



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

4

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
May 19, 2009

Honorable Members of the
Law and Legislation Committee

Subject: Legislative Position: Support SB 675 (Steinberg) – Job Training: Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act

Location/Council District: Citywide

Recommendation:

Staff recommends that the law and legislation Committee adopt a support position on SB 675 (Steinberg) relating to Job Training: Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act.

Contact: Beth Tincher, 808-7730

Presenters: Beth Tincher, Senior Project Manager

Department: Economic Development

Division: Downtown Development Group

Organization No: 18000

Issue: In a knowledge-based economy, skill and resources of the local workforce are a region's greatest competitive advantage. One of Sacramento's Economic Development Strategies is to convene educators and leaders with the intent to compare the skill assets of the workforce with the demand of the region's business community and coordinate for identified gaps to be filled by the workforce.

While Green technology and renewable energy have been growing industries in California and the Sacramento region, the California Research Bureau's Career Project Report (2009) indicated that there are limited resources available to students in middle and high schools to prepare students for jobs in these industries. In addition, the California Department of Education 2006-2007 data shows that, statewide, California has a 24.2% dropout rate.

Committee/Commission Action: None.

Financial Considerations: This bill proposes the creation of a revenue backed bond issuance, i.e. a bond backed by the revenue that accrues to the California Energy Commission's PIER Program fund which was established in 1974. The PIER fund, which receives funds from electric and natural gas utilities, allocates \$83.5 million in public interest energy research funds annually, \$62.5 million for electricity and \$21 million for natural gas. SB 675 would have a potential positive financial effect for the Sacramento by offering opportunities grant funds to education/private partnerships to provide funding for the construction of or rehabilitation of career technical education facilities that are willing to provide career development in clean technology, renewable energy and energy efficiency to at risk students.

Environmental Considerations: None

Policy Considerations: This bill is consistent with City's Economic Development Strategic Plan to provide a workforce that meets the demands of the region's business community.

Rationale for Recommendation: This bill establishes partnerships between schools and businesses to make California an international leader in clean technology and renewable energy by providing educational opportunities to prepare a workforce for jobs in clean technologies. This investment in reducing the dropout rate, expanding workforce opportunities and targeting climate change will create major economic stimulus for clean energy and technology jobs that will improve the quality of life for Californians and Sacramentans.

This bill:

- Establishes a special fund in the state treasury available for appropriation by the Legislature to invest in educational facilities that deliver the skills and knowledge needed for successful employment in clean technology, renewable energy or energy efficiency.
- Promotes career technical education through innovative public/private partnerships between businesses, high schools, community colleges and union apprenticeships to provide workforce education.
- Promotes investment in energy infrastructure, water, industry, and clean technologies and contributes to California's goal to reduce greenhouse gas emissions.
- Provides education opportunities to the City's most underserved and at-risk students and provides career resources to students from middle school age up to 22 years of age.

Major provisions of SB 675 (Steinberg/ Alquist, Hancock, Romero, Hayashi)

This bill provides several promising economic development opportunities by providing for the following provisions:

- Creates the Clean Technology and Renewable Job Training, Career Technical Education and Dropout Prevention Act of 2010.
- States legislative intent to stimulate the state's economy, create jobs, provide entrepreneurs with the best-trained workforce and prepare people and adults for jobs in clean and green industries.
- Creates a fund in the State Treasury (through funds established in 1974, PIER Program Funds) to provide competitive grants for the purpose of new construction or reconstructing project that will provide assist in providing skills and knowledge necessary to at risk students for successful employment related to clean technology, renewable energy or energy efficiency. The bill also outlines the elements of the competitive grant program.
- Provides an opportunity to reduce high school dropout rates and joblessness

Staff recommends a support position on SB 675.

Respectfully Submitted by: 
Beth Tincher
Senior Project Manager

Approved by: 
David Spaur
Economic Development Director

Recommendation Approved:


Patti Bisharat
Director of Government Affairs

Table of Contents:

Pg	1	Report
Pg	4	Draft Position Letter
Pg	5	Bill Text
Pg	20	Bill Analysis

May 19, 2009

The Honorable Darryl Steinberg
Member, California State Assembly
State Capitol, Room 412
Sacramento, CA 95814
ATTN: Susanna Cooper

Subject: Support SB 675 (Steinberg) – Job Training: Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act

Dear Senator Steinberg:

On behalf of the City of Sacramento, and as chair of the Law and Legislation Committee, I am writing to inform you that the City of Sacramento takes a support position on SB 675. This bill would help Sacramento and California translate its leadership to education a workforce to support a new and growing green economy through the creation of the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act of 2010.

California is at the forefront of renewable energy, energy conservation, and climate change policy, but has not yet fully tapped into the educational and economic benefits of its pioneering leadership.

Our state has the opportunity to match California's desire to develop green technology by fulfilling the need for education and training of both our state's emerging workforce and seasoned workers. This bill would expand the state's utilization of renewable energy and grow the clean technology industry, and thereby create new employment, educational, and business opportunities for Sacramentans and Californians.

This bill makes both economic development and environmental progress priorities for California, and for these reasons we respectfully request your 'aye' vote when this legislation is heard in your committee.

May 19, 2009

Sincerely,

SANDY SHEEDY, Chair
Law and Legislation Committee

Cc: Senator Elaine Alquist
Senator Loni Hancock
Senator Gloria Romero
Assembly Member Mary Hayashi
Mayor Johnson and Members of City Council
David Jones, Emanuels and Jones and Associates

BILL NUMBER: SB 675 AMENDED
BILL TEXT

AMENDED IN SENATE APRIL 2, 2009

INTRODUCED BY Senator Steinberg
(Principal coauthors:
Senators Hancock and Romero)
(Coauthor: Senator Alquist)
(Coauthor: Assembly Member Hayashi)

FEBRUARY 27, 2009

An act to add Part 70 (commencing with Section 102000) to Division 14 of Title 3 of the Education Code, relating to energy job training.

LEGISLATIVE COUNSEL'S DIGEST

SB 675, as amended, Steinberg. Energy job training: Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act of 2010.

Existing law provides various funding sources for energy efficiency projects and related purposes.

Existing law establishes the Public Interest Research, Development, and Demonstration Fund in the State Treasury, and provides that the money collected by the public goods charge to support cost-effective energy efficiency and conservation activities, and public interest research and development not adequately provided by competitive and regulated markets, be deposited in the fund for use by the State Energy Resources Conservation and Development Commission to develop, implement, and administer the Public Interest Research, Development, and Demonstration Program to develop technologies to improve environmental quality, enhance electrical system reliability, increase efficiency of energy-using technologies, lower electrical system costs, or provide other tangible benefits.

