

# Citizens Oversight Board 5<sup>th</sup> Annual Report to the Legislature



**Jim Bartridge**

**Citizens Oversight Board Meeting**

Rosenfeld Hearing Room

Sacramento, California

March 17, 2020



# Annual Report to the Legislature



- Distributed to public, Legislature, and Governor within 90 days of the end of the calendar year – March 30th



- Report to include:
  - Board activity of the previous year
  - Findings and recommendations based on annual reports from Energy Commission, Community Colleges, Workforce Development Board, and California Conservation Corps
  - Findings on quantifying total employment

# Chapter 1: The CCEJA and Its Enduring Impact

- Objectives of the California Clean Energy Jobs Act
- Overview of the Original CCEJA Programs, Funding, and Timelines
- SB 110 Program Changes for 2018 and Beyond
  - ✓ ECAA-Ed Competitive Program
  - ✓ School Bus Replacement Program
  - ✓ SB110 removed the sunset date for the Board; continues indefinitely

# Objectives of the California Clean Energy Jobs Act

- Put Californians to work repairing, updating, and improving the energy efficiency of public schools, universities, and public buildings
- Promote new private sector clean energy and energy efficiency jobs to save energy and money
- Leverage existing energy efficiency and clean energy programs to create increased economic and energy benefits for California



## Chapter 2: Citizens Oversight Board Mandates, Meeting History, and Audit Progress

- Mandates of the Citizens Oversight Board
- Meeting History of the Citizens Oversight Board
- The Financial Audits of the Clean Energy Job Creation Fund and Program Audits of the Clean Energy Jobs Act
- All Board documents, including Audits, at:  
[https://ww2.energy.ca.gov/efficiency/proposition39/citizens\\_oversight\\_board/documents/](https://ww2.energy.ca.gov/efficiency/proposition39/citizens_oversight_board/documents/)

# Citizens Oversight Board Mandates

- ✓ Review all Clean Energy Job Creation Fund expenditures
- ✓ Commission and review an annual independent audit of the Job Creation Fund and of a selection of projects completed to assess the effectiveness of the expenditures
- ✓ Publish complete accounting of expenditures and post on publicly available website
- ✓ **Submit evaluation to Legislature identifying changes needed to Clean Energy Jobs Act programs**



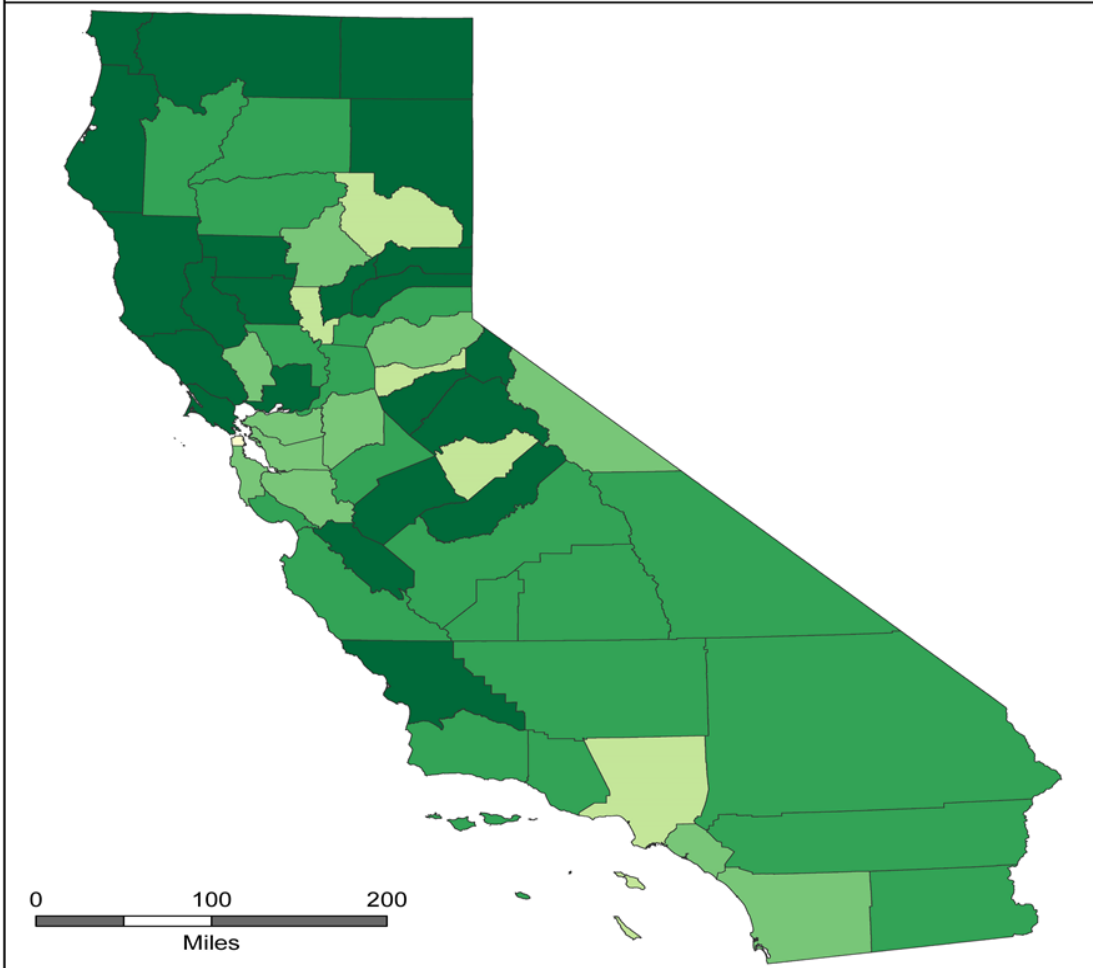
# Chapter 3: Proposition 39 Clean Energy Jobs Act Programs

