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**High Road Training
Partnership:
Bay Area Residential Building
Decarbonization**

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Good Green Work**



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Mission

Building career pathways for economic equity and climate resilience

Vision

A just and sustainable future for all people and our planet



Programs

- **Opportunity Build**
 - Pre-apprenticeship for the union building & construction trades since 2009 (MC3 - Multi-Craft Core Curriculum)
- **Climate Careers**
 - Youth Summer employment in energy and water efficiency since 2000
- **Appliance Upgrades** **NEW!**
 - Free appliance upgrades for qualifying residents in Stockton's Transformative Climate Communities service area
- **Policy and Advocacy**
 - Design and Advocacy for state and local policies & programs to equitably improve job quality and climate resilience since 2021





Bay Area Residential Decarbonization High Road Training Partnership

Mission

The HRTP seeks to increase job quality and equitable access for all workers in the residential decarbonization market, starting in the 9-Bay Area County region

Vision

A residential building decarbonization industry that supports quality jobs, engages a qualified workforce, and provides stable career pathways for disadvantaged workers while simultaneously reducing GHG emissions and building more resilient communities



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Official Partners

- Construction Trades Workforce Initiative (CTWI) - co-anchor
- Rising Sun Center for Opportunity
- BayREN
- City of Berkeley, Department of Energy & Sustainable Development
- City of San Francisco, Environment Department
- National Association of Minority Contractors
- Nomada Coaching & Consulting
- Revalue
- StopWaste
- Contractor Reps
 - Bear Mechanical
 - Enso Building Solutions
 - KelAire Heating & Cooling
 - West Coast Green Builders
- SMW Local 104 Worker Representative

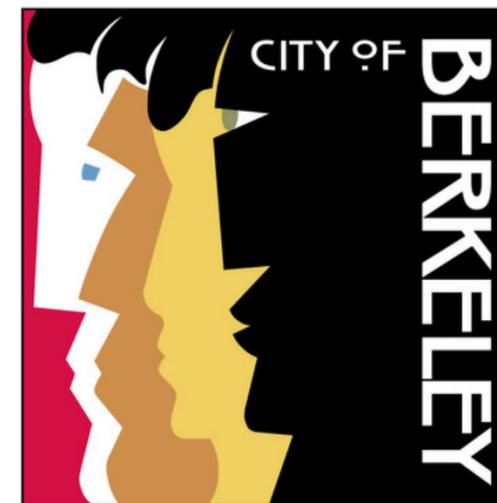


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Local Governments Empowering Our Communities

SAN FRANCISCO
ENVIRONMENT
DEPARTMENT





HIGH ROAD TRAINING PARTNERSHIP SCOPE

- ▶▶ Small scale - single family + small multifamily
- ▶▶ Existing buildings (no new construction)
- ▶▶ 9 County Bay Area focus
- ▶▶ Electrification + Energy efficiency measures (not including energy generation ex. solar)

Our Partnership Principles

- 1** We believe that **dialogue with union partners and non-union residential contractors** is critical to understand current market dynamics, key opportunities, and barriers to systematically design and implement High Road solutions
- 2** We are committed to building capacity and increasing access to the High Road residential decarbonization market for **small, BIPOC, and women-owned residential contractors** and equipping them with the tools needed to become High Road employers

Our Partnership Principles

- 3** We are committed to increasing equitable access to quality training and High Road employment for **BIPOC, women, and other disadvantaged job seekers and workers**, and to facilitate connections with residential contractors who can offer High Road opportunities
- 4** We aim to raise the job quality floor of the industry by **advocating for High Road labor standards** in publicly-funded residential decarb programs, complemented by efforts to help employers meet these standards, and
- 5** We aim to **increase the participation of High Road, union signatory contractors** in the residential decarbonization retrofit market



WHAT IS THE HIGH ROAD?

