

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 3340	Department California Conservation Corps	Priority No. 003
Budget Request Name 3340-302-BR-BCP-2016-A1		Program 2360 – TRAINING & WORK PROG	Subprogram 2360010 – BASE & FIRE CTRS

Budget Request Description
 CCC Energy Corps – Position Authority

Budget Request Summary

The California Conservation Corps (CCC) is requesting one permanent (1.0) Career Executive Assignment (CEA) position authority to oversee the daily operations of the new \$15.0 million Greenhouse Gas Reduction Fund (GGRF) Energy Corps Program that is included in the 2016-17 Governor's Proposed Budget. The GGRF Energy Corps Program will help the state meet its Greenhouse Gas Emissions (GHGE) reduction targets, save energy, and train young adults to perform energy conservation work and provide pathways to employment. The CCC's GGRF Program would reduce Greenhouse Gas Emission (GHGE) from public buildings located throughout California (at least 60 percent of these public buildings will be within Cal EPA designated Disadvantaged Communities). This position will be funded within the \$15.0 million appropriated in 2016-17, and made available through June 30, 2019. Starting in FY 2019-20, CCC is requesting \$137,000 in permanent expenditure authority, as this position will be funded by the Collins Dugan Reimbursement Account through sponsor reimbursement contracts on energy projects.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>[Signature]</i>	Date 3.24.16	Reviewed By <i>[Signature]</i>	Date 3/24/16
Department Director <i>[Signature]</i>	Date 3/24/16	Agency Secretary <i>[Signature]</i>	Date 3/28/16

Department of Finance Use Only

Additional Review: Capital Outlay LITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

Original Signed by PPBA Amanda Martin	Date submitted to the Legislature 4-1-16
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Analysis of Problem

A. Budget Request Summary

The California Conservation Corps (CCC) is requesting one permanent (1.0) Career Executive Assignment (CEA) position authority to oversee the daily operations of the new \$15.0 million Greenhouse Gas Reduction Fund (GGRF) Energy Corps Program that is included in the 2016-17 Governor's Proposed Budget. The GGRF Energy Corps Program will help the state meet its Greenhouse Gas Emissions (GHGE) reduction targets, save energy, and train young adults to perform energy conservation work and provide pathways to employment. The CCC's GGRF Program would reduce Greenhouse Gas Emission (GHGE) from public buildings located throughout California (at least 60 percent of these public buildings will be within Cal EPA designated Disadvantaged Communities). This position will be funded within the \$15.0 million appropriated in 2016-17, and made available through June 30, 2019. Starting in FY 2019-20, CCC is requesting \$137,000 in permanent expenditure authority, as this position will be funded by the Collins Dugan Reimbursement Account through sponsor reimbursement contracts on energy projects.

B. Background/History

Implementation of the California Global Warming Solutions Act of 2006 (AB 32) includes measures that achieve real, quantifiable, cost-effective reductions of GHG emissions and return California to 1990 emission levels by 2020. Since 2006, the State has continued to steadily implement a set of actions that are driving down GHG emissions, cleaning the air, diversifying the energy and fuels that power our society, spurring innovation in a range of advanced technologies and improving natural resource health statewide.

These efforts have put California on course to achieve the 2020 emissions limit, and have created a framework for ongoing climate action that can be built upon to maintain and continue reductions beyond 2020. In addition to the near-term GHG emission reduction goals established in AB 32, mid-term and longer-term GHG emission reduction targets have been established in Executive Orders B-30-15 and S-3-05 to reduce greenhouse gas emissions by 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050, respectively.

The Greenhouse Gas Reduction Fund (GGRF - funded by the Cap-and-Trade Program generated Auction Proceeds, authorized by AB 32) has been established for the purpose of funding measures that allow California to achieve its GHG reduction goals, furthering the purposes of AB 32. In addition, SB 535 (de León, Chapter 830, Statutes of 2012) requires that twenty-five percent of GGRF funds are spent to benefit designated disadvantaged communities, and ten percent must be spent within disadvantaged communities.

