



**BLUEGREEN  
ALLIANCE**



September 17, 2021

Dear Chair Randolph and the California Air Resources Board:

On behalf of the undersigned organizations we thank you for the opportunity to submit comments on the Draft Cap-and-Trade Auction Proceeds Fourth Investment Plan. We applaud CARB for its commitment demonstrated in the proposed draft Investment Plan to creating and sustaining high quality jobs for disadvantaged and dislocated workers through California's climate investments. With the adoption of the Air Resource Board's regulations regarding zero emissions vehicles, Governor Newsom's Executive Order ending the sale of internal combustion vehicles by 2035, and CARB's leadership position in administering Climate Investments and leading the Scoping Plan process, the Board has an opportunity to leverage our state's climate ambitions to create and sustain in-state high road economic development and high road jobs for generations of Californians to come.

### **High Quality Jobs Policies and Climate Investments**

We refer to *high road jobs*, as defined in the State's Unified Strategic Workforce Development Plan, as those that "embod[y] the principles of job quality, worker voice, equity, and environmental sustainability." Without any additional state spending, but rather through targeted, meaningful, and cost-effective high road job policies, California Climate Investments can support access to high quality careers for people of color, unemployed, LGBTQ+, justice-involved, homeless, and other disadvantaged California workers, including workers dislocated from the fossil fuel industry. High road jobs offer family-sustaining incomes, break down systemic barriers to employment, and support the state's fiscal health.

The draft Fourth Investment Plan describes the importance of working with the Labor and Workforce Development Board as well as other agencies to develop and implement policies that will create and sustain high road jobs while training workers, especially workers from communities facing barriers to employment, for high quality careers. As stated in the draft plan, our state must invest in both demand and supply side jobs programs and policies to ensure that communities are properly trained for the good jobs our cap-and-trade dollars create.

Of the strategies discussed in the Fourth Investment Plan, we would like to call special attention to demand-side workforce strategies, particularly the need for workforce standards,

incentives and other proactive policies attached to CCI spending mechanisms. ***Demand-side workforce strategies influence the kind and quality of jobs created and maintained in California and are therefore highly strategic pathways for state government to increase job quality and decrease inequality through market participation.*** Without demand-side strategies to ensure worker placement into high quality jobs, supply-side workforce strategies (e.g. subsidies for training programs) result in dead-end training programs.

Demand-side strategies affect the demand for labor, including the skills required in jobs, the wages and benefits employers provide, and who employers hire.<sup>1</sup> ***These strategies balance labor market power in the zero-emission transition for unemployed, disadvantaged, and dislocated workers.*** Demand-side state policy strategies include the following policy mechanisms:

- Industry-specific or economy-wide wage and benefit standards, such as prevailing/living wages;
- Targeted and local hire with specific and enforceable targets that ensure access to career ladders for women, people of color, justice-involved, LGBTQ+ and other marginalized workers;
- Community workforce agreements and community benefits agreements;
- Enforcement of all labor and employment laws, including proper classification of employees (vs. independent contractor arrangements) and anti-discrimination laws;
- Labor/Employer skill certification requirements with suitable Minimum Training Criteria (MITC);
- Efforts to protect collective bargaining rights and union neutrality;
- Investments in training and career pathways through apprenticeship programs and/or aligned with the High Road Training Partnership (H RTP) model developed by the California Workforce Development Board;
- Information disclosed by companies around meeting these workforce standards should be publicly available to ensure accountability and transparency;
- Award mechanisms that prioritize project bids based on the above criteria;
- Effective penalties and remedies for violations of labor standards, and retaliation protection.

These economic policies can and should be applied across industries and across all California Climate Investments.

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<sup>1</sup> Gridworks and BlueGreen Alliance. *Advancing High Road Standards In Zero-emission Transportation: Establishing A Framework And Recommendations For Workforce Standards*. Available online at: [https://gridworks.org/wp-content/uploads/2021/07/Advancing-High-Road-Standards-report\\_FINAL.pdf](https://gridworks.org/wp-content/uploads/2021/07/Advancing-High-Road-Standards-report_FINAL.pdf).

## State Contractor and Grantee Requirements Across Industries

All CCI funding mechanisms should include workforce standards and incentive criteria including the following:

**Wages** substantially exceed the California minimum wage or meets industry prevailing wage, whichever is greater.

- Cap-and-Trade funded jobs should provide family sustaining wages and benefits to ensure that our climate investments also create pathways into the middle class.

**Legal Compliance** with all applicable federal, state, and local labor, employment, environmental, and health and safety laws over preceding years.

