

Committee Chair Daniel Jones (Honeywell) called the meeting to order.

Employer Support Working Group Attendees				
AHRI (Air-Conditioning, Heating, and Refrigeration Institute)	Warren	Lupson	Director, Education	HVAC Manufacturer Association
Brownson Technical Center	Bill	Brown	Chief Operating Officer	Educator, Trainer
CPHAC (Canoga Park Heating & Air Conditioning)	Bob	Wiseman	Principal	Contractor (Nonresidential)
EMI (EMI Consulting)	Ellen	Steiner	WHPA Co-Director	Energy Efficiency Program Consultant
Honeywell ECC	Daniel	Jones	Commercial Contractor Development Specialist	Controls (Manufacturer or Distributor)
HVACRedu.net	Jeff	Taylor	SCE Liaison	Educator, Trainer
IHACI (Institute of Heating and Air Conditioning Industries)	Susie	Evans	Executive Vice President	Contractor Association
PIPE Trust Fund	Tom	Meyer	HVACR Recruiter/Representative	Organized Labor
SDG&E Commercial HVAC Consultant	Charles	Segerstrom	Commercial HVAC Consultant	Energy Efficiency Program Consultant
Tre' Laine Associates	Pepper	Hunziker	Learning Manager	Energy Efficiency Program Consultant

Susie Evans (IHACI) – I have invited Bob Wiseman to join us today to represent contractors. Bob is the owner of Canoga Park Heating & Air Conditioning (CPHAC) but also serves as Chairman of the Board with IHACI.

Employer Support: Basic Definition:

- Employers commit to hiring and promoting trainees or ensure that employees use the skills they learned in the program
- More Specific Definition
 - Promotes higher education and training attainment for employees
 - Shows organization policies and practices that support higher education and training
 - Includes educational goals in annual job performance reviews
 - Provides on-site education and training advising
 - Mentors employees on education and training
 - Offers employees flex-time
 - Offers job-sharing
 - Provides training and education onsite
 - Partners with education and training institutions to offer classes onsite
 - Reimburses some or all fees
 - Celebrates completion of credentials
 - Ties salary and wages to education and credential levels (promotions probably should be here as well)

How do we demonstrate employer support within the different offerings of Sector Strategy?

Daniel Jones (Honeywell) – Success with a directory inside the WHPA website. Promote that to contractors and technicians so they can see what companies are offering. Send a questionnaire to contractors stating, “If you fill it out, we’ll put you on a database.”

Bob Wiseman (CPHAC) – Is the goal to offer this in order to come up with an employer support network? Is this the way to offer this type of support to a contractor?

Pepper Hunziker (Tre’Laine) – The question we’re trying to answer is, “If we’re doing good work through investing in QI/QM, how will we know that?” Employers will be excited and will encourage employees to get up-leveled. That’s how we’ll see if what we’re doing is a good investment.

Ellen Steiner (EMI) – Sector Strategy is regional—stakeholders coming together taking a systems approach to developing the workforce. There are different aspects of how we want to demonstrate employer support. We don’t have a completely clear route of how we’re going to do it, but maybe an advisory council with employers as part of the counsel; maybe develop training that is (cost) reduced or covered by IOUs. Ask employers to sign a document to ensure that they’re integrating the training. IOUs don’t want to spend training dollars and then there not be an opportunity for employees to use what they’ve learned.

Bob Wiseman (CPHAC) – The normal state in the industry is the need for highly trained employees. Equipment is getting more complicated and the systems require people who are willing to invest years of their lives into learning the system. It’s difficult to get people to come into this industry.

Ellen Steiner (EMI) – Are we in normal state or slow-market state?

Bob Wiseman (CPHAC) – We’re back to the state of where finding good people is difficult again. Wages for an HVAC technician are lower than a plumber’s and this is a problem. It requires much more training to be an HVAC tech but they get less money than a plumber. The reason they don’t make as much money is because HVAC is a price-driven market; you have to be competitive. In California, the HVAC market standards are very low; consequently, wages are low because people aren’t held to the standards that are required. Kids will ask themselves, “Do I want to be a plumber or do I want to be an HVAC technician?” HVAC is hard sell sometimes, especially when there’s more money in plumbing. It’s also easier work—plumbers can start earning good money sooner than HVAC techs. A huge part of (employer) support is getting kids into the industry and getting them interested in HVAC. There’s a reason to support the green economy in California.

Ellen Steiner (EMI) – Speak to the “joiners,” those people who are doing the right thing. We have this other white-van market. From an employer-support perspective, how do we or can we take that next 10%? How do we move this market even slightly?