The 2016-17 Governor's Proposed Budget includes CCC's GGRF Energy Program. This program would focus on GHGE reductions for public buildings located throughout California. To date, these facilities have not had their Energy Efficiency (EE) and/or Water Conservation (WC) needs sufficiently addressed by other funding sources (e.g., Proposition 39, EPIC, CPUC funded incentive programs). The CCC's GGRF Energy Corps Program request includes the following components:

1. GGRF Energy Crews and Associated Staffing: \$9.537 million to fund eleven (11) CCC crews (110 corpsmembers) and 24 civil service Personnel Years (PY), necessary for those crews' training, support, and deployment to public buildings throughout the State. The crews will be deployed to the above-referenced public buildings where they will:
 - a. perform 'whole building' Energy Efficiency (EE) and Water Conservation (WC) Surveys (Audits) while simultaneously:
 - i. directly installing proven EE and WC measures that save energy and reduce GHGE; and,
 - ii. conducting EE and WC education and outreach to facilities managers, and
 - b. identifying, scheduling, and performing more extensive (labor-intensive) EE and WC retrofit projects that save energy and reduce GHGE.

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2. GGRF Energy Crew Direct Project Costs: \$5.463 million to fund the acquisition of vehicles, materials and supplies and equipment necessary to carry out 'on-demand' retrofit installations and to fund contract services that are required to analyze the data collected by the CCC in the field.

The 24 civil service positions in the 2016-17 GGRF proposal consist of managerial, field, and support staff. After further discussing strategies on how to effectively implement this Program, CCC concluded it would need a CEA (Deputy) position to manage the daily operations, critical to meeting the objectives and goals of the Energy Corps Program.

C. State Level Considerations

The Legislature has recognized "that the California Conservation Corps provides an invaluable service" and has expressed its intent "that all state agencies look to the corps first to perform those projects that meet the mission of the corps." (Pub. Res. Code, §§ 14002 and 14000(f).) The Legislature and the voters – through the passage of measures such as AB 32 and its enacting statutes, Propositions 1 and 39, and the Warren-Alquist State Energy Resources Conservation and Development Act – have expressed their intent that California should set a goal of maximizing the energy and water efficiency of its public buildings and reducing GHGE in the process. To meet this goal, the State will have to undertake multiple energy and water efficiency projects. As these projects meet the mission of the corps, all state agencies undertaking them will have to look first to the CCC and then "use the corps to the maximum extent feasible." (Pub. Res. Code, § 14315(b); see also, id., at § 14000(f).)

D. Justification

Over the past three years, CCC has significantly expanded its reach with its Energy Corps Program providing schools and public buildings with energy audits and retrofits. With Prop 39 funds, the CCC added 100 corpsmembers (equivalent to 10 crews) and approximately 27.0 staff members, the majority comprising of direct corpsmember supervisors, and three staff at Headquarters that provide program oversight and coordination of school district applications. All management and day-to-day operations of direct oversight of the corpsmembers and logistics, including but not limited to: budgets, human resources, time tracking, corpsmember training and education of Prop 39, are being absorbed within existing staff and centers.

With the addition of GGRF, the Energy Corps Program will further expand to add 110 corpsmembers (11 crews), and again the majority of staff will provide direct supervision to the crews. Because our current CCC centers are already at or near capacity for corpsmembers and traditional resource work projects, the CCC has recently decided to create four CCC Energy hubs throughout California to serve Prop 39, GGRF, and other sponsored contracts. Because of the requirements of GGRF as they relate to the Air Resource Board's requirements for this funding, the four centers will be located in more urban areas.

With the new CCC Administration, greater emphasis has been placed on developing efficiencies within the CCC operations to continue its expansion of sponsored contracts. This request to realign the Energy Corps Program is an example of increasing efficiencies. These energy hubs will not be new centers to the CCC, but a conversion of existing satellite sites in the more urban locations. Energy corpsmembers will still be trained in traditional resource emergency response and the other CCC initial training curriculum, as well as be provided educational opportunities offered to traditional corpsmembers, but the focus of these centers will be on-the-job training in all aspects of the industry associated with energy efficiency.

This new model will require an additional CEA (Deputy) position at the CCC to facilitate this transition and to manage the expansion of the Energy Corps Program from the Executive team level. The CCC currently has a Governor's Exempt Position to deal with Energy Program Development, but this CEA position will oversee the operations of four centers and its support staff comprising of 51 staff members

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and 210 corpsmembers. Funding for this position (approximately \$137,000 annually) will be redirected from the \$15.0 million appropriated for the GGRF Energy Corps Program, specifically from the \$5.463 million appropriated to fund Direct Program Costs.

