



SB 39 (De León-Steinberg) Clean Energy Employment and Student Advancement Act of 2013

PURPOSE:

Award energy efficiency upgrade grants to the most economically disadvantaged school communities in need of modernization to create long-term cost savings for schools, maximize job creation, direct more money to classroom needs, shrink our carbon footprint and create healthier environments for our students and staff.

BACKGROUND:

In November 2012, California voters passed Proposition 39—the California Clean Energy Jobs Act. This initiative closed an egregious corporate tax loophole that only benefitted out-of-state companies at the expense of expanded employment in our state, and directs new revenues towards investments that reduce our state’s energy consumption and maximize job creation.

According to estimates from the Franchise Tax Board (FTB), Proposition 39 is expected to raise \$300 Million in new revenues in Fiscal Year (FY) 2012/13, and \$1 Billion per year by FY 2014/15.

Since the recession began in late 2007, California has lost nearly 1.4 million jobs, including 400,000 in the construction industry alone. Investing in energy efficiency will create jobs in this industry across the state and aid in alleviating our continuing high unemployment rates.

According to the U.S. Department of Energy (DOE), approximately 60% of energy efficiency investments go towards labor costs, and half of all energy-efficient equipment is purchased from local suppliers (U.S. DOE, 2004). According to the Center for the Next Generation, it is projected that for every million dollars spent, 20 jobs will be created. Given the FTB’s revenue estimates, SB 39 has the potential to create upwards of 66,000 new jobs in California.

Seventy percent of school facilities in California are over 25 years old, and there are over 919,033 K-12 students in classrooms that are in need of modernization.¹ Studies show that the continuing high cost of energy and utilities due to inefficient lighting; insulation; heating, ventilation, and air conditioning systems; plumbing; windows; and irrigation systems take needed money away from educational programs. For example, the Los Angeles Unified School District spends \$105 Million annually on energy costs.

Energy efficiency improvements for public schools will reduce long-term energy costs and the savings can be directed to classroom needs. According to U.S. Environmental Protection Agency (EPA), modification of pre-existing buildings for energy efficiency can save a typical 100,000-square-foot

¹ <http://www.cde.ca.gov/ls/fa/sf/facts.asp>

school building between \$10,000 and \$16,000 annually, and simple behavioral and operational measures alone can reduce energy costs by up to 25 percent (U.S. EPA, 2008).

PROPOSAL:

- Utilize funds from the Clean Energy Job Creation Fund to award energy efficiency upgrade projects on a competitive basis to economically disadvantaged school communities.
- Eligible energy efficiency upgrade projects would include, but not be limited to, one or a combination of the following:
 - Ventilation
 - Lighting and other system controls
 - Air infiltration
 - Water use
 - Windows and doors (fenestration)
 - Heating and cooling (HVAC)
 - Electrical system
 - Insulation
- Upon approval by the State Allocation Board, the Office of Public School Construction (OPSC) would award grants to school districts for energy efficiency upgrade projects. Prerequisites would include all of the following:
 - Compliance with the required workforce and contractor qualification standards;
 - Auditing of all expenditures made with grant funds;
 - School district tracking and reporting of the number of jobs created due to the energy efficiency upgrade projects; and
 - School district reporting of the operational cost savings resulting from the projects, both at the district and school facility site levels.
- In the determination of awards, higher priority would be given to applications that meet the following criteria:
 - Location of the energy efficiency upgrade project at a school facility site with an above average energy consumption;
 - Location of the project in an economically disadvantaged school community, based on the percentage of students eligible for the federal free and reduced price lunch program;
 - Location of the project in an area with an above average unemployment rate;
 - School district involvement of students at the school facility site in the planning and design of the project;
 - Enhancement of workforce development and employment opportunities, utilization of the California Conservation Corps or certified local conservation corps, and learning opportunities for students or at-risk youth in the community; and
 - Partnership with other agencies or nonprofit organizations to maximize the investment and benefit to the public.
- Require the OPSC to offer technical assistance to school district applicants for grant preparation to encourage full participation in this program.

SUPPORT: California Labor Federation, AFL-CIO; California School Employees Association (CSEA); California State Parents and Teachers Association (PTA); Environmental Defense Fund; Global Green USA; Los Angeles Business Council; Natural Resources Defense Council (NRDC); State Building and Construction Trades Council (SBCTC)

OPPOSITION: *None on file.*

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