

Project Labor Agreement Policy – Racial Equity Toolkit

The purpose of Racial Equity Impact Analysis is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Equity is an **outcome** whereby you can't tell the difference in critical markers of health, well-being, and wealth by race or ethnicity, and a **process** whereby we explicitly value the voices and contributions of people of color, low income, and other underrepresented and underserved communities who identify solutions to achieve that outcome.

Achieving racial equity and social justice requires us to consider the underlying racial and social harms that have caused racial and social inequities, and then working to address them to achieve different outcomes.

Step #1: What is your proposal and the desired results and outcomes?

1. Describe the policy, program, practice, or budget decision (for the sake of brevity, we refer to this as a “proposal” in the remainder of these steps)

A Project Labor Agreement is a collective bargaining agreement negotiated for construction projects between the County, as project owner, and the local building trade unions.

The Board of Supervisors adopted a policy in 2014 requiring all projects over \$10 million construction cost to negotiate a Project Labor Agreement (PLA) based upon an adopted template agreement.

Key policy changes recommended by stakeholders include:

- Changing the criteria for when projects require a PLA (for example, lowering the cost threshold, expand to Airport and Water Agency, allowing projects to be bid with and without PLAs, etc.)
- Remove core workforce requirements and have all PLA workers come from Union referral halls
- Use an open source certified payroll platform

2. What are the intended results (in the community) and outcomes (within your own organization)?

The intended results and outcomes of the Project Labor Agreement Policy are increasing local job creation, supporting training and internship opportunities in the building trades, avoiding costly labor disruptions or work stoppages, ensuring adequate health, welfare and retirement benefits for workers, ensuring that the use of a PLA does not increase County project costs, and supporting the County's commitment to achieving racial equity.

3. What does this proposal have an ability to impact?

Contracting equity

Government practices

Jobs

Workforce equity

Economic development

Step #2: What's the data? What does the data tell us?

1. Will the proposal have impacts in specific geographic areas (neighborhoods, areas, or regions)? What are the racial demographics of those living in the area?

This policy will primary impact the local workforce in Sonoma County. *See Portrait of Sonoma for County's geographic demographic data.*

2. What does population level data, including quantitative and qualitative data, tell you about existing racial inequities? What does it tell you about root causes or factors influencing racial inequities?

Worker demographic data indicate that racial demographics for the construction sector largely reflect the racial demographics of the overall population, with some notable exceptions. There is a higher percentage of Hispanics/Latinos working in this sector and a lower percentage of Asians when compared to population demographics. Only 18% of sector employees are women, compared to the County's 49% of employees that are women.

| | Hispanic or Latino | White | Black | American Indian or Alaska Native | Asian | Native Hawaiian or Other Pacific Islander | Two or more races |
|--------------------------|--------------------------|-------|-------|---|-------|---|-------------------------|
| Countywide | 30% | 53% | 4% | 1% | 9% | 0% | 3% |
| Construction Industry | 35% | 55% | 2% | 1% | 4% | 0% | 2% |

| | Female employees | Male employees |
|--------------------------|---------------------|-------------------|
| Countywide | 49% | 51% |
| Construction Industry | 18% | 82% |

Given the small number of PLA projects in the County, we do not have local data on the demographics of workers or business owners associated with PLA projects compared to the

general county demographics. We are in the process of gathering demographic data on workers referred through the Union referral halls. In general, PLAs would be anticipated to increase the number of Union Hall referred workers working on a project.

The North Bay Trades Introduction Program, a union-sponsored program that provides education and skills training to workers interested in pursuing an apprenticeship in one of 14 building trade unions, has a significantly higher percentage of people of color participating in their program compared to the overall County and construction sector demographics.

See demographic data spreadsheet.

Root causes and factors that might result in less equitable access to jobs in the construction industry include: access to education/training required to do this work, language access, immigration status, and bias in hiring.

3. What performance level data do you have available for your proposal? This should include data associated with existing programs or policies.

Given the lack of County PLAs there is not local performance data associated with past County PLAs.

