

ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

601 GATEWAY BOULEVARD, SUITE 1000
SOUTH SAN FRANCISCO, CA 94080-7037

TEL: (650) 589-1660
FAX: (650) 589-5062

mseville@adamsbroadwell.com

SACRAMENTO OFFICE

520 CAPITOL MALL, SUITE 350
SACRAMENTO, CA 95814-4721

TEL: (916) 444-6201
FAX: (916) 444-6209

KEVIN T. CARMICHAEL
CHRISTINA M. CARO
THOMAS A. ENSLOW
KELILAH D. FEDERMAN
RICHARD M. FRANCO
ANDREW J. GRAF
TANYA A. GULESSERIAN
DARIEN K. KEY
RACHAEL E. KOSS
AIDAN P. MARSHALL
TARA C. RENGIFO
MICHAEL R. SEVILLE

Of Counsel

MARC D. JOSEPH
DANIEL L. CARDOZO

**Not admitted in California.
Licensed in Colorado.*

June 8, 2022

VIA EMAIL ONLY

Honorable Board of Education
Sacramento City Unified School District
5735 47th Avenue
Sacramento, CA 95824
publiccomment@scusd.edu

RE: SCUSD June 9 Board Meeting: Support for Agenda Item 10.4 – Approval of
Renewal of SCUSD Project Labor Agreement

Dear Board Members:

I'm writing on behalf of the Sacramento-Sierra Building & Construction Trades Council ("Council") in support of Agenda Item 10.4, renewal of the programmatic Project Labor Agreements ("PLA") for Sacramento City Unified School District ("District") projects. The Council represents construction workers that live, work, and raise their families in the City of Sacramento and the surrounding region and form the backbone of the region's skilled construction workforce. In addition, these unions participate in joint labor-management apprenticeship programs that include targeted outreach and community programs to recruit students, veterans, women and minority applicants.

The PLA before the Board in Agenda Item 10.4 is a renewal of what the Board has routinely approved for nearly two decades, beginning in 2005 and most recently in 2017. The proposed PLA is largely identical to the 2017 agreement which is expiring, including retention of the same \$500,000 project threshold set forth in that agreement. In addition, it includes a commitment to expand the scope of the educational and job development partnership between the District and the Council to support the District's Career Technical Education ("CTE") programs beyond what is currently set forth in the 2017 agreement.

2969-014acp

The proposed PLA will thus help ensure that District projects continue to be built efficiently and on-time by skilled labor, while at the same time continuing the longstanding partnership between the District and the Council in providing educational, apprenticeship and career opportunities to the District's students and graduates. The PLA continues to support the underlying values of the District's Core Value statement and Equity, Access, and Social Justice Guiding Principles. The District's noteworthy commitment to comprehensive educational programs, training, work-based learning, and workforce development programs are in lock step with the community based benefits that the PLA provides through building the local middle class through apprenticeship opportunities and high road jobs for the residents of the City of Sacramento and the surrounding areas.

The Council urges you to adopt the PLA for another term. The PLA is good for the District, good for students and graduates and good for the community.

I. ARTICLE 12 OF THE AGREEMENT SETS FORTH THE TERMS OF A CONTINUED AND EXPANDED PARTNERSHIP BETWEEN THE COUNCIL AND THE DISTRICT TO SUPPORT EDUCATIONAL AND JOB OPPORTUNITIES OF DISTRICT STUDENTS AND GRADUATES

Article 12 of the PLA is entitled "Mutual Commitment to Supporting Educational and Career Development Opportunities for District Students". In this section, the parties commit to "formalize partnerships between the Unions and the District to support the educational and career development of the Districts students, and to help develop the next generation of skilled construction workers. The parties agree to support the District Construction and Design Academies or Pathways within the District in order to carry out the training and employment objectives of this Agreement, including providing District students with the opportunities and skills necessary to enter post-secondary study and to pursue lifelong training within the broader context of the building trades industry, and to develop and reinforce academic course standards in order to maximize career opportunities and technical competency."

The primary way the PLA supports these educational and career opportunities is by ensuring a steady demand for apprentices. Without a steady demand for apprentices and apprenticeship graduates, the pathway from pre-apprenticeship programs to good paying jobs in the construction trades does not work. This agreement ensures that contractors will employ apprentices in the respective crafts.

