

# Constructing Buildings & Building Careers

**How Local Governments in Los Angeles are  
Creating Real Career Pathways for Local Residents**



**Primary Author**

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*The Partnership for Working Families*

**Acknowledgements**

This report relies on the dedicated work of local government staff, labor unions and community organizations. As a result of this innovative work, tens of thousands of local residents have been put to work on public construction projects earning family sustaining wages with benefits and now have access to a real career in the construction industry. Thank you to Kathleen Mulligan-Hansel, Julian Gross, Ben Beach, John Goldstein, Flor Barajas-Tena, Jackie Cornejo, and Rachael Running for commenting on earlier drafts of this report. Further thanks to Anabel Barragan for her great work at the Los Angeles Unified School District's We Build Program and for taking the time to share her extensive experience and knowledge.



# Constructing Buildings & Building Careers

## How Local Governments in Los Angeles are Creating Real Career Pathways for Local Residents

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## Foreword



**Mark Ayers**  
*President  
Building and Construction Trades  
Department (AFL-CIO)*



**Richard Slawson**  
*Executive Secretary  
Building and Construction  
Trades Council of Los Angeles &  
Orange Counties (BCTC)*

**F**or over a century, Building Trades union membership has afforded hard-working individuals a rewarding lifetime career and a middle class life. Those of us lucky enough to become union construction workers share a deep craft pride and appreciate our good fortune. We know these opportunities were not always easily accessed or even pursued by workers from low income or minority communities, and that our organizations are stronger when every race and community is represented.

But it's a new day in the Building Trades! Now is the time for us to work with community groups and government partners to rebuild America, increasing the number of union construction jobs and expanding genuine, sustainable career opportunities for urban communities of every color.

As this report demonstrates, nowhere have our leaders done more with new initiative than in Los Angeles and Orange Counties, even with the Craft Unions' decades-long history of inclusiveness, to create pathways for new workers to enter unionized apprenticeship programs and pursue lifetime careers in the unionized construction industry. The successful partnerships we've developed have ensured that over \$35 billion of public construction generated good jobs and created new, sustainable career opportunities for area residents.

We are proud of this success — and of the Building Trades leaders all across the country who have joined with community groups and local government to embrace a similar agenda.

Completing a union apprenticeship isn't easy, but we know there are candidates in every community who could overcome the barriers that have prevented them from applying for and succeeding in our union apprenticeship programs. We want to partner with community groups to help identify and recruit aspiring Building Trades workers, provide them with the skills they need to succeed, and place them in union apprenticeship programs and job sites.

A Community Workforce Agreement (CWA) provides the best framework for making this happen. CWAs combine the job quality standards commonly seen in Project Labor Agreements (PLAs) with targeted hiring programs. Because CWAs are based on collective bargaining, they ensure workers enjoy good wages and benefits and a safe working environment. CWAs create new career opportunities by requiring contractors to participate in registered apprenticeship programs and targeting some of the jobs to workers from underrepresented communities.

While LA's successes are impressive, we know we can do better. As we negotiate and implement more CWAs, we are getting smarter about making these career pathways work. That's why we are encouraging Building Trades leaders and others to read this report and apply these strategies in their own way and in their own cities.

But we need everyone's help to make it happen. We can't create new, sustainable career opportunities for every community if we don't all work together to create more union jobs. We have grow the pie to secure shared prosperity for all. We in the Building Trades are committed to working with community leaders and government officials to expand upon the pioneering work described in this report. Now is the time!

## Foreword

**M**any of us who care about increasing access to economic opportunity for communities of color have long known that construction careers could be a boon to workers in our families and neighborhoods. Getting into a construction apprenticeship program means a real career path — wages and benefits that can support and lift up a family, and a hiring and placement system that helps piece together disparate projects into a full-time, stable career.

Unfortunately, we've also seen the obstacles to communities of color accessing those jobs and programs. A history of racial exclusion is one part of the problem, but even when those attitudes fall away, workers in our low-income communities and communities of color need support to raise education levels, get help with transportation and childcare, and even to understand the process of preparing for and getting into an apprenticeship.

We have long known the importance of overcoming these barriers. The urgency is greater now than ever before, as are the opportunities — with rising racial and economic inequality happening at the same time that local, state and federal governments begin to invest in building a clean, green, sustainable energy economy.

This report provides crucial data that shows that communities and building trades unions working in partnership with local government can lead the way to a brighter and more equitable future. The programs profiled here were established by local leaders who understood that public money should provide opportunity for everyone. They worked together with community organizations and building trades unions to develop outreach, training and hiring programs that make that promise real.

The looming threat of climate change endangers everyone's future. We have no choice but to take dramatic steps to reduce our carbon footprint. And as we do that, we have an opportunity to build a different economic future for everyone — by creating policies and programs like those profiled here that make sure low-income communities and communities of color are part of the clean green economy.