Staff reviewed the following resources associated with PLA performance and impacts, which include data indicating that PLAs may increase career opportunities for people of color:

1. Improving the Effectiveness of Project Labor Agreements, December 2020, Produced by Estolano Advisors for the San Francisco Foundation: a report produced to better understand the challenge and opportunities to diversify the East Bay union construction industry and develop recommendations to improve performance of local PLAs.
2. Building Opportunity Investing in local and disadvantaged residents with Community Workforce Agreements, July 2017, Working Partnerships USA: a report that examines how public dollars currently being spent on construction projects are, or are not, benefitting the local workforce, and explores the use of Community Workforce Agreements as a tool to better focus public investments on creating training and career opportunities for San Jose communities.
3. Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers, October 2011, Maria Figueroa, Jeff Grabelsky, Ryan Lamare, Cornell University: a report focused on community development impacts of PLAs, finding that PLAs can promote equal employment and career opportunities for residents of low income communities, women, minorities, and disadvantaged or at risk populations.
4. The Construction Careers Handbook How to Build Coalitions and Win Agreements That Create Career Pathways for Low Income People and Lift Up Construction Industry Jobs, Partnership for Working Families, 2013: A handbook that includes case studies of successful pre-apprenticeship programs, including West Oakland's Cypress Mandela.

5. Project Labor Agreements in Los Angeles The Example of the Los Angeles Unified School District, Uyen Le & Lauren D. Appelbaum, UCLA Institute for Research on Labor and Employment, 2011: a paper that discusses the role of PLAs and PSAs in creating construction industry employment and whether LAUSD met the goals laid out in its PSA.
6. Strategies for Addressing Equity in Infrastructure and Public Works, Kalima Rose and Judith Dangerfield, Policy Link, 2015: A report on strategies for public works and infrastructure projects to create equitable economic development and opportunities for wealth creation through policies and programs for inclusion of businesses that are owned by minorities and women.

4. Are there data gaps? What additional data would be helpful in analyzing the proposal? If so, how can you obtain better data?

As mentioned previously, there are gaps in data on local PLAs. There may be opportunities to collect demographic information of employees working on projects for future PLAs to measure impact. Data on the zip codes of workers would be helpful to examine possible PLA impacts on geographic disparities. Certified payrolls are one example of a tool to obtain demographic data on PLA workers. There is also a gap in local data that compares worker wages/benefits for workers on PLA jobs versus non PLA jobs. Another gap in data is whether including a PLA on a project would decrease minority owned business participation in County construction projects.

Step #3: How have communities been engaged? Are there opportunities to expand engagement?

1. Who are the most affected community members who are concerned with or have experience related to this proposal? How have you involved these community members in the development of this proposal?

Community members that are most concerned and have experience with this policy include workers (and future workers), business owners in the construction trades, trades organizations, apprenticeship and training programs, and labor groups.

The County contacted the following stakeholders to request feedback on this policy:

- North Bay Building and Construction Trades Council
- North Bay Jobs with Justice
- North Bay Labor Council
- North Bay Trades Introduction Program
- North Coast Builders Exchange
- Northern California Engineering Contractors Association
- Social Advocates for Youth

2. What has your engagement process told you about the burdens or benefits for different groups?

Advocates for PLAs contend that lowering the cost threshold and increasing the number of projects with PLAs would expand the number of opportunities that can be offered to youth, historically disadvantaged members of the community, women, and local area residents. Other arguments made by those in favor of PLAs include that use of union labor increases the quality of work, the likelihood that projects will be completed on-time and on-budget, and that they increase benefits and labor and safety protections for workers. Those in opposition to PLAs contend that they increase costs and exclude non-union labor. PLA opponents also have concerns that PLAs limit the bidding pool and decrease competition.

For policy considerations around core workforce requirements, the Trades Council asserts that having all referrals go through Union halls maximize the ability to effectively and efficiently create opportunities to local youth, historically underserved populations or other targeted hires. Those in opposition to Union hall referral requirements contend that this discourages competition from qualified and local nonunion contractors' skilled employees. There are concerns that they would have to choose between not being able to use their own workers or having to require their employees to join a union or require them to pay union dues in order to work on a PLA project.

For policy considerations around certified payroll, the Trades Council contends that this approach would allow them to extrapolate the data in a consistent and more accurate manner, as well as give them and the County the ability to return that data to the public. According to the Trades Council, an open source platform will also allow for the cross referencing of data from other PLA projects across the region that are being done by agencies outside the purview of the County, so as to understand how the PLA – on its own and in conjunction with others – is affecting equity.

3. What has your engagement process told you about the factors that produce or perpetuate racial inequity related to this proposal?

