

June 29, 2015

Chairman Mary D. Nichols and Executive Officer Richard Corey
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on the Draft Funding Guidelines for Agencies that Administer California Climate Investments

Dear Chairman Nichols and Executive Officer Corey:

Thank you for the opportunity to submit comments on the Draft Funding Guidelines. The Donald Vial Center on Employment in the Green Economy at the University of California, Berkeley carries out research on the job impacts of climate and clean energy policy in California. We offer the following recommendations to guide the development of the final draft of the Funding Guidelines.

1. Strengthen Jobs and Job Training Reporting

Reporting Metrics

ARB's proposed jobs and training metrics (Volume 3, Appendix 3.A, Table 3.A-16) will help to measure the quantity and quality of jobs and training opportunities created by California's climate investments, and will provide critical data about disadvantaged communities' ability to access employment opportunities.

We urge ARB to expand upon #7 (average hourly wage or average total compensation) by requiring that agencies submit more comprehensive data to better measure the quality of jobs created by state climate investments. Over time, these data should conform as much as feasible to the data formats that are used by the U.S. Bureau of Labor Statistics and the California Employment Development Department. In the short run, in order to provide valuable detail to contextualize wage and compensation data, we recommend that #7 be revised as:

7. Entry-level and median hourly wage or entry-level and median total compensation (hourly wage plus benefits) for each job classification/trade.

For #8 and #9, we recommend that ARB collect data on the *type of credentials earned*, not just certifications. The term *credential* defines a broader category that can include certifications, certificates, degrees, licenses, and other documentation of competency and qualifications to perform work. If the agencies are funding training, we also recommend collecting data on whether trainees are placed in jobs or enroll in state-certified apprenticeship programs or postsecondary educational institutions upon completion of a training program. Therefore, #8 and #9 should be revised as:

8. Total number of people that completed job training, the associated job training classification/trade, the type of credential earned, and whether trainees were placed in jobs or enrolled in state-certified apprenticeship programs or postsecondary educational institutions.

9. Number of disadvantaged community residents that completed job training, the associated job training classification/trade, the type of credential earned, and whether trainees were placed in jobs or enrolled in state-certified apprenticeship programs or postsecondary educational institutions.

Finally, all jobs and training metrics that measure outcomes for disadvantaged communities (#4, #6, and #9) should include associated census tract numbers for disadvantaged communities in which workers reside. Since the CalEnviroScreen is now tied to census tract data, this will provide important information about the geographic distribution of jobs and training benefits.

Reporting Format and Process

Appendix 3.A (page 3.A2) states that, for now, ARB is not requiring administering agencies to report data in a specified format. We are concerned that this will produce inconsistent, poor quality data. We strongly support ARB's development of a comprehensive online project tracking system and requirement for agencies to use this system once it is operational.

We urge ARB to implement best practices for measuring jobs and training outcomes as it develops a comprehensive online tracking system. Leading experts on job tracking databases recommend that employers be required to submit data in a standardized format so that the results can be compiled in an online dashboard, which can help stakeholders see progress over time.¹ This is consistent with the most advanced data collection methodologies for public works

¹ For example, Good Jobs First has assessed jobs reporting both for state and local economic development subsidies and for the federal American Recovery and Reinvestment Act (ARRA). Standards on subsidy job reporting can be found in *Show Us the Subsidized Jobs* (2014) at <http://www.goodjobsfirst.org/showusthesubsidizedjobs> and

construction, where online labor compliance systems have been utilized by many local government agencies.²

We also recommend that ARB explore opportunities to coordinate, wherever feasible, with entities that are already collecting jobs and training data. For example, the state Department of Industrial Relations (DIR) collects certified payroll data to ensure that public works construction projects comply with labor laws. The California Workforce Investment Board is currently working with DIR to access jobs and workforce data for school retrofit projects funded by Proposition 39. ARB could similarly coordinate with DIR to access jobs and workforce data for public works projects funded by state climate investments. This coordination will also help advance conformity with standard jobs data reporting carried out by federal and state labor agencies responsible for jobs data collection.

2. Improve Access to Good Jobs and Training

Volume 2, Appendix 2.A includes optional criteria for projects to fulfill SB 535 requirements through targeted hire or training of residents from disadvantaged communities. However, these are voluntary criteria and do not necessarily incentivize projects to produce meaningful jobs and training co-benefits.

ARB should direct administering agencies to prioritize projects that meet baseline targets to increase access to *good* jobs and training for disadvantaged workers. This will go a step further than the optional criteria currently listed in Appendix 2.A by directing agencies to identify projects that maximize jobs and training co-benefits for disadvantaged workers.

ARB should also direct administering agencies to prioritize projects that meet baseline wage and skill standards, which will help to ensure good quality jobs and good quality work that maximizes greenhouse gas emission reductions and other co-benefits. Wage standards have been shown to lower turnover and increase productivity and quality, while increasing final costs by a significantly smaller factor than the wage increase itself.³

in *Money for Something* (2011) at <http://www.goodjobsfirst.org/moneyforsomething>. Model legislative language can be found at <http://www.goodjobsfirst.org/accountable-development/model-legislation>. The Good Jobs First assessment of ARRA jobs reporting can be found in its 2010 report *Show Us the Stimulus (Again)* at <http://www.goodjobsfirst.org/show-us-stimulus-again>.

² Turnkey systems used by public agencies for tracking construction sector jobs include LCPTracker <http://www.lcptracker.com/> or Elation Systems <http://www.elationsys.com/elationsys/>. These systems may not be relevant in other sectors but the recommended metrics are still applicable and may be collected through alternative methods, depending on the type of industry and the type of policy or investment.

³ See Appendix 4B (pp. 94-95) in our 2014 report *Workforce Issues and Energy Efficiency Programs: A Plan for California's Utilities* at www.irle.berkeley.edu/vial/publications/WET-Plan-Appendices14.pdf.

ARB should direct administering agencies to work with relevant stakeholders, including the SB 535 Coalition, to identify appropriate wage and skill standards and targets for hiring and training workers from disadvantaged communities and households.

3. Facilitate Compliance with Prevailing Wage Requirements and Other Labor Laws

ARB should work with the state Division of Labor Standards and Enforcement (DLSE) to instruct administering agencies about applicable prevailing wage requirements and other labor laws. Administering agencies should utilize DLSE's existing enforcement infrastructure to ensure that employers receiving state climate investments comply with all applicable labor laws.

Thank you for your ongoing work to implement climate and clean energy programs in California. Please contact Carol Zabin (510-642-9176, zabin@berkeley.edu) or Megan Emiko Scott (510-643-7646, megan.scott@berkeley.edu) if you have any questions or if we can be of assistance.

Sincerely,

Dr. Carol Zabin, Chair

Donald Vial Center on Employment in the Green Economy, University of California, Berkeley

Megan Emiko Scott, Policy Analyst

Donald Vial Center on Employment in the Green Economy, University of California, Berkeley