## Energy Project Grant Programs

### California Energy Commission's Local Educational Agency K-12 Award Program

- ✓ Largest share of Proposition 39 funding
- ✓ 1,750 of 2,189 LEAs participated in program
- ✓ Those 1,750 LEA submitted 2,121 Energy Expenditure Plans at 7,189 school sites from 12/30/13 through 6/30/19.
- ✓ \$1.542 billion funding, plus \$153.9 million for project planning
- ✓ Geographically diverse and high county LEA participation rates
  - 22 counties between 91-100%
  - 19 counties between 81-90%
  - 11 counties between 71-80%
  - 5 counties between 61-70%
  - 1 county between 40-60%

# California Clean Energy Jobs Act Proposition 39 K-12 Program Local Educational Agency (LEA) Participation



## Participation Percentage by County

40 - 60%	81 - 90%
61 - 70%	91 - 100%
71 - 80%	

Source: Proposition 39: California Clean Energy Jobs Act, K-12 Program and Energy Conservation Assistance Act Program, 2018-19 Progress Report

T:\Projects\Map Requests\Prop39 LEA Participation\Prop39 LEA Participation.aprx



# Chapter 3: Proposition 39 Clean Energy Jobs Act Programs

## Energy Project Grant Programs

### California Community Colleges Chancellor's Office Clean Energy Jobs Act Implementation

- ✓ In 2018-2019, 284 projects completed at 60 CCDs
- ✓ \$102.8 million total project costs, including utility incentives and district funding
- ✓ Expected annual savings:
  - 37.5 million kWh of electricity
  - 588,000 gas therms
  - \$5.8 million annual energy cost savings
  - \$4.4 million in one-time energy incentives

## Energy and Sustainability Awards

# Chapter 3: Proposition 39 Clean Energy Jobs Act Programs

## Loans and Technical Assistance Programs

### Energy Commission's Energy Conservation Assistance Act Education Subaccount (ECAA-Ed)

- ✓ ECAA loan program started in 1979
- ✓ ECAA-Ed revolving loan program established in 2013
- ✓ 35 approved project loans totaling \$52.3 million as of June 30, 2019:
  - 3 completed project loans totaling \$4.8 million (final reports due after 6/30/2019)
  - 4 project loans totaling \$4.4 million
  - 28 completed projects totaling \$43.1 million
    - 21.5 million kWh of electricity
    - 15,286 gas therms

# Chapter 3: Proposition 39 Clean Energy Jobs Act Programs

## Loans and Technical Assistance Programs

### Energy Commission's Bright Schools Program

- ✓ Technical assistance to identify energy efficiency measures in existing facilities and apply for P39 K-12 Program funding.
- ✓ \$5.5 million funding from ECAA
- ✓ As of June 30, 2019:
  - Over 200 technical assistance energy study requests totaling \$3.3 million
  - 2 requests in process, 3 withdrawn
  - 195 energy requests completed totaling \$2.8 million
    - 28,626,000 kWh of electricity
    - 305,025 gas therms

# Chapter 3: Proposition 39 Clean Energy

## Jobs Act Programs

### Workforce Training Grant Programs

#### California Workforce Development Board Proposition 39 Pre-Apprenticeship Support, Training and Placement

- ✓ Invested \$13.3 million through June 30, 2018 to develop 12 construction pre-apprenticeship pilot programs
- ✓ Workforce-training and supportive services to prepare at risk youth, women, veterans, ex-offenders, and other disadvantaged job seekers apply, enter, and complete a state-registered building trade apprenticeship programs.
- ✓ Of 2,700 enrolled, 2,100 completed training (78%) and earned the National Building Trades Multi-Craft Core Curriculum (MC3) certificate
- ✓ After program completion, 1,660 graduates (79%) were placed in:
  - State-registered apprenticeship: 41% (683)
  - Construction or energy-efficiency specific employment: 23% (372)
  - Post-secondary education: 10% (166)
  - Other employment: 26% (439)

