

BUILDING GREEN PATHWAYS OUT OF POVERTY

Executive Summary

Our economy, communities, workforce, and environment are at a crossroads. Practices and policies supporting conventional energy produced an economy with vast amounts of waste and low-road development that left workers behind, communities impoverished, residents dependent on fossil fuels imported from out of state, and our environment polluted. The clean energy movement, on the other hand, is driven in part by a partnership between labor, environmental, community, business and government leaders, as well as concerned citizens, working together toward policies and programs that promote “high-road” economic-development strategies to foster growth that creates quality jobs, protects the environment, and promotes career pathways.

The Apollo Alliance Green Pathways Model offers an excellent approach. Its elements include: 1) Enacting policies and programs to drive investment toward a more energy efficient, sustainable Ohio; 2) Aligning these economic development strategies with training programs and promoting on-the-job training when using public funds for clean energy projects; and 3) Preparing low-skilled workers for these opportunities, particularly women and minority workers, by helping to reduce existing barriers.

Ohio has made progress on all three prongs of the Apollo Pathways Model, enacting a number of foundational policies and programs: adopting renewable energy and energy efficiency standards for electric utilities; creating the Green Pathways Advisory Council where employers, labor and community leaders, and agency officials can align clean energy development with training; and growing the network of apprenticeship prep programs.

Most jobs created from a sustainability strategy are what we traditionally think of as blue-collar work, the kind of jobs that have long been the ticket to the middle class for the nearly 70% of Americans without a four-year degree. A strategy to make our transportation sector more sustainable, for instance, would include serious investments in public transit, passenger rail, freight rail, and next generation automobiles. This will create jobs for rail track layers, bus drivers, train operators, dispatchers, and manufacturing workers while reducing the roughly \$15.5 billion leaving our state’s economy each year to purchase motor gasoline.

Unfortunately, in the recent past, we have underinvested in the blue-collar skills needed. As a result, the average age of workers in the skilled trades is nearing retirement, without trained workers to replace them. The average skilled electrician, for instance, is 47 years old. Fortunately, Ohio has a system of apprenticeship programs, an age-old training system that combines classroom training with paid work, via apprenticeships, requiring trainees to work closely with highly-skilled craftspeople. Publicly-funded green projects are ideal for creating on-the-job training opportunities for apprentices, but increasing these opportunities requires reforming the contracting process for awarding public funds.

Current projects go to the lowest-cost bidder, which tends to reward low pay, low skill and low quality. “Best-value” contracting instead ensures the greatest return on investment, by allowing the state to select projects based on several factors including qualifications, cost, quality,

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training opportunities, workforce diversity, and environmental benefits. A growing number of state and local governments are using best value contracting to expand apprenticeships: by creating pools of responsible contractors; giving preference to employers who provide better wages and benefits; or encouraging local hiring of low-income, under-represented, and entry-level workers.

Apprenticeship prep programs are also growing. These programs address barriers like lack of access to transportation or child care, gaps in education or skills to succeed in higher education, or need for income support during training. Constructing Futures, an initiative from Governor Strickland started in September of 2009 using \$4 million in federal stimulus funds, is an Ohio network of such apprenticeship prep programs. It lays the foundation for building a green training pipeline in Ohio, while addressing a long history of racial and gender divides in both work and wages, and helping to reduce poverty. Three of the five programs receiving funds from this effort are described in the report. These include:

- The Construction Trades Network in Columbus, which offers an eight-month apprenticeship prep training program for the construction trades, is focused on African American and female workers from less educated neighborhoods.
- A Northwestern Ohio apprenticeship prep partnership for rural, urban, and suburban communities, targeting minorities, now has a waiting list. Registered apprenticeship sponsors include heat and frost insulators, bricklayers/tile setters, cement masons, glaziers, painters, roofers, and plasterers.
- The Greater Cincinnati Regional Construction Trades Partnership works with clients with limited skills and education, poor work history, and other barriers to employment, including criminal records. With funds from Constructing Futures, the partnership has expanded, added green skills, and added a focus on women.

These policies and programs should be built upon to ensure continued gains for communities, our workforce and our environment. Significant energy-savings potential remains in the industrial, transportation, residential, commercial, and electric-utility sectors. As we continue to drive investment toward clean energy, we should use state-funded sustainability projects, whether awarded through the Ohio Department of Transportation or the Ohio Department of Development Energy Division, to support skills development and on-the-job training. One way to do so would be to require that contractors engage in community benefit agreements on large-scale projects. We also need to find a sustainable source of funding for Ohio's Constructing Futures Initiative, grow it to more areas across Ohio, and leverage existing resources to better support the program. This report provides concrete ways to do so.

Policy Matters Ohio is a nonprofit, nonpartisan research institute dedicated to researching an economy that will work better for all in Ohio. Learn more about Policy Matters Ohio at www.policymattersohio.org.