Article 12 also requires the Council to support the District's CTE programs by providing speakers to District Academies, at no cost to the District, through the Multi-Craft Core Curriculum (MC3). The Council also commits to participate in a District-level Pathway Advisory Board, which will develop trainings, internships, curriculum content, and cocurricular activities to carry out the goals of the Academies. The Advisory Board will collaborate with post-graduate training programs, such as the Northern California Construction Training and American River College's Stripe Program, in order to assist graduates in obtaining an internship into a JATC. The training and employment program of the interns shall be developed by the Academy Advisory Board such that graduating interns shall possess the skills, training, and educational background to help the graduate achieve priority on the lists of the building trades to the degree allowed under each JATC's application process including those programs that allow direct entry.

Article 12 also provides that the Council and District staff will meet throughout the summer to identify additional mutually agreed upon specific actions to meet the District's educational goals, including, but not limited to, consideration of: (1) measures to facilitate teacher training in Multi-Craft Core Curriculum (MC3); (2) measures to provide student employment opportunities through externships, internships and/or post-graduation apprenticeship placement; (3) measures to provide hands-on training opportunities for students; (4) measures to facilitate identification of funding sources to provide recent women, minoritized and low-income District graduates scholarships or assistance in the purchase of tools and other equipment needed for apprenticeship programs; and (5) support to identify and find funding for a Pre-Apprentice / Internship / Apprenticeship Coordinator to assist District Academies. These additional commitments shall be set forth in a Memorandum of Understanding that shall be finalized no later than September 1, 2022.

Finally, Article 12 provides that the Council shall provide the District with an annual report on the implementation of the provisions set forth in the Article 12 and in the Article 12.5 Memorandum of Understanding. The report shall provide any information requested by the District to assist the District in reporting work-based learning indicator on the State of California's College and Career Dashboard.

II. BACKGROUND ON PROJECT LABOR AGREEMENTS IN THE PUBLIC SECTOR

A PLA (sometimes called a Community Workforce and Training Agreement (CWTA), a Community Workforce Agreement (CWA) or a Project Stabilization

Agreement (PSA)) is a pre-hire collective bargaining agreement that establishes the terms and conditions of employment for public agency public works projects. PLA's are intended to protect a local agency's investment in its projects and to ensure that this investment provides economic, employment and job development benefits to local residents. The California Legislature has expressly authorized public entities to use or enter into such agreements on public projects.¹

A. PLA's Do Not Increase Wage Rates

Contrary to the unsupported claims often asserted by those whose own economic agendas are thwarted by community driven agreements, PLA's do not increase costs by mandating union wages. A public agency PLA does not require or result in the payment of higher wages than contractors would otherwise be paying in the absence of a PLA. The Districts projects are subject to the state prevailing wage law and all workers must be paid the prevailing wage as set forth in Department of Industrial Relations ("DIR") prevailing wage determinations. The prevailing wage is based on the collectively bargained wage rates and benefit packages in a locality and therefore are the same as the union wage rates and benefit packages.²

B. PLA's Provide Cost-Savings

PLAs provide cost-savings to projects by ensuring a steady supply of qualified labor and ensuring labor harmony by avoiding inter-craft disputes, reducing construction delays, and improving construction outcomes.³ PLA's can also reduce administrative and compliance burdens on public agency staff and agency contractors, including the costs associated with prevailing wage reporting requirements. These are benefits that cannot be achieved by contractor prequalification requirements alone.

PLAs provide a defined and efficient framework for project management that prevents construction disruptions and reduces project delay by: (a) banning strikes or lockouts, (b) providing expedited alternative dispute resolution procedures, (c) harmonizing various terms and conditions of employment across the project, and (d)

¹ Public Contract Code, Section 2500.

² See California Labor Code §§ 1773, 1773.1.

³ See, e.g., Port of Oakland, *Maritime and Aviation Project Labor Agreement Progress Report* (Nov. 26, 2007) at pp. 3-5 (listing benefits found after seven years of implementation); San Francisco Public Utilities Commission, *Water System Improvement Program Project Labor Agreement Quarterly Report – Fourth Quarter 2008-2009* at p.3.

