

The Green Collar Jobs Council's Position on the Green Economy and Green Collar Jobs A Foundation for Deliberation and Investment

The Green Collar Jobs Act (AB 3018), signed into law by Governor Schwarzenegger in 2008, established the Green Collar Jobs Council (Council) under the purview of the California Workforce Investment Board (State Board).

The Green Collar Jobs Council is tasked with understanding the current and future workforce needs of the green economy, and developing a comprehensive strategy to prepare California's workforce to meet the needs of businesses as the transition to a more sustainable green economy takes place. The Green Collar Jobs Act requires that the State Board utilize a sector strategy approach in addressing California's workforce needs and align its approach with the Economic Strategy Panel's work on regional economies and industry clusters. The Council must ensure that efforts aimed at improving the skills of today's workers are effective, well coordinated, and meet business demand. Likewise, projects undertaken to prepare tomorrow's workers for the emerging green economy must also be well synchronized.

"As we continue to navigate California's economic recovery, we want to make sure our businesses and residents are ready to compete for new markets and changing jobs. The Green Collar Jobs Council will work with leaders in education, workforce development and business throughout the state to ensure California is on the leading edge of the new green economy—and able to meet the job demands it brings."

~Governor Arnold Schwarzenegger

This premise document will serve as a guide to the Council as it deliberates strategies and policies to prepare the green workforce and make recommendations on the use of resources to meet the demands of the emerging green economy.

Background

California has a long-standing history of leading environmental policy. The enactment of the California Global Warming Solutions Act (AB 32) and the Alternative and Renewable Fuel and Vehicle Technology Program (AB 118) have demonstrated that California is a national and global leader in combining advances in public policy and private sector innovation to enhance both environmental quality and economic growth. With the venture capital community heavily investing in a range of clean technologies, state leaders know that policy decisions along with new investments signal transformation for the entire California economy. Current challenges still exist around understanding what makes up the green economy, what jobs are being transformed, what new jobs are being created, and what implications these events have on education, economic, and workforce development policy issues. During this economic transformation California will need to support traditional businesses and workers as they make that transition and realize the economic opportunities that accompany the growth of a green economy. As California moves towards a low carbon, more sustainable future by implementing environmental and economic measures and programs, we must also design strategies to retain, re-equip, and re-train these traditional economic drivers in order to retain the job base they represent and bolster their opportunities to participate in this economic transformation.

California has historically maintained an economic competitive advantage due to its innovative industries and highly skilled workforce. These enviable advantages are rooted in California's support

of its business and industry and the educational attainment of its workers. This commitment must continue and evolve in order to grow California's next wave of competitive and innovative industries and workers.

Research

In March of 2008, California's Economic Strategy Panel (Panel) published a report titled *Clean Technology and the Green Economy: Growing Products, Services, Businesses and Jobs in California's Value Network*. In this publication, the Panel asserted that new discoveries and demand for green technologies are fueling the expansion of business activities across the entire economy. This conclusion bore out in NEXT 10's report titled *Many Shades of Green: Diversity and Distribution of California's Green Jobs*, which was prepared by Collaborative Economics, Inc. This report demonstrated that California's "Core Green Economy" is growing at a faster rate than the economy as a whole and provides job opportunities across all levels of skill. This assertion is critical to how green occupations are understood and defined.

NEXT 10's report identified three levels of economic change related to the green economy. The first level can be seen in businesses that are taking measures to conserve resources and curb costs in anticipation of pending regulations. The second level consists of a growing trend in which businesses are being founded on the principles of sustainability and in consideration of their product lifecycle. The report implies that these developments are made possible by the businesses in the third level; those which provide products and services that enable the green transformation across the entire economy. These businesses are referred to as the "Core Green Economy." NEXT 10 asserts that these businesses provide products and services that do the following:

- Provide alternatives to carbon-based energy sources
- Conserve the use of energy and all natural resources
- Reduce pollution (including green house gas emissions) and repurpose waste