This bill would enact the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act of 2010 and would create the Clean Technology and Renewable Energy Job Training, Career Technical Education , and Dropout Prevention Fund (fund) in the State Treasury. The bill would provide that the moneys in the fund would be available, upon appropriation by the Legislature, in the form of competitive grants that would be administered by the State Allocation Board and awarded to qualifying entities for the purposes of the construction of new facilities or the reconfiguration of existing facilities to enhance the educational opportunities for program participants, as defined, to provide them with the skills and knowledge necessary for careers directly related to clean technology, renewable energy, or energy efficiency that may also contribute to California's goal in reducing greenhouse gas emissions. The bill would create the Clean Technology and Renewable

Energy Job Training, Career Technical Education, and Dropout Prevention Council comprised of 9 members. The council would be required to issue guidelines to implement the purposes of this act. The bill would authorize the council to issue and renew negotiable bonds, notes, debentures, or other sources of security of up to ~~-\$5,000,000,000-~~ *an unspecified amount* that would be secured by moneys appropriated by the Legislature in the annual Budget Act from the Public Interest Research, Development, and Demonstration Fund. *Proceeds from the sale of the bonds, notes, debentures, or other sources of security would be deposited into the fund.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Part 70 (commencing with Section 102000) is added to Division 14 of Title 3 of the Education Code, to read:

PART 70. Clean Technology and Renewable Energy Job Training, Career Technical Education , and Dropout Prevention Act of 2010

CHAPTER 1. GENERAL PROVISIONS

102000. This part shall be known and may be cited as the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Act of 2010.

102001. (a) ~~The people of the State of California and the~~ Legislature, in approving this measure, find and declare all of the following:

(1) California's international leadership in renewable energy, energy conservation, clean technology, and climate change policies creates significant, but dramatically underfunded, opportunities to provide strategic capital investments in energy conservation, clean technologies, and renewable energy, including projects that contribute directly to workforce development and educational opportunities for high school pupils, young workers, community college students and graduates, youth who participate in community or state service organizations, college and university students and graduates, apprenticeship programs for building and construction trades and other technical and vocational careers, and training programs for unemployed, underemployed, or displaced workers and high school dropouts.

(2) California has an opportunity to combine the education and training of both its future college-educated workforce, the underemployment of recent high school graduates, and its highly skilled technical workforce with its effort to combat high school dropouts and the retraining of workers who have been displaced by the loss of high-wage jobs in California. Clean technology jobs and renewable energy jobs (green collar jobs) can provide underserved communities with a pathway out of poverty, a new and inspiring focus for educational institutions and nonprofit organizations, and significant statewide economic and environmental benefits.

(3) A 2006 poll of at-risk California 9th and 10th graders by Peter D. Hart Research Associates found that six in 10 pupils were

not motivated to succeed in school. Of those pupils, more than 90 percent said they would be more engaged in their education if classes helped them acquire skills and knowledge relevant to future careers. Career technical education programs that create paths to further education, advanced training, or productive jobs in high opportunity careers can keep pupils engaged and on track toward a diploma.

(4) Investments in renewable energy, energy conservation, clean technologies, and climate change mitigation, and investments that develop the workforce for these industries , will provide multiple benefits to California in all of the following ways:

(A) Helping to achieve the state's climate change goals required by the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(B) Creating employment opportunities for Californians that would otherwise not be fully realized.

(C) Creating opportunities for new businesses, and expanding and retrofitting existing businesses.

(D) Expanding the state's utilization of renewable energy.

(E) Contributing to the growth of clean technology businesses in California.

(5) A failure to act by California will perpetuate the lack of an integrated education, job training, and business infrastructure that otherwise could take advantage of the projected growth in these industries and the corresponding increase in state and local taxes, other public revenues, and additional economic benefits associated with the likely surge in clean technology and renewable energy jobs.

(6) The American Solar Energy Association, for example, concluded that in 2006 approximately 3.6 million Americans were directly employed by renewable energy and energy efficiency firms and that another 5 million Americans held jobs indirectly attributable to these industries. The renewable energy and energy efficiency industries of America generated approximately nine hundred seventy-five million dollars (\$975,000,000) in revenue in 2006. These industries could employ a workforce of up to 40 million Americans, and could generate four trillion five hundred billion dollars (\$4,500,000,000,000) in annual revenue by 2030 if these industries were expanded aggressively.

(7) The Renewable and Appropriate Energy Laboratory at the University of California, Berkeley, found that renewable energy creates more jobs per megawatt of power installed, per unit of energy produced, and per dollar of investment, than the fossil fuel energy-based sector.

(8) A study by the Apollo Alliance, a coalition of business, labor, and environmental organizations, showed that a major national investment in renewable energy, alternative automobiles and fuels, high-performance buildings, and infrastructure would result in the creation of nearly 3.5 million green collar jobs for Americans over a 10-year period.

(9) Reducing high school dropout and joblessness rates among California's young people who are preparing for and entering the job market are important state priorities and it is especially important that high school and community college students who choose to do so are trained in careers that will help California achieve its greenhouse gas reduction goals and contribute to the development of California's renewable energy resources.

(b) (1) It is the intent of ~~the people of the State of California and~~ the Legislature to stimulate the economy of

the State of California, to create tens of thousands of good paying jobs in industries and businesses that are in compliance with the state's environmental protection laws and regulations, to provide to entrepreneurs and employers the best-trained workforce in the United States, and to prepare young people and adults to work in clean, green industries and professions. These jobs would provide green pathways out of poverty for individuals in communities that suffer higher high school dropout rates, joblessness, and pollution. These jobs would help achieve California's climate change mitigation obligations and conserve our state's vital resources of water, air quality, land, and energy. These investments would enable California to offer opportunities for business leaders, communities, young people, and adults alike, all of which would benefit from California's emerging new green economy.

(2) It is the intent of ~~the people of the State of California and~~ the Legislature that federally recognized California Indian tribes should be eligible to apply for and expend funds authorized in this part.

(3) It is the intent of ~~the people of the State of California and~~ the Legislature that the grants authorized by this part should be expended on projects that will occur in California.

102002. As used in this part, the following terms have the following meanings:

(a) "Board" means the State Allocation Board.

(b) "Clean technology projects" means the following:

(1) Energy audits that include a determination of the energy savings that could be achieved from projects funded under this part and that may be recovered through utility bill financing.

(2) Retrofitting and weatherization activities that increase energy efficiency and conservation.

(3) Energy- and water-efficient public buildings.

(4) Retrofitting and installing energy-efficient household appliances, windows, doors, insulation, and lighting.

(5) Retrofitting and installing water and energy conservation technologies in existing homes, industrial buildings, commercial and public buildings, and farms, forestlands, and ranches, to improve efficiency, including the use of energy and water management technologies and control systems.

