research and development, evidence from a pilot program to inform their expansion, an existing partnership consisting of multiple employers, at least one worker organization, and at least one training provider.

Describe the projects and/or measures that will be eligible for funding.

- The High RoadSM Training Partnerships (H RTP) program simultaneously promotes economic equity and mobility for workers, skills, and competitiveness for High RoadSM employers, and long-term environmental sustainability and climate resilience for the state. H RTP projects are organized at the regional level, and focus on a particular industry sector, and address at least one of the following:
 - Connect workers to high-quality jobs or entry-level work with clearly defined routes to advancement.
 - Increase skills and opportunity for those at the lower end of the labor market while expanding career pipelines within key industries for priority populations, individuals with barriers to employment, and under-represented workers.
 - Support both labor and management in improving health, safety, and professionalization of jobs.
 - Address worker, employer, and industry needs as they respond and adapt to climate change and environmental sustainability and build community and economic resilience.

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- Respond to existing or impending industry disruption due to the transition away from fossil fuels and other climate mitigation strategies.
- Build partnerships to connect dislocated workers to existing resources and services and to plan for long-term retraining (focusing on workers and communities impacted by fossil fuel industry decline).
- Regional strategies developed through partnerships that support workers and communities in adapting to and creating new workforce opportunities in the transition to a carbon-neutral economy.
- Transition planning to identify and implement projects that meet the criteria above.
- Comprehensive, regional economic and workforce planning, targeting areas of California most impacted by the transition away from fossil fuel-based industries and toward carbon neutrality, to address economic diversification, workforce development, and worker and community impacts from declining fossil fuel industries.
- Research and development to identify key stakeholders (including, but not limited to industry and labor leaders, community-based and environmental organizations, civic leaders) to convene and lead industry and regional planning conversations.
- Research and development to identify projects that meet the criteria above.

Intended recipients

- Industry-based training providers
- Labor organizations and labor-management partnerships
- Community-based organizations
- Public education entities and training providers
- Workforce intermediaries
- Local workforce development boards

Program structure and process for selecting projects for funding.

- Competitive solicitation, evaluation, and selection of projects according to program guidelines.
- The CWDB developed a rolling fund, The High RoadSM Training Partnership Resilient Workforce Program (H RTP: RWP) that is open for applications on a quarterly basis.
- 25% of funding available for 'Planning and Development' projects. 75% of funding available for 'Training Implementation' and 'Expansion' projects (direct service delivery to disadvantaged communities).

Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

How the expenditure is consistent with the Investment Plan and the Scoping Plan.

- By investing in sector-based training partnerships and planning and research to support economic diversification, focusing on serving AB 1550 priority populations, and advancing the goals of equity, sustainability, and job quality, the High RoadSM Training Partnerships program directly meets one of the top three recommendations of the “[Cap-and-Trade Auction Proceeds Fourth Investment Plan: Fiscal Years 2022-23 and 2024-25,](#)” which is to increase job training opportunities for priority populations.
- This program is also consistent with California’s [2022 Climate Change Scoping Plan](#), which affirmed the important role of workforce development and the need to promote resilient economic growth investments and training in education and workforce development for a lower carbon economy are a critical part of this transition. Likewise, this program can help to address one of the AB 32 Environmental Justice Advisory Committee’s overarching recommendations for the Scoping Plan to maximize the accessibility of safe jobs, incentives, and economic benefits for Californians.

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Describe how expenditures will facilitate the achievement of GHG emission reductions in the State.

This program will facilitate GHG emission reductions by:

- Building climate and economic resilience through training partnerships and systems that: (a) address critical skill issues emerging as industry faces challenges of climate change and environmental sustainability; (b) increase the capacity of firms and workers to adapt and compete in a carbon-constrained economy; and (c) help California communities prosper by creating accessible local pathways into safer, healthier, and more highly skilled jobs.
- Focusing workforce development efforts in industries and occupations involved in: implementing climate change mitigation and adaptation measures; producing, operating, and maintaining new technologies and equipment that reduce GHG emissions; and planning to identify additional industry and workforce needs and opportunities associated with the transition to a carbon-neutral economy.
- This program will also facilitate GHG emission reductions by investing in comprehensive, regional economic and workforce planning to support the transition away from fossil fuels and fossil fuel-based industries.

Explain when GHG emission reductions and/or co benefits are expected to occur and how they will be maintained

- Benefits that result from this program's investment in workforce development will primarily occur once training is completed and incumbent workers advance in their career and employment begins for new workers. GHG emission reductions facilitated by these investments will occur on an ongoing basis as specific projects are implemented and maintained and as new, emission-reducing technologies and equipment are deployed and maintained. Benefits will continue to grow as workers gain more experience and acquire additional skills.
- Benefits that result from this program's investment in comprehensive, regional economic and workforce planning will occur over time as workers impacted by fossil fuel industry decline are connected to various resources (for both immediate and longer-term assistance) and as regional economies diversify and workers are connected to new employment and educational opportunities. GHG emission reductions associated with that transition will occur on an ongoing basis as fossil fuel-based industries decline and shut down, and as new industries that advance carbon neutrality grow and expand.

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency.

