Sidebar: Prop. 39

The California Clean Energy Jobs Act (Proposition 39, 2012) is an initiative statute that revised the provisions for calculating corporate income tax. Projected funds are deposited in the General Fund and for the first five fiscal years (about $550 million annually) allocated to energy efficiency and clean energy generation projects at schools.

This measure was one of the first to be promoted on its potential for creating green jobs:

Prop 39 aims to address this loophole and direct savings and revenue from the venture into education and green energy initiatives. This means improving the energy efficiency of schools and public buildings, as well as creating many jobs across the green energy sector. This is vital for California, a state that prides itself on its green credentials and solutions.

“California Businessman Tom Steyer to Speak About Sustainable Energy,” cleanenergyjobsact.com, September 4, 2012

The measure requires financed projects to be selected in part “based on in-state job creation and energy benefits for each project type.” Subsequent implementing legislation further required the Energy Commission to report annually on total expenditures, energy savings, effective cost of saved energy, and employment effects from each year’s completed projects. Grant recipients were to monitor and report the related data for the Commission’s use.

The actual results, however, have varied and illustrate the potential gaps that can arise between political claims on green jobs and the actual results.

While the claims at the program’s inception promised that 11,000 green jobs would be created annually, the initial results from the grantee reports instead showed only 1,700 created over the first three-year period:

Voters in 2012 approved the Clean Energy Jobs Act by a large margin, closing a tax loophole for multistate corporations. The Legislature decided to send half the money to fund clean energy projects in schools, promising to generate more than 11,000 jobs each year.

Instead, only 1,700 jobs have been created in three years, raising concerns about whether the money is accomplishing what voters were promised.


Subsequent reviews bumped this number up. The most recent assessment report (Zabin, 2018) showed total direct and indirect jobs near the target level, at 11,729 (plus an additional 6,842 induced jobs). However, this number differs from the initial claims in several respects:

- This level is a total over a four-year period, resulting from cumulative state spending from 2014 to 2017. Adjusting for this factor, rather than 11,000 green jobs annually, the $1.388 billion in state expenditures instead produced the annual equivalent of only 2,039 direct jobs over the four-year period, 2,933 if indirect jobs are included as well.
• More importantly, the 11,729 jobs number is only an estimate. It was developed not by using any actual jobs data from grantee reports, but instead from using the cumulative expenditures and estimating jobs from the IMPLAN input-output model.

In other words, the same general method used to develop the job claims to promote the initiative was used to estimate the jobs produced from the initiative. But even accepting this shift from the stated (and statutory) evaluation criteria, the reported job benefits fall well below those promised the voters when they passed this measure.