

USFWC 2008 CONFERENCE NOTES

Workshop: Green Union Coops: A Strategy for Development

Location: Claiborne

Time: Saturday 11:30 am

ORGANIZER:

What is the dream for the reconstruction of New Orleans?

A green reconstruction benefiting the poorest residents.

What are "sustainable jobs?"

- _in a sustainable industry
- _union benefits, pension, health care, longevity, retirement
- _benefit from the reconstruction of the city
- _not a boom and bust situation (sustainability)
- _ownership by the community for the business of reconstruction

... GREEN UNION COOPS!

Organizer: Lizbeth (?)

Speakers:

Carla Din - Apollo Alliance (CA)

Omar Freilla - Green Worker Coops (NY)

Richard Dine - NCB National Coop Bank (OH)

Art Duhan, Chad, Barry Kaufman - labor unions in NOLA

SPEAKER: Carla Din - Apollo Alliance

Summary of her Power Point slides and talking points follows:

TITLE: Good Jobs in the Green Economy

Overview:

- _Background about Apollo Alliance
- _drivers here in NOLA
- _policy initiatives

Background about Apollo Alliance:

Why the name "Apollo?" In 1961, Kennedy had a challenge to reach the moon in 10 years.

Their goal: reduce US dependence on foreign oil in the same time period.

The time is ripe!

- _dissatisfied labor
- _communities interested in clean and affordable energy, reinvestments in urban infrastructure and jobs
- _environmental groups

Apollo is working towards:

- _increasing investments
- _clean energy
- _high quality jobs
- _revitalizing communities

The Apollo Alliance is:

- _23 major labor unions
- _environmental groups
- _business leaders
- _social justice groups

Their original 10-point plan has been collapsed into 4 main points:

- _smart growth
- _alternative transportation
- _?
- _? *(note-taker: sorry, she was going really fast)*

Climate change is having a big impact

- _global warming
- _more, bigger hurricanes
- _melting glaciers

Climate change impacts on labor force

- _agriculture
- _commercial fishing
- _firefighting
- _public health (including pests)
- _tourism and airlines

RETOOLING EXISTING SECTORS

Current emissions by sector:

- _electricity - 33%
- _transportation - 28%
- _industry 19%
- _agriculture 8%
- _commercial 6%
- _residential - 5%

Labor is part of the solution

People doing the work right now who can apply their skills to re-greening the industry:

- _hvac
- _lighting
- _weatherization
- _refrigeration

_reefing and energy (*note-taker: ???*)

_insulation

_general labor and construction - emissions, hazardous waste, demo, recycling

_others

AB32

_require CA reduce emissions to 1990 levels by 2020

_promotes economic development and job creation

_will require retooling of high emitting sectors and skills upgrading

Venture capital investments in clean technology

_nationally - 2.5 billion in 2007, up 79% from 2006

_more than 8% of all U.S. venture investments

_hottest areas are solar energy

Solutions examples around the country

_national green jobs act - authorizes \$125 million for labor/industry energy partnership training and pathways out of poverty programs.

_CA Apollo alliance - tying climate change policy to economic development, money to workforce training

_Colorado Apollo - energy assistance and efficiency upgrades for low income households

_Los Angeles - green building proposal to retrofit 100 city buildings, involving the poorest communities

_San Diego - 40% RPS

_WA state Apollo - solar incentives for in-state solar

\$120 million clean fuel account - AB118

Jobs in energy efficiency

_create 8-14 jobs for every \$1 million investment

_diverse fields - HVAC/refrigeration, lighting, glazing, roofing, carpentry, masonry, construction

Jobs in solar

_design engineers

_module assembly

_system integration

_mounting and framing

_installation

_project management

_servicing

Wind farm in NY

_ironworkers

_most materials built in Europe

Note-taker's SUMMARY OF CARLA'S TALK:

- *green jobs are important*
 - *money is available*
 - *political will is increasing*
 - *there are lost of diverse opportunities*
 - *good for labor*
 - *new skill training*
-

SPEAKER: OMAR FREILLA - GREEN WORKER COOPERATIVES

- _start up worker-owned business that are green
- _based on needs within south Bronx community
- _creating jobs
- _improve the environment

Omar's background: social justice and community organizing.