2969-014acp

streamlining work rules and work schedules to improve cross-craft coordination and meet specific project timetables.

Many of these provisions are expressly required to be included in a project labor agreement within the meaning of Public Contract Code section 2500. Section 2500 requires PLAs to include specific fair and equitable bidding process provisions, no-strike and no lock-out provisions, and procedures for resolving disputes between contractors and employees through a neutral arbitrator.

The required alternative dispute resolution procedures reduce state and local agency administrative burdens by ensuring that public agency PLA's are self-enforcing. The fair and equitable bidding provisions prohibit discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project. They also require that all qualified contractors and subcontractors shall be allowed to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements.

In addition, PLA's ensure access to a well-trained and highly skilled workforce through the union referral process and through the use of apprentices enrolled in state-approved apprenticeship training programs. The use of highly trained workers saves money for project owners because such workers are less likely to be involved in job-site accidents or make costly mistakes. Properly trained workers also reduce expenses by more efficiently using materials and equipment and reducing work hours and unexpected overtime costs through improved productivity.

The use of a skilled workforce also results in better energy efficiency performance in buildings, reducing long term operating costs. For example, studies have shown that up to 85% of HVAC systems are installed incorrectly and that this can reduce energy efficiency by 30%.⁴ This can be directly linked to the use of poorly trained workers. Reports prepared by California's investor-owned utilities have found that the majority of HVAC installers do not have the technical knowledge, skills, or abilities to properly install systems.⁵ By guaranteeing a skilled workforce that has been properly trained for the specific craft work required,

⁴ Zabin, et. al, *Workforce Issues and Energy Efficiency Programs: A Plan for California's Utilities*, University of California, Berkeley, Don Vial Center for Employment in the Green Economy (2014), Executive Summary at p. 5 and Appendix 2B (citing California Energy Commission, *Strategic Plan to Reduce the Energy Impact of Air Conditioners* (June 2008), CEC-400-2008-010, at p. 20.

⁵ SCE Energy Efficiency Business Plan 2018-2025 at p. 63; SDG&E Energy Efficiency Business Plan 2018-2025 at p. 216; PG&E Business Plan 2018-2025, Residential Appendix at p. 30.
2969-014acp

the PLA will avoid the increased construction costs that result from change orders and the need for repairs, as well as the long-term increases in operational costs.

PLAs also reduce administrative burdens and costs related to prevailing wage enforcement. The Division of Labor Standards Enforcement found that just 1% of all prevailing wage and apprenticeship violation complaints in 2014 were filed on projects covered by a PLA.⁶ PLAs thus help avoid unanticipated staff costs resulting from prevailing wage noncompliance. Due to the recognized effectiveness of PLAs in ensuring prevailing wage and apprenticeship compliance, Labor Code section 1771.4 provides DIR the discretion to exempt projects covered by a PLA from certain notice and compliance requirements, including the requirement to have contractors and subcontractors furnish certified payroll records to the DIR. The DIR has exercised this discretion and provides notice on its website that projects covered by qualifying PLAs are exempt.⁷ As a result of these benefits, a staff evaluation of the DeAnza Community College District PLA specifically found that staff workload related to prevailing wage enforcement had gone down and compliance had improved.⁸

A PLA thus establishes a labor-management framework that improves project outcomes, produces job efficiency, reduces delays, reduces administrative burdens, and reduces long term building operation and repair costs.

C. Studies Confirm PLAs Do Not Reduce Bidders or Increase Costs

Contrary to the unsupported claim often asserted, PLAs do not reduce bidders, increase costs, or discriminate against non-union contractors. Multiple academic studies evaluating PLAs in the context of all construction cost factors have confirmed that PLAs do not materially impact either project costs or competitiveness of bidding. These studies confirm that any perceived cost burdens from PLAs are offset or exceeded by the cost savings that they provide.

⁶ Letter from Eric Roof, Assistant Chief of the California Department of Labor Standards (January 23, 2015).

⁷ See Certified Payroll Reporting Exemptions, https://www.dir.ca.gov/Public-Works/eCPR_exemptions.html.

