
**Middle Class Task Force:**

**Green Jobs Update**

## Introduction

It was no accident that the first Middle Class Task Force was on green jobs. Our focus on clean energy and energy efficiency jobs for the middle class occurs at the intersection of two of the Obama Administration's most important policy initiatives: creating good jobs and protecting the environment.

As we discussed at our first meeting – and concluded in our first staff report (*Green Jobs: A Pathway to A Strong Middle Class*) -- green jobs are good jobs. They pay more, by 10 to 20 percent, depending on the definition, than other jobs. Council of Economic Advisor's analysis shows that compared to the average American job, occupations likely to be green tend to be better paid, and are more likely to be union jobs. For example, industrial machinery mechanics who work in power generation, an emerging green sector, earn about $28 per hour. Interestingly, mechanics with similar jobs, but who do not work in that power generating sector, earn about $6 less per hour, suggesting a sizeable wage premium associated with some green jobs.

We defined green jobs broadly as jobs that help to improve the environment in some way. That includes blue collar workers building out the smart grid to efficiently move the wind power (green, renewable energy) from the mid-west to major urban centers on both coasts. It includes "weatherizers" who can diagnose and repair the energy inefficiencies in your house or business. And it includes the green manufacturers who made those wind turbines or the

scientists and lab technicians who developed those renewable energy sources and weatherization materials.

At our first meeting, we talked about ways to expand the demand for green jobs. We identified key factors on the state and local level —policies, programs, and the interaction of key intermediaries, including unions, educators, and public officials—that are strongly associated with building a green jobs movement in communities, states, and the nation. These include: a public mandate to achieve an energy conservation goal; leadership invested in meeting the goal; private sector investments in new technology and energy efficiency; and partnerships between labor, community colleges and other training programs to ensure employers have access to skilled workers. These are also the key factors to creating clean energy opportunity economy-wide.

That's why the President's FY10 Budget contains a significant commitment to transforming our energy supply and slowing global warming by capping greenhouse gas emissions, investing in doubling renewable energy generating capacity, developing low carbon emissions technology, modernizing federal buildings, and updating the electrical grid.

The American Recovery and Reinvestment Act is a significant down payment that will – and in some cases already is – create new green jobs. The Recovery Act included: (1) more than $11 billion for investments in a new smart grid, investments that will create thousands of miles of new or modernized high-tech transmission lines, while training and employing highly-skilled and well-paid lineworkers; (2) $6 billion in loan guarantees to enable green industries to continue their rapid growth; (3) $4.5 billion to the General Services Administration to convert federal buildings into high-performance green buildings, which generally combine energy efficiency and renewable energy production to minimize the energy use of the buildings; and (4) $5 billion to the Weatherization Assistance Program, $250 million to HUD assisted housing retrofits, and $600 million to public housing weatherization that will create tens of thousands of new jobs weatherizing and retrofitting homes; (5) $6 billion to state and local governments for

clean energy programs; (6) over $2 billion in tax credits to cover 30 percent of the cost of home energy efficiency improvements like installation of energy efficiency windows; and (7) $19 billion on public transportation and high speed rail.

Just last week, the President hosted an historic event where auto manufacturers, labor and environmentalists came together to support his decision to require an average fuel economy standard of 35.5 mpg in 2016 (much higher than the current national standard of about 25 miles per gallon). The result is a projected reduction in oil consumption of approximately 1.8 billion barrels and a projected total reduction in greenhouse gas emissions of approximately 900 million metric tons (savings equivalent to taking 177 million of today's cars off the road). This will save consumers up to $35 per month on fuel costs.

It's important to see the connection between these various initiatives: addressing climate change, mileage standards, and green jobs. By setting higher mileage standards and by moving to cleaner sources of energy, we create new demand for the science, techniques, products, and tools to meet the standards. We help to grow the market for more efficient engines and new production techniques that reduce carbon emissions. And a growing market means more jobs for middle-class families.

With these new markets come demands for new skills. That is the focus of our Denver meeting. We will be announcing a new green jobs training program funded by $500 million from the Recovery Act and new partnerships between some Task Force members (the Departments of Energy, Housing and Urban Development, Education and Labor) that will make it easier for people to find green jobs and connect to the training they need to fill them.

## Training For Green Jobs

The CEO of a leading construction company noted "Our ability to succeed in the green economy is directly related to the number of skilled, competent individuals who are available to perform

this groundbreaking work." The Recovery Act designates $500 million for in green jobs training for projects that prepare workers for careers in the energy efficiency and renewable energy sectors. The Department of Labor's Employment and Training Administration has released a Training and Employment Notice (see Appendix A) that outlines the ways in which the Department envisions these funds can be used to achieve the Recovery Acts goals: to preserve and create jobs, promote economic' recovery and assist those most impacted by the recession.