What are the environmental problems?

- waste
- challenge: create alternatives existing to waste transfer stations (waste must be transferred because there are no landfills within NYC)

Solution: a retail store for salvaged and surplus building materials

Reaching a tipping point - "green" is getting lost of press, more present in the public mind.

Waste gets left out of the public discussion

- _not "sexy" like solar panels, wind farms, etc. - not on the cover of vanity fair
- _still a huge impact on the environment
- _generated by the consumer cycle

Dealing with this waste is a huge opportunity for job creation

2-3 neighborhoods in NY have the waste transfer stations

Usually just a big lot - 5000-10,000 square feet

5 guys working there with a huge mound of trash - construction and demolition debris - bricks, wood, broken windows, hardwood flooring, timber

one guy has a hose - keeping dust down - "pollution suppression device"

one guy on a front loader to move the stuff around

2 guys run in and pull out easily reclaimed metal - this is the extent of waste reclamation by the city.

one manager

500-1000 tons per day processed by each facility.

8-16 million people in NY every day generating this waste.

Rebuilder's Source handles about 1 ton per day with 4-5 people.
500 times difference in labor = opportunity for 500 times the jobs

As a worker coop

- empowering people in the community
- challenging emotionally, but also fulfilling

Unions/green jobs

Green Worker approached local unions about possible interactions between them and the union, or the possibility that Green Worker might join the union. The unions were not on the same page and more communication was needed. Having Rebuilder's Source as an existing business makes it easier to talk about, since people have something to relate to. Union folks are now easier to talk with about it.

Nuts and bolts of building the coop

- _lots of planning
- _Green Worker - 4 years old. First 2 years was putting together the business plan and doing feasibility studies for the first coop (Rebuilder's Source) - just Omar working on it.
- _working with ICA - helped with number crunching and business plan
- _fully capitalized before opening the doors - in 1.5 years - with grant money - raised \$900,000

Q: What benefits would a union bring to green worker coops?

A: The initial outreach to unions (labor unions) were around health benefits. union benefit from Rebuilder's Source would be having the trade as a part of their organization, a progressive organization, helping shape the industry.

Q: Where do they get the waste?

A: They provide free pickup. Normally builders have to pay \$1000/day for a dumpster. The builder also gets a tax write-off since Green Worker is a non-profit.

Two sources of construction debris: individual landowner/homeowner, or commercial stores (hardware stores, small manufacturers) with a lot of waste - main generator of waste. For example when a hardware warehouse goes out of business, they have to get rid of their inventory (paint, cabinet doors, etc.).

Q: Where do revenues come from?

A: Individuals come and buy the resources - priced at 1/2 retail price.

Q: What are the logistics of vehicles, transportation for the co-op?

A: Currently renting trucks for the pick-ups. Goal is to get own vehicle, even a green vehicle (running on Straight Vegetable Oil). The role of Green Worker Coops is to support Rebuilder's Source, working with their members, looking over books, planning, help with questions like when does it make sense to purchase a vehicle.

Q: Structure - non-profit/for profit, members investment?

A: It's a 3-part structure: Green Workers=non-profit organization, workers of Rebuilders Source-incorporated as a cooperative. Both together are members of an LLC holding company. This allows the non-profit's money to go to the holding company. The non-profit (Green Workers) will phase out of the LLC (holding company) after the coop (Rebuilder's Source) breaks-even. At that point, the LLC will be strictly run by the coop (and disbanded by them if desired). The member buy-in is \$2500, with option to defer payment out of salaries. 4 founding members have sweat equity.

