

# 2022 Proposition 39 Citizens Oversight Board Findings and Recommendations

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## Findings and Recommendations

Although the interconnected Proposition 39 programs are implemented at several different agencies, the Citizens Oversight Board is the only body responsible for evaluating the progress and impediments of Proposition 39 in its entirety. The Board believes that Proposition 39 has demonstrated success across multiple categories: energy savings, job creation, job training, and improvements to classroom environments. It 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. Additional job creation and economic activity associated with Proposition 39 investments beyond 2018 likely occurred as a result of program extensions and ongoing project construction through 2022.

## Energy Project Grant and Technical Assistance Programs

There are 2,189 eligible K-12 Local Educational Agencies (LEAs) in California, including public school districts, charter schools, three state special schools (e.g. schools for the deaf and blind), and county offices of education. Of those, 1,750 LEAs participated in the Proposition 39 program, submitting 2,121 Energy Expenditure Plans (EEPs) for energy efficiency and renewable energy projects at over 7,000 school sites throughout California. As of June 30, 2021, LEAs submitted 1,504 final project completion reports representing \$1,504 million in gross project costs. The reported annual energy savings for these completed projects is 341,570,825 kWh and 1,090,495 therms, equivalent to approximately 117,897 tons of greenhouse gas emissions reductions. The combined savings-to-investment ratio (SIR) for these 1,504 projects is \$1.30 in returns for every \$1.00 invested.

There are 116 community colleges in California with 1.8 million students. The Community Colleges Chancellors Office used Proposition 39 funding to support 957 energy efficiency and renewable energy projects at Community College Districts throughout the state. The majority of these were lighting projects, which generate the highest savings and helped districts meet a SIR of 1.05, meaning for every \$1.00 invested, a minimum of \$1.05 must be saved over time. The reported annual energy savings for these projects is 105,995,914 kWh and 1,751,874 therms, equivalent to approximately 82,378 tons of greenhouse gas emissions reductions. The energy cost savings associated with these projects is \$15.8 million per year.

As with past reports, the Board remains encouraged by the performance of the Energy Conservation Assistance Act Education Subaccount (ECAA-Ed) loan program and Bright Schools technical assistance program. The ECAA-Ed revolving loan offered zero percent

financing to eligible Local Education Agencies to finance energy efficiency, demand reduction, and energy generation projects at K-12 local educational agencies and community college districts. The ECAA-Ed program has a zero percent default rate and submitted project completion reports submitted to date indicate total annual energy savings of 21.514 million kWh and 15,286 therms, which is equivalent to 7,114 tons of greenhouse gas emissions reductions. The Bright Schools Program also provided technical assistance to local educational agencies and community college districts to identify energy efficiency measures in existing facilities and apply for Proposition 39 K-12 Program funding.

Given the success of Proposition 39 programs, the Citizens Oversight Board recommends the Legislature continue to support energy efficiency and clean energy projects and technical assistance for K-12 schools and community colleges to realize continued energy savings and greenhouse gas emissions reductions that help meet California's energy, environmental equity, and climate goals.

### **Workforce Training Grant Programs**

The Board remains impressed by the Proposition 39 workforce development grant programs at the California Conservation Corps (CCC), Community Colleges, and the California Workforce Development Board (CWDB). These programs advanced equity by providing energy-efficiency focused workforce-training and education to support the development of a skilled and diverse workforce in California. The CCC trained over 1,100 Energy Corps member (aged 18-25 and veterans up to age 29) to perform energy surveys and energy efficiency retrofits at schools and public agencies in partnership with energy-efficiency firms. They completed more than 1,300 energy surveys at more than 13,000 buildings (representing over 79 million square feet), and over 90 retrofit projects involving more than 124,000 lighting fixture replacements and more than 8,000 control retrofits, saving schools more than 6.5 million kWh per year.

California's Community Colleges helped prepare over 8,900 students for jobs in the clean energy sector by supporting education programs and regional collaboration and partnerships in the energy, construction, and utility sectors. The Community College workforce training and education focused on preparing students for careers in energy efficiency pathways, including the installation and maintenance of energy efficient systems and equipment. Program areas included topics such as construction crafts technology, drafting technology, electronics and electric technology, environmental control technology, industrial systems technology and maintenance, manufacturing and industrial technology, civil and construction management technology, water and wastewater technology, and other engineering and related industrial technologies. The program awarded 2,350 certificates to students completing 6-18 units, 4,117 certificates to students completing 18 units or more, and 887 other degrees and certifications, including industry apprenticeship certifications. Another 1,619 students received Associate of Arts/science degrees.

