



BUILDING AN INCLUSIVE GREEN ECONOMY STRONG ENOUGH TO LIFT PEOPLE OUT OF POVERTY

## Summary of the Massachusetts Green Jobs Act of 2008

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In 2008, Governor Deval Patrick signed the groundbreaking *Act Relative to Green Jobs in the Commonwealth*, otherwise known as the “Green Jobs Act of 2008” (HB 5018, DiMassi).

The Green Jobs Act (the “Act”) is a praiseworthy bill that was developed through the efforts of policy leaders and community advocates. The Act brought together two previously separate bills, one authored by Senator Downing and another by Speaker of the House DiMasi. The bills were merged in the Joint Committee on Economic Development and Emerging Technology, under the leadership of Chairman Bosley. The Act’s pathways out of poverty component stemmed from the efforts of community advocates, led by the Massachusetts Green Jobs Coalition (MAGJC). The Act was passed unanimously in the House and Senate, signifying the need and timeliness of the bill.

The bill is a model for other states pursuing comprehensive green jobs legislation as it both stimulates the growth of green jobs and funds workforce training programs to fill those jobs. Notably, the bill creates a Clean Energy Technology Center, authorizes seed grants for green companies and workforce development programs, and explicitly creates a pathways out of poverty program that allows community-based organizations to be eligible for training grants. Details of the bill follow below.

### **SUMMARY OF THE BILL**

The Green Jobs Act creates the Massachusetts Clean Energy Technology Center (the “Center”).<sup>1</sup> The Center was formed and given the following duties:

- (i) Act as the state’s lead agency in promoting and developing jobs in the clean energy<sup>2</sup> sector;
- (ii) Promote research and workforce training in clean energy technology in state colleges and universities;
- (iii) Stimulate the creation and development of new clean energy ventures;
- (iv) Support existing clean energy companies;
- (v) Attract new capital and research facilities;
- (vi) Foster collaboration between industry, government, universities, and financial sectors;
- (vii) Conduct market research to identify barriers to creating and expanding a clean technology industry, including job training needs;

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<sup>1</sup> ALM GL ch. 23J, § 2 (2008)

<sup>2</sup> “Clean energy” shall mean “advanced and applied technologies that significantly reduce or eliminate the use of energy from non-renewable sources, including but not limited to: energy efficiency, demand response, energy conservation and those technologies powered in whole or in part by the sun, wind, water, biomass, alcohol, wood, fuel cells, or any renewable or non-depletable or recyclable fuel.” ALM GL ch. 23J, § 1 (2008)

- (viii) Support demonstration projects that are evaluated by independent, peer-review research institutions;
- (ix) Serve as the state's clearinghouse for information on clean energy industry; and
- (x) Promote programs and investments that lead to pathways toward economic self-sufficiency for low and moderate income communities in the clean energy industry; and
- (xi) Perform other actions necessary to effectuate the state's public interests.

The Alternative and Clean Energy Investment Trust Fund (the "Fund")<sup>3</sup> was created to support and fund the Center's mission to:

- (1) Stimulate increased financing for the expansion and construction of research and development facilities;
- (2) Provide matching grants to state educational institutions to develop clean energy and clean energy technology curriculum;
- (3) Make targeted investments in clean energy research and promote manufacturing activities for advanced clean energy technologies;
- (4) Make matching grants to universities, colleges, public instrumentalities, companies, and other entities to induce the federal government, industry, and other grant-funding sources to fund the expansion of research and development in clean energy;
- (5) Provide bridge financing to entities in clause (4) in anticipation of grant receipt; and
- (6) Promote programs and investments that lead to pathways towards economic self-sufficiency for low- and moderate-income communities in the clean energy industry. Such programs shall prioritize investments that serve individuals in families with incomes that do not exceed 300% of the federal poverty level.

The Center's board of directors will administer the Fund and ensure that monies are invested in ways that grow the state's clean energy economy. The board members will represent an array of governmental and educational institutions and private industries, including representatives from the offices of energy and environmental affairs, housing and economic development, labor and workforce development, the University of Massachusetts, community colleges, experts in clean energy working in engineering or science, business, and investment. The board of directors will also consult with an advisory committee, consisting of experts in clean energy who work in research and development, business and investment, policy, and curriculum development and workforce training.