⁸ State Building & Construction Trades Council of California, *Former Anti-PLA Board Members Now See that PLAs Work!* (June 13, 2012), <http://www.sbctc.org/doc.asp?id=4171>.
2969-014acp

1. **Studies Show No Material Difference in Construction Costs Between PLA and Non-PLA Public Works Projects**

A January 2017 UC Berkeley study provided a statistical analysis of the cost impacts of public sector PLAs by reviewing 263 community college projects, 88 performed with a PLA and 175 without a PLA. The study found that costs, when controlled for project size, cost of materials, and market timing, were slightly lower on projects with a PLA, but the difference was not statistically significant.⁹ The analysis also found that projects with PLAs had slightly more bidders than projects without PLAs.¹⁰

A 2011 study by an independent third-party consulting firm evaluated the impacts of a PLA (in this case referred to as a Project Stabilization Agreement (“PSA”)) adopted by the San Diego Unified School District. The study found that: (1) the PSA did not increase costs; (2) the PSA resulted in faster completion times; and (3) the bids received were more competitive and cost-efficient.¹¹

A 2010 study of the effect of public project labor agreements on the cost of new school construction in Massachusetts found no material difference in construction costs between projects with and without PLAs when controlling for construction characteristics including location and type of structures being built.¹²

Similarly, a 2015 statistical analysis of 130 affordable housing projects built in Los Angeles from 2008 to 2012 showed no significant difference in construction costs between the PLA projects and the non-PLA projects.¹³ The City of Los Angeles Community Redevelopment Agency had enacted a PLA that affordable housing developments were required to follow if built using Redevelopment Agency subsidies. This provided an opportunity to directly compare construction costs of affordable housing projects built under the PLA to other affordable housing projects built in L.A. during the same time period without a PLA.

⁹ Waitzman & Philips, U.C. Berkeley Labor Center, *Project Labor Agreements and Bidding Outcomes: The Case of Community College Construction in California* (January 2017).

¹⁰ *Ibid.*

¹¹ Rea & Parker Research, *San Diego Unified School District Project Stabilization Agreement: A review of Construction Contractor and Labor Considerations* (November 2011).

¹² Belman, et al, *Project Labor Agreements' Effect on School Construction Costs in Massachusetts*, *Industrial Relations*, Vol. 49, No. 1 (January 2010).

¹³ Philips & Littlehale, University of Utah, Department of Economics, *Did PLAs on LA Affordable Housing Projects Raise Construction Costs?*, Working Paper No: 2015-03 (Sept. 2015).

2969-014acp

A 2011 study by the City of Los Angeles on its ATSAC System public PLA found that the PLA policy had no discernible effect on costs.¹⁴ In addition, it found that "after the PLA was implemented, the bids for the most part started to trend closer or lower than the engineer's estimate."¹⁵ In other words, the PLA provided greater up-front cost certainty.

A 2011 study found that the use of Project Labor Agreements covering \$5.3 billion of construction work for the City of New York found that the agreements would save New York City approximately \$300 million.¹⁶

The few older studies claiming that PLAs increase costs have been funded by anti-union think tanks and have been widely discredited as falsely attributing cost increases to PLAs that were actually due to other construction cost variables. Academic reviews of these studies have found that they failed to take into account the differences in the characteristics of the specific construction projects (e.g., building type and location, building specifications, materials used, etc.).¹⁷ When controls were applied to take into account project-specific variables, these studies failed to present any statistical evidence to support their claim that public projects with PLAs are more costly compared to public projects without PLAs.¹⁸ The more recent findings in the studies cited above further confirm that the claims in these older anti-PLA studies lack validity.

2. Studies Show No Material Reduction in Bidders Between PLA and Non-PLA Public Works Projects

In addition, the overwhelming weight of the evidence shows no statistically significant reduction in the number of contractors bidding between PLA and non-

¹⁴ Rossitter and Reamer, City of Los Angeles, *Using Project Labor Agreements (PLAs): The City of Los Angeles Perspective* (2011).