# Chapter 3: Proposition 39 Clean Energy

## Jobs Act Programs

### Workforce Training Grant Programs

#### California Community College Workforce and Economic Development Program

- ✓ Received \$27.9 million through June 30, 2018
- ✓ Funds directed to educational areas to align with SB 350 and SB 100
- ✓ Provided supplemental funding for clean energy education at 96 colleges
- ✓ Students earned 8,973 degrees and certificates in various programs
  - 1,619 Associate of Arts or Science Degrees
  - 4,117 Certificates requiring 18 units or more
  - 2,350 Certificates requiring 6-18 units
  - 887 other or non-credit awards, including apprenticeship certifications

# Chapter 3: Proposition 39 Clean Energy

## Jobs Act Programs

### Workforce Training Grant Programs

#### California Conservation Corps' Energy Corps Training Program

- ✓ Received \$26.6 million through June 30, 2018; thereafter received funding from the Greenhouse Gas Reduction Fund (GGRF)
- ✓ **CCC provided final report to COB in March 2018**
- ✓ Trained 708 Energy Corps members to conduct energy surveys and 408 to perform energy efficiency retrofits
- ✓ Completed more than 1,300 energy surveys at more than 13,000 buildings, representing over 79 million square feet.
- ✓ Completed 93 retrofit projects involving more than 124,000 lighting fixture replacements and more than 8,000 control retrofits
  - Saved schools more than 6.5 million kWh per year
- ✓ In 2019, CCC staff indicated Corps members were continuing to install energy efficient lamps, controllers, ballasts, and other equipment purchased by LEAs with Proposition 39 funds; with GGRF covering labor costs.

# Chapter 3: Proposition 39 Clean Energy

## Jobs Act Programs

### Proposition 39 Job Creation

- ✓ Proposition 39 created significant economic and fiscal benefits in California.
- ✓ Investments from the Proposition 39 K-12 program increased economic activity and employment, on top of energy savings and greenhouse gas emissions reductions that would not have otherwise occurred
- ✓ Through the end of 2018, CWDB estimates that the Proposition 39 K-12 program created more than \$3.3 billion in economic activity
- ✓ Through the end of 2018, CWDB estimates that the Proposition 39 program created nearly 20,000 jobs
- ✓ **CWDB provided final jobs and training report to COB in February 2019**

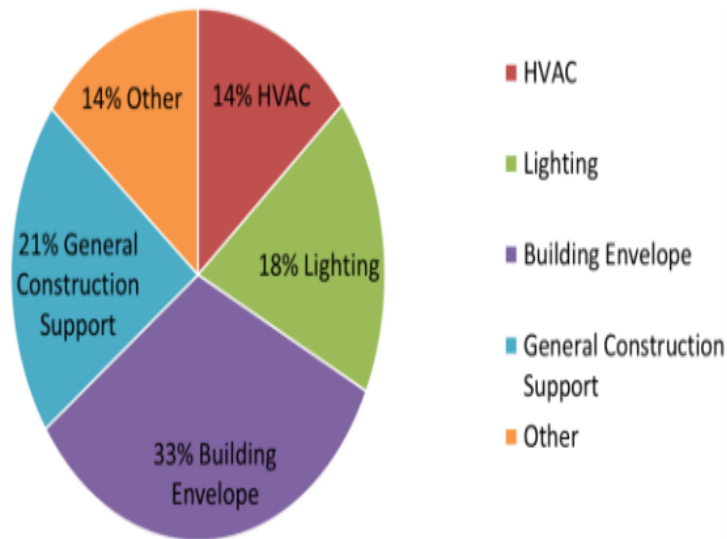
## Chapter 3: Table 3-5 Economic and Employment Impacts of Proposition 39 K-12 Grants through 2018

Proposition 39 grants \$1.5 billion (2016 dollars)	Economic Activity (2016 dollars)	Employment (number of jobs created)
Direct Jobs (e.g. electricians installing new systems at schools)	\$1.481 billion	8,702
Indirect Jobs (e.g. suppliers of energy equipment used in projects)	\$711.3 million	3,811
Induced Jobs (e.g. workers in retail or restaurant industries who benefit from spending by direct workers)	\$1.156 billion	7,299
<b>Total</b>	<b>\$3.349 billion</b>	<b>19,812</b>



# Chapter 3: Economic and Employment Impacts of Proposition 39 K-12 Grants through 2018

Figure 2: Distribution of Hours Worked by Building System Type, K-12 LEA Projects.