The Green Jobs Act allocates \$100,000 from the Fund to commission a study. The study will include projections of the clean energy sector's future workforce needs, growth rate, levels of private investments, renewable energy and energy efficiency opportunities on existing state property, and the future funding requirements of the Massachusetts Clean Energy Technology Center. The study is due by February 2009.

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<sup>3</sup> ALM GL ch. 10, § 35FF, Sec. 2 (2008)

The Green Jobs Act also authorizes the Secretary to allocate \$1 million for each of the three following projects:

- (i) A seed grant program to clean energy companies, institutions, or nonprofits organizations;
- (ii) A workforce development grant program to the state's higher education institutions, vocational technical schools, or community based organizations that have existing workforce programs in clean energy industry skills or the capacity to develop such programs; and
- (iii) A pathways out of poverty initiative that shall award five competitive grants to clean energy companies, community-based nonprofits organizations, educational institutions, or labor organizations for training programs associated with the clean energy industry that lead to economic self-sufficiency.

Reports detailing the expenditures of these three funds are due by May 30, 2009.

This Act is exemplary because it makes a large monetary commitment to developing and strengthening green industries. It also created the Center to lead the state in developing and promoting jobs in the clean energy sector and oversee the strategic use of state funds in support of that sector. The Act explicitly required a study to analyze the state's existing green sector landscape and future needs. This study will help ensure that the state makes strategic investments into the clean energy sector and effectively grows its workforce to meet the demands created by the new clean energy jobs.

### **ADDITIONAL IDEAS FOR POLICYMAKERS WHO ARE INTERESTED IN USING THE MASSACHUSETTS GREEN JOBS ACT MODEL**

Due to timing constraints, Massachusetts' policymakers and community advocates agreed to refrain from making last minute amendments which would have required that training programs work with employers and provide trainees with career pathways. This strategic decision allowed the Act to pass both houses unanimously during the 2008 legislative session and, by extension, receive funding from the general fund. Advocates for the bill knew that there would be an opportunity to achieve the goals of the postponed amendments during the grants process and, subsequently, in the reauthorization of the Act.

Policymakers and advocates should perhaps consider including the language of the grant application directly into the legislation. The following are some potential ways to strengthen legislative language directly.

- The legislative language in the Act does not require workforce training entities to collaborate with employers or economic development programs. Workforce training programs that operate without engaging businesses risk training workers for jobs that do not exist in sufficient numbers. This gap was addressed in the Massachusetts' Pathways Out of Poverty Grant Program, which invites

organizations to submit funding proposals to train workers for jobs in the clean industry. The program's Request for Response (RFR) encourages applicants to partner with at least two employers and, if the employers hire union workers, the labor union representing those workers. Policymakers may consider including language in the bill that encourages or mandates training programs to work with employers. By including this provision, the policy increases the likelihood that trainees will have access to employment after the training program ends.

- The Act requires that the pathways out of poverty training funds be used for training programs that lead to economic self-sufficiency. This language is an important mechanism that helps ensure that entering trainees are trained for employment that meets job quality standards. Policy makers may also consider adding language that requires training programs that help trainees access career tracks so that they have opportunities to advance in pay and skill. The Pathways Out of Poverty Program's RFR recommends that applicants include career pathway elements so that trainees will have the necessary career coaching, skills and education to progress in the occupation or industry. Policymakers and community advocates that use the Massachusetts Green Jobs Act as a model should also consider incorporating the state's RFR language into their policy proposals.
- As it stands, the Green Jobs Act does not require that entities receiving subsidies from the Fund, such as clean technology businesses, companies hired for the construction or expansion of projects, or recipients of grants authorized by the Act, abide by defined labor standards or provide other community benefits. State policy makers or community advocates that want to implement an act similar to this one should consider proposing that grant recipients honor labor standards (such as prevailing wage/benefits and job creation) and provide community benefits (such as first-source hiring and funded apprenticeship programs) in their policy.

States that are interested in implementing policies similar to the Massachusetts Green Jobs Act may consider including the aforementioned points in their own policy proposals. Even without these changes, however, the Massachusetts Green Jobs Act is a good one and deserving of praise and emulation.