The report breaks the core green economy into fifteen segments. They are:

Energy Generation	Energy Efficiency	Transportation
Energy Storage	Air & Environment	Recycling & Waste
Water & Wastewater	Agriculture	Research & Advocacy
Business Services	Finance & Investment	Advanced Materials
Green Building	Manufacturing & Industrial	Energy Infrastructure

While segments of the green economy may require new skill sets, a majority of the jobs that will be associated with it are familiar and may spring from industries which have historically suffered from declining job numbers. Remarkably, construction and manufacturing are two industries often cited for job losses statewide are poised for potential growth as the green economy takes shape.

Any attempt to define "green jobs" in a state with an economic base as diverse and extensive as California's would be flawed unless it assumed the potential for job growth from an economic value network and product value chain perspective. To be successful in its charge, the Council will continue to engage a range of leaders contributing to this economic transformation and consider policy implications to facilitate growth and competitiveness of the emerging green economy. NEXT 10's report will be another one of the foundation documents that the Council shall consider in its

deliberations on oversight, policy, and investment in California's Green Workforce Initiative and other efforts to promote investment in the green economy.

In February 2010, the State Board launched the Regional Industry Clusters of Opportunity (RICOG) initiative. This initiative uses regional partnerships to implement data driven strategic planning efforts. Through action clinics and technical assistance, these partnerships will diagnose, set priorities, and develop investment and sustainability strategies to meet the needs of their growing green economy. Seven of the ten grantees are focusing on their regional core green economy.

The Employment Development Department's Labor Market Information Division (LMID) has developed a working definition of the green economy and the jobs associated with it. This definition is the result of reviewing nearly 100 documents published on the green economy. This body of work encompasses findings from a wide variety of organizations from throughout the United States and is garnering national attention. Below is the abbreviated working definition as represented by the acronym "GREEN":

Green is any activity or service that performs at least one of the following:

- **G**enerating and storing renewable energy
- **R**ecycling existing materials
- **E**nergy efficient product manufacturing, distribution, construction, installation, and maintenance
- **E**ducation, compliance and awareness
- **N**atural and sustainable product manufacturing

The full definition is broad, comprehensive, and connects the green categories and industry titles to the North American Industrial Classification System (NAICS). The LMID has completed data collection for their Green Economy Survey, and will analyze the data and develop a series of analytical reports during 2010, including an overview on California's green economy (anticipated release during the spring) and subsequent industry-based and regionally-based analyses to the extent that the data support those analyses. Also during 2010 and into 2011, LMID will conduct detailed occupational follow up research related to the emerging occupations identified in their Survey. The end result of that occupational research will be a series of occupational profiles to support career choice and workforce development. Results from the survey will provide a broad foundation upon which the Council can build strategies. These documents will be considered as another key resource of information for the Council as it deliberates the workforce needs of California's green economy.

Value Proposition

The green economy holds an additional value proposition in the business and employment benefits it may produce for Californians. For this value proposition to materialize, it is imperative that the education, workforce, and economic development systems transform themselves alongside business to remain competitive. Failure to do so may risk California's ability to capitalize on the opportunities in the emerging green economy, and cause us to lose our competitive global economic advantage to other states and countries.

Through discussion and input from a variety of stakeholders including Council members, state agencies, various philanthropic organizations, community based organizations, organized labor, and others, the Council's decisions and recommendations will benefit from establishing guiding principles

that reflect the values associated with the green economy. These values are also found in much of the literature available on the green economy and green jobs.

From a business perspective, this economic opportunity holds promise for:

- A business environment which provides greater opportunity for business start-up, expansion, retention and growth, including improved opportunity for minority and women-owned enterprises;
- Recognition of the critical role played by entrepreneurs in this emerging economy, and reward for innovation;
- Spread of economic benefit to all groups while creating new public/private partnerships never thought probable before;
- Investment in the growth and support of a sustainable economy through the effective leveraging of fiscal and other resources; and
- Strong collaboration between business leaders, and stakeholders in education, economic and workforce development, labor partners, and community based and philanthropic organizations, ensuring business needs are supported by a skilled and talented workforce.