(6) The manufacture, sale, assembly, installation, construction, and maintenance of energy-efficient technologies and renewable energy facilities or the component parts of renewable energy technologies.

(7) Projects related to energy-efficient technologies or practices and renewable energy production or the component parts of renewable energy plants and energy distribution, including energy storage, energy infrastructure (including transmission), transportation (including logistics), clean vehicle technology, clean heat and power, and water and wastewater (including water conservation).

(8) Natural resource conservation projects related to adapting to climate change such as fish and wildlife habitat restoration, reforestation, native species preservation, invasive species eradication, community tree planting, and other projects that address stressors on natural resources generated by climate change.

(c) "Council" means the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Council and shall be comprised of the following nine individuals:

(1) The Secretary of the Natural Resources Agency, who will serve

as chair of the council.

(2) The Secretary of Labor and Workforce Development.

(3) The Secretary for Environmental Protection.

(4) The Superintendent of Public Instruction.

(5) The Chancellor of the California Community Colleges.

(6) Two members appointed by the Senate Committee on Rules who shall be representatives of each of the following:

(A) An employer engaged in the industries described in subdivisions ~~(e) and (k)~~ (b) and (i) .

(B) A nonprofit environmental advocacy organization.

(7) Two members appointed by the Speaker of the Assembly who shall be representatives of each of the following:

(A) A community-based organization representing the interests of disadvantaged communities in the state, including, but not limited to, communities with the highest rates of school dropouts.

(B) A labor organization that provides state-approved preapprenticeship and apprenticeship training programs related to energy efficiency or renewable energy development.

(d) "Disadvantaged community" means a community with a median household income that is less than 89 percent of the statewide average. "Severely disadvantaged community" means a community with a median household income that is less than 60 percent of the statewide average.

(e) "Eligible entity" means any of the following:

(1) A public school that serves any of grades 7 to 12, inclusive.

(2) A California community college.

(3) Other public entity that provides career technical education, including a county office of education or school agency joint ~~power~~ powers authority.

(4) A publicly owned or investor-owned utility.

(5) A nonprofit organization that is qualified under Section 501 (c)(3) of the Internal Revenue Code and that is registered to do business in California.

(6) A labor organization.

(7) A business entity.

(8) A state-approved apprenticeship program.

(9) A regional collaborative consisting of local educational agencies, higher education institutions, businesses, labor organizations, or community-based organizations, including workforce investment boards and regional workforce or economic development entities.

(10) The California Conservation Corps or a certified local conservation corps.

(11) A public postsecondary educational institution.

(12) Any other entity approved by the council.

(f) "Fund" means the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Fund created pursuant to subdivision (a) of Section 102003.

(g) "Program participant" means middle or high school pupils, community college students, job trainees, incumbent workers, members of the California Conservation Corps and certified local conservation corps, or minors or adults under 22 years of age who are on probation or participating in a program that includes career technical education as an alternative to conviction, incarceration, or adjudication as described in paragraph (3) of subdivision (i) of Section 102003, served by eligible entities.

(h) "Reconfiguration" means a modification of a structure of any

age that will enhance the educational opportunities for program participants in order to provide them with the skills and knowledge necessary for their successful employment in careers directly related to clean technology, renewable energy, or energy efficiency that may also contribute to California's goals to reduce greenhouse gas emissions. "Reconfiguration" may include new construction necessary to accommodate the reconfiguration.

(i) "Renewable energy projects" means research and development, manufacturing, generation, development, and maintenance of appropriately sited power line transmission, power storage, installation, repair, maintenance, and related activities necessary to produce energy from wind, photovoltaic, solar thermal, geothermal, biomass, including cellulosic ethanol, biodiesel, and biomass power, green waste, and fuel cells.

CHAPTER 2. CLEAN TECHNOLOGY AND RENEWABLE ENERGY JOB TRAINING, CAREER TECHNICAL EDUCATION, AND DROPOUT PREVENTION

102003. (a) The Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Fund is hereby established in the State Treasury to provide funding, upon appropriation by the Legislature, ~~including~~ consisting of, but not limited to, funds from the sale of bonds pursuant to Section 102006, in the form of competitive grants to qualifying entities for the purpose of constructing new facilities or reconfiguring existing facilities, including, but not limited to, purchasing equipment with an average useful life expectancy of at least 10 years, to enhance educational opportunities for program participants in order to provide them with the skills and knowledge necessary for their successful employment in careers directly related to clean technology, renewable energy, or energy efficiency that may also contribute to California's goal in reducing greenhouse gas emissions. New construction and reconfiguration must have a useful life expectancy of at least 20 years or the length of bond maturity.

(b) The council shall develop criteria to evaluate the fund. The criteria shall include measures of education, job readiness, and environmental outcomes and shall ensure equity, program relevance to industry needs, and articulation with more advanced coursework at qualified community colleges, public universities, or private institutions.

(c) Grant applications shall be administered by the board.

(d) Grants shall be allocated on a per-square-foot basis for the applicable type of construction proposed or deemed necessary by the board consistent with the approved application for the project.

(e) New construction grants shall not exceed three million dollars (\$3,000,000) per project per eligible entity, including equipment, and be allocated to eligible entities pursuant to this section, in either of the following methods:

(1) For a stand-alone project on a per-square-foot basis for the applicable type of construction proposed, based on the criteria established pursuant to subdivision (b), consistent with the approved application for the project.

(2) For new construction projects, as a supplement to the per pupil allocation pursuant to Section 17072.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.

(f) Modernization grants shall not exceed one million five hundred thousand dollars (\$1,500,000) per project per eligible entity, inclusive of equipment and may be awarded to schools serving pupils in any of grades 7 to 12, inclusive, community colleges or joint power authorities currently operating career technical education programs that have an active career technical advisory committee pursuant to Section 8070 for the purpose of reconfiguration, or other eligible entities. For schools serving pupils in any of grades 7 to 12, inclusive, the grant shall be supplemental to the per pupil allocation pursuant to Section 17074.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.

(g) (1) An eligible entity shall contribute a dollar amount that is equal to the amount of the grant of state funds awarded under subdivisions (d), (e), and (f). The local contribution may be provided by private industry groups, the school district, or a joint powers authority, and may be reduced but not eliminated at the discretion of the council. The local contribution may be a dollar amount that is used to fund career technical education programs that will be housed in the projects or used to purchase the durable equipment described in subdivision (a).

(2) A school or community college district shall not be required to demonstrate that it has unhoused pupils or that a permanent school building is more than 25 years old in order to receive a grant under the program.