Bob Wiseman (CPHAC) – This is why IHACI has always preached the level playing field. With a level playing field, contractors have the ability to charge fair prices for the work they’re offering. Now, if you charge someone a fair price for work and pay someone a fair wage to do that work, you don’t make anything. The fundamental issue is that it underlies many of the employer support problems we’re talking about. It’s good if contractors who are doing it differently who say, “Hey, this guy’s doing a good job; he’s doing things right.” Recognize him and help him. The state says this person tries to do

things correct, but how do you define these correct things and monitor who is doing them? Anything that can help a contractor differentiate him/herself can really help.

Susie Evans (IHACI) – Should find a way to allow contractors to be contractors to run their own businesses and able to demonstrate that they are compliant. We were having conversations about the proof that a contractor is, in fact, performing the third-party verification that's required and that a contractor is pulling permits a majority of the time ties into how we start acknowledging and rewarding the legitimate contractors. That will be the only way we can increase the participation levels of those who are noncompliant. They'll have to decide whether they want the perks or if they want to remain underground. If we continue to make things more stringent for the legitimate contractors, we'll end up driving the 10% to the underground. It always comes back to making sure that we're rewarding compliant contractors; if we do that, that 10% will be able to do the things they want to for their employees.

Bob Wiseman (CPHAC) – Industry is a follow-the-leader scenario. The HERO Program (Home Energy Renovation Opportunity) is taking off like wildfire, because it works for the contractors in their way of doing business. They'll say, "Why in the world wouldn't I do that." That's how you'll change behavior, and everyone will hop on the bandwagon. If the program works in the way contractors think, it will be a success. You'll fail if you try to change the way contractors do business. You can change 80% of contractors—the ones in the middle—but there will always be 10% that'll do the right thing and 10% that won't comply no matter what.

Daniel Jones (Honeywell) – What would it look like then?

Bob Wiseman (CPHAC) – It's in the implementation. Question is how you operationalize these things. Having IHACI and other resources for people to go in order to learn makes a lot of sense, but operationalizing is the problem; and that's the next step.

Ellen Steiner (EMI) – That's what this group is trying to do. How do we make it real? If the economy doesn't support it, would someone even allow an employee four hours off to go to training?

Bob Wiseman (CPHAC) – No, generally not.

Susie Evans (IHACI) – They're not going to do that. That's one of the reasons why IHACI developed its training program; it was all designed to ensure that employees could participate.

Charles Segerstrom (consultant to SDG&E) – One way to get contractors who aren't already linked in is to bribe them (i.e., utility incentives). However, utility incentives aimed at transforming the marketplace are only as good as they last. When they run out, the contractors go back to their old ways. So the question is, "How do utilities get into more of a long-term stable environment that creates a need for credentials and properly trained employees." A promising approach is a longer-term financing world (like HERO financing). Bob, is that why you like HERO?

Bob Wiseman (CPHAC) – Absolutely, that's part of it. Contractors are used to watching incentives come and go. Longer-term commitments to programs make it easy for contractors to grasp. HERO opens up markets that didn't exist before, like air conditioning to people who couldn't get it before. People are replacing their equipment rather than repairing it—they can afford that because they can tie it to their property taxes. HERO is giving them the funds to do these things.

Daniel Jones (Honeywell) – On the commercial side, lots of organizations are doing essentially the same thing for commercial building spaces.

Charles Segerstrom (SDG&E) – Do they require certifications and/or training?

Daniel Jones (Honeywell) – Yes, for the organizations that I’m involved with.

Bob Wiseman (CPHAC) – It’s important to recognize, within the markets, how things are segmented. The difference between residential and commercial HVAC is a world of difference—night and day. Skill sets and buying patterns across the board are different. Consequently, the type and amount of support required is going to be very different.

Pepper Hunziker (Tre’Laine) – Taking the conversation back to the sector strategy, the focus that we have right now is on commercial and the language is standard-based. In areas where there are current programs, the utilities are doing a decent job of (1) showing employer support in the level 1 and 2 technicians, (2) having the technicians sign a letter of commitment, (3) having contractors target 180 training, etc.—anything emphasizing QI/QM. For the programs, we’re able to monitor that; but when you go outside of that, it gets trickier. Has anyone thought about how we can do this on a larger scale? Question is, “How do we show that contractors on the receiving end of training have embraced the new skills, approaches, etc.”

Daniel Jones (Honeywell) – Verification

Pepper Hunziker (Tre’Laine) – It’s tricky because on the program side, you can see the contractor—you can track that; but with a broader demographic, it’s more difficult to accomplish that. The program has a mechanism, IHACI has a mechanism, and the utilities have a mechanism for the energy centers; but how do we tie it all together?

Daniel Jones (Honeywell) – How about we look at something similar to the sales trainers? Every six months or so send a little reminder, “Hey, by the way, update all your information on this link.”