While we don't have local data on PLA worker demographics, the research materials referenced above provide examples where PLAs increased career opportunities for people of color. Labor advocates encourage the use of labor hall referrals for core workforce on construction projects, claiming that non-union jobs might not provide the same protections and benefits, which could perpetuate racial inequity. However, there are likely local examples of non-union businesses that provide protections and benefits for workers.

Staff reviewed the following resources associated with PLA performance and impacts, which include data indicating that PLAs may increase career opportunities for people of color:

1. Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers, October 2011, Maria Figueroa, Jeff Grabelsky, Ryan Lamare, Cornell University: a report focused on community development impacts of PLAs, finding that PLAs can promote equal employment and career opportunities for residents of low income communities, women, minorities, and disadvantaged or at risk

populations. This report included three case examples of PLAs/CWAs that reveal that the implementation of community workforce or targeted hiring provisions have increased job and career path opportunities in the construction industry to workers from low income communities and minorities in Washington, DC, New York City, and Cleveland.

2. Building Opportunity Investing in local and disadvantaged residents with Community Workforce Agreements, July 2017, Working Partnerships USA: a report that explores the use of Community Workforce Agreements as a tool to better focus public investments on creating training and career opportunities for San Jose communities. It includes target hiring data for projects, including disadvantaged workers.

Step #4: What are your strategies for advancing racial equity?

1. Given what you have learned from research and stakeholder involvement, how will the proposal increase or decrease racial equity? Who would benefit from or be burdened by your proposal?

A PLA policy that would require PLAs for more County projects and includes apprenticeship/training requirements may result in increased racial equity by increasing opportunities for people of color to access construction jobs.

However, opponents to the PLA have concerns that PLAs may result in decreased participation from minority and women-owned small businesses who may be disincentivized from bidding on projects. There may be decreased racial equity outcomes if PLAs result in a decrease in minority owned business participation in County construction projects.

2. What are potential unintended consequences? What are the ways in which your proposal could be modified to enhance positive impacts or reduce negative impacts?

As mentioned above, an unintended consequence may be a decrease in minority owned business participation in County construction projects. However, there is not data to indicate whether this is likely to be an outcome of PLA policy changes. There may be policy considerations (both for the PLA policy and other County policies and programs) that encourage minority owned business participation.

3. Are there complementary strategies that you can implement? What are ways in which existing partnerships could be strengthened to maximize impact in the community? How will you partner with stakeholders for long-term positive change?

Potential complementary strategies for consideration: living wage ordinance; business mentorship programs; EDB programs (Ex. establish a small business boot-camp for small, minority- and women-owned businesses); identify best practices/recommendations on strategies for the County to remove bias and encourage equity in future procurement processes.

4. Are the impacts aligned with your community outcomes defined in Step #1?

Yes.

Step #5: What is your plan for implementation?

1. Describe your plan for implementation.

Board of Supervisors will determine whether they want to make any policy updates based on recommendations from the PLA Policy Ad Hoc. Staff would develop an implementation plan depending on BOS policy decisions.

2. Is your plan:

Realistic? Yes

Adequately funded? Additional funding may be needed if BOS decides to include certified payroll requirements or other data collection/reporting activities.

Adequately resourced with personnel? Same as above – may require additional staff for compliance/reporting.

Adequately resourced with mechanisms to ensure successful implementation and enforcement? Yes.

Adequately resourced to ensure on-going data collection, public reporting, and community engagement? May need more resources for this.

If the answer to any of these questions is no, what resources or actions are needed?

We have initial estimates for staff compliance efforts from Sonoma Water, but more information is needed on policy recommendations before confirming any additional resources needed.

Step #6: How will you ensure accountability, communicate, and evaluate results?

1. How will impacts be documented and evaluated? Are you achieving the anticipated outcomes? Are you having impact in the community?

TBD: Opportunities to build reporting requirements into PLAs; consider periodic data review of PLAs, looking at costs, competitiveness, demographics, etc.

2. What are your messages and communication strategies that will help advance racial equity?

TBD: Upcoming procurement review may identify best practices in outreach/messaging for procurement processes that aim to encourage equity.

3. How will you continue to partner and deepen relationships with communities to make sure your work to advance racial equity is working and sustainable for the long-haul?

The County will partner with the North Bay Trades Council to negotiate PLAs for projects that require PLAs.