

Improving the Effectiveness of Project Labor Agreements

San Francisco Foundation
Zoom Webinar

Tuesday, February 23, 2021
2:00 pm – 3:30 pm

Estolano
ADVISORS

AGENDA

1. Project Team and Experience
2. Significance of the Project
3. Research and Data Findings
4. Recommendations

Project Team and Experience

Project Team and Experience

- **Estolano Advisors**
 - Cecilia V. Estolano, CEO
 - Cynthia Guzman, Principal
 - Winnie Fong, Principal
 - Chris Norman, Research Analyst
- **Renne Public Law Group**
 - Julian Gross, Partner
- **Ari Fenn**, Labor Economist, University of Utah

Project Significance

Many Black, Indigenous, and people of color (BIPOC) still experience the impacts of discrimination and segregation that are deeply rooted in the history of systemic racism. These impacts created barriers for BIPOC to secure stable and good paying jobs compared to their white counterparts.

If thoughtfully crafted, regularly monitored, enforced, and complemented by a robust and responsive workforce development ecosystem, **these project labor agreements (PLAs) have the potential to drive better outcomes for diverse workers.**



Research and Data Findings

Construction Labor Supply and Demand Analysis

Labor Supply

- **Current Workforce**
 - Building Trades Affiliates
 - Apprenticeship Programs
 - Public Agency PLA Participation Data
- **Projected Workforce**
 - Pre-Apprenticeship Programs
 - Apprenticeship Programs

Labor Demand

- Construction Forecast



Supply: Building Trades Affiliates Data (Current)

Survey Methodology

10 out of 19 Building and Construction Trades Council of Alameda County (BCTCA) partners responded to the survey

Findings/Issues

Results do not fully capture the landscape of the local construction workforce because the trades do not collect data consistently and are not mandated to collect and report data

Recommendation

Standardizing data collection and establishing an annual reporting system of the data

Supply: Apprenticeship Programs (Historical)

Latinx and **Black apprentices** made up of a *higher proportion of the incoming cohort* but experienced a *lower graduation rate* compared to white and Asian apprentices

Female apprentices experienced *lower graduation rates* compared to male apprentices

Highest numbers of apprentices graduating from **Laborers, Electrical, Carpentry, Iron/Steel Workers, Plumbing**

While holding all other factors constant, apprentices with **more dependents are less likely to graduate** holding other factors constant

Supply: Apprenticeship Programs (Current)

Over **3,000 apprentices** in Alameda County as of 2019

58% of the total active apprentices are Latinx, followed by **22%** white, and **12%** Black apprentices

Females make up 4% of active apprentices

Supply: Apprenticeship Programs (Projected)

414 apprentices will graduate by 2024

- Despite accounting for the largest number of graduates, **Latinx apprentices** are expected to graduate at the 3rd lowest rate
- **Black apprentices** are expected to graduate at the lowest rate at 3%

Supply: Pre-Apprenticeship Programs (Projected)

Of these existing 4 programs (*Cypress Mandela, Future Build, RichmondBUILD, and Rising Sun Opportunity Center*)

- **90%** of the participants have *graduated*
- Roughly **70%** of the participants end up being *placed in union apprenticeship* programs
- **95%** of the participants are *BIPOC*

5 new programs have launched in Alameda/Contra Costa targeting youth and currently incarcerated individuals

Supply: Public Certified Payroll Data (Current)

AC Transit, BART, City of Oakland, Peralta Community College (2008-2020)

- Total Hours Worked: 6,971,791 hrs or 3,485 full time employees (FTE)
- **2%** of hours performed by **female workers**
- **Over 50%** of the hours were performed by **Latinx workers**
- Majority of the hours were performed Laborers, Carpentry, Electrical, Engineer, and Dry-wall

Demand: Construction Forecast (Short Term)

Short Term (2021-2025)

- Data on planned projects can inform both the number of hours and the mix of crafts used.
- 4.4 million hours of work hours, or 2,248 FTEs

*Table V-6: Short-Term Construction Demand in Work Hours by Top 5 Crafts (2025)**

Craft	2021	2022	2023	2024	2025	Total	FTE
Laborers	312,169	356,888	311,275	283,223	217,761	1,481,316	741
Electrical - Electronic	155,571	178,149	157,729	136,858	104,991	733,297	367
Carpentry	123,120	136,995	114,881	101,924	78,666	555,585	278
Engineer	87,882	100,865	88,687	80,166	61,581	419,180	210
Iron - Steel Workers	56,201	64,202	57,021	48,105	36,875	262,404	131

*Based on planned construction projects in the following agencies: Alameda County, BART, City of Oakland, Port of Oakland, and Peralta College

Demand: Construction Forecast (Long Term)

Long-Term (2026-2030)

- Estimating the relationship between overall economic activity and each agencies' demand for construction labor.
- 9.9 million work hours work, or 4,951 FTEs

Table V-8: Long-Term Moderate Growth Construction Demand in Work Hours by Top 5 Crafts (2030)

Craft	2026	2027	2028	2029	2030	Total	FTE
Laborers	567,354	585,866	604,377	622,889	641,401	3,021,887	1,511
Carpentry	276,531	284,059	291,586	299,114	306,641	1,457,931	729
Electrical - Electronic	203,341	209,155	214,969	220,783	226,597	1,074,846	537
Engineer	157,232	162,497	167,763	173,029	178,295	838,816	419
Drywall / Lather	116,951	120,187	123,423	126,659	129,895	617,115	309