Many of the new green jobs we expect to see as part of this investment will be in the construction industry. Workers in those jobs will upgrade the hvac systems in our schools, weatherize publicly-owned buildings and individual homes, install solar panels and reengineer electrical systems. These workers will be part of a broader construction workforce with the skills and knowhow to move throughout the industry.

We know that construction careers programs will make those jobs available to all workers and will lift up the communities that have been left out of the American dream. Now is the time for real investment in a clean energy economy and real investment in extending the American dream to everyone.



**Phaedra Ellis-Lamkins,**  
CEO  
*Green for All*



**Rev. Eric Lee**  
President & CEO  
*Southern Christian Leadership  
Conference of Greater Los Angeles*



*Students on a LAUSD construction site for a We Build Program Career Fair*

## Executive Summary

**S**trategies to get low-income job seekers, women and workers of color into construction careers have long been a focal point for workforce development experts and community-based organizations. More recently, renewed attention to these strategies has come from several directions. In response to the worst recession since the 1930s, Congress passed the American Recovery and Reinvestment Act of 2009, which authorized billions of dollars in spending for infrastructure construction and improvement. The elected representatives of poor urban neighborhoods, as well as union and community leaders tied to those areas, have expressed great desire that this spending should generate career opportunities for workers of color. The imperative of developing a comprehensive response to looming climate change has created new excitement about the potential for new career opportunities for poor people and workers of color in green construction and retrofit jobs. Lastly, local governments and their allies in community and union organizations have pioneered new approaches to creating real construction career paths for low-income job seekers and workers of color. Excitement over the construction careers model has brought new questions and new levels of scrutiny about how these programs actually work.

This report documents the process by which three local government units in Los Angeles — the City of Los Angeles, the Los Angeles Unified School District, and the Los Angeles Community College District — have created new pathways to construction careers on infrastructure improvement and construction projects that they fund. These entities have used community workforce agreements to create thousands of new career opportunities for residents of low-income neighborhoods and disadvantaged job-seekers. Together, the community workforce agreements they have established cover over \$26 billion in construction. The oldest of these agreements date back to 2001, and in total they have created over 30,000 job opportunities for residents of low-income neighborhoods.

The case studies in this report show that effective implementation of community workforce agreements creates career opportunities for low-income workers. Community workforce agreements consist of negotiated, legally binding agreements signed by the project owner/end-user — in this case a local government unit — the building and construction trades council (representing building trades unions) and the general contractor. The provisions, which are binding across sub-contractors, include strong job quality protections that ensure workplace safety; provide for conflict and dispute resolution; establish the wage, benefits and training access for workers on the job; and outline the hiring practices that will be used to create comprehensive access to a qualified workforce. As part of those hiring practices, all parties agree on a set of hiring targets that establish new pathways into construction careers for targeted workers.

Strategies for getting new workers into construction careers use a variety of tools. Typically, these agreements either identify a targeted employment category, defined as workers that reside in neighborhoods adjacent to new projects, or target areas with high unemployment rates. Contractors are required to demonstrate efforts to hire targeted workers for some percentage of total work hours, ranging from 30 – 40%. Those work hours can be filled by journey-level workers who have already found their way into a construction trade, but some hours should also be filled by apprentices. Requirements may further emphasize hiring at-risk workers (those who otherwise may fall out of the workforce) or ask contractors to show they are bringing first-year apprentices, who are more likely to be new workers in the construction field, onto the job site.

These requirements are only as effective as the implementation and monitoring efforts that accompany them. The three detailed case studies in this report explore how agreements were implemented, how the implementation process gave rise to new career opportunities for local and at-risk hires, and the utilization of apprentices. The case studies draw on outcomes documented through certified payroll records, independent consultants' analyses and interviews with program staff.

Programs covered in this report include:

- **The Los Angeles Unified School District (LAUSD) Project Stabilization Agreement**, negotiated in 2003 for a \$20 billion project including construction of new schools as well as repairs, additions, and modernization to existing schools. The agreement requires 50% of construction positions be filled by local residents that reside within the Los Angeles Unified School District. Up to 30% of a LAUSD contractor's workforce may be apprentices, unless the state establishes a lower maximum percentage. Of these apprentices, 40% must be first year apprentices.
- **The Los Angeles Community College (LACCD) Project Labor Agreement**, negotiated in 2001, for a \$6 billion project to rebuild and renovate eight community college campuses. The agreement requires 30% of all construction positions be filled by local residents that reside within the zip-code of a particular campus or the district as a whole. Additionally 20% of all local hires must qualify as at-risk workers.
- Six agreements negotiated to cover infrastructure investments made by the **Los Angeles Department of Public Works (LA DPW)**, beginning in 2006. The total value of these construction projects exceeds \$500 million, and includes the construction of new police stations, a jail, a detention center, a fire station, a sewer system and a traffic surveillance system. The agreements require that 30% of the work be done by residents of adjacent neighborhoods. One agreement sets an even higher standard of 40%, and all agreements also identify and establish hiring goals for at-risk workers.