(h) The program shall allow the local contribution to be paid over time should sufficient local funds not be immediately available. The State Allocation Board may provide for a repayment schedule consistent with subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of Section 17078.57. The board shall not waive the local contribution on the basis of financial hardship or on any other basis.

(i) Applicants shall meet the criteria developed under subdivision (b) and shall do one of the following:

(1) Enter into agreements, including, but not limited to, partnerships, contracts, memoranda of understanding, or other mutually agreed upon arrangements with middle schools, high schools, or community colleges to support middle school career exploration activities; curriculum and professional development; high school pathway programs that integrate academic and technical learning to prepare pupils for both college and careers, including a sequence or cluster of three or more courses that align with the State Board of Education approved career technical education standards and frameworks, and may be delivered through high schools, regional occupation centers or programs, adult education programs, partnership academies, or alternative education programs, including continuation schools and programs administered by county offices of education.

(2) Enter into agreements, including, but not limited to, partnerships, contracts, memoranda of understanding, or other mutually agreed upon arrangements with any other eligible entity to provide school dropouts or high school graduates under 22 years of age with inadequate job skills, or members of the California Conservation Corps and certified local conservation corps, the knowledge, skills, and credentials necessary for their successful employment in careers directly related to clean technology, renewable energy, or energy efficiency that may also contribute to California's goals to reduce greenhouse gas emissions.

(3) Enter into agreements, including, but not limited to, partnerships, contracts, memoranda of understanding, or other mutually agreed upon arrangements with a state, local, regional, or county program, or qualified nonprofit organization that provides education, job training, or career opportunities for minors or adults under 22 years of age who are on probation or parole or with a similar program or organization providing education, job training, or career opportunities to minors or adults under 22 years of age as part of an alternative to conviction, incarceration, or adjudication that is consistent with the Penal Code.

(j) A grant application shall include all of the following:

(1) A clear and comprehensive career technical education plan for each course of study applicable to the instructional space that includes programs that focus on clean technology, renewable energy, or energy efficient systems.

(2) Projections of program participant enrollment.

(3) Identification of feeder schools and institutions, industry, labor organizations, community colleges, or other postsecondary schools participating in the development, articulation, and review of the educational program, or other appropriate collaborating entities.

(4) Written approval of the plan by entities listed in paragraph (3).

(5) The method by which accountability for program participant enrollments and outcomes will be maintained. Outcomes shall include, but are not limited to, certificate completion, the successful employment of program participants in the applicable industry, and successful transition to postsecondary institutions or state-approved apprenticeship training programs for work in the applicable industry or other areas of study.

(6) Evidence of coordination with appropriate feeder schools, middle schools, high schools, state-approved apprenticeship training programs, or other relevant entities within the area to ensure that the project and programs complement career technical education offerings in the area.

(7) Evidence that upon completion of the project ~~that~~ local educational agencies will meet all of their obligations under Section 51228 relating to career technical education.

(k) Applications shall specify the number of program participants expected to attend, the cost per program participant, financial participation by industry partners in the construction and equipping of the facility, commitment to accountability for outcomes and participation, the strength and relevance of the educational plans to the needs of industry for qualified technical employees applicable to the economic development and environmental needs of the region in which the project will be located, and coordination and articulation with feeder schools, other high schools, community colleges, labor organizations, and relevant community-based organizations.

(l) The board shall implement this part pursuant to applicable regulations and guidelines established by the council.

102004. (a) The council shall develop guidelines for competitive grants for the purposes specified in Section 102003. Priority shall be given to the following:

(1) Projects serving pupils in any of grades 7 to 12, inclusive, and dedicated to dropout prevention and career technical education.

(2) Projects in communities containing a school that serves pupils

in any of grades 7 to 12, inclusive, and that ranks in the bottom three deciles of the Academic Performance Index (API), or containing a school participating in the Alternative Schools Accountability Model (ASAM) with an API score that, if ranked in the API, would fit within any of deciles 1 to 3, inclusive.

(3) Projects in communities with higher than average rates of dropout, low-income households and very low income households, crime, incarceration, unemployment, foster care, teen pregnancy, or the highest historic levels of exposure to air pollution. The council shall grant not less than 20 percent of the moneys in the fund to projects in communities in this category.

(4) Projects initiated by the California Conservation Corps or a certified local conservation corps.

(b) The council may coordinate outreach efforts to communities described in paragraph (a) with State Air Resources Board efforts, under the requirements of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code). The council may use appropriate state agency personnel in administering the public outreach, education, technical assistance, guideline development, and grant application review provisions if these efforts are otherwise consistent with this part.

(c) The council shall award and adopt guidelines for awarding competitive grants pursuant to this part.

(d) The council shall give special consideration to projects that create partnerships among labor, management, and the public sector in clean technology, renewable energy, or energy efficiency sectors.

102005. (a) Every proposed activity or project to be financed pursuant to this part shall be in compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(b) Acquisitions of real property pursuant to this part shall be from willing sellers.

(c) Up to 5 percent of the funds allocated to a program pursuant to this part may be used to pay the costs incurred in the administration of that program.

(d) The body awarding a contract for a public works project financed in part from funds made available pursuant to this part shall adopt and enforce, or contract with a third party to enforce, a labor compliance program pursuant to subdivision (b) of Section 1771.5 of the Labor Code that shall be applicable to that public works project.

(e) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this part.

(f) The chair of the council shall provide for an annual independent audit of expenditures pursuant to this part to ensure that all moneys are expended in accordance with this part.

CHAPTER 3. FISCAL PROVISIONS

102006. The council may incur indebtedness and issue and renew negotiable bonds, notes, debentures, or other securities of any kind or class. All indebtedness, however, evidenced, shall be payable solely from moneys from the Public Interest Research, Development, and Demonstration Fund created pursuant to Section 384 of the Public Utilities Code and from the fund that are appropriated by the

Legislature in the annual Budget Act for the purposes of this section and shall not exceed ~~the sum of five billion dollars (\$5,000,000,000).~~ an unspecified amount. Proceeds from the sale of the bonds, notes, debentures, or other securities shall be deposited into the fund.

102007. The Legislature may, by statute, authorize the council to issue bonds, as defined in Section 102008, in excess of the amount provided in Section 102006.

102008. (a) The council is authorized from time to time to issue its negotiable bonds, notes, debentures, or other securities (hereafter collectively called "bonds") for any of the purposes of this part. In anticipating the sale of bonds as authorized in Section 102006, or as may be authorized pursuant to Section 102007, the council may issue negotiable bond anticipation notes and may renew the notes from time to time. The bond anticipation notes may be paid from the proceeds of ^{sale} of the bonds of the council in anticipation of which they were issued. Notes and agreements relating to the notes and bond anticipation notes, collectively called notes, and the resolution or resolutions authorizing the notes may contain any provisions, conditions, or limitations that a bond, agreement relating to the bond, and bond resolution of the council may contain. However, a note or renewal of the note shall mature at a time not exceeding two years from the date of issue of the original note.