¹⁵ *Ibid.*

¹⁶ Kotler, *Project Labor Agreements in New York State II: In the Public Interest and of Proven Value*, Research Studies and Reports, Paper 36 (2011).

¹⁷ Belman, *Response to National University System study Measuring the Cost of Project Labor Agreements on School construction in California* (July 18, 2011) (responding to the National University Study's reliance on, and misapplication, of Dr. Belman's own data); see also Belman, Bodah & Philips, Electric International, *Project Labor Agreements* (2007) (finding that previous studies falsely attributed cost increases to PLAs that actually were due to other construction cost variables); Kotler, Cornell University, *Project Labor Agreements in New York State II: In the Public Interest and of Proven Value* (2011) (report claiming that PLAs increased costs lacked credibility because it compared projects solely on square footage and did not take into account the actual work performed).

¹⁸ *Ibid.*

June 8, 2022

Page 9

PLA jobs. For example, case studies of Contra Costa Water District projects and San Diego Courthouse projects found that adopting a PLA had no appreciable impact on the number of bidders.¹⁹ A 2017 statistical comparison of over 260 PLA and non-PLA California community college projects found that PLA did not decrease the number of bidders.²⁰ A 2016 City of Seattle report also found no statistical difference in the number of bidders on a non-PLA project versus a PLA project.²¹

Even in the few cases where bidders did decrease, studies found the impact of the decrease to be negligible. For example, a statistical review of the impacts of the San Diego Unified School District Project Stabilization Agreement found that although the total number of bidders had declined under the agreement, the bids received were more competitive and cost-efficient.²² Similarly, a review of the DeAnza Community College District PLA found that there had been plenty of bidders and that bids were competitive.²³

Two studies looked at why the number of bidders might decline under some PLAs and found that the cause did not appear related to any costs or administrative requirements imposed by the PLAs. Rather, they found that it was due to certain non-union contractors electing not to bid on PLA-covered work because they did not want their employees to work on jobsites where workers were organized and represented and had access to a neutral arbitration process to address worker grievances.²⁴

¹⁹ Scarth-Lyons & Associates, *City of Brentwood Civic Center Project Labor Stability Study* at p. 6; Community Hiring, *Case Study: San Diego Central Courthouse Project Labor Agreement*, <http://www.communityhiring.net/san-diego-central-courthouse>.

²⁰ Waitzman & Philips, *Project Labor Agreements and Bidding Outcomes: The Case of Community College Construction in California* (2017); see also Belman, Bodah & Philips, *Electric International, Project Labor Agreements* (2007) (study finding no substantial evidence that PLAs decrease the number of bidders or change the costs of construction projects).

²¹ City of Seattle, *Department of Finance & Administrative Services, 2016 Priority Hire Annual Report* (March 9, 2017) (statistical comparison of PLA and non-PLA projects found that PLAs did not increase costs or reduce the number of bidders).

²² Rea & Parker Research, *San Diego Unified School District Project Stabilization Agreement: A review of Construction Contractor and Labor Considerations*, (November 2011).

²³ State Building & Construction Trades Council of California, *Former Anti-PLA Board Members Now See that PLAs Work!* (June 13, 2012), <http://www.sbctc.org/doc.asp?id=4171>.

²⁴ Scharnau & Sheehan, *The IOWA Policy Project, Project Labor Agreements in Iowa* (October 2004); Kotler, Cornell University, *Project Labor Agreements in New York State: In the Public Interest* (2009). 2969-014acp

In contrast, open shop contractors without a business model that precludes working with unionized workers are not dissuaded from bidding on PLA-covered work. Studies show that non-union contractors are active participants on public PLA projects.²⁵

Case studies have also found that contractors that refuse to bid PLA-covered work tend to be large out-of-town contractors. A comprehensive study of over 260 California community college construction projects found that local contractors are willing to bid on both PLA and non-PLA contracts, while non-local contractors preferred to bid on either PLA or non-PLA projects, but not both. This suggests that the local hire provisions incorporated into most public PLAs may also be a factor in the anecdotal cases where the raw number of bidders has decreased. PLAs may partially offset this factor, however, by providing small, local minority and women-owned businesses an opportunity to compete on larger projects they might not otherwise bid by giving these contractors access to the larger pool of skilled workers available through the union hiring halls. Without the PLA, many of these contractors would not have access to this larger workforce.