Through the grants, the Labor Department is seeking to assist individuals by providing training and teaching workers the skills being created in emerging energy efficiency and renewable energy sectors. The $500 million dollars in the Department of Labor's "green jobs training" funds will be distributed through five funding streams. These include: State Labor Market Information Improvement Grants; Energy Training Partnership Grants; Pathways out of Poverty Grants; State Sector Training Grants; and, Green Capacity Building Grants (see Appendix A for a description of the grants). Portions of the funds available under the Energy Training Partnership Grants and State Sector Training Grants will be reserved for communities or regions undergoing auto industry related restructuring. These funds will facilitate the transition of middle-class auto and auto-related workers to the green/energy efficient workforce.

*Case Studies: Successful Green Jobs Training Programs*

Over the past few months, the members of the Middle Class Task Force and the staff have looked at a number of dynamic training programs across a wide spectrum of green jobs fields that we feel provide a bright vision of the types of training programs that we hope to see develop across the country. Representatives from many of these programs will join the discussion at the Middle Class Task Force meeting on May 26th in Denver, Colorado.

*Red Rocks Community College* has two campuses in the vicinity of Denver, Colorado. With funding from the Colorado Governor's Energy Office through a Solar Innovation Grant, Red Rocks Community College was able to launch Energy Efficiency, Renewable Energy Technology,

Power Technology, Electrical and HVAC programs. These programs have both two year degrees and shorter certificates. They focus on training skilled workers in solar installation (both solar electric and solar thermal), energy auditing and weatherization.

The growth of the program shows the burgeoning interest in these areas. In only two years, the program has grown from 10 students in fall 2007 to 231 students. The partnership the community college has formed with industry is really a best practices model that could be highlighted. Many of its instructors are from local industry, and its curriculum was developed through collaboration with local industry to ensure that the program was relevant and accurate. Students can begin with no background and complete a degree program or they can come in as master electricians and get certificates in areas such as solar electric installations. In the energy auditing program, the College prepares students for Residential Energy Services Network (RESNET) certification. The program at Red Rocks Community College highlights how Community Colleges are a key partner in training the workforce needed for our new energy economy.

*SEIU 32BJ's Thomas Shortman Training Program*. Many labor unions also run successful training programs. In New York City, where buildings consume 66% of New York's total energy and generate 77% of city greenhouse gas emissions, the most cost-effective way to "green" a building is to train building superintendents and staff to operate buildings more efficiently. Better building operations and maintenance can reduce a building's energy use by as much as 10-20 percent per year. The SEIU 32BJ's Thomas Shortman Training Program has been greening New York City's buildings for the last four years by providing intensive training for building service workers. Building service workers are crucial to maintaining green buildings and producing energy savings in existing structures that are energy inefficient. The movement toward incentivizing the development and maintenance of green buildings is based on data that show that small changes, such as insulation and the replacement of inefficient appliances reap considerable savings over time.

The curriculum draws from recognized standards established by the Building Performance Institute (BPI) and the United States Green Building Council (USGBC). It includes units on benchmarking a building's energy usage, managing water usage, optimizing heating, cooling and lighting, sealing the building envelop, and using green cleaning products to ensure good indoor air quality in well-sealed buildings. The Shortman Training Program has trained a total of 300 workers with job titles ranging from super and resident manager to handyperson and cleaner in Green Buildings curriculum, and has plans to train thousands of supers over the next several years.

*IBEW 68* in Denver, in partnership with National Electrical Contractors Association, has built a $1.8 million Technologies Training Facility to train workers in photo-voltaic, solar and wind installation. Training focuses on theory, the highest quality installation, certification and safety. In Denver there are currently 225 apprentices – to date Local 68 has trained 480 IBEW electricians for either solar or wind installation. Nationwide, the National Joint Apprenticeship and Training Committee, a partnership of IBEW and the National Electrical Contractors Association have invested more than $140 million in renewable energy training. This month they will introduce their green jobs curriculum which collects more than 70 green training lessons in to one single curriculum – the first one for electricians in the U.S. Denver is one of 70 training facilities being featured this week in a national IBEW/NECA Green Jobs Open House.

## Partnerships To Connect People To Clean Energy Jobs: A Important Role for the Middle Class Task Force

It was clear at our first meeting in Philadelphia that partnerships – on the local and state level – are critical to creating green opportunity. This insight was an instructive one for our taskforce, pointing the way toward federal-level partnerships between the agencies that are making investments that will create green jobs. Over the past three months, members of the Task Force and their staffs have come together to work on ways in which we can leverage a variety

of programs at different agencies to ensure that green jobs are accessible to middle-class workers displaced from other jobs or wanting to enter clean energy fields, as well as lower-income workers trying to gain a foothold into the middle class.