Note: Figures from CWDB presentation to COB on 2/13/20

Table 3: Average Hourly Wage Rate for Apprentices and Selected Trades, K-12 LEA Projects.

Job Category	Average Wage Rate
Electricians	\$48.22
Carpenters	\$44.47
Sheetmetal Workers	\$44.73
Plumbers/Pipefitters	\$45.87
Laborers	\$36.32
Other	\$40.39
Apprentices	\$24.75

\*Average wages weighted by hours worked, adjusted to 2016 dollars.

Source: Authors' analysis of certified payroll records for K-12 LEA projects obtained from the Department of Industrial Relations.

# Chapter 3: Proposition 39 Clean Energy Jobs Act Programs

## SB 110 Programs

### ECAA-Ed Competitive Loan Program

- ✓ Received \$38.5 million from remaining Proposition 39 K-12 funds
- ✓ First competitive solicitation (PON-18-101) closed 5/31/19
  - Received 21 applications; 7 funded totaling \$6.7 million
- ✓ Second competitive solicitation (PON-19-101) closes 6/29/20

### School Bus Replacement Program

- ✓ Received \$75 million from remaining Proposition 39 K-12 funds
- ✓ GFO-17-607 closed September 2018
- ✓ Included \$15 million additional funding for charging infrastructure and workforce development from Clean Transportation Program
- ✓ 200 applications to replace more than 1,600 diesel buses
- ✓ 233 electric school buses funded

## Chapter 4: Findings and Recommendations

- 1. Provide annual appropriations to the Clean Energy Jobs Fund, to allow for continued energy savings, emission reductions, and jobs at California's public schools.**
  - The energy savings and emissions reductions associated with Proposition 39 investments are substantial and continue to accrue as projects are completed.
  - The program has also resulted in significant economic and employment impacts throughout the state, including over \$3.3 billion in economic activity and an estimated 19,812 direct, indirect, and induced jobs, many of which are local in nature.
  - The program has demonstrated success and should be funded through annual appropriations to allow progress to continue now that the initial five-year term has concluded.
  - In particular, we recommend that the Legislature appropriate a minimum of \$175 million per year.

## **Chapter 4: Findings and Recommendations**

- 2. Absent annual appropriations to the Clean Energy Jobs Fund, provide direct appropriations to the Energy Commission for the development of a Proposition 39 K-12 Competitive Grant Program to support continued energy savings, emission reductions, and job creation at California's public schools.**
  - SB 110 established three new programs: The School Bus Replacement Program, the ECAA-Ed Competitive Loan Program, and the Proposition 39 K-12 Competitive Grant Program.
  - No funds remained for the K-12 Competitive Grant Program
  - Given the success of the Proposition 39 K-12 program to date, we recommend the Legislature provide a one-time appropriation of \$125 million to support a K-12 Competitive Grant Program.

## Chapter 4: Findings and Recommendations

### **3. Absent annual appropriations to the Clean Energy Jobs Fund, provide direct appropriations to the California Community Colleges Chancellor's Office to support continued energy savings, emission reductions, and job creation at California's Community Colleges.**

- The energy savings, emissions reductions, and job creation associated with Proposition 39 investments at the community colleges are substantial and continue to accrue as projects are completed.
- Given the success of the Proposition 39 program to date, we recommend the Legislature provide a one-time appropriation of \$50 million to support continued progress at Community Colleges.

## Chapter 4: Findings and Recommendations

### **4. Provide direct appropriations to the Energy Commission to support the School Bus Replacement Program.**

- The emissions reductions and associated health benefits associated with the School Bus Replacement Program investments are significant and will replace some of the oldest and dirtiest buses in California.
- We recommend the Legislature provide a one-time appropriation of \$75 million to the Energy Commission's Clean Transportation Program to continue replacing diesel school buses throughout California.

## Chapter 4: Findings and Recommendations

### **5. Provide direct baseline appropriations to the Citizens Oversight Board to support the continuation of Board operations, independent audits of the Clean Energy Jobs Fund and selected projects, and annual evaluations to the Legislature.**

- The Board conducts annual audits of the Clean Energy Jobs Fund and selected projects each year, publishes an accounting each year, and submits annual evaluations of the program to the Legislature.
- Funding for the Board's two positions and \$300,000 per year for independent audit activities were funded through the Energy Resources Program Account (ERPA), but that fund is experiencing a structural deficit and is phasing out support of the Board.
- If the Legislature believes continued oversight is warranted, a direct appropriation to the Board from an alternate funding source will be necessary.

## Contact Information

**CITIZENS**  
**OVERSIGHT BOARD**



Jim Bartridge

916-654-4169

[Jim.Bartridge@energy.ca.gov](mailto:Jim.Bartridge@energy.ca.gov)

Jack Bastida

916-327-2224

[jackbastida@energy.ca.gov](mailto:jackbastida@energy.ca.gov)