

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

| | | | |
|--|-----------------------|--|-------------------------------------|
| Fiscal Year 2016/17 | Business Unit 3360 | Department California Energy Commission | Priority No. |
| Budget Request Name 3360-010-BCP-DP-2016-GB | | Program ADMINISTRATION | Subprogram ADMINISTRATION |

Budget Request Description
 AB 865 (Alejo) Diversity Outreach Program

Budget Request Summary

This proposal requests authority for one permanent position and \$135,000 from the Energy Resources Programs Account (ERPA) to implement Assembly Bill 865 (Alejo, Chapter 583, Statutes of 2015) and develop a diversity outreach program and strategy to inform qualified businesses about workshops, trainings, funding opportunities, and relevant programs; establish new policies and procedures; perform additional outreach and tracking to increase diversity of award applicants; and to create and implement the Diversity Task Force.

| | | |
|--|--|------|
| 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 No | Code Section(s) to be Added/Amended/Repealed | |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.

FSR 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 | Date | Reviewed By <i>W. Wail</i> | Date <i>11/17/15</i> |
| Department Director <i>[Signature]</i> | Date <i>11-18-15</i> | Agency Secretary <i>[Signature]</i> | Date <i>10/10/15</i> |

Department of Finance Use Only

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

BCP Type: Policy Workload Budget per Government Code 13308.05

| | | |
|------|--------------------------------------|--|
| PPBA | Original Signed By: Ellen Moratti | Date submitted to the Legislature <i>1/7/16</i> |
|------|--------------------------------------|--|

BCP Fiscal Detail Sheet

DP Name: 3360-010-BCP-DP-2016-GB

BCP Title: Diversity (AB 865)

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 | 70 | 70 | 70 | 70 | 70 |
| Total Salaries and Wages | \$0 | \$70 | \$70 | \$70 | \$70 | \$70 |
| Total Staff Benefits | 0 | 30 | 30 | 30 | 30 | 30 |
| Total Personal Services | \$0 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Operating Expenses and Equipment | | | | | | |
| 5301 - General Expense | 0 | 9 | 9 | 9 | 9 | 9 |
| 5302 - Printing | 0 | 2 | 2 | 2 | 2 | 2 |
| 5304 - Communications | 0 | 4 | 4 | 4 | 4 | 4 |
| 5306 - Postage | 0 | 2 | 2 | 2 | 2 | 2 |
| 5320 - Travel: In-State | 0 | 4 | 4 | 4 | 4 | 4 |
| 5322 - Training | 0 | 2 | 2 | 2 | 2 | 2 |
| 5324 - Facilities Operation | 0 | 10 | 10 | 10 | 10 | 10 |
| 5346 - Information Technology | 0 | 2 | 0 | 0 | 0 | 0 |
| Total Operating Expenses and Equipment | \$0 | \$35 | \$33 | \$33 | \$33 | \$33 |
| Total Budget Request | \$0 | \$135 | \$133 | \$133 | \$133 | \$133 |
| Fund Summary | | | | | | |
| Fund Source - State Operations | | | | | | |
| 0465 - Energy Resources Programs Account | 0 | 135 | 133 | 133 | 133 | 133 |
| Total State Operations Expenditures | \$0 | \$135 | \$133 | \$133 | \$133 | \$133 |
| Total All Funds | \$0 | \$135 | \$133 | \$133 | \$133 | \$133 |
| Program Summary | | | | | | |
| Program Funding | | | | | | |
| 9900100 - Administration | 0 | 135 | 133 | 133 | 133 | 133 |
| Total All Programs | \$0 | \$135 | \$133 | \$133 | \$133 | \$133 |

Personal Services Details

Positions
 4800 - Staff Svcs Mgr I (Eff. 07-01-2016)

Total Positions

Salaries and Wages
 4800 - Staff Svcs Mgr I (Eff. 07-01-2016)

Total Salaries and Wages

Staff Benefits
 5150350 - Health Insurance
 5150600 - Retirement - General

Total Staff Benefits

Total Personal Services

| Salary Information | | | | | | | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|
| 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 |
| | | | 0.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| CY | BY | BY+1 | BY+2 | BY+3 | BY+4 | | | |
| 0 | 70 | 70 | 70 | 70 | 70 | 7 | | |
| \$0 | \$70 | \$70 | \$70 | \$70 | \$70 | \$7 | | |
| 0 | 8 | 8 | 8 | 8 | 8 | | | |
| 0 | 22 | 22 | 22 | 22 | 22 | 2 | | |
| \$0 | \$30 | \$30 | \$30 | \$30 | \$30 | \$3 | | |
| \$0 | \$100 | \$100 | \$100 | \$100 | \$100 | \$10 | | |