**Targeted Hire:** substantial, binding, and explicit commitments with specific targets exist to increase hiring, retention, and career paths for ‘disadvantaged workers’, including women, people of color, workers from local and low-income communities, justice-involved workers, LGBTQ+ workers, and veterans by working jointly with community-based organizations.

- Communities of color, low-income communities and other disadvantaged communities face unique challenges to accessing good jobs. Such challenges can include the need for childcare, lack of access to consistent and reliable transportation, and the need for basic safety, technical and work-readiness skills. Programs should use targeted hiring practices to help create pathways to good jobs and provide training so that workers from diverse backgrounds can be successful on the job.

**Temporary labor** is restricted and utilized for temporary and short-term purposes only.

**Explicit neutrality policy** exists on any issue involving the organization of employees of the entity, for purposes of collective bargaining.

- If a job is created and sustained through cap-and-trade dollars, employers should ensure that worker voice is heard and protected, meaning employees can form a union if they wish, and are not retaliated against if they raise safety concerns on the job.

**Apprenticeships and Training:** Department of Apprenticeship Standards certified apprentices are utilized in applicable fields, contractually mandated training and career paths are provided, or comprehensive training in applicable skills are provided.

- Industry recognized and portable certifications, especially resulting from certified apprenticeship programs are utilized in applicable fields.
- Training developed through formalized agreements, such as community benefits agreements, community workforce agreements, or collective bargaining agreements, with input from community groups and worker organizations (or workers themselves).

**Competitive Criteria:** For competitive bids programs exceeding \$50,000, competitive labor and community criteria should be used, such as wage and benefit amounts, investments in training, commitments to hiring disadvantaged workers, and other workforce commitments. This should be substantially similar to model procurement contracts such as the US Employment Plan (USEP).

- The USEP is a highly customizable, federally approved policy that incentivizes companies competing for public contracts to disclose the number, type, and location of jobs the contract will create and retain, as well as salaries, benefits, training programs, and their plan to recruit and train historically marginalized workers. These commitments are then scored by the contracting agency and additional points are awarded to the bidders depending on the robustness of their US Employment Plan proposal. Once the bidder wins the contract, their USEP commitments become part of the executed contract with the agency. Los Angeles Metro has used the USEP on eight procurements for buses and railcars which resulted in the creation of 550 direct manufacturing jobs and thousands of additional jobs throughout the supply chain.

**Disclosure and Transparency:** participants publicly disclose data demonstrating compliance with these criteria.

- As CARB invests cap-and-trade proceeds, the agency should consider ensuring that companies receiving money through public contracts, subsidy programs and voucher programs follow through on any commitments made as a condition of receiving public funds and their compliance information should be accessible to the public. This ensures that key stakeholders know where our investments are made, and can also help enforce climate and good jobs policies.

### **Strong Enforcement**

- Just as recipients of Cap-and-Trade funds are expected to invest in zero emissions vehicles, decarbonize buildings or build robust transportation infrastructure, recipients should also be expected to create and sustain the good jobs they initially committed to creating. Agencies can ensure recipients follow through on their job commitments by conducting audits, asking for quarterly or annual reports for the duration of the contract and allowing third party stakeholders to file complaints if a recipient of public funds has fallen out of compliance.

### **Construction**

- Skilled and Trained Workforce Requirement as described in CA Public Contracting Code.

- Requiring and enforcing applicable state certifications such as the EVITP certification for electrical charging installations.
- Community Workforce Agreements with local and targeted hire provisions including access to jobs and apprenticeships for Disadvantaged Workers.

## **Manufacturing<sup>2</sup>**

- Subsidized iron, steel, and manufactured goods demonstrate significant domestic content with rising year-over-year benchmarks, or meet relevant Federal Buy America and Buy American standards. Where no domestically manufactured goods exist to meet the standard, manufacturers plan to achieve domestic content standards.
- CCI recipients to the maximum extent possible should be required and incentivized to provide manufactured goods that are assembled in the US and California, with US batteries and raw materials.

## **In-Sourcing**

- All services that can be should be provided by state and other government workers.

Thank you for your consideration and continued partnership in building a low-carbon economy that promotes economic justice, equitable economic development, and family sustaining economic opportunities for all Californians.

Sincerely,

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BlueGreen Alliance

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California Senior Policy Coordinator  
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Executive Director  
California State Pipe Trades Council

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<sup>2</sup> BlueGreen Alliance. *The High Road To California EV Goals: Raising Ambition For High-Quality Domestic Manufacturing Jobs*. Available online at: <https://www.bluegreenalliance.org/resources/the-high-road-to-california-ev-goals-raising-ambition-for-high-quality-domestic-manufacturing-jobs/>.