COMMUNITY WORKFORCE AGREEMENTS
PATHWAY TO CAREER OPPORTUNITIES

BY ART LUJAN, LYLE A. BALISTRERI, AND LOREE K. SOGGS
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INTRODUCING COMMUNITY WORKFORCE AGREEMENTS

As the nation ramps up its investments in green construction, ranging from energy efficiency retrofits to smart grid upgrades to solar installation, public and private project funders should seek to both rely on a high-quality workforce and create economic benefits for local residents. Community Workforce Agreements are a critical tool for ensuring that major construction projects create opportunities for local residents and disadvantaged workers. CWAs include language and terms about hiring workers, engaging firms from targeted populations, or other ways to help the community. They are legal, binding, collective bargaining agreements, entered into between a local Building Trades Council and a government entity or the owner of a construction project. The general contractor and all of its subcontractors on the project must abide by the terms of the agreement.

The name Community Workforce Agreement is sometimes used interchangeably with “project labor agreement,” “community benefits agreements,” or “construction career initiative.” These names and their forms may differ, but the underlying concept remains the same: By establishing mutual benefits, the CWA is a social compact for creating and developing bridges between communities and the union apprenticeship programs that provide pathways to career opportunities.

Several recent examples illustrate the power of CWAs. A recent multiyear, multibillion-dollar project labor agreement between the Los Angeles Building Trades Council and the city’s Department of Transportation includes targeted hiring by zip code. In an innovative application of the strategy, the New York City Building Trades Council has used CWAs to connect its pre-apprenticeship program to public housing’s Section 3 Resident Employment and Training program. Construction unions collaborate with the Louisville Urban League through the KentuckianaWorks Construction One-Stop Career Center, which prepares workers for construction opportunities emerging from the development of a major arena, Ohio River bridges upgrades, and other major regional projects.

The Building and Construction Trades Department of the AFL-CIO, representing thirteen national construction unions, is a strong proponent of CWAs. All of its unions’ general presidents and national training providers are committed to developing this type of social compact. As noted in Community Workforce Agreements: The Pathway to Coalitions Between Labor and Community:

The Building Trades have been clear and unambiguous about our commitment to work cooperatively with the broader community to achieve these two inseparable goals. Number one, construct and expand pathways to good jobs and lifetime careers in the building trades for community members through collaborative workforce development systems involving community-based training providers and union-based apprenticeship programs.

Number two, promote and extend the practice of collective bargaining as widely and deeply as possible into building energy efficiency retrofit markets through progressive public policy and strategic union organizing in order to support and sustain the workforce development systems that lead to good jobs and lifetime careers.

Union presidents and training providers view CWAs as the most effective instrument in developing such a social compact between labor and community.

This report introduces CWAs and describes critical components that enhance their success. It highlights the benefits of these agreements to many stakeholders, including disadvantaged workers, community-based organizations, organized labor, and the owners or leaders of public and private construction projects. Case studies from Milwaukee, Wisconsin, and Cleveland, Ohio, provide insight into how CWAs have been developed and implemented.
CWAs can be difficult to establish because unions, contractors, owners, and community groups have different needs that pull in different directions. Bringing these stakeholders together is even more difficult in communities where distrust and non-communication have characterized community relations for many years. Stakeholders often struggle with the process and negotiations. No one gets everything they want, but in the end, the collective bargaining agreement process gives every stakeholder at least part of what they seek. Most important, the final agreement creates jobs and economic opportunity.

As a form of standardization, all CWAs include certain clauses required by the national Building and Construction Trades Department of the AFL-CIO. Other issues are collectively bargained and agreed upon by local unions and employers, and the specific work and requirements that put the basic goals of CWAs in place differ as a product of local negotiations. No one template or agreement fits every community, each of which has unique needs and ways of approaching key issues. This variation is compounded over time, because the CWA concept is constantly evolving.

