

cwf
center for
working families

GREEN
JOBS **NY** 

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“Green Jobs/Green NY” Policy Coalition:

- ✓ Developed GJGNY blueprint in 2008-09
- ✓ Passed GJGNY bill in 2009
- ✓ Follows and supports GJGNY implementation
- ✓ 200+ participants include
 - contractors
 - trainers
 - community groups
 - unions
 - policymakers



Green Jobs/Green Homes New York



Expanding home energy efficiency and creating good jobs
in a clean energy economy.

May 2009

WWW.AMERICANPROGRESS.ORG

How does the coalition work?

- CWF acts as convener, and local subgroups spin off independently.
- Engages NYS and national stakeholders to solve retrofit policy problems.
- Develops technical proposals for moving GJGNY toward its goals.
- Draws on national retrofit expertise to inform NYS ramp-up.
- Links community groups and contractors who want to work together.

Some key elements of GJGNY law

Changing the Home Performance industry

- Generate \$5 billion in Home Performance contracts.
- Use RGGI funds, rather than SBC funds, to support programming.

Establishing social and economic fairness

- Provide “meaningful employment opportunities for displaced workers, the long-term unemployed and new workforce entrants.”
- Advance W/MBE participation in retrofits.
- Generate demand for retrofits through CBOs in distressed areas, and create local jobs around that demand.



Developing the proposed standards

Convened contractors, trainers, labor and CBOs (2008-09)

- Issues/needs raised in 18-month GJGNY blueprint process informed first draft.

Refined proposal with key contacts from each sector (Feb. 2010)

- Dick Kornbluth, BPCA/Green Homes America
- Ellis Guiles, TAG Mechanical
- Rick Cherry, Community Environmental Center
- Eric Walker, PUSH Buffalo
- Myles Lennon/John Hutchings, LIUNA

Emailed draft to 102 stakeholders in all sectors (3/10)

Discussed edits by with ~20 contractors and CBOs

Sent revised drafts to same 102 stakeholders (3/16, 4/9)

Finalized list of signers and submitted to NYSERDA (4/20)

Several contractors retracted signatures (4/21-4/27)

Revised, re-finalized sign-ons, resent to NYSERDA (7/13)

- BPCA board members whose edits were adopted now opposed.
- Several former signers unresponsive.
- Many new signers including nearly all minority-owned HP contrac



What's in the standards: the gist.

- **Employment**
 - Certification for auditors and installers
 - Safety training
 - Workers *begin* accruing 4 sick/vacation days/yr after working for 3 months
- **Hiring**
 - ½ of new hires should be local to contractors' work
 - ½ of local hires (1/4 of all hires) should be from targeted populations
 - If contractors can't find qualified targeted workers, they're exempted.
- **Training**
 - Training should lead to a job, and to skill certification.
 - Workers cannot be kept on trainee wages for more than 6 months
 - Trainees cannot make up more than 1/3 of a firm's installation workforce.
- **Hourly wages** (including the cost of any benefits)
 - \$16 upstate rural, \$17 upstate metro, \$22.10 NYC/LI
- **A few program design elements** (not under discussion here.)



Who supports the standards?

- Experienced NYSERDA contractors of all sizes.
- Every minority Home Performance firm of which we're aware in NYS.
- Minority heating/insulation contractors planning to enter Home Performance through GJGNY.
- Community-based organizations who intend to deliver demand.
- Environmental groups concerned about deeply engaging communities to bring GJGNY to scale, to generate carbon reductions.
- Investors concerned about wage/training standards for “investment-grade” retrofits, and about deeply engaging communities to bring GJGNY to scale and generate investment volume.



Objections

- **The standards would significantly add to overhead costs in terms of record keeping and reporting.” (BPCA, EF)**

We agree that the system needs to stay streamlined and are committed working with contractors and NYSERDA to develop simple ways for contractors to demonstrate compliance

- **The standards would be make it hard for MBEs to work under GJGNY.(BPCA)**

This is a corollary to the first concern but it should be noted that BPCA is not in a position to speak for MBEs who overwhelmingly support the standards and have their advocacy through our coalition not through BPCA or EF.

- **Contractors already pay good wages so standards are unnecessary / Wage standards will increase costs for consumers. (BPCA & EF/BPCA contractor)**

These arguments are contradictory: if contractors already pay these wage rates the standards will impose no burden but will instead protect good contractors from being undercut by bottom-feeders trying to take advantage of the program. And if some HP contractors keep costs down by paying sub-standard wages, that's not something this initiative was designed to support.