## Findings

### **1. Community workforce agreements that combine targeted hire goals with a project labor agreement put a significant number of low-income local residents to work.**

Local governments set ambitious targets for hiring workers from low-income neighborhoods onto publicly-funded construction projects, and for the most part they succeeded. Local workers made up more than 30% of the workforce on LAUSD and LACCD projects. Just below the established goal, local workers made up 26% of the workforce on LA DPW projects. However, the percentage of hours worked by local workers exceeds the established goal.

### **2. Community workforce agreements created a significant number of new construction career opportunities.**

By encouraging the trades and contractors to maximize use of apprentices, these agreements created thousands of new construction careers. 31% of the workforce on LAUSD projects were apprentices and 18% of the workforce on LA DPW projects were apprentices. A significant percentage of these apprentice slots were filled by first year apprentices, indicating that these workers were embarking on a new career path and in some cases working on their first job.

### **3. These agreements have a proven track record of retaining local workers.**

The percentage of local workers was about the same as the percentage of hours worked by local workers on LAUSD and LA DPW projects. Local workers account for about the same percentage of local employees and hours worked on LAUSD and LA DPW projects. LAUSD local hires account for 38% of the total workforce and they have also completed 41% of the hours worked on LAUSD projects. Likewise local workers made up 26% of the workforce and have completed 32% of the hours worked on LA DPW projects. This data indicates local workers were not only being hired, but that they were also being retained.

### **4. These agreements lifted up wages for new workers, creating middle-class career paths.**

The average hourly wage for local workers on LAUSD projects was \$29.58. These jobs pay family sustaining wages, provide benefits, and access to a career.

### **5. Community workforce agreements have the potential to alleviate poverty.**

The LA DPW agreements identified targeted zip-codes from which union hiring halls were supposed to refer workers from first. By prioritizing zip-codes that experience high levels of unemployment and poverty, these agreements delivered quality jobs to the neighborhoods that needed them the most. On LA DPW projects workers from targeted zip-codes completed 49% of the hours worked by local residents.

**6. Getting to these outcomes tended to involve outreach, recruitment and orientation**

**conducted by a strong pre-apprenticeship program.** LAUSD's We Build and PV Jobs pre-apprenticeship programs have helped contractors recruit and hire local and at-risk workers. Both of these programs recruit local residents, people of color, women and low income people and help prepare them for union apprenticeship positions. Graduates of these programs are highly competitive candidates for union apprenticeship positions, having completed safety, basic skill training and the minimum education requirements. The We Build program has placed 496 local workers with construction trades on LAUSD projects and PV Jobs have placed 601 workers on LACCD projects.

**7. A clear and transparent system for monitoring local hire outcomes is key to successful implementation of community workforce agreements that include targeted hire outcomes in a project labor agreement.**

LAUSD and LA DPW both created a concrete system for monitoring and reporting local hire outcomes. Each project generates regular reports on local hire outcomes based on certified payroll records. These projects also have proven track records of moving local residents into construction jobs and utilizing apprentices. All stakeholders have a stronger commitment and sense of responsibility to achieve the requirements of the agreement when a system for monitoring implementation is established.

These programs showed strong progress toward establishing and refining systems that helped move low-income people into middle-class construction careers. But more work is needed to help evolve the pathway for workers at risk of falling out of the workforce altogether.

**8. Programs made limited but important progress in drawing at-risk workers into construction careers.**

Data on at-risk hires was only available for the LACCD projects. At-risk hires make up 9% of the local workforce on LACCD projects, and 2.9% of the total workforce. Though this number is low, it nonetheless represents a significant effort to serve workers with real barriers to success – lack of education credentials, a record of incarceration or other involvement with the criminal justice system, recent receipt of public assistance and the like. Focusing efforts on addressing those barriers, and getting at-risk workers connected to the high-quality training and career pathway offered by a good construction job may yield more limited numbers but real progress in moving people from poverty into the middle class.

Across the country, local governments are developing innovative strategies for using their construction and infrastructure investment budgets to leverage more gains for poor people. Among those strategies are community workforce agreements, which ensure that some of the middle-class job opportunities created by taxpayer investment are funneled back to poor communities that are less likely to have reaped past gains. Progressive social justice leaders, union leaders, elected officials and workforce development experts have all sought evidence that these strategies can in fact serve to create more equitable economies and lift up poor communities. The experiences elaborated in this report help make the case that, in fact, they do.