Q: does rebuilders source have health benefits, pension benefits?

A: yes. everyone has health insurance from day 1. no pension yet.

Q: what wages do people make? how is health care funded?

A: \$17/hr is the current flat wage.

Q: is there any existing reclamation/recycling in New York already?

A: not really, very small recycling efforts. An idea for a next coop is a demolition/deconstruction company.

Q: where was the idea to start it as a coop? and how is supply/demand?

A: they have more in the warehouse right now than the 4 members can move around onto the sales floor. Omar spoke to the "why a coop" question later in his all-group session.

Q: how did they find the first four worker-owners? Did they start with skills, or trained with skills?

A: none of them knew about coops already. picked this industry/area because the skills are easily learned (i.e. don't require a degree or specialized training).

Q: When is their estimate for the co-op to break-even?

A: 5 years or less

Q: how did you raise almost a million dollars in a year and a half? big chunks or smaller pieces?

A: \$500,000 from 2 funders - one private (one person's foundation). they were the third group to donate money. \$11,000 + \$250,000 allowed them to reach a "critical mass." The \$250,000 was matched by NY state (Empire state development - environmental services unit. - provides funding for green businesses).

SPEAKER: Richard Dine - NCB National Cooperative Bank

The NCB was chartered by the US gov't as a national consumer bank - chartered to serve cooperative businesses (housing coops, worker coops, consumer, business purchasing coops).

It is not set up to serve farmers, utilities since there are already support structures for

those types of coops.

Also established a non-profit affiliate (NCB capital impact), providing lending and technical assistance in low to moderate income communities who are starting or developing coops.

10 years after the charter they acquired a savings bank in rural Ohio. Through the savings bank, they can also provide other financial services, like deposits and real-estate lending.

He (Richard) and Ann (co-worker also at the conference) work with "mission banking"
- they work with others to support the mission of the NCB
- sustainability is part of the mission

They are partners with national consumer food coop

- _ "food coop 500" program
- _ Currently about 300 retail food coops - want to grow that to 500 within 10 years.
- _ explosion of interest
- _ pre-development funding, technical assistance through development specialist and website resources
- _ past year has had 11 open
- _ pilot program for other coop development programs in partnership with other coop communities

Q: What are the requirements for a loan?

A: depends on the specific coop

Q: ideas about new coop development initiatives for worker coops

A: Food program was driven by the food coop. a worker-coop focused program needs to be initiated by the worker coops movement.

SPEAKERS FROM LOCAL UNIONS/LABOR ORGANIZATIONS

Chad - working in politics in LA - baton rouge - 8-10 laws (for net metering (electricity) , etc.) just starting up, learning about worker coops.

Art Logan / Gulf Coast Construction Center (?)

HISTORY

Before the storm, they were grappling with the aging workforce, aging infrastructure.:

Recruiting is not working.

School systems have moved people into college, a failing system since they had a

37% graduation rate 2 years ago

How to get skilled workforce back up to needed numbers?

After the storm - local building trades, leadership asked AFLCIO to bring investment capital.

Similar to NYC: After 9-11 the AFLCIO started a 5-year program and committed \$7.5 million to the gulf coast. Within 3 years, the \$7.5 million was invested and leveraged into \$7+ billion dollars (over a billion dollars).

Here in Louisiana, a high-level committee formed from folks in academia and local leadership. The plan: recruit and support the local community impacted by Katrina through training components, apprenticeship programs, life-long learning. Union members want to participate and become entrepreneurs - set up incubators to help them start new businesses. Art Logan was found to lead this program. He has a government background.

MISSION and BEGINNINGS

- re-building a major historical region
- re-building the labor movement.

The AFLCIO, labor unions, and housing investments (pension folks) all put in seed money.

The program started in June 2007 with a 3 million dollar grant.

Emphasis that this was all done WITHOUT help from local (city or state) elected officials. Ironworkers offered the training facility, IBW supplied an instructor, carpenters built furniture, etc.