(b) Except as may otherwise be expressly provided by the council, every issue of its bonds, notes, or other obligations shall be general obligations of the board payable from any moneys appropriated by the Legislature in the annual Budget Act from the Public Interest Research, Development, and Demonstration Fund available for these purposes and not otherwise pledged, subject only to any agreements with the holders of particular bonds, notes, or other obligations pledging any particular revenues or moneys and subject to any agreements with any participating party. Notwithstanding that the bonds, notes, or other obligations may be payable from a special fund, they are for all purposes negotiable instruments, subject only to the provisions of the bonds, notes, or other obligations for registration.

(c) Subject to the limitations in Sections 102006 and 102007, the bonds may be issued as serial bonds or as term bonds, or the council, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the council and shall bear the date or dates, mature at the time or times, not exceeding 50 years from their respective dates, bear interest at the rate or rates, be payable at the time or times, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in a manner, be payable in lawful money of the United States of America at a place or places, and be subject to terms of redemption, as the resolution or resolutions may provide. The bonds or notes shall be sold by the Treasurer within 60 days of receipt of a certified copy of the council's resolution authorizing the sale of the bonds. However, the council, at its discretion, may adopt a resolution extending the 60-day period. The sales may be a public or private sale, and for the price or prices and on the terms and conditions, that the council shall determine after giving due consideration to the recommendations of any participating party to be assisted from the proceeds of the bonds or notes. Pending preparation of the definitive bonds, the Treasurer may issue interim

receipts, certificates, or temporary bonds that shall be exchanged for the definitive bonds. The Treasurer may sell bonds, notes, or other evidence of indebtedness at a price below their par value. However, the discount on a security sold pursuant to this section shall not exceed 6 percent of the par value.

(d) A resolution or resolutions authorizing bonds or an issue of bonds may contain provisions that shall be a part of the contract with the holders of the bonds to be authorized, as to all of the following:

(1) Pledging the full faith and credit of the council to secure the payment of the bonds or of any particular issue of bonds, subject to the agreements with bondholders as may then exist.

(2) The rentals, fees, purchase payments, loan repayments, and other charges to be charged, and the amounts to be raised in each year by the charges, and the use and disposition of the revenues.

(3) The setting aside of reserves or sinking funds, and the regulation and disposition of the reserves or sinking funds.

(4) Limitations on the right of the council or its agent to restrict and regulate the use of the project or projects to be financed out of the proceeds of the bonds or any particular issue of bonds.

(5) Limitations on the purpose to which the proceeds of sale of an issue of bonds then or thereafter to be issued may be applied and pledging those proceeds to secure the payment of the bonds or the issue of the bonds.

(6) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

(7) The procedure, if any, by which the terms of a contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given.

(8) Limitations on expenditures for operating, administrative, or other expenses of the council and board.

(9) Defining the acts or omissions to act that constitute a default in the duties of the council to holders of its obligations and providing the rights and remedies of the holders in the event of a default.

(10) The mortgaging of a project and the site of the project for the purpose of securing the bondholders.

(11) The mortgaging of land, improvements, or other assets owned by a program participant for the purpose of securing the bondholders.

(12) Procedures for the selection of projects to be financed with the proceeds of the bonds authorized by the resolution, if the bonds are to be sold in advance of the designation of the projects and program participants to receive the financing.

(e) Neither the members of the council nor a person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to personal liability or accountability by reason of the issuance of the bond or note.

(f) The council shall have power, out of any funds available for these purposes, to purchase its bonds or notes. The council may hold, pledge, cancel, or resell those bonds, subject to and in accordance with agreements with bondholders.

102009. (a) In the discretion of the council, any bonds issued under the provisions of this part may be secured by a trust agreement.

by and between the council and a corporate trustee or trustees, which may be the Treasurer or any trust company or bank having the powers of a trust company within or without the state. The trust agreement or the resolution providing for the issuance of the bonds may pledge moneys appropriated by the Legislature in the annual Budget Act from the Public Interest Research, Development, and Demonstration Fund for the implementation of this part, or mortgage the project or projects, or any portion thereof, to be financed out of the proceeds of the bonds.

(b) The trust agreement or resolution providing for the issuance of bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including particularly those provisions that have been specifically authorized to be included in any resolution or resolutions of the council authorizing bonds.

(c) A bank or trust company doing business under the laws of this state may act as depository of the proceeds of bonds or of revenues or other moneys and may furnish indemnifying bonds or pledge securities as may be required by the council.

(d) A trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. In addition, any trust agreement or resolution may contain other provisions that the council may deem reasonable and proper for the security of the bondholders.

(e) Notwithstanding any other provision of law, the Treasurer shall not be deemed to have a conflict of interest by reason of acting as trustee pursuant to this part.

(f) All expenses incurred in carrying out the provisions of the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

102010. (a) Bonds issued under this part shall not be deemed to constitute a debt or liability of the state or of any political subdivision of the state, other than the council, or a pledge of the faith and credit of the state or of any political subdivision, other than the council, but shall be payable solely from the funds provided under the authority of this part. A bond shall contain on its face a statement to the following effect:

"Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this bond."

(b) The issuance of bonds under the provisions of this part shall not directly, indirectly, or contingently obligate the state or any political subdivision of the state to levy or to pledge any form of taxation therefor or to make any appropriation for their payment. This section does not prevent the council from pledging its full faith and credit to the payment of bonds or issue of bonds authorized pursuant to this part.

102011. (a) The council is hereby authorized to provide for the issuance of bonds of the council for the purpose of refunding any bonds, notes, or other securities of the council then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase, or maturity of those bonds, and, if deemed advisable by the council, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions, or enlargements of a project or any portion of a project.

(b) The proceeds of any bonds issued for the purpose of refunding outstanding bonds, notes, or other securities may, in the discretion of the council, be applied to the purchase or retirement at maturity or redemption of outstanding bonds either on their earliest or any subsequent redemption date or upon the purchase or retirement at the maturity of the outstanding bonds and may, pending application, be placed in escrow to be applied to the purchase or retirement at maturity or redemption on the date as may be determined by the council.

(c) Pending the use, any escrowed proceeds may be invested and reinvested by the Treasurer in obligations of, or guaranteed by, the United States of America, or in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the United States of America, maturing at a time or times as shall be appropriate to ensure the prompt payment, as to principal, interest, and redemption premium, if any, of the outstanding bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any investment may also be applied to the payment of the outstanding bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest, income, and profits, if any, earned or realized on the investments thereof may be returned to the council for use by it in any lawful manner.