## Introduction

**S**trategies to get low-income job seekers, women and workers of color into construction careers have long been a focal point for workforce development experts and community-based organizations. More recently, renewed attention to these strategies has come from several directions. In response to the worst recession since the 1930s, Congress passed the American Recovery and Reinvestment Act of 2009, which authorized billions of dollars in spending for infrastructure construction and improvement. The elected representatives of poor urban neighborhoods, as well as union and community leaders tied to those areas, have expressed great desire that this spending should generate career opportunities for workers of color. The imperative of developing a comprehensive response to looming climate change has created new excitement about the potential for new career opportunities for poor people and workers of color in green construction and retrofit jobs. Lastly, local governments and their allies in community and union organizations have pioneered new approaches to creating real construction career paths for low-income job seekers and workers of color. Excitement over the construction careers model has brought new questions and new levels of scrutiny about how these programs actually work.

This report documents the process by which three local government units in Los Angeles — the City of Los Angeles, the Los Angeles Unified School District, and the Los Angeles Community College District — have created new pathways to construction careers on infrastructure improvement and construction projects that they fund. These entities have used community workforce agreements to create thousands of new career opportunities for residents of low-income neighborhoods and disadvantaged job-seekers. Together, the community workforce agreements they have established cover over \$26 billion in construction. The oldest of these agreements date back to 2001, and in total they have created over 30,000 job opportunities for residents of low-income neighborhoods.



The case studies in this report show that effective implementation of community workforce agreements creates career opportunities for low-income workers. Community workforce agreements consist of negotiated, legally binding agreements signed by the project owner/end-user—in this case a local government unit—the building and construction trades council (representing building trades unions) and the general contractor. The provisions, which are binding across sub-contractors, include strong job quality protections that ensure workplace safety; provide for conflict and dispute resolution; establish the wage, benefits and training access for workers on the job; and outline the hiring practices

that will be used to create comprehensive access to a qualified workforce. As part of those hiring practices, all parties agree on a set of hiring targets that establish new pathways into construction careers for targeted workers.

Strategies for getting new workers into construction careers use a variety of tools. Typically, these agreements either identify a targeted employment category, defined as workers that reside in neighborhoods adjacent to new projects, or target areas with high unemployment rates. Contractors are required to demonstrate efforts to hire targeted workers for some percentage of total work hours, ranging from 30 – 40%. Those work hours can be filled by journey-level workers who have already found their way into a construction trade, but some hours should also be filled by apprentices. Requirements may further emphasize hiring at-risk workers (those who otherwise may fall out of the workforce) or ask contractors to show they are bringing first-year apprentices, who are more likely to be new workers in the construction field, onto the job site.

These requirements are only as effective as the implementation and monitoring efforts that accompany them. The three detailed case studies in this report explore how agreements were implemented, how the implementation process gave rise to new career opportunities for local and at-risk hires, and the utilization of apprentices. The case studies draw on outcomes documented through certified payroll records, independent consultants’ analyses and interviews with program staff.

Programs covered in this report include:

- **The Los Angeles Unified School District (LAUSD) Project Stabilization Agreement**, negotiated in 2003 for a \$20 billion project including construction of new schools as well as repairs, additions, and modernization to existing schools. The agreement requires 50% of construction positions be filled by local residents that reside within the Los Angeles Unified School District. Up to 30% of a LAUSD contractor’s workforce may be apprentices, unless the state establishes a lower maximum percentage. Of these apprentices, 40% must be first year apprentices.
- **The Los Angeles Community College (LACCD) Project Labor Agreement**, negotiated in 2001, for a \$6 billion project to rebuild and renovate eight community college campuses. The agreement requires 30% of all construction positions be filled by local residents that reside within the zip-code of a particular campus or the district as a whole. Additionally 20% of all local hires must qualify as at-risk workers.
- Six agreements negotiated to cover infrastructure investments made by the **Los Angeles Department of Public Works (LA DPW)**, beginning in 2006. The total value of these construction projects exceeds \$500 million, and includes the construction of new police stations, a jail, a

detention center, a fire station, a sewer system and a traffic surveillance system. The agreements require that 30% of the work be done by residents of adjacent neighborhoods. One agreement sets an even higher standard of 40%, and all agreements also identify and establish target hiring goals for at-risk workers.

The introduction of this report concludes with a table that summarizes the requirements or goals of each agreement and the known outcomes. Section II includes detailed case studies of each agreement. This section provides an overview of each agreement, and discusses what is known about how each agreement has been implemented. Most importantly this section provides detailed information and data on the outcomes of each agreement. Section III summarizes the findings of this report. Finally, Section IV concludes this report with a discussion of the many successes of these agreements as well as the lessons learned.