Recommendations

Recommendations

No.	Recommendation
1	Set Data-Driven Workforce Goals
2	Establish Clear Responsibilities for Achieving Workforce Goals
3	Collect Data to Track Progress on Workforce Goals
4	Enforce to Ensure Progress on Workforce Goals
5	Support the Retention and Advancement of Diverse Workers
6	Coordinate Ongoing Support for Diverse Workers
7	Collaborate on a Regional Level to Create a Diverse workforce

Recommendations

Set data-driven workforce goals

a. Local Employment Goals

1. Direct opportunities to low-income neighborhoods or zip codes;
2. Tiers of local geography that can be implemented by referral services:
3. Draft disadvantaged worker definition with an eye toward implementation
4. Set goals by trade rather than by project
5. Set goals for apprentice hours, as opposed to journey-level hours or overall workforce
6. Incorporate a “ramp up” period to set up parties for success

Recommendations

Establish Clear Responsibilities for Achieving Workforce Goals

- a. Goals vs. Requirements – Either way, a contractor is required to take certain steps to attain the percentage and can be found in noncompliance if it fails to do so
- b. Contractor requirements and good faith efforts
 - a. Don't use vague language
 - b. Don't ask contractors to take steps inconsistent with industry practices
 - c. Don't ignore role of union hiring halls
 - d. Require contractors to sponsor apprentices

Recommendations

Collect Data to Track Progress on Workforce Goals

a. Public Agencies

1. Track similar metrics on PLA outcomes
2. Partnerships between small and large jurisdictions
3. Post outcomes on a website (as a dashboard)
4. Develop a 5, 10, year project forecast
5. Create a regional dashboard

Recommendations

Collect Data to Track Progress on Workforce Goals

a. Trades

1. Track consistent data on membership (by craft)
2. Data points to collect
 - a. Total Membership
 - i. Number of Apprentices
 - ii. Number of Journeyworkers
 - b. Membership by race/ethnicity
 - c. Membership by gender
 - d. Number of members set to retire in the next 5 years

Recommendations

Enforce to Ensure Progress on Goals

- a. Enforcement of workforce goals is a longstanding challenge
- b. In general, the simpler and more precise a policy can be, the more feasible it is for contractors to comply, and public entities to monitor and enforce
 - 1. Fewer categories
 - 2. Consider whether prioritization is worth it
 - 3. Clear direction for contractors
- c. PLAs are a rare opportunity to coordinate all the main actors in the hiring process. They should be negotiated with workforce goals in mind and should facilitate their achievement.

Recommendations

Support the Retention and Advancement of Diverse Workers

- a. Implement a common worksite harassment prevention program
 - 1. “Train the trainer” model
 - 2. Must have industry relevance
 - 3. Ideally, result in an industry-recognized credential that can be recognized broadly
- b. Implement a jobsite monitoring program
 - a. Ensure workers of color and women are accessing opportunities for advancement
 - b. May require the intervention of a third-party (perhaps provided by the program, above) to verify discrimination

Recommendations - Supply

Retaining a Diverse Workforce

- a. Jobsite monitoring to ensure that workers of color and women are accessing opportunities for advancement
 - 1. Issue of “pigeon-holing” workers of color and women to lower skilled/paid crafts
 - 2. Within broad crafts, additional skills may be gained, but workers may be barred from accessing due to lack of training and/or lack of supportive supervisors
 - 3. May require the intervention of a third-party entity to verify discrimination

Recommendations

Coordinate Ongoing Support for Diverse Workers

- a. Coordinate funding supports to drive the development of a diverse workforce

Example strategies may include the following

1. Agencies agree to set aside a portion of their capital project budgets for workforce development and small contractor support
 2. Agencies can allow Prime Contractors to set aside a portion of their hard costs for workforce development and/or small contractor assistance
 3. Agencies pool their funding (i.e. a funder collaborative)
- b. Agencies should coordinate /communicate on their respective workforce investments to ensure efforts are coordinated and not duplicative

Recommendations

Coordinate Ongoing Support for Diverse Workers

- a. Coordinate funding supports to drive the development of a diverse workforce

Example supports include the following:

1. Supports to CBOs to increase exposure to the construction industry – with a focus on workers with barriers to employment
2. Support to PATPs – particularly to provide paid training and ongoing support (e.g. transit passes, case management services, record expungement, etc.)
3. Culturally supportive programs (e.g. IBEW Local 11's Second Call)
4. Support and technical assistance to small, minority owned businesses
5. Support and technical assistance to tradespeople who wish to start their own business

Recommendations - Supply

Collaborate on a Regional Level to Create a Diverse Workforce

a. Regional Collaboration

1. Engage other public agencies in the region
2. Continue to meet monthly, move to every other month thereafter
3. Topics to discuss
 1. Refining local hire goal to increase participation by BIPOC and female workers
 2. Discuss best practices in enforcement of PLA provision
 3. Standardizing Data Collection
 4. Creating a Regional Dashboard
 5. Discussion how to best pool/coordinate workforce funding over time;
 6. Jointly identify additional sources of funding to implement key recommendations in this document

What's next?

What should members keep in mind for Phase 2?

1. Engaging agency leadership
2. Engage other agencies throughout the region (of varying sizes)
3. Continue meeting as a regional group (immediate tasks can include)
 - a. Best Practices in PLA language/enforcement practices
 - b. Alignment/pooling of Workforce Funding
 - c. Data Collection

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