Ellen Steiner (EMI) – That’s still the self-report view. How do we get to a point of demonstration? As in the HERO program, to be a qualified contractor is just to be legal; i.e., to have proper licenses. Again, if that’s the bare minimum, maybe that’s where change needs to occur. Do you need to have a different credential just to be licensed?

Pepper Hunziker (Tre’Laine) – If we’re trying to show employer support, one of our targeted focuses is sales; the other focus is up leveling the workforce. How do we know that we’re getting it right? How do we know that we can capture that type of support for contractors so we can continue forward? How do we measure it, track it, etc.?

Daniel Jones (Honeywell) – We have to have a website that these contractors can go to: we’re not going to be able to reach out to every contractor.

Pepper Hunziker (Tre’Laine) – Are you suggesting a website where contractors are signing on and stating, “Yes, I stand behind these activities.”?

Daniel Jones (Honeywell) – Yes, then you have self-report. If I self-report and post on a constant basis that I send technicians to class, I pay for it, I have mentoring programs for new people coming through, I

show that I'm different. Then promote that website to building owners and it shows who's doing what. You have to have a multifaceted approach and it needs to be looked at from the end-user side to the contractor side.

Pepper Hunziker (Tre'Laine) – If you have contractors listed on a website who've made the commitment and if you have them report the (employee support) activities they engage in, does that leave people susceptible to something like poaching? We want to protect the people who are investing in this work, so how do we do it in a way that gives value and support to all of the stakeholders without compromising anything?

Ellen Steiner (EMI) – How about you, Bob. Would you feel threatened if we were to do something regarding a credential badge?

Bob Wiseman (CPHAC) – Competition isn't a bad thing among contractors. It's good for everyone. However, I think the state has fundamental problems that you'd have to fix. Like I said, that will work if there's a level playing field with a standard set of rules that everyone has to play by. I think it would be largely ignored and contractors wouldn't want to participate.

Daniel Jones (Honeywell) – How would you promote this then?

Bob Wiseman (IHACI) – For example, one of the things that has worked well in our industry on many levels is a factory-authorized dealer. A manufacturer will come up with criteria that contractors have to meet to be factory authorized; every year you have to submit your criteria. You would have to do a certain number of training classes, and then you are "factory authorized," and the contractor can start advertising, "I am factory authorized." That model has worked well. Coming at it from a different angle here (i.e., trying to create a state-recommended certification for something), not saying it wouldn't work, but unless the level playing field exists, I don't see people participating in it.

Susie Evans (IHACI) – It's likely that if a factory-authorized dealer is investing in the training, they're buying into the process.

Bob Wiseman (CPHAC) – And not only that, it's verified. You have to prove it every year with, "Here's the number of classes, here's the signatures of the people who took those classes." That type of a model works well.

Susie Evans (IHACI) – And that model already exists and it works, so maybe we should look at that. We want to make sure that the work is being done properly, that it's saving energy, and that it's being done legally. Support the contractors who are already doing that and create incentive for those who are not. The model is there, so how do we get others to participate?

Pepper Hunziker (Tre'Laine) – If you look at a technician going through training or at a pipeline being generated, how do we show that the contractor is supporting this work?

Daniel Jones (Honeywell) – We have to have a benchmark, a database to analyze. Maybe reach out to the marketplace to start that dialogue.

Bill Brown (Brownson Tech) – If you had a list like this, wouldn't contractors hang their hats on this and advertise it? Anything like employee poaching or using it for marketing would be completely offset by this list.

Pepper Hunziker (Tre'Laine) – You could categorize the activity. Ellen has presented great ideas and activities; maybe the contractors don't have to say specifically which they do.

Bill Brown (Brownson Tech) – Back to IHACI. You want to go to work for one of the best measures. *Going to work for a good employer* is working for IHACI because they invest in training. Something like that is invaluable.

Susie Evans (IHACI) – Sometimes you evaluate a program based on attendance levels. If there's value in something, people will participate; it's an excellent indicator of the value of the program.

Pepper Hunziker (Tre'Laine) – What does it look like when employees are getting support from employers? It's a difficult question to answer. All these ideas are really helpful.

Ellen Steiner (EMI) – Bob, are there factory-authorized technicians?

Bob Wiseman (CPHAC) – No, it's the contractor who gets certified. We have review sites like Angie's List or Yelp, but is there was a website where building owners could talk and/or rate people who've met certain criteria? For me, that's a huge motivator for contractors to do quality work.

Ellen Steiner (EMI) – I agree, let's market to the customer.

Bob Wiseman (CPHAC) – People want to know that the contractor is doing a good job. Probably not a static state website, but it should be user friendly, honest, real, with lots of value.

Notes by Ellen Steiner, WHPA Staff
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