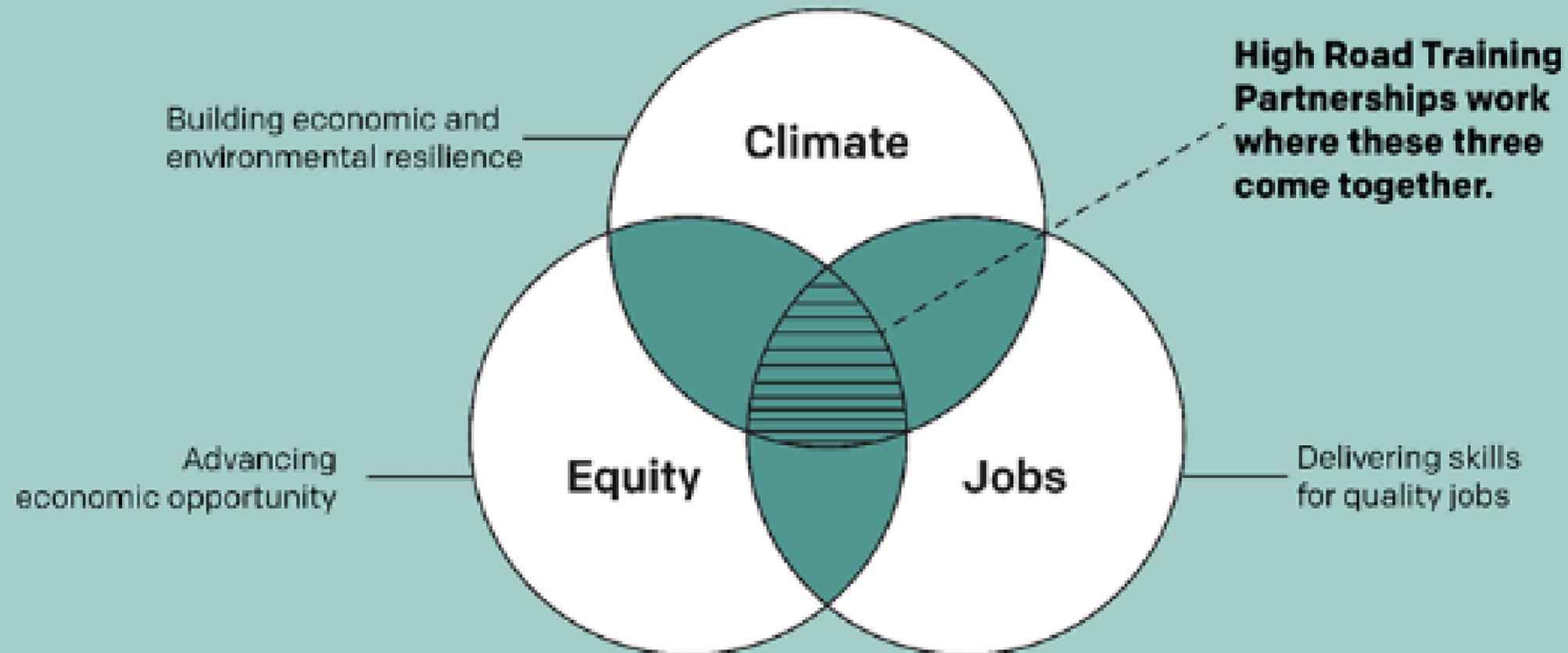
“High Road” is a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity, and a clean environment.

These strategies include, but are not limited to, interventions that:

- **improve job quality and job access**, including for women and people from underserved and underrepresented populations
- Meet the skill and profitability **needs of employers**
- Meet the **economic, social, and environmental** needs of the community

A Holistic Strategy for Equitable Building Decarb

- 1 High quality jobs to attract and retain the skilled workers needed to address the climate crisis
- 2 Targeted job training to create equitable access to economic mobility
- 3 High quality decarb training to prepare the technical workforce needed to decarbonize every building



PARTNERSHIP-RECOMMENDED DEFINITIONS:



WHAT IS A HIGH ROAD RESIDENTIAL DECARB JOB?

- Provides residential prevailing wages with overtime.
- Provides healthcare coverage that includes dependents, vision and dental.
- Offers a pension or retirement savings plan for full-time workers with an employer match.
- Provides paid time off.
- Offers opportunities for career advancement and skill development for experienced workers and entry-level workers.

A worker in a High Road residential decarb job feels welcome, safe, heard, included, and empowered, with the assurance of support from supervisors and the organization.



WHAT IS A HIGH ROAD RESIDENTIAL DECARB CONTRACTOR?

In addition to providing the benefits of a High Road residential decarb job in the previous slide...

High Road Res Decarb Contractors also:

- Are in compliance with all labor codes and laws, possess all necessary licenses and certifications, and are bonded and insured to do their job within residential construction in California.
- Uplift and employ workers from disadvantaged communities and maintain a workforce that represents and serves the community in which they work.
- Provide work hours for both experienced and entry-level workers.

HOW DO WE DO THIS?

Labor Standards

Labor Standards are a *strategy* we can employ to achieve our *goal* of quality jobs and equitable access to residential decarbonization jobs

What do they do?