As a result of this collaborative effort, the Secretaries of the U.S. Departments of Labor (DOL), Housing and Urban Development (HUD), Energy, and Education have developed some key partnerships and are working hard to ensure that the Recovery Act's fiscal boost provides the foundation for future growth for all communities.

***Labor and HUD – Bringing Training and Employment to Public Housing Residents***

Through the Recovery Act, the Administration is making a substantial investment -- $13.6 billion in HUD's housing and community development programs and $3.9 billion in employment and training programs administered by DOL.

The Secretaries of HUD and DOL have created a partnership to bolster pathways to training and employment for residents of HUD housing. Local Workforce Investment Boards (WIBs) and their One Stop Delivery Systems, and Public Housing Agencies (PHAs) are being encouraged to:

- Collaboratively identify opportunities to train and place public housing residents into jobs created by PHAs' Recovery-funded capital improvement projects;

- Engage in outreach activities to inform public housing residents of job opportunities and corresponding training offerings; and,

- Work collaboratively to identify partners to ensure that quality work supports are in place to help address significant barriers to employment residents may face.

After HUD energy efficiency awards for public housing are announced, HUD and DOL intend to select several cities to assist in connecting local PHAs and WIBs with the goal of creating a direct path for PHAs residents to green jobs.

Through this new partnership, PHAs' residents will be able to more easily find training programs and sustainable employment in the green jobs sectors created by the Administration's investments in energy efficiency, Labor's workforce training investments and HUD's investment in public housing through the Public Housing Capital Fund. These are not just jobs – but green career pathways for vulnerable populations and sustainable employment for the middle class.

***Energy, Education and Labor – Leveraging Resources to Create Jobs, Educate, Train and Employ Workers***

The Secretaries of Energy, Education and Labor reached agreement to link the United States workforce to jobs, training and education opportunities, creating a partnership for both the Recovery Act funds and beyond. Together these Departments are leveraging resources to promote job growth and train workers. The terms of the agreement are included in a Memorandum of Understanding between the agencies.

Through activities connected to the agreement, monies expended to create jobs will be linked strategically to Labor's employment and training programs that serve disadvantaged workers and efforts by Education to promote and develop career pathways and programs of study which provide seamless transitions for students from high school to postsecondary education and careers.

By partnering, these Departments will advance existing and future training and education programs to provide career pathways for American workers and a significantly expanded and qualified workforce to install and operate new and advanced clean energy and energy efficiency

technologies and processes in order to reach U.S. climate change, national security and other goals.

## Building On the Recovery Act: Ensuring the Middle Class Is Stronger In The Clean Energy Economy

Enacting the Recovery Act, requiring more fuel efficient vehicles and progress in addressing climate change are significant steps forward in creating green jobs. The Middle Class Task Force believes that it is imperative that the middle class not only participate in the clean energy economy, but also become stronger because of it – whether by finding a good, clean energy job or saving money on home electrical bills. More must be done. The drive toward making America's homes more energy efficient, retrofitting buildings and expanding renewable energy must not end when the Recovery Act does. The Vice President has asked the White House Council on Environmental Quality to report back to the Middle Class Task Force in 90 days proposals that will expand green opportunity and energy savings for the middle class. This could include, for example, expanding retrofitting of commercial buildings,[1] making homes more energy efficient,[2] and developing better tools to help people find green jobs as they are being created.

---

[1] In the United States, buildings consume 72 percent of electricity (39 percent of energy) and produce 38 percent greenhouse gases. There is tremendous potential for saving energy and improving the environmental by retrofitting these buildings. (Green Building Research, US Green Building Council http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1718)

[2] The Department of Energy has found that for the average homeowner, a $2,500 investment in home retrofitting can reduce average annual energy consumption by 30 percent. That translates into real savings – up to about $900 a year for an average household (*See* Pollin, Robert, Heidi Garrett-Peltier, James Heintz, Helen Scharber, *Green Recovery: A Program to Create Good Jobs and Start Building a Low Carbon Economy*, Center for American Progress and Political Economy Research Institute, Sept. 2008 at 15).

The White House Council on Environmental Quality (CEQ) will play the convening and coordinating role to get agencies the help they need to identify and advance policies that will facilitate the continued growth of our energy efficiency sector, powered by private dollars. The time has come to move toward a stronger national market in energy efficiency services, one that can evolve national training standards and be propelled by revolving loan funds and other forms of private financing.

The main participating departments and agencies are: CEQ, DOE, DOL, HUD, GSA, Education and Treasury. Within the White House, the Office of the Vice President, the Office of Energy & Climate Change and the Domestic Policy Council will also participate.