The organization is working with a comprehensive view and includes the community, faith-based support.

The state requires work-keys ACT test (scoring 3 or higher - equivalent to 4-5th grade reading comprehension) to get into the new program. 60-80% of applicants were failing. They found \$350,000 to work with the recovery school district. There are 4-5 entities that must work together.

Short term plan: increase math and reading levels for 10-20 years old.

Long-term plan: start a construction academy based on existing academy in CA (which Art helped with in the past).

The core curriculum of the AFLCIO's program has students pick a major first.

They got accreditation (worth 3 college credit hours) which helps parents buy into the idea of sending their kids into a trade WITH college education rather than either/or (sending kids to college where they drop out, or skipping college with the fear that it will hurt their career).

The basic program is 3 weeks - heavy on math, life skills, and includes an introduction to their apprenticeship programs.

The concept is *career*, not jobs.

A 4 week program was necessary for more math. Now they also have a local medical facility providing vaccines, preliminary blood screenings, psychological evaluations.

Transportation needs exist to get folks into the training and apprenticeship programs. They are working with the state using IDA (individual development account), and with the credit community to help folks in the apprenticeship program to get more reliable transportation.

The program works with this comprehensive view to achieve maximum success.

Who is the target population? Folks in cycles of poverty and exploitation.

Over 200 people have graduated so far - 99% African-American.

They are investing in a manufactured housing facility - steel panelized construction - made from recycled metal - which can withstand 100 mph winds, is resistant to termites and mold. However, the facility is 25 miles away. Jobs are covered through metal trades dept. of AFLCIO.

Regarding "green" jobs - they are no strangers to green. It is one module within the program. Definitely important, but don't limit their education to only green - that limits their career viability.

Connections with other organizations are necessary - training programs connected to contractors so they can get real jobs on graduation.

The big (construction) companies don't want to do green. This forms a perfect opportunity for union entrepreneurs.

The industry wants a skilled workforce, but social issues must be looked at first: education, transportation, child care, criminal records, etc.

NEXT GUY - labor union

The infrastructure was bad before Katrina, now it's worse. Same with public schools. He called it the "city of the hopeless" - kids with no dreams.

Their job: find and train as many people as possible, give them to contractors.

They have 3 out of work lists:

a: laborers who can do everything - 10 people out of work

b: apprentice - 150 people looking for work

c: walk-in - (many more)

Disaster story: Schoolteachers union was the biggest in the state. When the school system broke down, retirees lost their pensions, schoolteachers lost their jobs. Not a good sign for unions.

NOTE-TAKERS SUMMARY:

The voice from labor conveys the failures of the system. The foundation structures (basic education, health care, etc.) are not in place to support basic training for the work force.

Q: Is there a potential for creating green worker coops in conjunction with unions.

A: We do it every day. deconstruction, toxic waste handling.

Every aspect is a cooperative venture of some sort. partnering, collaboration, cooping. they know they can't do it alone. They need a lot of partners. In every public meeting/forum he goes to, he walks away with another partner.

Q: Various pay scales were mentioned. What is a living wage in NOLA right now?

A: They are not even at the point of having living wage discussions. There is a (federal) minimum wage mentality. Union strength has been diminished. Their efforts are to strengthen unions so they can raise wages and get people into the middle class. Wages are low right now - some of the lowest in the country.

Example of the system working against them: When FEMA came in, rental properties were going for \$700/mo. FEMA said we guarantee \$2100/mo. They essentially raised rental prices in the city, which makes it harder for people to afford housing.

Q: Are the unions interested in having their workers start worker-coops? Is it a challenge to the union for them to start their own businesses?

A: Older people start their own businesses, but don't leave the union because the unions provide the benefits. Young folks don't have the history, they're figuring out their own path, which may or may not include unions.

Entrepreneurship is definitely supported through the incubation program.