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**Community Workforce Agreement Summary Table**

Project Information	LOS ANGELES UNIFIED SCHOOL DISTRICT	LOS ANGELES COMMUNITY COLLEGE DISTRICT	CITY OF LOS ANGELES PUBLIC WORKS
Type of construction	New school construction, repairs, additions and modernization	Rebuild and renovation of continuing education facilities	Police stations, jails, fire station, public sewer system, traffic surveillance system
Project status	80% complete	70% complete	100 – 66% complete
Dollar value	\$20 billion	\$6 billion	\$506,549,921
Duration of agreement	2003 – 2013	2001 – project completion	2006 – present
<b>Targeted &amp; At-risk Hire Goals</b>			
Local Hire	50% of positions for project work for a particular contractor filled with district residents	30% of all skilled trade position on each campus shall be workers residing within the zip-code of the particular campus OR within the district	Each agreement sets a goal that either 30% or 40% of all labor and crafts shall be from workers residing within the project area OR within the zip-code boundaries of the city
At-risk/Disadvantaged Hires	No requirement	20% of local residents shall include at-risk persons	Each agreement sets a goal that either 10 % or 15% of all labor and crafts shall be from workers classified as at-risk (household income below 50% of the median; homeless; welfare recipient; history of involvement with the justice system; unemployed; single parent)
Apprentices	Apprentices may comprise up to 30% of each crafts workforce	Apprentices may comprise up to 30% of each crafts workforce	No requirement
First year apprentices (% of all apprentices)	40% to the extent available	50% to the extent available	No requirement
<b>Local and At-Risk Hire Outcomes</b>			
Total number of jobs created	73,799	15,965	9,267
Local hires	27,866	Local to campus 833	2,423
		5% 5,085	26%
At-risk/Disadvantaged hires	No data available	Local to district 102	No data available
		12% 469	
		9% No data available	
Total hours worked	32,221,430	No data available	2,857,458
Total hours worked by local hires	13,357,857	No data available	927,819
		41%	32%
Total wages earned	\$1,012,607,958	No data available	\$87.3 million
Total wages earned by local hires	\$395,188,448	No data available	\$27.5 million
		39%	32%
<b>Apprentice Utilization</b>			
Total number of apprentices	23,229	No data available	1,537
		31% of workforce	18% of workforce
Total number of first year apprentices	7,116	No data available	477
		31% of all apprentices	31% of all apprentices
Total number local apprentices	No data available	No data available	552
		No data available	36% of all apprentices
Total wages earned by apprentices	No data available	No data available	\$4,620,170
		No data available	14%
Pre-apprenticeship programs	We Build	PV Jobs	PV Jobs; City of Los Angeles One-Stop Workforce, Helmets to Hardhats, Center for Military Recruitment, Assessment & Veterans Employment, Southeast LA-Crenshaw Work Source

## Case Studies

### Los Angeles Unified School District

**T**he Los Angeles Unified School District negotiated a community workforce agreement in 2003 that combined a project stabilization agreement with strong local hire requirements. After seven years of implementation, this publicly funded project has created nearly 74,000 jobs, including almost 28,000 jobs for local workers. LAUSD has been very successful at hiring local residents and creating new careers in construction through apprentice utilization, in part by relying on a strong pre-apprenticeship program, We Build, to identify, recruit and prepare aspiring construction workers. The data discussed below came from certified payroll reports generated by the school district and interviews with We Build pre-apprenticeship program staff.

LAUSD stretches across 710 square miles of Los Angeles County and consists of a highly diverse population. Compared to the whole of Los Angeles County, families with LAUSD boundaries have a harder time making ends meet. The overall poverty rate within LAUSD is 4% higher than in the County. The median household income within LAUSD is \$48,292 which is about \$2,700 less than what is needed to sustain a family and is nearly \$7,000 less than the median household income within Los Angeles County.<sup>1</sup> Coupled with relatively low educational attainment, there are significant rates of underemployment in this area, which has created a need for quality employment and career opportunities.

### Los Angeles Unified School District Construction Project

In the mid 1990s the Los Angeles Unified School District (LAUSD) began the largest new school construction project in the nation's history. As the second largest school district in the country, LAUSD was serving 747,000 students in the City of Los Angeles and 26 other municipalities.<sup>2</sup> In an effort to cope with increasingly overcrowded schools the district used bungalows for extra classroom space, moved students to an abbreviated year-round school calendar, and bused students to schools in other cities. The goal of the LAUSD project was to return all students to neighborhood schools and a traditional school calendar by 2012.<sup>3</sup> In an effort to achieve this goal, new pre-schools, elementary schools, middle schools, high schools and continuing high schools are being built, and additions and repairs are being made to existing buildings.