(d) The portion of the proceeds of any bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions, or enlargements of a project may be invested and reinvested by the Treasurer in obligations of, or guaranteed by, the United States of America, or in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the United States of America, maturing not later than the time or times when the proceeds will be needed for the purpose of paying all or any part of the cost. The interest, income, and profits, if any, earned or realized on that investment may be applied to the payment of all or any part of the cost or may be used by the council in any lawful manner.

(e) A bond issued pursuant to this section shall be subject to the provisions of this part in the same manner and to the same extent as other bonds issued pursuant to this part.

102012. Bonds issued by the council are legal investments for all trust funds, the funds of all insurance companies, banks, both commercial and savings, trust companies, savings and loan associations, and investment companies, for executors, administrators, trustees, and other fiduciaries, for state school funds, and for any funds that may be invested in county, municipal, or school district bonds, and bonds are securities that may properly and legally be deposited with, and received by, any state or municipal officer or agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state, is now, or may hereafter be, authorized by law, including deposits to secure public funds if, and only to the extent that, evidence of indebtedness or debt securities of the participating party receiving financing through the issuance of those bonds qualify or are eligible for those purposes and uses.

102013. Liability shall not be incurred by the council beyond the extent to which moneys have been provided under this part, except that for the purposes of meeting the necessary expenses of initial organization and operation until such date as the council derives

revenues or proceeds from bonds or notes as provided under this part, the council may borrow money as needed for those expenses from the State Energy Resources Conservation and Development Special Account in the General Fund in the State Treasury. The borrowed moneys shall be repaid with interest within a reasonable time after the council receives revenues or proceeds from bonds or notes as provided under this part.

102014. The State of California does hereby pledge to and agree with the holders of any obligations issued under this part pursuant to the provisions of this part, that the state will not limit or alter the rights hereby vested in the council until those obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the council. This section does not preclude imitation or alteration if and when adequate provision shall be made by law for the protection of the holders of the obligations of the council. The council as agent for the state is authorized to include this pledge and undertaking for the state in those obligations.

102015. The powers granted to the council by this part may be exercised without regard or reference to any department or agency of the state. All other general or special laws, or parts thereof, inconsistent with this part are hereby declared to be inapplicable to the provisions of this part. Nothing contained in this part shall be interpreted to exempt the construction or acquisition of any project by any program participant from compliance with all applicable local, state, or federal laws and regulations.

regarding renewable energy, energy conservation, clean technology and climate change policies, with a focus on California's leadership in those areas, the need to use renewable energy and the technologies it requires to reduce high school dropout and joblessness rates for the state's young people and to develop the state's renewable energy resources.

3) States legislative intent to stimulate the state's economy, create tens of thousands of good paying jobs in industries and businesses that are in compliance with the state's environmental protection laws and regulations, to provide entrepreneurs and employers the best-trained workforce in the United States and to prepare young people and adults to work in clean, green industries and professions.

4) Creates the Clean Technology and Renewable Energy Job Training, Career Technical Education and Dropout Prevention Fund (Fund) in the State Treasury to provide competitive grants for the purpose of constructing or reconfiguring new facilities with a useful life expectancy of at least 20 years or the length of bond maturity to provide program participants with skills and knowledge necessary for successful employment related to clean technology, renewable energy or energy efficiency.

5) Defines the following terms in the bill:

a) Board refers to the State Allocation Board.

b) Clean technology projects refers to the following

i) Energy audits determine energy savings that can be achieved from projects funded under this program and that can be recovered through utility bill financing.

ii) Retrofitting and weatherization activities that increase energy efficiency and conservation.

iii) Energy and water efficient public buildings.

iv) Retrofitting and installing energy efficient household appliances, windows, doors, insulation and lighting.

v) Retrofitting and installing water and energy conservation technologies in existing residential, industrial, commercial and public structures to improve efficiency, including the use of energy and water management technologies and control systems.

vi) The manufacture, sale, assembly, installation, construction and maintenance of energy efficient technologies and renewable energy facilities or the components of renewable energy technologies.

vii) Projects related to energy efficient technologies or practices and renewable energy production or the component parts of renewable energy plants and energy distribution, including

energy storage, energy infrastructure, transportation, clean vehicle technology, clean heat and power and water and wastewater.

viii) Natural resource conservation projects related to climate change such as fish and wildlife restoration, reforestation, native species restoration, invasive species eradication, community tree planting and other projects that fight climate change.

c) Disadvantaged community : A community with a median household income that is less than 89 percent of the statewide average.

Severely disadvantaged community means a community with a median household income that is less than 60 percent of the statewide average.

d) Council : The Clean Technology and Renewable Energy Job Training, Career Technical Education and Dropout Prevention Council comprised of the Secretaries' of the Natural Resources Agency, Labor and Workforce Development, Environmental Protection, the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, two members appointed by the Senate Rules Committee (one who is a renewable energy projects employer and another who is a member of a nonprofit environmental advocacy organization) and two members appointed by the Assembly Speaker one who represents disadvantage communities and another from a labor organization that provides state approved renewable energy development pre-apprenticeship or apprenticeship programs).

e) Eligible entity : Those eligible to apply for the competitive grants to include a public school serving any of grades 7-12, a California community college, a public entity providing career technical education including a county office of education or school agency joint powers authority, a publicly or investor owned facility, a non-profit organization, a labor organization, a business entity, a state-approved apprenticeship program, a regional collaborative, the California Conservation Corps or a certified local conservation corps, a public postsecondary educational institution or any other entity approved by the Council.

f) Program Participants . Those served by the eligible entities including middle or high school pupils, community college students, job trainees, incumbent workers, members of the California Conservation Corps or certified local conversation corps, minors or adults under 22 years of age either on probation or participating in programs that include career technical education as an alternative to conviction, incarceration or adjudication, as specified.

6) Outlines various elements of the competitive grants program proposed by the bill. Specifically it does the following:

a) Requires the State Allocation Board (SAB) to administer grant applications and to implement the program pursuant to regulations

and guidelines established by the Council.

