



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Janice Roberts, Member
Rick Smiles: Member

Date: June 10, 2021

CC: Executive Staff
Reg Javier, Executive Director
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From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item 4.a.
Discussion Item Re: UC Berkeley Labor Center Report

I. Brief Issue Statement:

On September 3, 2020, the UC Berkeley Labor Center released a report entitled "Putting California on the High Road: A Jobs and Climate Action Plan for 2030".

The full report is approximately 600 pages long, and can be found here:
<https://laborcenter.berkeley.edu/putting-california-on-the-high-road-a-jobs-and-climate-action-plan-for-2030/>

The Executive Summary is approximately 50 pages long and can be found here:
<https://laborcenter.berkeley.edu/wp-content/uploads/2020/08/Executive-Summary-Putting-California-on-the-High-Road.pdf>

The report discusses recent and emerging economic trends that necessitate transitioning the economy as a whole; not only to recover the economy after the negative effects of the COVID pandemic, but also to adjust for social, technological, and environmental/climate related shifts that have been accelerating across our entire culture, and which are causing drastic changes in the worldwide economy and to workforce needs.

This memo serves as a summary of the report, in order to stimulate discussion here today.

II. Report Summary:

The report is divided into chapters as follows:

- I. Introduction
- II. Demand-Side Workforce Policy Levers
- III. Supply-Side Workforce Development Strategies: Preparing Workers for the Low-Carbon Transition
- IV. Just Transition: Tools for Protecting Workers and Their Communities at Risk of Displacement Due to Climate Policy
- V. Introduction to Scoping Plan Sectors
- VI. Energy Sector
- VII. Sustainable Transportation
- VIII. Industrial Sector
- IX. Waste Sector
- X. Water
- XI. Natural and Working Lands

This report was required by Assembly Bill 398 (E. Garcia, Chapter 135, Statutes of 2017) and was to include strategies “to help industry, workers, and communities transition to economic and labor-market changes related to statewide greenhouse gas emissions reduction goals.” Specifically, AB 398 required that the report should address workforce policies that can ease the transition to a carbon-neutral economy, such as: creating high-quality jobs; preparing workers with the skills needed to adapt to and master new, zero- and low-emission technologies; to broaden career opportunities for workers from disadvantaged communities; and to support workers whose jobs may be at risk due to the shift to green technologies (ie: in the fossil fuel industry).

As such, the report identifies strategies that can meet these goals and that can be implemented by multiple stakeholder groups, including all levels of government, community-based organizations (CBOs), educational institutions, unions, philanthropist organizations, and companies, and builds upon California’s 2017 Climate Change Scoping Plan, which organized the economy into sectors based upon the state’s major sources of carbon emissions.

Definitions:

Job Quality: jobs that provide a living wage, benefits, stable schedule, upward mobility opportunities which include wage progression, safety, and compliance with all labor laws (ie: discrimination laws, right to organize, etc).

Job Access: that jobs are open and available to all subsets of the state’s population, especially for those groups and geographic areas that have traditionally been marginalized or under-represented.

High Road: especially when looking at the transition to a low-carbon economy, high road employers innovate and invest in their workers, vs low road employers whose focus in on keeping expenses (ie wages) low and profit margins high. High Road policies emphasize the following principles: equity (job access), high job quality,

sustainability (to reach the state's net zero carbon goals), and participatory decision making (across all stakeholder groups).

Demand-Side: things that affect the need/demand for labor, such as types of jobs available, wages paid, skills needed.

Supply-Side: things that prepare the workforce to meet the needs of the economy, especially in preparation for the future. This includes the work of colleges, apprenticeship programs, and governmental workforce development agencies.

Just Transition: as the economy shifts to meet the net-zero carbon goals, ensuring that this transition is equitable, and includes policies that provide protection, support, and compensation for displaced individuals and communities in specific industries and regions (for example: for oil drillers or communities where the main employer is in an industry that relies on fossil fuels).

Blue Collar: occupations in construction, production, transportation, maintenance, repair, and similar occupations. Note: blue collar does NOT mean low skilled.

Report Observations:

The report proposes utilizing a high road approach and just transition policies to design a roadmap for shifting to a net zero carbon economy. The high road approach will include elements such as: economic diversification and jobs investment; industrial planning (especially for heavily impacted industries in the shift to net zero carbon); a workforce development component including training, career pathways, equity, and access; a safety net for dislocated workers; and regional partnerships among all stakeholder groups.

