

We envision a residential building decarbonization industry that supports quality jobs, engages a qualified workforce, and provides stable career pathways for disadvantaged workers while simultaneously reducing greenhouse gas emissions and building more climate resilient communities.

The Challenge: California is rapidly moving to achieve critical climate goals, with major actions and investments focused on transitioning the state's buildings off of fossil fuels. Bay Area cities are modeling climate leadership in this transition by embracing residential building electrification policies; over 50 jurisdictions have adopted codes and policies that reduce reliance on natural gas in buildings.

Buildings account for 25% of California's total direct greenhouse gas emissions, with 14.5 million of these buildings being residential ([UCLA Luskin Center](#), 2019). Policies are increasingly focusing on transitioning existing buildings off of fossil fuels, making this an essential part of the decarbonization puzzle. As these policies go into effect and are expanded upon, the demand for a building decarbonization workforce focused on retrofitting existing buildings will increase significantly. Public investments are spurring this transition. The California Public Utilities Commission is overseeing a \$200 million investment in two pilot programs, BUILD and TECH, designed to cut carbon emissions through residential electrification. In addition, the California Energy Commission was granted \$922 million to administer the Equitable Building Decarbonization Program, which will reduce greenhouse gas emissions in homes and advance energy equity. Federal investments are following suit, with the passage of the Inflation Reduction Act marking the largest public investment in climate action to date.

This work will necessitate a robust workforce. Yet the current residential construction industry is largely defined by 'low road' practices including majority unpermitted work, low wages, lack of worker benefits, and low rates of worker organizing. Growth of the building decarbonization market could entrench an industry that exacerbates poverty and economic inequity in our region unless we take coordinated action to elevate the industry's standards.

The Opportunity: To uphold a vision of job quality and equitable job access in the emerging residential building decarbonization industry, Rising Sun Center for Opportunity is convening a High Road Training Partnership (H RTP), funded by the California Workforce Development Board. H RTPs are regional, industry-based, worker-focused partnerships that bring together management, workers, government, and communities to address critical issues of equity, job quality, worker voice, industry efficiency, and environmental sustainability, and to build skills for California's high road employers. More information is available in the California Workforce Development Board's [Essential Elements of High Road Training Partnerships](#).

Our [Bay Area Residential Building Decarbonization H RTP](#), which was formed in 2021, is composed of cities and government agencies, labor unions, employers, and advisors. It seizes a unique opportunity to shape job quality and provide career pathways for low-income communities of color in this emerging industry. Our project scope is focused specifically on small-scale (1-4 home unit) existing residential buildings in the Bay Area that will be retrofitted via publicly funded dollars. Our work initially focused on partnership development and formation. Supported by a variety of research initiatives, our work has evolved to emphasize policy advocacy for job quality and labor standards in this arena. Centering worker needs and worker justice drives each aspect of the partnership's work. By weaving equity and job quality into building decarbonization investments, we can ensure that the pursuit of climate resilience doesn't come at the expense of economic justice.

What is the High Road? As codified in California state labor law, 'high road' is defined as "a set of economic and workforce development strategies to achieve economic growth, economic equity, shared prosperity, and a clean environment." These strategies include but are not limited to, interventions that:

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

The [CWDB's High Road Framework](#) weaves together the three pillars of sustainability: Equity, Climate, and Jobs, with the goal of building resilient communities and environmental sustainability. By focusing efforts to increase equitable access to quality, skilled jobs in critical climate sectors, H RTPs aim is to unite California's climate and workforce agendas to achieve an ambitious economic vision: shared, sustainable prosperity.

What is a High Road Job? Based on the Partnership's collective investigation of the residential decarbonization sector, the Partnership developed the following definition of a High Road Job:

High Road jobs in the residential decarbonization sector retain and attract workers in this industry, improve the quality of work and persistence of energy savings, and improve the lives of workers and their families while serving their regional communities. A High Road residential decarbonization job provides prevailing wages with overtime; healthcare coverage that includes dependents, vision and dental; a pension or retirement savings plan with an employer match; paid time off; and opportunities for career advancement and skill development. A worker in a High Road residential building decarbonization job feels welcomed, safe, heard, included, and empowered with the assurance of support from supervisors and the organization, and the ability to contribute ideas that materially improve the quality of their job and vitality of their organization.

Specifically, a High Road residential decarbonization job:

- Provides residential prevailing wages.
- Provides a minimum of Covered California Silver Level health care coverage to employees and their dependents, paying at least 85% of the premium for their full time employees and at least 75% of the premium for family and dependents, if applicable. Vision and dental coverage are provided for the employee and their dependents.
- Offers a pension or retirement savings plan for full-time workers with an employer match of at least 3%.
- Provides a minimum of 22 days off per year for holiday, vacation, sick leave, or personal necessity, of which at least 12 are compensated.
- Offers opportunities for workers to participate in training for career advancement that does not take away from their paid work hours.
- Provides opportunities for both entry-level and experienced workers.