Analysis of Problem

A. Budget Request Summary

This proposal requests authority for one permanent position and \$135,000 from the Energy Resources Programs Account (ERPA) to implement Assembly Bill 865 (Alejo, Chapter 583, Statutes of 2015) and develop a diversity outreach program and strategy to inform qualified businesses about workshops, trainings, funding opportunities, and relevant programs; establish new policies and procedures; perform additional outreach and tracking to increase diversity of award applicants; and to create and implement the Diversity Task Force.

The Energy Commission is currently conducting outreach to increase the participation of women, minority, and disabled veteran owned businesses in applying for and receiving grants and loans under the Electric Program Investment Charge (EPIC) and Alternative and Renewable Fuel and Vehicle Technology (ARFVT) programs. The Energy Commission is also in the planning and development stage of creating a comprehensive, organization-wide approach for all Energy Commission programs. These efforts, and the new requirements under AB 865, require a full-time designated diversity program lead.

B. Background/History

In 2014, the Energy Commission worked to comply with the spirit of Assembly Bill 340 (Bradford, Vetoes, 2013) in implementing the EPIC program and other programs. A more detailed report on these activities was included in the EPIC Annual Report, which was filed with the California Public Utilities Commission (CPUC) at the end of February 2015, and with the Legislature in April 2015.

As outlined in Energy Commission Chair Robert Weisenmiller's November 17, 2013, letter to the CPUC, the Energy Commission is committed to:

- Initiating an outreach plan to ensure that women, minorities, and disabled veterans know about and understand how to participate in EPIC activities, especially solicitations for projects.
- Targeting particular geographic regions within the state (e.g., energy efficiency retrofits in economically depressed communities) for certain program activities (e.g., job training).
- Including initiatives related to low-income communities in the Energy Commission's proposed EPIC Investment Plan.
- Tracking, monitoring, and reporting on the participation of businesses owned by women, minorities, and disabled veterans.

In 2014, the Energy Commission began implementing activities in support of these efforts. This included conducting a number of outreach activities to inform stakeholders about funding opportunities and preparing successful proposals. Looking forward in 2015, the Energy Commission will continue to enhance the efforts started in 2014 and will implement new activities to ensure that participation in the EPIC program reflects the rich and diverse characteristics of California and its people.

The Energy Commission has extended these commitments beyond the EPIC program. For example, the Energy Commission has taken significant steps to increase the diversity of applicants to the ARFVT program, including outreach to disadvantaged and underrepresented communities, educational public workshops in geographically targeted communities, and targeted solicitations to disadvantaged and underrepresented communities.

AB 865 requires the Energy Commission to exceed current efforts and specifically requires the Energy Commission to develop and implement a new outreach program and to track the diversity of award recipients. The Energy Commission annually awards nearly a quarter of a billion dollars in hundreds of individual contracts, grants and loans. The tracking requirement alone will be a significant workload for the Energy Commission.

Analysis of Problem

C. State Level Considerations

Establishing a Diversity Outreach Program is consistent with the goals stated in the Energy Commission's strategic plan: promoting renewable energy, fostering innovation to create new energy solutions, and enhancing health, economic well-being and environmental quality. The Diversity Outreach Program will increase information and opportunities for women; minority; disabled veteran; and lesbian, gay, bisexual, and transgender (LGBT) owned business enterprises in the energy sector.

Although other state departments will not be directly affected by this program, it is anticipated that outreach efforts will affect those state departments that the Energy Commission works closely with, such as the California Air Resources Board and the CPUC. The goals and objectives of these departments require close collaboration in policy recommendations and award funding. Much of the outreach from the Diversity Outreach Program would benefit programs from these departments and offer the opportunity to follow the lead of the Energy Commission in future outreach activities.

D. Justification

To comply with the requirements of AB 865, one permanent Staff Services Manager I position is requested to develop and implement a Diversity Outreach Program and strategy to inform qualified businesses about workshops, trainings, funding opportunities, and relevant programs; establish new policies and procedures; perform additional outreach and tracking to increase diversity of award applicants; and to create and implement the Diversity Task Force.