- b) Requires grants be allocated on a per square foot basis and prohibits any requirement that students be unhoused or that facilities meet any age requirements to receive a grant under the program.
- c) Establishes a maximum of \$3 million per project per eligible entity for new construction grants for either stand-alone projects or as supplements to the per pupil allocation under the existing new construction program.
- d) Establishes a maximum of \$1.5 million per project per eligible entity for modernization grants for the purpose of reconfiguration and provides that the grant be supplemental to the per pupil allocation provided under the existing modernization program.
- e) Requires the eligible entity to contribute toward the project on a 50/50 match basis and authorizes the local contribution to come from private industry groups, the school district or a joint powers authority and authorizes the reduction, but not the elimination of the match at the discretion of the Council.
- f) Authorizes the repayment of the local contribution over time but prohibits the SAB from waiving the local contribution on any basis.
- g) Requires applicants meet any criteria established by the Council and also enter into agreements, as specified, to engage in specified activities related to education, job training, or providing employment and career opportunities to program participants.
- h) Requires the Council to develop guidelines for awarding the competitive grants, specifies a number of elements to be included in the grant application and requires priority be given to projects serving students in grades 7-12, dedicated to dropout prevention and career technical education, in communities with schools that rank in the bottom three deciles of the Academic Performance Index (API), in communities with higher than average rates of dropouts, low-income households, or other challenges, as specified, and projects initiated by the California Conservation Corps or a certified local conservation corps.
- i) Authorizes the Council to use state agency personnel in administering outreach, education, technical assistance, guideline development and grant application review.
- j) Requires every proposed activity or project financed be in compliance with the California Environmental Quality Act and that real property acquisitions are from willing sellers.
- aa) Authorizes up to five percent of funds be allocated for administrative costs of the program.
- bb) Requires the body awarding a contract for a public works

project financed from these funds to adopt and enforce a labor compliance program, as specified.

- cc) Requires the Chair of the Council to provide for an annual independent audit of expenditures from the fund.
- 7) Makes the following provisions for the funding of the grant program.
- a) Authorizes the Council to incur indebtedness and issue and renew negotiable bonds, notes, debentures or other securities of any kind or class.
 - b) Requires all indebtedness incurred to be paid solely from moneys from the Public Interest Research Development and Demonstration Fund (PIER) and from funds appropriated by the Legislature in the annual Budget Act for this purpose and requires that proceeds from the sale of these instruments be deposited into the Clean Technology and Renewable Energy Job Training, Career Technical Education and Dropout Prevention Fund.
 - c) Specifies the funds appropriated by the Legislature in the annual Budget Act for this purpose shall not exceed an unspecified amount.
 - d) Authorizes the Legislature by statute, to permit the Council to issue bonds in excess of the unspecified amount provided for in the bill.
 - e) Declares that bonds issued do not constitute a debt or liability of the state or any political subdivision of the state other than the Council and that the issuance of bonds under these provisions does not obligate the state or any political subdivision of the state to levy or pledge any form of taxation or to make any appropriation for their payment.

FISCAL EFFECT: Unknown. This bill is keyed "fiscal" by Legislative Counsel.

COMMENTS:

1. Purpose. According to the Sponsors, the Californ Labor Federation and the State Building Trades and Construction Council of California, this measure promotes career technical education and incentives innovative public-private education and workforce preparation partnerships with businesses, high schools, community colleges and union apprenticeship programs. They assert the measure ensures that the investment in transportation, energy infrastructure, water, industry, and many clean technologies produced by the implementation of AB 32, voter approved infrastructure investment and the American Recovery and Reinvestment Act, and also benefits California's most underserved and at-risk communities.

The Sponsors also believe that all students benefit from academically rigorous, relevant standards aligned in career technical education (CTE) courses and further state that the public education system is failing countless middle and high school students by not providing a well-rounded education that engages and motivates students to finish school. They point to the record high dropout rate as an example of the disconnect between current college bound curriculum emphasized in schools and the career aspirations of California's student population.

2. Background. California Department of Education (CDE) 2006-07 data shows that, statewide, California has a 67.6 percent high school graduation rate and 24.2 percent dropout rate. Graduation and dropout rates vary among counties and the same data illustrates the following dropout rate disparities among ethnic groups:

Ethnicity	Graduation Rate	Dropout Rate
White	84.8%	15.2%
African American	58.4	41.6
American Indian	68.7	31.3
Asian	89.2	10.2
Filipino	88.1	11.9
Hispanic/Latino	69.7	30.3
Pacific Islander	72.1	27.9

Other CDE data on career technical education (CTE) indicates that the number of CTE classes declined approximately 24 percent between 1997-98 and 2006-07. Recent research by Kenneth C. Gray and Edwin L. Herr of Pennsylvania State University indicates that while many high school students matriculate to college, relatively few go on to both earn a college degree and work in a job requiring a college degree. Gray and Herr argue that providing a range of educational coursework, including opportunities for contextual and applied learning and rigorous academics, creates more alternatives for high school students and enables them to make more informed choices about career pathways following high school.

3. California Research Bureau's (CRB) Careers Project Report. Earlier this year, the CRB released its Careers Project report which examined the preparation all students in public middle and high schools receive to explore career options and the relationship between that preparation and California's state and regional economies. The report was done at the request of a bipartisan group of 11 members of the California Legislature and funding support from the James Irvine Foundation. The study consisted of three distinct phases - a statewide survey of middle and high school counselors and principals, an economic analysis and survey of representatives of business and industry in California and school focus groups.

The following are the findings relevant to this legislation:

There are limited resources available to all students in grades seven through 12 for career development.

Half of all respondents reported that their schools offered a curriculum for career development, less than half had developed such a curriculum, and about half had provided career development to all students. This indicates that the provision of career development information for all students regarding the various careers and industries in the state is not a high priority for school districts and schools.

Of the schools providing career development services, only ten percent had evaluated the effectiveness of their career development activities, programs or tools. Moreover, of the schools that had engaged with local businesses, about a fifth had evaluated the effectiveness of these partnerships.

Schools not providing career development to all students or not engaging with entities in their local community (such as community colleges, local businesses or other community organizations) might if they had more staff.

Principals and counselors concurred that students are interested in receiving more career development information, since this was the least cited reason for not providing career development to all students.

1. BP&ED Informational Hearing on Workforce Development. On March 23rd, the Committee on Business, Professions and Economic Development held an informational hearing entitled "The Role of Private Education Institutions in Preparing California's Diverse Workforce: Meeting the Challenges of our Workforce and Job Training Needs." The hearing examined the ability of private postsecondary institutions to fill the career preparation needs of California's workforce and evaluate policy options that allow them to expand their workforce development programs with the requisite amount of oversight required to protect Students.

Automotive, biotech, construction, health and manufacturing industry representatives were invited to participate in the hearing and they offered testimony on their industries' difficulty in difficulty in hiring qualified employees. They also provided the Committee with information on workforce development programs in which they have engaged to help address those workforce shortages. This information provided the basis for one of the hearing's main findings; specifically, that industries are facing shortages in hiring workers with the minimum skills needed for entry into the field.

2. California Energy Commission's PIER Program. Created in 1974, the California Energy Commission is the state's primary energy policy and planning agency and among other things, is responsible for supporting public interest energy research that advances energy science and technology through research, development, and demonstration programs.