As the GGRF funding expires on June 30, 2019, the CEA position will continue to oversee the Energy Corps Program, as sponsor reimbursement contracts to solicit new/continuing energy surveys and retrofits will generate sufficient reimbursements that will also fund this CEA position.

E. Outcomes and Accountability

The CCC will recruit and hire a qualified CEA (Deputy) who will provide the Executive Team with weekly status reports to ensure all deliverables identified in the GGRF proposal will be completed within prescribed time periods:

- EE and WC Energy Opportunity Surveys
 - Comprehensive EE and WC Data Collection
 - Direct Installs of EE and WC Measures
 - Dissemination of Best Practices to Facility Managers
 - EE and WC Survey Reports & Recommendations
 - Estimated EE Savings and GHGE Reductions
 - GHGE Reductions Resulting from WC Savings
 - Estimated GHGE Reductions Resulting from EE “Direct Installs” During Surveys
- EE and WC Retrofits
 - EE and WC Retrofit Installation Projects
 - GHGE Reductions Resulting from EE Retrofit Installations
- All Required Program Reports Submission

We anticipate these deliverables to continue after GGRF funding expires to track the Energy Corps Program’s measurable outcomes.

F. Analysis of All Feasible Alternatives

Alternative A: Approve this proposal, as specified.

Pros:

- Allows the CCC to have the resource to effectively implement the GGRF Energy Corps Program.
- No funding impact, as this position will be funded within the \$15.0 million GGRF appropriation.
- No General Fund impact ongoing, as position will be funded by sponsor reimbursement contracts.

Cons:

- Increases the growth of state government.

Alternative B: Deny this proposal.

Pros:

- No increase to position authority.

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Cons:

- Lack of central oversight of a program of this magnitude will create inefficiencies in the implementation and management of the Energy Corps Program, thereby resulting in potentially not meeting some critical deliverables.

Alternative C: Redirect existing resources to address this proposal.

Pros:

- No increase to cost or position authority.

Cons:

- Redirects resources from other critical workload activities.
- No positions can be redirected, as vacancies are currently in the process of being advertised and/or backfilled.
- Position allocation is in line with current workload needs and corpsmember population.

G. Implementation Plan

Upon approval of this request, CCC will begin recruitment of the CEA (Deputy) position to fill effective July 1, 2016.

H. Supplemental Information

N/A

I. Recommendation

Approve Alternative A: Approve the requested position authority effective July 1, 2016 to provide effective management and oversight of the multi-million dollar-funded GGRF Energy Corps Program, as well as ongoing management of the Energy Corps Program.

BCP Fiscal Detail Sheet

BCP Title: CCC Energy Corps - Position Authority

DP Name: 3340-302-BCP-DP-2016-A1

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages						
Earnings - Permanent	0	288	0	0	96	96
Total Salaries and Wages	\$0	\$288	\$0	\$0	\$96	\$96
Total Staff Benefits	0	123	0	0	41	41
Total Personal Services	\$0	\$411	\$0	\$0	\$137	\$137
Operating Expenses and Equipment						
539X - Other	0	-411	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$-411	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$0	\$0	\$0	\$137	\$137

Fund Summary

Fund Source - State Operations						
0318 - Collins-Dugan Calif Conservation Corps Reimbursement Acct	0	0	0	0	137	137
Total State Operations Expenditures	\$0	\$0	\$0	\$0	\$137	\$137
Total All Funds	\$0	\$0	\$0	\$0	\$137	\$137

Program Summary

Program Funding						
2360010 - Training and Work Program--Base and Fire Centers	0	0	0	0	137	137
Total All Programs	\$0	\$0	\$0	\$0	\$137	\$137

Personal Services Details

		Salary Information							
Positions	Min	Mid	Max	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
-				0.0	1.0	1.0	1.0	1.0	1.0
Total Positions				0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4			
-	0	288	0	0	96	96			
Total Salaries and Wages	\$0	\$288	\$0	\$0	\$96	\$96			
Staff Benefits									
5150150 - Dental Insurance	0	123	0	0	41	41			
Total Staff Benefits	\$0	\$123	\$0	\$0	\$41	\$41			
Total Personal Services	\$0	\$411	\$0	\$0	\$137	\$137			