Specific responsibilities of the Staff Services Manager I:

- Lead the Diversity Outreach Task Force
 - Coordinate and lead staff meetings
 - Coordinate outreach efforts between programs
- Track the diversity of award recipients
- Establish new policies and procedures related to diversity outreach
- Develop strategies to inform qualified businesses about workshops, trainings, funding opportunities, and relevant programs (Diversity Outreach Program)
- Implement the Diversity Outreach Program
- Develop outreach materials
- Perform additional outreach to increase diversity of award applicants
- Maintain and update contact information for applicable businesses and business groups
- Plan and hold outreach events
- Attend workshops and trainings for funding opportunities and relevant programs
- Respond to information requests

If this request is not approved, the Energy Commission's diversity outreach efforts will be a piecemeal effort conducted by staff from various offices and divisions without clear leadership or guidance. The work related to tracking the diversity of award applicants will be absorbed by Energy Commission Agreement Officers instead of being coordinated through one lead person which may lead to inconsistency.

E. Outcomes and Accountability

The Energy Commission recognizes the lack of diversity in the energy sector and will develop a comprehensive outreach program to build on existing efforts to increase the diversity of the grant, loan and contractor applicant pool. Expected outcomes from the Diversity Outreach Program include:

Analysis of Problem

expanded participation in contract, grant and loan programs by targeted diversity groups; improved marketing and outreach to specific geographic regions and disadvantaged communities; establishment of a Diversity Task Force capable of making recommendations regarding diversity in the energy industry and promoting local and targeted hiring; and developing a data collection and monitoring system to accurately track the diversity of funding agreements and maintaining a database of diversity-based groups.

Accountability of the Diversity Outreach Program will be tracked through the Energy Commission's annual workplan process that will identify program goals and objectives, outcomes and deliverables, and milestones and schedules. The Diversity Outreach Program lead will meet with management regularly to provide status reports, receive direction and feedback, and make adjustments as needed.

F. Analysis of All Feasible Alternatives

1. No action: implement the Diversity Outreach Program with existing resources. While a cost effective option, existing staff do not have the capacity to absorb the additional workload to effectively implement the new requirements of AB 865. Existing outreach efforts would likely fall short of the goals of AB 865.
2. Provide funding for a contract with an outside entity. The Energy Commission could contract with an outside organization to lead the Energy Commission's diversity outreach efforts. This approach would provide resources to address the outreach workload but contracting for these types of services are generally more expensive than utilizing civil service positions. Additionally, it is against state policy to contract out services that can be performed by civil servants.
3. Authorize one permanent position to develop and implement a Diversity Outreach Program and strategy to inform qualified businesses about workshops, trainings, funding opportunities, and relevant programs; establish new policies and procedures; perform additional outreach and tracking to increase diversity of award applicants; and to create and implement the Diversity Task Force.

G. Implementation Plan

Upon approval of this proposal, the Energy Commission will recruit to fill the position in July 2016. The incumbent will immediately begin work to lead diversity outreach efforts; will establish a process for tracking the diversity of contractors, loan recipients, and grant recipients; and will create and implement a Diversity Task Force.

H. Supplemental Information

None.

I. Recommendation

The recommended alternative is #3. Authorize one permanent position to lead diversity outreach efforts for the Energy Commission.

**Diversity Outreach Program
Workload Documentation**

| FY 2016-17: 1 new position to develop and implement the Diversity Outreach Program | Staff Services Manager I (1 position) (12 months hours) |
|---|--|
| Lead the Diversity Outreach Task Force | |
| -Coordinate and lead staff meetings | 150 |
| -Coordinate outreach efforts between programs | 100 |
| Establish new policies and procedures related to diversity outreach. Develop strategies to inform qualified businesses about workshops, trainings, funding opportunities, and relevant programs (Diversity Outreach Program). | 200 |
| Implement the Diversity Outreach Program. | 300 |
| Plan, host and attend outreach events. | 200 |
| Attend workshops and trainings for funding opportunities and relevant programs. | 100 |
| Develop outreach materials. | 150 |
| Track the diversity of award recipients. | 300 |
| Perform additional outreach to increase diversity of award applicants. | 100 |
| Respond to information requests. | 100 |
| Maintain and update contact information for applicable businesses and business groups. | 76 |
| TOTAL STAFF HOURS | 1,776 |
| STAFF PY @ 1,776 Hours/PY | 1.0 |

ADMINISTRATIVE AND FINANCIAL MANAGEMENT SERVICES DIVISION

