

Attachment C



San Francisco Bay Area Green Business Program

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Date: November 16, 2012

To: Hazardous Waste Management Facility Allocation Committee
Technical Advisory Committee

From: Ceil Scandone, Regional Coordinator

Re: Green Business Program Update

Introduction

The passage of AB 913, which established the California Certified Green Business Program, was greeted as a significant step towards accelerating the ongoing expansion of the Green Business Program throughout the state. Benefits were expected to include forging a statewide identity that takes advantage of the Program's new official status, lending it greater visibility among businesses and consumers, and providing a solid foundation for supportive collaboration with state agencies interested in effective outreach to small businesses. Local and regional program coordinators recognized that accomplishing these objectives would still require a great deal of work on their part, however there was strong commitment to working with staff at the Department of Toxic Substances Control, the state agency given responsibility for implementation of AB 913, towards orderly expansion.

Since the May 2012 Committee meeting, it has become increasingly clear that the financial and in-kind staff support we expected to continue receiving from the Department of Toxic Substances Control (DTSC) has eroded even more significantly than anticipated at that time, at least in the short term. In particular, the Program is facing loss of funding after June 30, 2013 for the maintenance and hosting of the online database system all programs use to manage the certification process, measure the results, and provide directory listings.

Local and regional staff have been working with Bay Area partners, other programs in the network and DTSC to identify and secure funding for the database, and to create the more formal governance structure for the network that potential funders may require.

This memo will summarize the status of local programs, the situation at DTSC, and the efforts staff has undertaken, in partnership with Bay Area coordinators and partners throughout the Network to secure funding for the database.

Staff is requesting approval for minor budget adjustments to cover expenses that were unanticipated when the budget was approved in May.

Status of Local and Regional Programs

Local:

In the short term, local budget shortfalls, the general economic climate, and the time many have spent on Network – related tasks have constrained existing Programs. Those with adequate funding and staffing report that while interest remains strong, certification numbers are lagging. This may partly be due to strengthened standards that require businesses to retrofit inefficient lighting systems and restroom fixtures. Businesses may not have the resources, at this time, to cover retrofit costs.

Some local programs have actually or virtually shut down. The San Mateo County Program has been on hiatus for the past 18 months, while it sought support from San Mateo City / County Association of Governments. It expects to resume in January 2013 with a contractor rather than a staff coordinator. Sonoma County lost its coordinator in March 2012 and is just now interviewing for her replacement. The Marin County coordinator has fewer hours to allocate to the Program and Solano County has struggled to regain its momentum.

On the plus side, partners in Alameda, Contra Costa, Napa, San Francisco and Santa Clara counties have continued their financial and in-kind support. Coordinators in those counties have had the capacity to participate in efforts to define and shape the future of the California Green Business Program, and to help with the ongoing refinement of the database system, both time-consuming endeavors.

Regional:

At the regional level, I continue to work closely with Bay Area county coordinators to facilitate the Bay Area Green Business Program. In addition, I participate in strategy meetings to shape the statewide program, and help to secure funding for the database and local energy auditing needs.

Conversations with local certification partners, have been undertaken, to ensure their ongoing financial and in-kind support, with some notable successes. The Bay Area Air Quality Management District resumed funding for the Program this year. They have contributed \$10,000 as a contribution to Database maintenance.

After meeting with numerous PG & E conservation, government affairs, and management staff, and with assistance from Alameda County coordinator, Pamela Evans, and ABAG's Assistant Executive Director and POWER manager, we are pleased to report that PG & E included in the current CPUC filing for 2013/14, funding for the Bay Area Green Business Program as part of ABAG's Local Government Energy Action Resources Program. The request was for \$75,000 per year. That sum is intended to provide up to \$5,000 per year for each Bay Area county program to cover the costs of energy audits for smaller businesses, and \$30,000 per year to support the database. The CPUC approved the filing. The next step will be to get a contract in place to cover the specifics.

Department of Toxic Substances Control

The Department of Toxic Substances Control was named in AB 913 at the state agency responsible for establishing the California Green Business Program. Their roles included assisting the Network in implementing guidelines and structures that would promote consistency among programs across the state; financial and in-kind support for maintenance and enhancement of the database; establishing closer ties with other state agencies that had relevant missions and that could be expected to provide future support for the Program.

Since the legislation was approved, DTSC's commitment to the success of the Program has remained strong. However, DTSC's budget for pollution prevention activities has been cut drastically. Staff support has been reduced from the equivalent of 2 full time staff to less than 1/2 and that is expected to decrease further in 2013. Funding for the ongoing basic maintenance of the database will not continue past June 2013.

DTSC's budget constraints were addressed in a trailer bill, SB 1018, that modifies the statute that establishes the California Green Business Program and describes DTSC's roles and responsibilities. The changes are few, but significant. All references to DTSC's activities in support of the Program have been changed from "shall" to "may." Since SB 1018 is 95 pages long, an annotated copy of AB 913 that highlights the changes is attached.

We have received assurances that the elimination of support is entirely budget driven. DTSC Director Debbie Raphael, formerly Assistant Director of the Department of the Environment in San Francisco, supports the Program and wants it to succeed. Ms. Raphael met with Network representatives in June, and subsequently arranged for them to meet with the Director of Cal EPA. That led to a presentation before the heads of all the Cal EPA boards, departments and offices. The California Public Utilities Commission, CalRecycle, and California Air Resources Board, in particular, have relevant missions that could be advanced by the Green Business Program. We are hopeful that these meetings will lead to ongoing discussions and ultimately to financial support.

Work Plan Adjustments

Considering both the opportunities and the challenges, staff will continue to focus considerable time on Green Business - related activities. During the first half of 2012/13, in addition to regular Bay Area coordination duties, we have worked with county coordinators to increase capacity locally, and with regional and state partners to advance orderly, consistent statewide expansion. Avenues we are pursuing include increasing efficiency in the local and regional programs, better coordination among state agencies with related missions, and identifying new funding sources.

However, it has become increasingly apparent, that to secure funding for the database and other needs, the Network must demonstrate a higher level of commitment and organization and have a more formal governance structure than the current informal association provides. Given that the

Bay Area Green Business Program developed the original policy guidance and standards that are the foundation for the statewide program, and that our 9 county programs constitute more than half of the currently active local programs, and that the use of the database is now central to our operations, we have a particularly keen interest in having this work completed expeditiously. To advance that interest, we propose minor adjustments to the budget and work plan.

ABAG Attorney Ken Moy has been asked to facilitate development of the governance structure, and has agreed to assist in this endeavor. He has advised that the appropriate vehicle would be a Memorandum of Understanding among all active Programs, Regional Coordinators, and DTSC. He will work with staff, Bay Area local coordinators and Network members in the early part of 2013 to develop the MOU.

To develop and reach consensus on the scope and content of the MOU, ABAG will host the Network for a daylong meeting in January 2013. A professional facilitator will be engaged to ensure that the retreat results in the desired outcomes.

These adjustments to the work plan will result in a shift of funds currently allocated to the regional coordinator and to collateral expenses to cover Mr. Moy's staff time and the facilitator fees. We will seek approval for these shifts in the general budget and work plan update.