This \$20 billion construction project was funded through a series of state and local bonds. About \$12 billion were allocated for new school construction and about \$7 billion for modernization and repairs.<sup>4</sup> By summer of 2009, 77 of 131 new schools were completed, 59 of 64 additions were completed, and 18,000 of 20,000 repairs were completed.<sup>5</sup>

<sup>1</sup>American Community Survey 2008 and California Budget Project 2007.

<sup>2</sup>Los Angeles Unified School District, Facilities Services Division.

<sup>3</sup>Ibid.

<sup>4</sup>UCLA Labor Center and LAUSD Strategic Execution Plans.

<sup>5</sup>LAUSD Newsletter, Summer 2009.

## Project Stabilization Agreement and Targeted Hire Goals

The project stabilization agreement applies to all LAUSD projects. The agreement was signed in 2003 and was recently extended to 2013. The requirements of the agreement apply to all multi-trade contracts that exceed \$175,000 and specialty contracts that exceed \$20,000.<sup>6</sup> If contracts do not exceed these amounts, the district is permitted to bundle or group projects so they exceed the thresholds.<sup>7</sup>

Qualifying contractors are required to hire their workforce through union hiring halls. Contractors are permitted to use a maximum of five of their core employees, as long as they are residents of the district for at least 100 days prior to the award of the contract. Each hired core employee is to be alternated with an employee from the union hiring hall. Once the maximum of five core employees has been reached the remaining workforce must be hired from the hiring halls.<sup>8</sup>

According to the LAUSD agreement at least 50% of a particular contractor's workforce must be local. Within this agreement, "local" refers to individuals who reside within the Los Angeles Unified School District. The agreement also states that the Project Labor Coordinator can request that up to 30% of the workers reside within a specific district zip-code. Apprentice utilization is a high priority within this agreement. Through a joint labor-management model, both unions and contractors agree to support apprenticeship training programs. Within the agreement up to 30% of a contractor's workforce may be apprentices, unless the state has established a lower maximum percentage. Of these hires, 40% should be first year apprentices to the greatest extent possible.<sup>9</sup>

### Local Hire Outcomes<sup>10</sup>

As of December 2009, 73,799 construction jobs have been created on LAUSD projects. Although the agreement focuses on local workers living within the school district, outcomes were tracked for hires that live in Los Angeles County as well.

To date, 27,866 individuals who reside within the school district have worked on LAUSD projects. This amounts to 38% of the workforce. This agreement sets a very ambitious local hire goal of 50%. Although LAUSD has not reached the local hire goal yet, there is a strong representation of local workers on these projects. If the local area is expanded to the county, 67% of the workforce qualifies as local workers. Workers that reside within the school district account for 41% of the total hours worked on LAUSD projects. While individuals that live in Los Angeles County completed 71% of the total hours worked.

Approximately 39% of the wages paid to workers on LAUSD projects have been paid to workers that live in the school district. The average hourly wage for these projects is \$31.43. However the average wage for local workers is slightly lower, \$29.58, likely a reflection of the lower wages paid to apprentices.

<sup>6</sup>LAUSD PSA, Section 2.2.

<sup>7</sup>LAUSD PSA, Section 2.3.

<sup>8</sup>LAUSD PSA, Section 3.6.

<sup>9</sup>LAUSD PSA, Section 14.2.

<sup>10</sup>All local hire and apprentice utilization outcomes are based on Los Angeles Facilities Services' certified payroll records from July 2004 to December 2009.

**Table I: LAUSD Local Hire Outcomes**

Targeted hire outcomes	Workers that reside within the school district		Workers that resides within Los Angeles County		All workers
	Number	% of all workers	Number	% of all workers	
Local hires	27,866	38%	49,191	67%	<b>73,799</b>
Total hours worked	13,357,857	41%	22,887,918	71%	<b>32,221,430</b>
Total wages earned	\$395,188,448	39%	\$698,333,187	69%	<b>\$1,012,607,958</b>
Average hourly wage	\$29.58		\$30.51		<b>\$31.43</b>

Certified Payroll, July 2004 – December 2009 prepared by LAUSD

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## Apprentice Utilization

Apprentices made up 31% (23,229 workers) of the workforce on LAUSD projects. Of these workers, 31% were first year apprentices. Data on the total hours worked by apprentices, total hours worked by local apprentices, and the number of local apprentices were unavailable. We do know that all of the 496 We Build graduates that have been placed with a trade were local apprentices. A study conducted by the UCLA Labor Center on this project estimated that approximately 41% of all apprentices were local workers. Also by their assessment, apprentices made up 29 % of the local workforce.<sup>11</sup>

## Local Hire and Apprentice Utilization by Trade

Based on certified payroll data from July 2004-July 2009 we are able to assess apprentice utilization and local hire outcomes by trade. Table II includes a list of the twenty trades that signed on to the LAUSD agreement.<sup>12</sup> The Laborers, Carpenters and Electricians account for almost 50% of the workforce. The Painters and Ironworkers account for 7% and 8% of the workforce respectively.