What is a High Road Contractor? According to the California Workforce Development Board, which leads the statewide High Road Training Partnership Initiative, “High Road employers pay family supporting wages, compete based on the quality of their services and products, and engage workers and their representatives in the project of building skills and competitiveness”¹. Based on these criteria and our collective investigation of the residential decarbonization sector, the Partnership developed the following definition of a High Road Contractor:

A High Road residential decarbonization contractor provides prevailing wages with overtime; healthcare coverage that includes dependents, vision, and dental; a pension or retirement plan with an employer match; and paid time off. For safety and maintaining a high quality of work, High Road residential decarbonization contractors are in compliance with all labor codes and laws, possess the necessary licenses and certifications, and are bonded and insured per California state requirements to perform their job within residential construction. In addition, they promote an inclusive and safe work environment, provide entry-level working opportunities, and offer pathways and training opportunities for workers to advance within their careers and obtain new certifications. A High Road residential decarbonization contractor also uplifts and employs workers from disadvantaged communities and maintains a workforce that represents and serves the community in which they work.

Specifically, High Road residential decarbonization contractors:²

- Pay residential prevailing wages (at a minimum) for all workers, and require that subcontractors do the same.
- Provide a minimum of Covered California Silver Level health care coverage to employees and their dependents, paying at least 85% of the premium for their full

¹ California Workforce Development Board, “CWDB High Road Framework”, accessed September 25, 2024, https://cwdb.ca.gov/wp-content/uploads/sites/43/2019/09/High-Road-ECJ-Brief_UPDATED-BRANDING.pdf

² Refer to the Partnership-recommended Labor Standards for additional detail.

time employees and at least 75% of the premium for family and dependents, if applicable. Vision and dental coverage are provided for the employee and dependents.

- Offer a pension or retirement savings plan for full-time workers with an employer match of at least 3%.
- By following prevailing wage requirements, or in addition to prevailing wage requirements as needed, provide a minimum of 22 days off per year for holiday, vacation, sick leave, or personal necessity, of which at least 12 are compensated.
- Prioritize hiring workers residing in Disadvantaged or Low Income Communities, including having at least one formal First Source Hiring Agreement with a Designated Training Provider with a proven track record of relevant, quality residential decarbonization training and providing career opportunities to priority populations.
- Provide work hours for both experienced workers and entry-level workers by ensuring that at least 30% of workers on each project installation are ‘experienced’ workers and by employing at least one ‘entry level’ worker on every project requiring three or more persons. For projects under 3 people, we recommend a ratio of 1:1.

Our Partnership Principles:

1. We believe that **dialogue with union partners and non-union residential contractors** is critical to understand current market dynamics, key opportunities, and barriers to systematically design and implement high road solutions
2. We are committed to building capacity and increasing access to the high road residential decarbonization market for **small, BIPOC, and women-owned residential contractors** and equipping them with the tools needed to become high road employers
3. We are committed to increasing equitable access to quality training and high road employment for **BIPOC, women, and other disadvantaged job seekers and workers**, and to facilitate connections with residential contractors who can offer high road opportunities
4. We aim to raise the job quality floor of the industry by **advocating for high road labor standards** in publicly-funded residential decarb programs, complemented by efforts to help employers meet these standards, and
5. We aim to **increase the participation of high road, union signatory contractors** in the residential decarbonization retrofit market

Partnership Goals include:

- Create a partnership infrastructure to lift up the residential building decarbonization industry in the Bay Area, by bringing together all stakeholders
- Leverage the partnership to understand building decarbonization job availability, workforce issues, and training needs, and to solve the workforce problems unique to the industry
- Establish high road labor standards that ensure that building decarbonization jobs in our region are quality jobs that offer family-supporting wages, benefits, job stability,

and advancement opportunities

- Ensure equitable access to high road, residential decarbonization career pathways for those who have been historically excluded from economic opportunities
- Enhance the competitiveness of high road building decarbonization employers

Our Partners: Our partnership brings together labor unions, employers, public agencies, workforce development actors, and community-based organizations. Rising Sun is the fiscal agent, convener, and project manager. The partnership is collaboratively co-led with labor, represented by the Construction Trades Workforce Initiative. Official Partners include:

- Construction Trades Workforce Initiative
- BayREN
- Building Electrification Institute
- City of San Francisco: Environment Department
- City of Berkeley: Office of Energy and Sustainable Development
- Emerald Cities Collaborative
- National Association of Minority Contractors
- nomada coaching & consulting
- Revalue
- Rising Sun Center for Opportunity
- StopWaste
- Contractor Representatives:
 - Bear Mechanical
 - Enso Building Solutions
 - KelAire Heating & Cooling
 - West Coast Green Builders
- SMW Local 104 Representative

Partnership Resources: Visit the Bay Area Residential Decarbonization High Road Training Partnership [website](#) to access the Partnership's recommended Labor Standards for the Residential Decarbonization sector, Job Quality and Labor Standards Toolkit, Public Programs Best Practices Guide, and research to support wage and benefit standards as a win, win, win strategy for workers, contractors, taxpayers, the climate, and the economy.

Rising Sun Center for Opportunity is a premier nonprofit organization working at the intersection of economic equity and climate resilience in the California Bay Area and San Joaquin County. Our workforce development programs specialize in preparing youth, women, and individuals in reentry for high-road careers and green pathways that offer family-sustaining wages. Since our founding in 1994, Rising Sun has served more than 3,000 youth and adults while helping nearly 60,000 households reduce their carbon footprint. Rising Sun's policy agenda advocates for equitable access to quality green career pathways while addressing the effects of climate change on vulnerable communities.