From an employment perspective the green economy holds the promise of jobs that:

- Provide incomes which allow individuals and families to achieve a higher quality of life, recognizing that family-sustaining and prevailing wages may differ regionally;
- Provide career pathways which are connected to a full complement of educational opportunities (including state certified apprenticeship and certification programs) which lead low-income and unemployed individuals out of poverty, and provide incumbent workers with advancement opportunities;
- Impact the environment in a positive way by providing products and services that promote renewable energy, reduce pollution, conserve energy and natural resources and restore or enhance the environment while spreading environmental, economic and wellness benefits to all individuals; and
- Provide sustainable employment.

Considerations for a Workforce Development Strategy

The Council's Short Term strategy will:

- Preserve California's economic competitiveness and support business and workers during the transition to a green economy;
- Focus on workforce development solutions for industries which support the green initiatives identified in ARRA including smart grid transmission, renewable energy, energy efficiency, weatherization, and others as identified;
- Develop/respond to grant opportunities which support preparation of unemployed, underemployed, low-income, displaced and incumbent workers, as well as at risk youth for employment in careers in the green economy--to include assessment, training, internships, on-the-job training, connection to state approved apprenticeship programs and job placement;
- Partner with and influence education at all levels (K-12 and community colleges, the CSU and UC) to prepare young people for the work of tomorrow—emphasizing the critical need for

science, technology, engineering mathematics, career technical education, and encouraging educational models that connect the rigor of classroom instruction with the relevance of real world-of-work application, soft skills training--including people skills, problem-solving and critical thinking, work readiness skills, enthusiasm, and creativity;

- Identify and develop career pathways for short and long term industry demand; prepare the workforce for entry, intermediate and advance training and employment opportunities in the green economy;
- Create flexible opportunities for incumbent workers to obtain additional training to meet changing workplace demands;
- Seek additional funding opportunities, applying for any federal, state, or other funding that will advance California's green economy;
- Develop a partnerships with California businesses (and labor-management partnerships where appropriate) to ensure there is a well trained workforce which meets needs of employers; and
- Ensure the Council's activities are aligned with economic development initiatives.

The Council's Long Term strategy will:

- Identify industries for focus beyond ARRA, and work through regional partnerships to disseminate information critical to strategic planning and sector based strategy development;
- Encourage working relationships between government, consumer incentive programs, the local workforce system, and businesses with emerging workforce needs;
- Facilitate the placement of job-ready candidates into green economy jobs;
- Promote a workforce development model that creates a well-trained, highly skilled workforce that is flexible, adaptable, and equipped to thrive in California's changing economy;
- Work with partners to create an education and training delivery system that is responsive to the needs of employers;
- Support innovation and growth in the core green economy;
- Focus on California's competitive green advantage and promote activities that support the use and export of California's green goods and services;
- Structure grant opportunities to support preparation of unemployed, underemployed, low-income, displaced and incumbent workers, as well as at risk youth for employment in careers in the green economy to include assessment, training, internships, on-the-job training, connection to state approved apprenticeship programs and job placement;
- Require all training programs to produce job-ready candidates that possess industry recognized credentials;
- Develop policies and programs needed to encourage business investment in the green economy; and
- Collaborate with partners to support the transition to a green economy through educational, environmental, and regulatory awareness campaigns.

The Council will provide:

- Broad state level direction on investment in green workforce strategies; and
- Support for regional action derived through economic trend analysis, workforce needs analysis, sector strategy development and sustainable planning practices based on broad participation in the planning process from local business, workforce development, economic

development, local elected officials, education, labor, and others who collaborate to plan for the best future for all in their region.

The Council has concluded that this premise document is organic. This document will remain fluid and be subject to change as new information and insights on the green economy are gained through data, best practices, research, as well as input from business partners.