The CWDB developed 11 construction pre-apprenticeship partnerships throughout the state, bringing together labor, community, education, and workforce organizations to serve disadvantaged Californians. These programs provide pre-apprenticeship training and supportive services that prepare at risk youth, women, veterans, ex-offenders, and other disadvantaged job seekers apply for, enter, and successfully complete state-registered apprenticeship programs in the building and construction trades. Under Proposition 39, nearly 2,100 individuals completed training and earned the MC3 certificate, and 1,660 pre-apprenticeship graduates found placement opportunities in state-registered apprenticeships, construction or energy efficiency employment, post-secondary education, and other employment. The CWDB continues to build on this success by expanding coverage and capacity to serve more disadvantaged Californians and connect pre-apprentices to California's climate change mitigation and adaptation efforts through the High Road Construction Careers (HRCC) initiative. Since September 2020, the HRCC initiative has invested in 11 regional-scale training partnerships in all 58 California counties, with technical assistance from the State Building and Construction Trades Council of California.

The Board recommends the Legislature continue to invest in comprehensive workforce development and education programs so that a skilled and diverse workforce is available to help California meet its energy, environmental equity, and climate goals.

### **SB 110 School Bus Replacement Program**

The Board is also encouraged by the significant progress realized to date through the School Bus Replacement Program, created through SB 110 and supported by the reallocation of \$75 million in remaining Proposition 39 K-12 funds. This provided funding for 236 electric school buses, and the Energy Commission provided an additional \$60,000 in infrastructure funding per bus from the Clean Transportation Program. Cost savings analysis of electric school buses over their diesel counterparts indicates a lifetime fuel savings cost of about \$28,000, or roughly 27 percent savings per bus. The program will also help reduce tailpipe emissions of smog-forming nitrogen oxides by 98,000 lbs. and toxic diesel soot by more than 2,500 lbs. Minimizing exposure to hazardous emissions reduces the risk to adolescent bus riders of developing respiratory diseases such as asthma and helps the state achieve emissions reductions goals. Because electric buses have large batteries and predictable duty cycles, their use as vehicle-to-grid assets may provide on-site resiliency and safety benefits in the case of catastrophic events such as a wildfire. The Energy Commission expects delivery of all buses by September 2022.

The Board believes the emissions reductions, health benefits to children and communities, safety and resiliency benefits, and savings associated with the School Bus Replacement Program investments are considerable. We applaud and support the Governor's Budget proposal to continue the greening of school bus fleets throughout California.

## **Energy Expenses and Savings Self-Assessments**

The Board strongly encourages the Legislature to continue to enact laws, and agencies to enact programs, that incentivize, enable, and encourage public and private facilities and entities to:

1. Assess energy expenses & savings on a monthly basis & share this information within communities;
2. Have responsible parties for lowering energy costs and increasing savings;
3. Research energy (and money) saving technologies such as solar panels, solar hot water, heat pumps, insulation upgrades, geothermal HVAC, energy efficient lighting, green space planning, electric vehicles, no-idle rules for polluting vehicles, trash reduction and increased recycling;
4. Implement those technologies which make the most sense for each facility; and
5. Share knowledge and successes with other entities and facilities.

A ten-question facility self-assessment example is included in Chapter 4.

### **AB841 School Energy Efficiency Program/CalSHAPE**

Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020) established the School Energy Efficiency Stimulus Program, which authorized the Energy Commission, to design, administer, and implement the California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Program in collaboration with the utilities that fund the program. The CalSHAPE Program includes two grant programs for local educational agencies, the CalSHAPE Ventilation Program and CalSHAPE Plumbing Program. The CalSHAPE Ventilation Program provides funding to assess, maintain, and repair ventilation systems in schools. The CalSHAPE Plumbing Program provides funding to replace aging and water inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances. The CalSHAPE Program is also creating employment opportunities for a skilled and trained workforce and prioritizing awards to schools located in underserved communities, consistent with the goals of the program, which are to save energy, create jobs, and provide direct support to schools in underserved communities.

Although the Board has no direct role or oversight of the CalSHAPE Program, we believe improving ventilation and energy efficiency in California schools and replacing inefficient and wasteful water fixtures will protect the health of children and teachers alike, while also advancing high-quality jobs in underserved communities. The Board is confident that the CalSHAPE program will provide significant benefits, and recommends it be considered for additional funding in the future.