Most CWAs incorporate several standard terms and requirements about addressing community needs. Among the clauses and issues reflecting ways to support the community and ensure the successful implementation of the agreement are:

- Targeted hiring
- First source
- Employer training
- Forecasting
- Enforcement

TARGETED HIRING
Targeted hiring defines specific populations (e.g., women, residents of a particular zip code, ex-offenders) the project workforce should include. Specific percentages of the workforce or labor hours are set for these groups. Similar targets can be set for contractors, ensuring that minority-owned and female-owned firms receive work from the project. The agreements also often define the percentage of first-period apprentices (those in their first six months) to be employed on the project. This ensures that jobs are available for apprentices, for whom on-the-job training is a key component of their learning and advancement.

FIRST SOURCE
Community-based organizations that offer job training can benefit greatly from being identified as “first source” partners for hiring agreements. In these cases, graduates of a CBO’s programs get priority over other job applicants. More stringent requirements can set the percentage or number of workers who must be selected from a list of graduates of specific local workforce development partners.

Training programs may secure priority commitments based on a history of trust in the community and among union partners. A number of local organizations have received first-source designations in Seattle, Milwaukee, Los Angeles, and other cities. For example, CWAs increasingly include YouthBuild programs. This has emerged in part because YouthBuild USA is a national partner with the Building and Construction Trades Department and is beginning to use the BCTD’s Multi-Craft Core Curriculum, an innovative curriculum that provides a gateway for workforce training graduates into joint labor-management, industry-registered apprenticeships.
EMPLOYER TRAINING

CWAs can expand the inclusion not only of historically excluded workers but also of contractors that may lack experience bidding on large projects. This approach recognizes that emerging firms need the same type of support that training programs provide to participants who are seeking employment on a CWA project.

One strategy is to require every employer who plans to bid on the project to attend a “bidders’ conference” before the deadline for submitting proposals. This has been an effective tool in expanding the amount of work contracted to small businesses and minority-owned and female-owned companies. The conference is a form of technical assistance that strengthens and supports these firms by providing critical business information that they may not otherwise be able to identify with their limited resources.

The Los Angeles Unified School District has developed an excellent version of this strategy. Employers must attend a six-week Small Business Enterprise boot camp before bidding on a contract. The camp provides a foundational understanding of bonding capacity, certified payrolls, trust documents, and compliance with the rules and regulations of the CWA.

FORECASTING

The implementation of a CWA relies on a workforce development pipeline: Training providers prepare jobseekers for the skills and occupations that will be in demand. However, a supply-demand mismatch can develop when training providers lack access to good information about the specific trades for which contractors seek workers. A CWA bridges this gap with estimates of how many electricians, plumbers, and other building trades workers the project will require over a certain period, usually two to three years.

Project developers can share this information effectively by including the labor requirements in the bid document they send to every prospective bidder. Also, the information can be accessed in different ways in different places. For example, some contract-awarding agencies post labor forecasts online. Training organizations can work with their local Building Trades Councils to learn more about the details and hiring implications of CWAs in their communities.

Local organizations that have developed good relationships with union partners can tap into these labor market forecasts to fine-tune their pre-apprenticeship programs. This is especially important because apprenticeship committees do not accept more people than the number of anticipated job openings in a specific trade during an apprentice’s entire three to five years of training. Coordination in forecasting can help lessen the direction of training resources to occupations with little or no labor demand, and redirect those resources toward skills and trades with stronger demand.

ENFORCEMENT

Community Workforce Agreements are particularly useful for improving the access of women, minorities, and low-income residents to jobs and labor-management apprenticeship programs: They are not only legally binding but they also can include enforcement mechanisms to ensure contractor compliance. For example, CWAs for publicly funded projects can specify financial penalties for contractors that fail to meet agreed-upon goals. Another enforcement mechanism is to carry compliance forward positively as bonus points awarded to contractors on future public bids. In the private sector, the project owner can set and enforce compliance mechanisms.