The Commission also supports renewable energy by providing market support to existing, new, and emerging renewable technologies;

providing incentives for small wind and fuel cell electricity systems and providing incentives for solar electricity systems in new home construction.

The Commission's Research Development and Demonstration Division administers the PIER program and the PIER fund to provide grants for energy-related research, development and demonstration efforts not adequately provided by competitive and regulated markets. The PIER fund, which receives funds from electric and natural gas utilities, allocates 83.5 million in public interest energy research funds annually; \$62.5 million for electricity and \$21 million for natural gas.

The general goal of the program is to develop, and help bring to market, energy technologies that provide increased environmental benefits, greater system reliability, lower system costs and provide tangible benefits to electric utility customers through the following investments:

Advanced transportation technologies that reduce air pollution and greenhouse gas emissions beyond applicable standards, and that benefit electricity and natural gas ratepayers.

Increased energy efficiency in buildings, appliances, lighting, and other applications beyond applicable standards, and that benefit electric utility customers.

Advanced electricity generation technologies that exceed applicable standards to increase reductions in greenhouse gas emissions from electricity generation, and that benefit electric utility customers.

Advanced electricity technologies that reduce or eliminate consumption of water or other finite resources, increase use of renewable energy resources, or improve transmission or distribution of electricity generated from renewable energy resources.

1. PIER funds. According to the California Energy Commission, its proposed FY 2009-10 budget includes \$74.2 million in PIER funds to support approximately 70 positions, operating and baseline technical support contracts and \$62.5 million for pass through research, development and demonstration projects.

Rather than a statewide general obligation bond, this bill proposes the creation of a revenue backed bond issuance, i.e. bonds backed by the revenue that accrues to the PIER fund as well as appropriations made by the Legislature.

PIER funds are currently used to fund research projects to develop new energy technologies. If enacted these funds would be redirected for the purposes outlined in this bill. Current law restricts the expenditure of these funds for specified purposes from 2007 until 2012.

2. General Obligation Bonds for School Facilities. Proposition 1D, authorized by AB 127 (Nunez and Perata. Chapter 35, Statutes of 2008) and approved by the voters in November 2006 authorized the issuance of \$7.3 billion on general obligation bonds for K-12 school

facilities, and established the Career Technical Education Facilities Program, which allocated \$500 million for the construction and modernization of career technical education facilities.

3. Suggested Amendments. This bill establishes the Clean Technology and Renewable Energy Job Training, Career Technical Education and Dropout Prevention Council (Council) comprised of the Secretaries of specified state agencies and the Superintendent of Public Instruction

(SPI). Given the many responsibilities these individuals have and the scheduling conflicts that may arise when trying to arrange Council meetings, the Author may wish to consider amending the bill to allow the designees of the various Secretaries and the SPI to sit on the Council and act on their behalf.

4. Related legislation. SB 1672 (Steinberg, 2008) would have authorized, upon voter approval at 2010 statewide election, \$2.25 billion worth of state general obligation (G.O.) bonds to fund capital outlay projects at institutions offering career development related to clean technology, renewable energy or energy efficiency and to fund a revolving loan for capital outlay projects undertaken by public and private entities involved in such career development. The measure was held in the Assembly Appropriations Committee.

AB 118 (Chapter 750, Statutes of 2007) established the Enhanced Fleet Modernization Program and the Air Quality Improvement Program.

AB 32 (Statutes of 2006, Chapter 488) enacted the Global Warming Act of 2006 (Act), which creates a statewide greenhouse gas (GHG) emission limit to reduce emissions by 25 percent by 2020.

SB 1250 (Perata, Chapter 512, Statutes of 2006) authorized the continued expenditure of funds collected pursuant to current law for the Public Interest Energy Research program and the Renewable Research Development and Demonstration program and provides policy directions for these programs

AB 1002 (Chapter 932, Statutes of 2000) imposed a surcharge on all natural gas consumed in California to fund specified low-income, energy efficiency, conservation and public interest research programs.

AB 1890 (Chapter 854, Statutes of 1996) restructured the electrical services industry in California in order to transition to competitive markets by December 31, 2001, to lower the cost of electricity, retain and attract jobs and to reduce power outages.

5. Arguments in Support. Several organizations (see below) have written in support of this measure and contend that it would establish partnerships between schools, ROC/Ps and various other entities to work together to make California an international leader in clean Technology and renewable energy. They state that this investment in reducing the dropout rate, expanding workforce opportunities and targeting climate change will create major

economic stimulus for clean energy and technology jobs that will improve the quality of Life for all Californians.

6. Support if Amended. The California Manufacturers and Technology Association (CMTA) supports efforts to rebuild career and technical education in California's schools and the need to address the state's alarmingly high drop-out rate. However, CMTA opposes the use of PIER Funds for this purpose and instead proposes that the programs in this bill be funded through existing and future public education resources. CMTA states it looks forward to working with the Author to identify viable and stable funding sources to support workforce development goals and the economy.

The School for Integrated Academies and Technologies (SIATech) also has a support if amended position on SB 675. SIATech is a comprehensive high school program that partners with the Federal Job Corps to provide a second chance for dropouts who wish to re-engage in a rigorous academic program and receive an accredited California education standards aligned diploma. SIATech is asking that SB 675 be amended to include charter schools (such as theirs) that have specific workforce preparation roles in the eligible entity definitions and refers to the current statutory reference to those schools in Education Code 47605.1(g)(3), which reads as follows. Education Code 47605.1(g). Notwithstanding any other provision of law, the jurisdictional limitations set forth in this section do not apply to a charter school that provides instruction exclusively in partnership with any of the following:

(1) The federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.)

(2) Federally affiliated Youth Build programs.

(3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Sections 14507.5 or 14406 of the Public Resources Code.

(5) Instruction provided to juvenile court school pupils pursuant to subdivision (c) of Section 42238.18 or pursuant to Section 1981 for individuals who are placed in a residential facility. Specifically, SIATech is requesting amendments to 102002 and 102004 that read: "A charter school that provides instruction exclusively in partnership with the programs identified in Education Code 47605.1(g)(3)."

SUPPORT AND OPPOSITION:

Support:

American Federation of State, County, and Municipal Employees
California Apollo Alliance
California Association of Local Conservation Corps

California Community Colleges
California Labor Federation (Co-Sponsor)
California School Boards Association
CALPINE
Construction Employers' Association
Long Beach City College District
Los Angeles Unified School District
Natural Resources Defense Council
San Francisco Unified School District
State Building and Construction Trades Council of California
(Co-Sponsor)
Support if Amended :

California Manufacturers and Technology Association
School for Integrated Academies and Technologies (SIATech)

Opposition:

None received as of April 22nd.

Consultant: Sieglinde Johnson