<sup>11</sup> UCLA Labor Center Report: Construction Careers for Our Communities. The data is based on a 10 percent random sample of LAUSD payroll data.

<sup>12</sup>LAUSD reported local hire outcomes by occupation based on certified payroll data that were then categorized by trade for analysis in the section of the report. To see which occupations are included under each trade see Attachment 2.

**Table II: LAUSD Workforce by Trade**

Trade	Total workforce	% of project workforce
Laborers	10,625	16%
Carpenters	10,503	16%
Electrical Workers	10,468	16%
Ironworkers	5,160	8%
Painters	4,950	7%
Cement Mason	3,888	6%
Plumbers, Steamfitters, Sprinkler fitters	3,800	6%
Roofers	3,197	5%
Operating Engineers	2,576	4%
Asbestos Workers	2,503	4%
Sheet Metal Workers	1,829	3%
Plasterers	1,539	2%
Bricklayers	954	1%
Tile & Terrazzo	817	1%
Carpet & Linoleum	678	1%
Landscape & Irrigation Fitters	513	1%
Elevator Constructors	398	1%
Gunite Workers	242	0%
Teamsters	133	0%
Boilermakers	6	0%
Other	1,849	3%
<b>Total</b>	<b>66,628</b>	<b>100%</b>

*Certified Payroll, July 2004-December 2009 prepared by LAUSD*

The Gunite Workers and Asbestos Workers have exceeded the 50% local hire goal. Local workers made up 52% of the Gunite Workers and 57% of the Asbestos Workers. Although these trades had the highest percentage of local workers, the Laborers, Painters and the Electrical Workers have hired significantly more local workers. Local workers made up 46% of Electrical Workers and 49% of both Laborers' and Painters' workforce. Together these trades have created nearly 13,000 jobs for local residents.

**Table III: Percentage of Local Workers by Trade on LAUSD Projects**

35% or more local hires		20 – 35% local hires		0 – 20% local hires	
Gunite Workers	57%	Carpenters	34%	Operating Engineers	20%
Asbestos Workers	52%	Boilermakers	33%	Elevator Constructors	13%
Painters	49%	Cement Masons	30%		
Laborers	49%	Sheet Metal Workers	29%		
Electrical Workers	46%	Ironworkers	29%		
Plumbers	40%	Plasterers	27%		
Roofers	39%	Teamsters	23%		
Landscape & Irrigation Fitters	38%				
Carpet & Linoleum	37%				
Bricklayers	37%				
Tile & Terrazzo	37%				

*Certified Payroll, July 2004-December 2009 prepared by LAUSD*

While the Laborers, Painters and Electricians each fell short of the local hire goal, together they account for half of the total local workforce. It should be noted that the Laborers have employed the most workers and only missed the local hire goal by 1%. If local hire performance is evaluated at the county level, the five trades that have employed the majority of the workforce exceed the local hire goal by 6% to 17%.

**Table IV: Top Five Local Hire Trades on LAUSD Projects**

Trade	Local Workers	Percentage of Workers	County Local Workers	Percentage of Workers
Laborers	5,256	49%	7,482	70%
Carpenters	3,566	34%	6,330	60%
Electrical Workers	4,812	46%	8,068	77%
Painters	2,710	49%	3,599	72%
Ironworkers	1,481	29%	2,879	56%

*Certified Payroll, July 2004-December 2009 prepared by LAUSD*

Nearly half of all graduates of We Build — one of the main pre-apprenticeship programs that provide workers for this agreement — were placed with the Carpenters, followed by the Ironworkers who have placed 95 graduates. The Carpenters are also credited with the highest number of apprentices in their workforce, 4,070. While the Carpenters have the highest number of apprentices, apprentices account for a much larger percentage of the Roofers’ workforce, 60%.

**Table V: LAUSD Apprentice Utilization by Trade\***

Trade	We Build Placement	% of We Build Placements	Total Apprentices	% of Trade Workforce
Carpenters	238	48%	4,070	39%
Electrical Workers	53	11%	3,652	35%
Laborers	13	3%	2,244	21%
Painters	6	1%	2,073	42%
Roofers	7	1%	1,909	60%
Plumbers, Steamfitters and Sprinkler fitters	10	2%	1,665	44%
Ironworkers	95	19%	1,486	29%
Sheet Metal Workers	2	0%	575	31%
Cement Masons	9	2%	569	15%
Plasterers	16	3%	367	24%
Other	13	3%	332	17%
Tile & Terrazzo	5	1%	323	40%
Carpet & Linoleum	3	1%	323	47%
Landscape & Irrigation Fitters	0	0%	244	48%
Asbestos Workers	0	0%	243	10%
Elevator Constructors	0	0%	243	61%
Operating Engineers	26	5%	199	8%
Bricklayers	0	0%	119	12%
Teamsters	0	0%	23	17%
Gunite Workers	0	0%	16	7%
Boilermakers	0	0%	0	0%
<b>Total</b>	<b>496</b>	<b>100%</b>	<b>20,675</b>	<b>31% of the total workforce are apprentices</b>

\*All We Build placements are local workers; however there are local apprentices that are not We Build graduates. Unfortunately data on local apprentices was not available.

