

Implementing ARRA Design Snapshot

New York State’s New Green Jobs Program: Linking Financing and Job Training Statewide

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Recently passed legislation in New York State establishes a new statewide program to perform mass-scale building energy efficiency audits and retrofits and build up the supply of skilled workers to meet the expected increase in green job opportunities. Critically, it also authorizes state agencies to create a new framework for financing retrofits, and encourages new groupings of stakeholders—from community groups to utilities—to work together towards successful implementation. The multi-dimensional Green Jobs Green New York plan channels a relatively small amount of state resources, a much larger amount of private lending capital, and potential federal stimulus dollars into a new statewide revolving loan fund for retrofits and expanded opportunities for green workforce development and job placement.

| Green Jobs-Green New York | |
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| Purpose: | To bring mass-scale to energy efficiency audits and retrofits, leverage private capital and expected energy savings to finance work, and expand quality job creation in the green economy |
| Lead entity: | State |
| Partners: | Nonprofit, workforce agencies, community groups, unions, utilities, and contractors |
| ARRA focus: | Energy Efficiency and Conservation Block Grant |
| Scale: | State |
| Strategies: | Reflects a long-term regional vision; adopts multi-jurisdictional and multi-sectoral approaches; catalyzes market and private investment |
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Green Jobs Green New York is the first multi-dimensional, mass-scale, statewide building energy efficiency plan for financing and recouping costs from energy efficiency audits and installations in a range of structures. The plan involves improving aspects of the existing state-run home audit program, initiating a new statewide revolving loan fund for retrofits, and introducing new green-focused workforce development across the state. Over the next five years, Green Jobs Green New York aims to retrofit at least 1 million buildings, reduce the energy consumption of participating households by 30–40 percent, save New Yorkers \$1 billion annually in energy costs, and create an expected 14,000 new clean energy jobs.

Successful implementation of the Green Jobs Green New York plan has required—and will continue to require—cross-institutional input and collaboration from multiple parties. The program concept—long discussed in the energy

policy arena—was developed by a broad collaborative of environmental, business, labor and grassroots groups, led by the New York-based nonprofit, the [Center for Working Families](#) (CWF). In May, CWF

[published](#) a detailed blueprint for a new state initiative, and the collaborative helped to shepherd [a bill](#) enacting the proposal through the state legislature this past spring and summer. Successfully adopted by the state legislature and signed into law by the governor, the Green Jobs Green New York Act calls for program implementation to be carried out by the [New York State Energy Research and Development Authority](#) (NYSERDA). Specifically NYSEDA will establish for a system of audits on a sliding-scale charging zero to one hundred percent of costs, and will create workplans based on the audits for retrofits that provide enough energy savings to repay their costs within eight to ten years. Under the same umbrella, NYSEDA will establish a new statewide revolving loan fund to finance energy efficiency retrofits and will work with New York State Department of Labor and a broad advisory group of contracting firms, community-based groups, unions and others to expand green contracting businesses by creating high-quality, regionally-oriented training and hiring pipelines. A competitive process run by NYSEDA will determine which communities participate in the new program, and it will explicitly promote cross-sector collaboration by requiring applicants to partner with local community groups, utilities, contractors, and labor and training organizations.

Seed funding for the new Green Jobs-Green New York comes from the [Regional Greenhouse Gas Initiative](#) (RGGI), a multi-state cap-and-trade market for greenhouse gas emissions operating in the Northeast and Mid-Atlantic. A total of \$112 million from RGGI has been allocated to the program.

Through its revolving loan fund, Green Jobs Green New York intends to catalyze private market investment in energy efficiency measures throughout the state. The fund will provide energy audit and retrofit loans that could gradually be repaid through a monthly surcharge on recipients' energy bills equivalent to the savings received from the added energy efficiency. At least fifty percent of the available loan funding will go to residential properties, with the rest going to non-profit organizations and small businesses. To provide a credit enhancement for investments in the revolving fund, the program will set up a separate loan loss reserve that would potentially draw on funds through the American Recovery and Reinvestment Act's competitive [Energy Efficiency and Conservation Block Grants](#) and the Department of Energy's [ARRA-authorized loan guarantee program](#).

A central element of the program design for Green Jobs Green New York is to align expected increases in retrofit demand with workforce development in green skills training. For this particular goal, CWF has taken a lead in conceptualizing a series of regionally-based green workforce networks, potentially corresponding to the general economic divisions of New York State (North Country, Central NY, Western NY, Capital Region, Southern Tier, and New York Metro). Each region will likely ultimately establish its own region-specific green hiring pipeline. Community groups, workforce agencies, and unions are currently strategizing to train qualified and interested residents in auditing, retrofitting, and small-scale renewable energy skills to build up a regional green worker hiring pool. In many regions, unions are poised to accept newly trained workers into their ranks. Contractors are moving to work with unions and other trainers to ensure that various training programs meet real industry needs and standards, hire from the established hiring pool, and pay collective bargaining wages in return for access to appropriately-skilled green professionals.

Green Jobs Green New York combines the goals of energy efficiency and workforce development; the mechanisms of revolving loan funds and competitive grants; and the roles of state government and regional and local entities. If the proposed program brings all these dimension together successfully in implementation, supporters say that it could serve as a national model for spurring a clean energy economy.

The Implementing ARRA Series

America's current economic crisis is not only a national crisis. It is also a metropolitan crisis. Therefore, it is critical to monitor the progress of creative metropolitan leaders who are leveraging the myriad resources provided by the \$787 billion American Recovery and Reinvestment Act of 2009 (ARRA). To that end, the Metropolitan Policy Program's Implementing ARRA Series is tracking the implementation work of metropolitan leaders, assessing their progress and struggles, and extracting from the innovators' experiences ideas for short- and long-term federal policy reforms. Ultimately it is hoped the series will serve as a resource for best-practice exchange among regions and a source of ideas for designing the next generation of metro-friendly federal policies.

For More Information

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