III. CALIFORNIA SCHOOL DISTRICTS ARE INCREASINGLY USING PLAS

The construction management and local resident employment and training benefits of PLAs have been increasingly recognized by local agencies across the state and the country, including school districts. Over the past two decades, an increasing number of school districts in California have followed the District's lead in entering into PLAs due to their success in advancing agency and taxpayer proprietary interests in efficient construction operations and in maximizing the local economic and employment benefits generated from the expenditure of public funds. A partial list of school districts in California that have relied on PLA's for construction of their projects, include the following: Oakland Unified School District; San Leandro Unified School District; Hayward Unified School District; Berkeley Unified School District; West Contra Costa Unified School District; Oakley Union Elementary School District; Pittsburg Unified School District; Mt. Diablo Unified School District; Antioch Unified School District; Delano Union School District; Los Angeles Unified School District; Compton Unified School District; Centinela Valley Union High School District; San Gabriel Unified School District;

²⁵Padilla & Associates, *Riverside Community College District Project Labor Agreement Annual Status Update 2013/14* (August 5, 2014) (finding that more non-union contractors were hired than union contractors).

Pasadena Unified School Districts; Inglewood Unified School District; Lynwood Unified School District; El Monte Union High School District; Whittier City School District; Bassett Unified School District; Azusa Unified School District; Santa Monica-Malibu Unified School District; Mountain View School District; Palmdale School District; Norwalk-La Miranda Unified School District; Salinas Union High School District; Santa Ana Unified School District; Anaheim Union High School District; Centralia School District; Roseville City School District; Coachella Valley Unified School District; Rialto Unified School District; San Diego Unified School District; Chula Vista Elementary School District; San Francisco Unified School District; San Mateo Union High School District; Fremont Union High School District; Berryessa Union School District; Mountain View School District; Vallejo City Unified School District; Fairfield-Suisun Unified School District; Rio School District; and Oxnard Union High School District. While this is not an exhaustive list, it is a representative of the increasing recognition of the broad benefits of these agreements.

Due to the demonstrated benefits of PLAs and their negligible impact on costs, many skeptics who initially opposed approval have changed their minds when it came time for re-adoption of the PLA. For example, a school board member and former executive director of the San Diego County Taxpayers Association who had opposed adoption of a San Diego School District PLA changed his position to support renewal of the PLA on the grounds that “the facts are clear, the [agreement] is good for taxpayers.”²⁶ Similarly, two board members who had voted four years previously against a DeAnza Community College District PLA were part of a unanimous vote to *expand* that PLA to include more than \$45 million worth of additional work. These board members were persuaded by district staff’s mid-term evaluation of the PLA to the Board that found: 1) there had been plenty of bidders; 2) bids were more than competitive; 3) the quality of contractors work was more than satisfactory; 4) the dispute resolution procedure in the Agreement had worked effectively; 5) local residents and students had received more opportunities for work; 6) staff workload related to prevailing wage enforcement had gone down and compliance had improved; and 7) new State regulations would benefit the District and save it money in the future by virtue of having a PLA in place.²⁷

²⁶ Community Hiring, Case Study: San Diego Unified School District Project Stabilization Agreement, <http://www.communityhiring.net/san-diego-unified-school-district>.

²⁷ State Building & Construction Trades Council of California, *Former Anti-PLA Board Members Now See that PLAs Work!* (June 13, 2012), <http://www.sbctc.org/doc.asp?id=4171>.
2969-014acp

Public agencies throughout the state and the Sacramento region have found community workforce agreements to serve both their proprietary interest in efficient construction operations as well as their interest in ensuring that the expenditure of public construction dollars returns maximum economic and employment benefits to the local communities served by such projects. Accordingly, it is no surprise that the District has continued to renew its PLA with the Council since first entering into these agreements in 2005.