Labor standards set a baseline for job quality, thus creating a shared wage and benefit floor that cannot be sacrificed for the sake of lowering costs to improve profits or out-compete the competition on the backs of workers

How we use them

Our approach for equitable labor standard intervention is to require *minimum labor standards* to subvert the race-to-the-bottom on publicly funded projects, *support contractors* to meet these standards, and offer additional incentives to support *greater market participation by disadvantaged businesses.*



INDUSTRY SPECIFIC LABOR STANDARDS

- Wages + Benefits
- Training & Certification
- Targeted & Regional Hire
- Uplifting Disadvantaged Contractors
- Compliance + Accountability

ECONOMIC IMPACT OF AN INDUSTRY-WIDE WAGE & BENEFITS STANDARD





**Good Wages and
Benefits
are a Win Win Win:
Good for Workers,
Employers &
the Economy**



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a prevailing wage standard



for Bay Area residential decarbonization work would result in an average increase of


\$14.50
per hour



or

\$25,951
annually

among workers who would be impacted

This represents a **71% increase** in these workers' annual earnings.

Collectively, this would result in between **\$61-100 million in additional earnings** for Bay Area residential decarb workers each year.

All while **only increasing project costs by 3-9%**, and bringing Contractors and consumers the benefits of better employee recruitment, retention, and work quality.

Prevailing Wage + Benefits Scenario

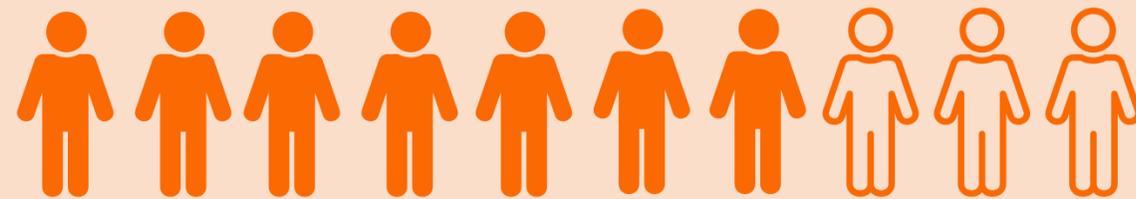
8 in 10

workers would earn \$31,000 more annually



7 in 10

workers would gain access to employer-sponsored retirement benefits



2 in 10

workers would gain employer-sponsored health insurance



CLOSE THE RACIAL WAGE GAP

Latine residential decarbonization workers in the Bay Area, who make up a majority of workers in the industry, **earn only 65 cents for every dollar** that White non-Hispanic workers earn.



A prevailing wage standard or a minimum-wage-based labor standard would **eliminate most, if not all, of this racial wage gap** for workers in the bottom half of the wage distribution.

RESEARCH SHOWS THAT WHEN PREVAILING WAGE IS IMPLEMENTED, EMPLOYERS ALSO BENEFIT.

RETENTION

Employers face lower worker turnover rates, offsetting wage increases by at least 20%

SKILL DEVELOPMENT

Workers stay in the construction industry longer, gaining valuable experience that increases their productivity over time

EDUCATION LEVEL

Workers have higher levels of formal education, receive more training from employers, and are more likely to participate in apprenticeship programs



TAX PAYER BENEFITS: IN THE CONSTRUCTION INDUSTRY...

Almost **half** of families of construction workers in California rely on one or more social safety net program - an **annual cost of \$3 billion per year**.

Compared to a rate of **one third** of all worker families statewide.

A wage and benefits standard would significantly **reduce** tax payer/government expenditures on **safety net programs**, as well as generate **\$21-49 million in additional tax revenue** in the Bay Area.



A PREVAILING WAGE STANDARD WOULD:

Increase local GDP by between \$115 and \$189 million as workers would spend their additional earnings on housing, transportation, food, and other goods and services in the local economy.

NET PUBLIC BENEFIT OF A PREVAILING WAGE + BENEFITS STANDARD

**\$44-\$70
million**



WORK PRODUCTS

- **Public Programs Best Practices Guide** - A resource that helps guide prioritizing job quality, equity, inclusion, and access in policy and program design and implementation and direct support for local governments and industry employers to implement these recommendations
- **Industry Analysis Paper Series** - Regional market research to identify demand drivers, workforce needs, the costs and benefits of labor standards, and recommendations for policy and program implementation
- **Job Quality & Labor Standards Toolkit** - A resource to define quality jobs and High Road employers in the residential decarb construction industry, with detailed labor standards and tools to integrate them into program design
- **Workforce Training & Access Guide** - An assessment of relevant skills, potential career pathways, regional workforce training ecosystem, and ways to reach priority communities

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Questions?