Objections

- **NYSERDA should not be allowed to consider community benefits when assigning aggregated work. (BPCA, EF)**

The legislature specifically established such benefits as a principal goal of the program. BPCA contractors say these goals should be met using incentives not mandates, but here they oppose incentivizing contractors that give back to the communities where they do their business.

- **Targeted hires will be impossible to find, unwilling to work, or will put “your wives and daughters” at risk (BPCA contractors)**

These comments reflect a lack of understanding of the requirement and the programs that recruit, screen, and train targeted workers. Contractors would retain complete control over hiring decisions and only be required to make good-faith efforts to hire targeted workers. There are numerous professionally-run training programs that turn out skilled, hard-working individuals and I would trust any of them to do work in my house around my small children

- **NYSERDA should not interfere with the “free market” (BPCA contractors)**

Any contractor that wants to sell retrofits in the “free market” can do so with nothing more than a contracting license. But contractors that want to access public funding for retrofits need to comply with standards that ensure the program serves the public interest - and that means job quality, access to employment opportunities, consumer protections, and standards that will help secure private investment are all necessary considerations

Where this leaves us...

- No real opposition to standards that can't be solved.
- To proceed, need to resolve contractors' internal disagreement, and restore good faith to BPCA/EF's negotiations with other stakeholders.

Big picture:

Much of this conflict is *just* about targeted hiring. We're about to drive a huge amount of public money into home performance. Equity standards don't require that people of color and other targeted groups be first in line to benefit -- but they do require that they *be* in line. That's a minimum standard for public investment.

Nationally, energy programming is being developed to drive equitable economic development, not just savings of carbon or cost. In Seattle, Portland, Milwaukee, New Jersey, Delaware, and the District of Columbia retrofit contracting and hiring standards are now a given. New York needs protect standards and improve the equity of its home performance industry, as it leads the next wave of energy/economic



(this handout accompanies the presentation by Emmaia Gelman)
Proposed training, hiring, employment and wage standards
for Green Jobs-Green NY

On August 11th, 2010, NYSERDA's Green Jobs-Green NY Advisory Council will discuss the Green Jobs-Green NY policy coalition's document, "Common Agreements on GJGNY Job & Contracting Standards." The document and a letter of support were submitted to NYSERDA by more than 40 signers – primarily home performance contractors, including most of the state's minority home performance contractors; as well as MBE contractors in heating and insulation, community groups and union representatives.

The intent of the document is:

- 1) **To protect the existing training standards and relatively good wages of many NY home performance contractors** -- and prevent a "race to the bottom" as NY's retrofit industry expands and draws in outside competitive firms. (This is already happening in parts of the state, as NY nears a massive increase in the availability of retrofit financing.)
- 2) **To protect the high quality of home performance work as NY adds hundreds, then thousands, of new retrofit workers**; by establishing standards for how new workers must be trained and certified. This protection is critical for consumers who use the program, and for lenders, who demand strong quality assurances as a condition of investing in GJGNY retrofits.
- 3) **To make sure that GJGNY jobs reach minorities, women and other populations who have historically been excluded from construction and home performance work.** The standards establish simple hiring requirements: half of new hires on GJGNY jobs would have to come from the counties or cities where a contractor does most of their work; and a quarter of new hires would have to come from any one of a long list of historically-excluded groups. These "targeted hires" would possess the same certifications and training as any other new hires.
- 4) **To ensure that GJGNY's free/low-cost audits don't create an avalanche of fruitless audits.** Instead, these standards would support contractors who aren't converting audits to retrofit with channels for screening out unlikely customers, working through NYSERDA and/or community groups who know local customers. [This proposed element is not included in the standards summary on the next page.]

Below are the key standards listed in the document¹:

- **Employment standards:**
 - Audit and installation crews get BPI-certified within 6 months. (If 1 in 5 workers takes longer than 6 months, that's okay.)
 - Crew members get at least 10 hours of OSHA safety training up front.
 - Crew & office staff earn at least 2 days off with every 6 months' work. (This kicks in after 3 months' employment; only applies to firms of 5+ people.)
 - On GJGNY projects, workers can be absent on major holidays.

- **Hiring standards:**
 - Contractors should take half of their *new* employees from cities or counties where they do 80% of their work. In cities, half means 2 of every 4 new hires. Outside of cities, it's 3 of 6.
 - Half of "local" hires should come from target populations:
 - Workers who come through NYSERDA- or NYSDOL-recognized training programs.
 - Workers who qualify for the federal Work Opportunities Tax Credit (basically, people on public assistance, Empowerment Zone residents, and formerly incarcerated people.)
 - Workers who don't typically get good construction jobs (people of color and women.)
 - Workers who live in low-income neighborhoods (census block groups with median incomes below 200% of poverty level.)
 - No requirement for retention of targeted workers. But retention, share of work and advancement of workers considered when NYSERDA assigns contracts for aggregated units.
 - If a contractor's good faith effort to find targeted employees fails, they can email NYSERDA to briefly describe their efforts and claim an exception. If a review later shows that the exception was claimed without basic effort, the contractor is penalized.