The report also highlights carbon reduction strategies for individual economic sectors as follows:

- Transportation (40.1% of CA's greenhouse emissions): replace conventional vehicles, develop alternative fuels, reduce total miles driven.
- Industrial (25.8% of emissions): Industrial, meaning emissions from industrial facilities such as refineries, large plants, etc. Strategies include the Cap and Trade Program, energy efficiency improvements, and modifying industrial processes.
- Energy (24.4% of emissions): switch to alternative fuels, conserve energy, improve energy efficiency in construction of buildings.
- Natural and Working Lands (7.6% of emissions): this refers to agricultural lands. Strategies include collecting methane from livestock, improve soil health, improve crop production techniques.

- Waste (2.1% of emissions): this includes emissions from landfills and waste processing facilities. Strategies include capturing methane, reducing waste, increasing recycling/re-purposing facilities.
- Water (emissions counted within other sectors): this involves the energy needed to heat or cool water or to move water for industrial purposes. Strategies include water conservation, groundwater remediation, and use of renewable energy.

The report found the construction industry to far outweigh any other industry in importance for the transition to a net zero carbon economy, as it cuts across all economic sectors outlined above. This also highlights the importance of blue collar jobs, which are often highly-skilled positions, even if they don't require a four-year degree. Additionally, certain professional occupations, such as engineers, are important for the just transition, since these jobs can often provide many upward mobility opportunities, and are necessary for the development of new net zero carbon related technologies.

An important observation in the report is that, contrary to popular belief, creating a green economy does not mean necessarily the creation of completely new occupations at the expense of traditional occupations, but rather, will require new skills in existing occupations... a 'greening' of the occupation, rather than making it be obsolete. It is interesting to note that, per the CA Air Resources Board, shifting to a net zero carbon economy will result in only a 0.3% job loss (with many newly created jobs offsetting those lost from carbon-heavy industries, and with most occupations going through a 'greening' process).

Recommendations:

Finally, the report makes the following recommendations:

Demand-Side Strategies:

- Expand the use of Community Workforce Agreements (CWAs) on climate investments involving large-scale construction projects.
- Use inclusive procurement policies for public procurement of large capital equipment, contracts for public services, and in grant programs.
- Include responsible employer standards in all climate incentive programs.
- Include skill standards to ensure safe and proper performance in programs receiving public or ratepayer funds.
- Incorporate wage and benefits standards and verification of compliance with all employment and labor law, including health and safety standards, into incentive program requirements.

- Identify and focus incentives on win-win strategies that meet both climate and workforce goals
- Use insourcing or exclusive franchise contracting models to support labor and environmental standards for public services or ratepayer-funded subcontracts
- Use metrics to measure the impact of climate policies on job growth, job quality, and job access.
- Incorporate workforce analysis into emerging technology support programs.
- Provide technical assistance to agencies implementing climate policy on the application of demand-side tools.

Supply-Side Strategies:

- Redirect and align funding for industry-led incumbent worker training.
- Support high-road industry training partnerships. (ie: CWDB's High Road Training Partnership (H RTP) initiative).
- Support existing apprenticeship programs and, where conditions are favorable, create new apprenticeship programs.
- Redirect and align funding for a statewide strategy for pipeline programs to expand inclusion of disadvantaged workers into family-supporting career-track jobs in the carbon-neutral economy. All inclusion programs should include the following elements: 1) comprehensive services that include entry-level skills training and a suite of supports, mentoring, and wrap-around services tailored to targeted populations; and 2) explicit connections to family-supporting jobs through specific commitments from employers or other proven avenues to job placement, or entry into further career training that leads to placement in family-supporting careers.
- Support a statewide initiative for pre-apprenticeship for construction careers.
- Support inclusion programs for technical and blue-collar jobs via high-road training partnerships.
- Support inclusion programs for professional clean economy jobs.
- Support curriculum upgrades and teacher training for emerging technologies in occupations critical to the transition to a carbon-neutral economy.
- Track outcomes of all training programs.

The report also notes that all supply-side strategies should enhance existing training programs rather than create new programs specifically for green technologies, and that training programs should be geared toward career preparation rather than focused on specific green skills or technologies that may become obsolete as our technology advances.

Just Transition Strategies:

- Short term: Fully explore alternatives to plant closures when there are other strategies available that will achieve greenhouse gas emissions reductions and local pollution abatement.
- Longer term: Convene an interagency task force to develop concrete, specific plans for short-term and long-term transition.
- Identify priority transition assistance needs.
- Facilitate a planning process for transition assistance.

III. Recommendation:

Staff would like to know if Committee or stakeholders have any feedback or desire for more discussion on these items. No action is needed.