An emerging national trend is to increase the monitoring and enforcement of penalties on these agreements, with CWA clauses defining the makeup and roles of oversight committees responsible for ensuring that contractors meet the specified terms. Increasingly, these oversight committees include community groups. Because the composition of these committees is subject to local negotiation and varies across agreements, an organization interested in becoming part of an oversight committee should engage in the CWA planning process early, well before roles and agreement language are finalized.
THE ORIGINS OF COMMUNITY WORKFORCE AGREEMENTS

CWAs build on the tradition of project labor agreements, which trade unions have used for 100 years in the private sector and 75 years in the public sector. A project labor agreement is a comprehensive, pre-hire, collective bargaining agreement that sets basic terms and conditions for labor (e.g., wages, benefits, hours, working conditions) that all relevant stakeholders in a given project must observe. For example, in the 1930s the Grand Coulee Dam and Shasta Dam were built under project labor agreements.

Project labor agreements began to evolve into Community Workforce Agreements in the 1990s, with the introduction of terms designed to increase access to jobs for community residents. Since then, major construction projects around the country have employed CWAs successfully, and they have withstood various legal challenges to their inclusion in collective bargaining agreements. Two cities have provided national leadership around the development and implementation of CWAs:

> In Milwaukee, Community Workforce Agreements grew out of the construction of the city’s Convention Center and highlight how an intermediary can support the goals of a CWA.

> Cleveland illustrates the potential for Community Workforce Agreements to provide benefits for employers and residents when connected with a targeted training program.
A long struggle preceded the use of CWAs in Milwaukee. Gradually, the agreements developed a political base, and they are now improving diversity in the construction workforce, moving people out of poverty and into higher-wage, family-sustaining jobs and facilitating the empowerment and education of workers.

In the mid-1990s, the Milwaukee Building Trades Council sought to secure a project labor agreement that would specify union labor for a $325 million contract to build the city’s convention center. The unions on the council faced several challenges. The company leading the project, Clark Construction, came from out of town and often used non-union labor. The Wisconsin Center Board, the binding authority that sold bonds to fund the project, was resistant to specifying union labor after various community groups publicly opposed such agreements: They perceived a lack of access to and diversity in the Building Trades unions. Initially, the unions ignored those criticisms, and the negotiations with the board broke off.

Relationships in Milwaukee began shifting when a union business manager suggested using the project labor agreement concept creatively to address the shared interest of the unions and the community groups in jobs. Initially, the community groups were skeptical, but the Building Trades added a clause to the proposed agreement requiring that 25 percent of the project workforce would be minorities and 5 percent would be women. The proposed agreement strengthened that condition by listing a number of first-source community-based organizations to recruit workers for contractors not meeting the workforce requirements. Ultimately, this newly developed CWA helped the trades enlist various community groups in Milwaukee to support their efforts.

On April 19, 1996, 4,000 community and union members attended another meeting of the Wisconsin Center Board, this time voicing unified support for the CWA. The attendees reflected the city’s demographic composition, and this coordinated demonstration signaled support for the CWA from the community at large. The board reopened negotiations and approved a CWA with the Building Trades’ recommended terms for hiring women and minorities. The CWA set similar provisions for contractor participation, so that 25 percent of the contractors had to be owned by ethnic minorities and 5 percent had to be owned by women.

Every subsequent Milwaukee CWA has provided for diversity in hiring and for identifying first-source CBOs for worker referrals. This has included construction of the $150 million Potawatomi Bingo Casino and the $3.2 billion Wisconsin Electric Power of the Future project.

In each case, creating a CWA with minority and female participation on the workforce level has gotten easier. Two assets, in particular, have helped local partners implement CWAs in Milwaukee: the Residents Preference Program and WRTP/BIG STEP.