- **Training standards**
 - "Trainee" is a worker who is new to their employer, with <2 years' construction experience.
 - Contractors register trainees by emailing name/address/start date to NYSERDA or NYSDOL.
 - No more than one trainee per certified worker on a crew.
 - No more than 34% trainees on a contractor's installation workforce.
 - OJT-only trainees must attain a NYSERDA-recognized skill certification ("installer" or higher) within 6 months. OJT-plus-classroom trainees can take more than 6 months.
 - If a contractor judges that a trainee won't be able to achieve certification, the worker can't spend a full 6 months at trainee wages. They must either be fully hired or fired after 4 months.
 - Training should lead to jobs: contractors must certify at least 4 out of 5 trainees (except those who don't make it past 4 months training), and employ them before hiring outside workers.

- **Wage standards for all GJGNY-financed jobs**
 - Non-trainees:
 - NYC metro area: \$22.10/hr, including cost of any benefits.
 - Upstate major metro areas: \$17/hr, including cost of any benefits.
 - Rural/small metro areas: \$16/hr; including cost of any benefits.
 - Trainees: at least 85% of the entry-level wage.

¹ In addition to the standards here, the document proposes some checks on performing free audits under GJGNY, business standards and quality assurance practices. The full document is posted on NYSERDA's "Green NY" website.

Francis J. Murray, Jr., President
New York State Research & Development Authority
17 Columbia Circle
Albany NY 12203

July 20, 2010

Dear Mr. Murray:

We are writing in support of the “Common Agreements on Hiring and Contracting Standards for Green Jobs-Green NY.” We are small and minority contractors preparing to enter the emerging energy retrofit industry catalyzed by the Green Jobs-Green NY Act; on-the-job trainers who are preparing our communities for retrofit employment, aiming to undo many decades of exclusion from good jobs in construction; and home performance contractors who work with community-based training programs.

When the Green Jobs-Green NY Act passed into law in 2009, it promised not just to create tens of thousands of jobs, but also to provide both employment and business development opportunities to minorities, women, low-income individuals and the long-term unemployed. We are very, very close to realizing the Green Jobs-Green NY promise. The legislature is poised to create on-bill financing, which will newly allow tens of thousands of households to afford energy-efficiency work. NYSERDA is making good progress in engaging community-based groups to organize homeowners around energy retrofits as a local economic development strategy.

But if GJGNY is implemented without clear standards for hiring, wages and contracting, our communities will not see the promised economic benefits.

The principles outlined in the Common Agreements are exactly what our businesses and our communities need to thrive in the emerging home energy retrofit market. The labor and contracting standards would provide protection from the predatory practices of low-road contractors who undercut not only our businesses but also consumer confidence in the quality of retrofits. And the hiring standards help to ensure that the hardest-hit communities receive a fair share of the resulting business and employment opportunities.

Without hiring standards, the current body of contractors performing NYSERDA work gives no indication that they will hire significant numbers of workers from minority populations or any groups other than their habitual pool. In fact, many have objected to a requirement to seek *any* minority or other “targeted population” workers with comparable qualifications to those they currently employ.

Without wage standards, NYS home performance contractors – who typically now pay reasonable wages in order to keep quality crew members – can easily be undercut by contractors who are willing to pay less and sacrifice quality work. Indeed, the intentions of huge national corporations to move into retrofit work wherever large-scale financing is available – and the

resulting decrease in market wages and quality standards – are a major topic of discussion among contractors and policymakers.

Small and minority contractors entering the business also urgently need to be able to pay good wages to find and keep quality workers. We can only do that if GJGNY rules establish a level playing field, in which those wages are standard. Similarly, we need to be assured that all workers are subject to the same high quality standards, so that we aren't undercut by contractors who trim their costs by hiring less qualified workers.

The proposed rules in this document closely match how existing retrofit contractors operate, support high standards, and ask contractors to make no compromise on quality. What they *do* require is that contractors profiting from state-run GJGNY financing support the state's economic development and equity goals.

We urge NYSERDA to adopt these equitable, rational standards to protect the current quality of retrofit work; and ensure that those who have been underrepresented in NYSERDA-sponsored work have a fair chance to participate in Green Jobs-Green NY.

Sincerely,

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