- This program will deliver economic co-benefits by upskilling incumbent workers and facilitating career advancement, by training and placing new workers in quality jobs, and by building the capacity of training partnerships to establish and meet economic and environmental goals. Improvement in worker health and safety is also achieved through training as well as industry adoption of better practices and cleaner technologies and products. Environmental co-benefits may be achieved as well through deployment of cleaner technologies and products and as workers learn about and implement emission-reducing measures at home and in their community.
- This program will also deliver economic co-benefits by connecting dislocated workers with various financial and education or training resources, and by training and placing workers for new high-quality jobs that advance carbon neutrality.
- This program's investments will help build a resilient workforce and help the most vulnerable communities and individuals adapt and respond to the impacts of climate change.

How the project will support other objectives of AB 32 and related statutes.

- This program supports other objectives of AB 32, including the reduction of GHG emissions in a manner that: (1) maximizes additional environmental and economic co-benefits for California by investing in High RoadSM Training Partnerships that: engage and build the capacity of California businesses, workers, and community groups; develop ways to improve job quality and equity; and enhance businesses' capacity to compete in a carbon-constrained economy; and (2) directs public and private investment toward the most disadvantaged communities in California by targeting priority populations for workforce development (recruitment, training, supportive services, and placement assistance) and by engaging priority populations in comprehensive, regional economic and workforce planning to support the transition away from fossil fuels and toward a carbon-neutral economy.
- This program also supports the priorities identified in AB 398 by selecting projects that best align with Scoping Plan Sectors, where feasible, to contribute to industries and occupations that are: reducing air toxic and criteria air pollutants from stationary and mobile sources, increasing deployment of zero-emission transportation alternatives, healthy forests, and urban greening, reducing short-lived climate pollutants, as well as climate adaptation and resiliency.

Percentage of total funding that will be expended for projects that are located in and benefit priority populations¹ per CARB guidance.

- CWDB will establish a target of at least 75% of program funds to benefit low-income households and residents of Disadvantaged Communities and Low-Income Communities.

Describe the benefits to priority populations per CARB guidance.

- Projects will provide comprehensive, high-quality workforce development to priority populations, including job training, supportive services, and placement assistance.
- Projects will also benefit priority populations by including workers and their representatives and community groups in comprehensive, regional economic and workforce planning.

¹ Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B Funding Guidelines for more information on the definitions of priority populations.

Explain strategies the administering agency will use to maximize benefits to disadvantaged communities.

- Serving disadvantaged Californians and their communities through strategic workforce programs is central to CWDB's mission, and a key strategy to achieving one of CWDB's primary policy objectives which is to enable upward mobility for all Californians.
- To determine planning and program priorities, CWDB will coordinate with and convene workforce, industry, as well as community leaders.
- CWDB will directly fund projects that do at least one of the following:
 - Prioritize quality jobs and upward mobility for residents of disadvantaged communities with immediate and/or long-term impact and benefits.
 - Workforce development programs that will facilitate GHG emission reductions within disadvantaged communities and support other types of environmental improvement.
 - Research, planning, and development of workforce development programs in industries where industry-based partnerships do not currently exist, and High RoadSM Training Partnerships can directly benefit disadvantaged communities.

Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens

- CWDB will engage with past grantees, community groups, and other stakeholders to identify potential burdens and ensure program design, expectations, and requirements are realistic, inclusive, and address the specific needs of priority populations. CWDB will make programmatic adjustments to eligibility criteria, and ultimately funding decisions, as necessary to avoid potential substantial burdens.
- CWDB will engage with community and workforce leaders to determine thresholds and situations that could affect eligibility for, or continuation of, public assistance. CWDB will provide guidance to applicants and require that they identify responses and pro-active solutions to address this potential substantial burden; CWDB will evaluate and consider these measures in project selection.
- CWDB will engage with communities and community leaders to address environmental concerns (including but not limited to GHG emissions) in order to identify key issues within a geographical area that can be addressed by these programs.
- CWDB will encourage regional training partnerships to include community-based, faith-based, or non-profit organizations with expertise in working with priority populations and ability to anticipate and meet participants' needs through supportive services.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance.

- Funding recipients will complete customized templates and report quarterly on progress, challenges, successes, and outcomes. CWDB will determine data-collection and reporting requirements prior to project implementation and provide guidance. CWDB will report to CARB semi-annually through the tracking and reporting system, consistent with CARB guidance.
- CWDB may also conduct periodic reviews of selected projects. If a funding recipient is not performing in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in forthcoming program guidelines and grant agreements.

Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion.

- Funding recipients that directly serve participants will be required to track individual participant data (including but not limited to priority population status) through customized supplemental reporting.
- CWDB will coordinate with CARB to estimate GHG emission reductions and co-benefits, using CARB quantification methodologies, where applicable.

Type of information that will be collected to document results, consistent with CARB guidance.

- To determine the jobs benefits, CWDB will compile data on direct employment outcomes, consistent with CARB guidance. CWDB will also use CARB-develop methodologies of estimating direct, indirect, and induced jobs.
- CWDB will collect data on how projects facilitate GHG emission reductions.
- CWDB will collect data on project location and how the project benefits priority populations, consistent with CARB guidance.

How the administering agency will report on program status.

- CWDB will provide regular program updates consistent with CARB guidance, addressing expenditure amounts, project development, participants and training outcomes, facilitation of GHG emission reductions (including direct quantified GHG emission reductions for applicable projects and industries), and other benefits identified by the project, CARB and/or CWDB.