### SELECTED MILWAUKEE DEMOGRAPHICS

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<tr>
<th>Demographic</th>
<th>Percentage</th>
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<tbody>
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<td>African Americans</td>
<td>40%</td>
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<tr>
<td>Hispanics</td>
<td>17%</td>
</tr>
<tr>
<td>Non-Hispanic whites</td>
<td>37%</td>
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<tr>
<td>Unemployment rate</td>
<td>15.4%</td>
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<tr>
<td>African-American unemployment rate</td>
<td>24%</td>
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Milwaukee has had the Residents Preference Program for many years, but employers initially viewed it as a charity effort. For the early RPP, the city had set rules that residents of specific urban neighborhoods must have first preference for employment on public projects (e.g., work with the school system). In addition, the RPP could cover only workers who had not been employed in the previous six months in a trade-related job. However, these guidelines were difficult to implement because the pool of eligible workers was small; thus, the impact was limited to a few job placements.

Recently, the RPP has been reformed to help employers meet CWA targets. The major change is to expand the boundary from specified neighborhoods to include the entire city. At the same time, the downturn in Milwaukee’s construction industry, particularly since the power plant construction stopped, has put many skilled people of color and women out of work, making them eligible for the RPP.

A complete database of eligible workers is maintained, making it easy to match appropriate jobseekers to contractor needs. The contractor can directly hire individuals on the RPP or request them through the union referral system and hiring hall. This centralized, robust database makes it easier for contractors to meet targeted hiring goals. The database does not track compliance, but its ability to demonstrate available workers can be used as a straightforward mechanism to check whether employer efforts to comply have been adequate.

WRTP/BIG STEP has begun developing a project labor assessment tool for forecasting short-term workforce needs before a major project starts. A representative from WRTP/BIG STEP meets with the prime contractor, presents the terms and conditions of the CWA, and discusses a workforce participation plan. This opportunity for contractors to raise concerns and address them up front minimizes problems when the project is underway.

In addition, WRTP/BIG STEP manages the database of eligible workers for the Residents Preference Program. If a union does not identify appropriate individuals from its internal list of jobseekers, WRTP/BIG STEP, as community partner, works closely with the union and the employer to find or identify workers who may qualify.

WRTP/BIG STEP has forged a high degree of quality, trust, and commitment in connecting the community and organized labor. This is reflected in a major source of funding for WRTP/BIG STEP: a contribution from union contractors based on the number of hours worked by union members.

Milwaukee’s process of establishing CWAs also has led to valuable friendships between organized labor and the community. For example, together they convinced the city council to enact Milwaukee Opportunities for Restoring Employment—MORE—as an ordinance in 2009. However, a state executive order in 2011 and state legislation in 2012 suspended or barred many collective bargaining and workforce development provisions, including targeted hires for apprentices on state-funded projects. A coalition has formed to develop a new CWA to replace the MORE Ordinance. Partners include the City of Milwaukee, the Building Trades and other unions, the Milwaukee Area Labor Council, MICAH (Milwaukee Inner-city Congregations Allied for Hope), Good Jobs in Livable Neighborhoods, Wisconsin Citizen Action, and various other community groups. This collaboration would not have been possible 20 years ago, and trust across these stakeholders continues to grow.
CLEVELAND CASE STUDY

Like Milwaukee, Cleveland has established numerous CWAs since 2007. Notable examples include agreements on construction projects for a casino, Cuyahoga Community College, Eaton Corporation World Headquarters, the Medical Mart, University Hospital, and the Flats East Bank project, a district being developed on the Cuyahoga River waterfront.

The University Hospital CWA has had a particularly large impact because of the scale of work covered by the agreement. It illustrates the successes and growing impact of CWAs in Cleveland. The $1 billion University Hospital project, started in 2007, includes a requirement that city residents must comprise at least 20 percent of project labor. In response, the Cleveland Building and Construction Trades Council stepped up its activities to train residents and monitor compliance.