IV. PLA'S MAXIMIZE ECONOMIC AND EMPLOYMENT BENEFITS TO THE LOCAL COMMUNITY AND PROVIDE CAREER OPPORTUNITIES FOR ITS MOST DISADVANTAGED RESIDENTS

The community benefit provisions contained in the PLA ensure that the District's expenditures on projects not only result in efficient, timely and quality construction outcomes, but also lead the way towards equitable job growth by investing in good jobs and using contractors committed to providing career building training opportunities to students and graduates, including minoritized community members. In addition to the direct support for the District's CTE programs set forth in Article 12, here are some of the additional community benefits created by partnering with the Council:

A. Keep Local Dollars Growing Within the Region

Each dollar paid in prevailing wages to construction workers produces \$1.50 in economic activity.²⁸ The PLA's local hire requirements means millions more of the tax dollars that are spent on construction are put to work in the local economy—not shipped out of state. Partnerships with local apprenticeship programs supports middle class incomes that boost consumer spending—which creates hundreds of thousands of additional jobs across all sectors of the economy.

B. Expand Opportunities for Small, Disadvantaged Businesses

The Council's union affiliates and their corresponding apprenticeship programs are suitably positioned to dispatch the journeypersons and apprentices necessary for small and disadvantaged contractors to bid on a public works job. By allowing small, disadvantaged businesses to dispatch workers through the unions, these businesses are not limited by the size or skill of their permanent workforce. Because this is a public PLA subject to the provisions of Public Contract Code

²⁸ See Gin et al, The Economic Impact of the Downtown "Convadium" Proposal (2016), Appendix A. 2969-014acp

Section 2500, these benefits are provided to both signatory and non-signatory contractors that agree to work under the PLA. The PLA ensures all contractors access to a highly skilled and trained workforce to allow smaller business enterprises to scaleup, as well as jobsite coordination among different crafts, to make every project a successful, inclusive team effort.

C. Build a Career Ladder for Disadvantaged Local Workers

Building Trades partnerships that set targets for hiring local workers can give disadvantaged job seekers the opportunity to jump-start their careers and provide increased access to on-the-job training. According to statistics provided by the California Department of Industrial Relations for 2017, the vast majority of state-approved apprenticeship training is provided by Union/Joint Labor-Management Apprenticeship programs. 92 percent of all construction apprentices (49,443 out of 53,666) are enrolled in union programs. 95 percent of apprenticeship graduates are produced by union programs. More than two-thirds of participants in union programs are people of color.

These numbers are no accident. Union/Joint Labor-Management Apprenticeship programs include outreach and community programs to recruit women and minority applicants. Furthermore, our veterans' programs such as Helmets to Hardhats have an unparalleled track record of recruiting, training, and placing veterans in quality construction careers. By partnering with the Council, the District will be ensuring work goes to entities that are taking active measures to increase the proportion of women and people of color who enter the higher-paid, skilled construction trades. Finally, the inclusion of the additional community benefit provisions contained in Article 12 of the PLA further facilitate pathways into apprenticeship programs for traditionally disadvantaged work applicants.

Requiring contractors to comply with the collectively bargained workforce protection provisions set forth in a PLA also provides an effective framework to address wage and benefit inequities that women, workers of color and immigrants often face in the non-unionized workplace. Unions have been found to effectively “reduce wage differentials and occupational segregation in the workplace itself, as well as help offset the negative career effects of unequal access to good schools and job-hiring networks.”²⁹ This is due largely to the standardized training, wages and workplace rules that level the playing field for all employees.

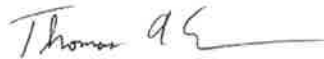
²⁹ Thomason & Bernhardt, UC Berkeley Center for Labor Research and Education, *The Union Effect in California #2: Gains for Women, Workers of Color, and Immigrants* (June 2018) at p. 1.
2969-014acp

June 8, 2022
Page 14

V. CONCLUSION

Over the past two decades, an increasing number of school districts have adopted PLAs as one of the most effective tools to ensure efficient project management of public works construction while at the same time ensuring these projects maximize local economic and employment benefits. The Council and all of its affiliates respectfully urge the Board of Education to approve the PLA presented under Agenda Item 10.4. Thank you for considering this letter.

Sincerely,



Thomas A. Enslow

TAE:acp

cc: Superintendent Jorge Aguilar,
Rose Ramos,
Nathaniel Browning,