The primary pre-apprenticeship training provider to connect residents to apprenticeship jobs created by the project is UCIP-ASAP, itself a project of a labor-management coalition to advance Northeast Ohio’s construction industry (see box on page 8). To meet a CWA mandate that some project workers be graduates of the Max S. Hayes High School (the Cleveland Metropolitan School District’s trade school), University Hospital pays UCIP-ASAP the tuition to provide pre-apprenticeship training to these high school graduates. Largely because of this support, 15 Max Hayes graduates have gotten jobs on the hospital project. Workforce Investments Act funds and foundation grants cover the costs of training for other CWA targeted workers, including ex-offenders. In total, 23 UCIP-ASAP graduates have worked on the project as successful apprentices, while also helping the contractors meet their employment goals.

The Building Trades have sought both to train workers and to support employer compliance with the University Hospital CWA. A critical component of enforcement is a requirement that employers document their hiring efforts. For example, a contractor who requests a city resident from the electrical union’s hiring hall must make the request in writing. Thus, contractors must prove it when they say they tried to meet their hiring goals without success. In 2010, a Building Trades-sponsored survey found that contractors met the hiring goals and continued to employ 20 percent of city residents beyond the scope of the CWA project. This provides evidence for future CWAs that compliance is not a major burden on contractors.

The success of the University Hospital CWA has generated support for this type of agreement among the owners of other projects. The Building Trades apprenticeship programs continue to work with owners to frame appropriate community benefits (e.g., target hiring for city residents or minority and female workers; offer career days).

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<td>African Americans as a percent of the population</td>
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<td>Hispanics as a percent of the population</td>
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<tr>
<td>Non-Hispanic whites as a percent of the population</td>
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<tr>
<td>Unemployment rate</td>
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<tr>
<td>African-American unemployment rate</td>
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The primary Building Trades program to connect Cleveland residents to apprenticeships is the Union Construction Industry Partnership Apprenticeship Skills Achievement Program (UCIP-ASAP). This pre-apprenticeship program evolved out of a consortium from the 1990s comprising organized labor and union contractors. The first cohort of UCIP-ASAP students began training in 2003, under the leadership of the local union apprenticeship coordinators. The link to the union training system and CWA employment is reinforced upon graduation, when successful program participants gain direct entry to the Joint Apprenticeship and Training Committee apprenticeships.

UCIP-ASAP has had great success. It now holds three classes of twenty students per year, including a summer session exclusively for Cleveland public high school students. Over 390 young people have graduated, and 51 percent of them have found jobs despite the weak economy. Five years ago, when the economy was stronger, about 79 percent of graduates were employed.

UCIP-ASAP: SNAPSHOT IN NUMBERS

Number of students trained by UCIP-ASAP: 390
City of Cleveland residents: 358
Cuyahoga County residents: 32
Number of apprenticeship placements: 190
Number of job placements: 165

For more information, see: www.ucipconstruction.com/asap.htm.
CONCLUSION

The implementation of CWAs demonstrates that these agreements can play a key role in providing local, minority, and female workers with access to high-quality careers. Several common lessons have emerged in Milwaukee, Cleveland, and around the country.

> Community groups and Building Trades Councils must work in tandem. This becomes easier as the stakeholders build a robust relationship with mutual trust.

> Training programs must provide employers with referrals of workers who are fully prepared to work. This preparation is a difficult task for the most disadvantaged and least educated people in the community.

> Enforcement is needed to secure success. However, employers that have achieved CWA goals can become key supporters of future agreements.

The emergence of energy efficiency, weatherization, and new green construction projects creates an opportunity to examine the conditions of a city’s or region’s major construction projects. CWAs can ensure that these projects are designed to not only improve the environment but also the economic security of disadvantaged communities.
ENDNOTES


2 In YouthBuild programs, low-income young people ages 16 to 24 work full time for 6 to 24 months toward their GEDs or high school diplomas while learning job skills by building affordable housing in their communities. There are 273 YouthBuild programs in 46 states, Washington, DC, and the Virgin Islands, engaging about 10,000 young adults per year. For more information, see: https://youthbuild.org.


4 For more information about the Los Angeles Unified School District’s Small Business Enterprise boot camp, see: www.laschools.org/new-site/small-business.


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