### We Build Pre-Apprenticeship Program

The We Build program is administered by LAUSD and is one of the primary pre-apprenticeship programs for this construction project. This pre-apprenticeship program is designed to “remove the barriers” of entry into construction trades apprenticeship programs. The mission is, “to provide local district residents an opportunity to participate in the construction of neighborhood schools through pre-apprenticeship training and placement in union apprenticeship programs.<sup>13</sup> It is also their stated mission to assist contractors in meeting the 50% local hire goal.

The We Build program is a joint labor-management training program and relies on the trades’ curriculum for safety and soft skill training. Graduates of the program have completed 10 weeks or 300 hours of

<sup>13</sup>Los Angeles Unified School District, We Build Program.

training, which is designed to prepare them to compete for a space in a union apprenticeship position, for example by scoring higher on the apprenticeship test and demonstrating basic work-site skills.<sup>14</sup> Although the We Build program is the primary source for funneling local workers into apprenticeship programs on LAUSD construction sites, it does not follow a direct-entry model. That is, graduates of We Build have no special preferential status in the apprenticeship application process. Instead, contractors rely on We Build to provide qualified job-seekers.

We Build relies on a variety of community-based organizations (CBOs) for the recruitment and in-take process. Program participants either are recruited by a CBO or contact the program independently. Applicants must be at least 18 years old, and have a driver's license and a social security number. Applicants also have to provide the program with their zip-code to ensure that they qualify as a local district resident. Utility bills or statements are generally used to verify this information. CBOs also play the important role of helping prospective entrants obtain proper documentation and basic safety equipment for the program<sup>15</sup> Requirements for entry into the program are minimal and do not require drug testing or any demonstration of the individuals commitment to obtaining work in construction.

Upon completion of the program, graduates will have received training in Cal OSHA guidelines, on-site safety, general trades training and a certificate of completion. Graduates will also receive a We Build ID number. This number enables the program to track graduates' progress through the job pipeline.

Neither the agreement nor the We Build program explicitly set goals for at-risk admittance and hiring. The program manager explained that the program deliberately avoids labeling any trainees as at-risk to avoid any stigma being attached to them upon graduation. That said the CBOs that We Build works with do seek to help low-income and people of color gain access to quality union construction jobs. Of the 905 graduates between 2004 and 2009, 54% were Hispanic, 31% were African American, 6% were female and 13% were classified as ex-offenders.<sup>16</sup> As of July 2009, 496 We Build graduates have been placed in LAUSD construction jobs.

We Build reports 90% placement of "ready to work" graduates in construction jobs.<sup>17</sup> This group of 595 graduates includes individuals who are committed to beginning a career in construction, have a demonstrated ability to show up for work consistently, and have no other barriers to working (e.g. being incarcerated). These graduates are either working in construction, are looking for construction work or are continuing their training. Graduates that were excluded from the "ready to work" category were those who were non-responsive or were unemployed and not actively seeking a job in construction for the following reasons; incarceration, failure to report to work, failed the endurance exam, failed the drug test, declined an interview, declined the endurance exam, relocated, or would not file medial release.

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<sup>14</sup>Interview with Anabel Barragan, Manager, We Build Program.

<sup>15</sup> Ibid.

<sup>16</sup>LAUSD Facilities Committee. "We Build" Program Update & UCLA Labor Center Study Summary. March 5, 2009.

<sup>17</sup> Ibid.

## Conclusion

The Los Angeles Unified School District set highly ambitious goals for updating and rebuilding its facilities, hiring local workers and maintaining high job quality standards. This community workforce agreement set the highest local hire goal of 50% in this report and has also put the highest number and percentage of local people to work. Over 27,000 local workers have been hired for these projects. Not only have these publicly funded projects created jobs, they have created middle class jobs with an average hourly wage of \$29.58 for local workers. This hourly wage amounts to an annual income of about \$61,500. Although the primary stated goal of this community workforce agreement was to create jobs for LAUSD residents, this agreement has also had significant poverty alleviating effects in areas that experience higher poverty rates than in the county as a whole.

The agreement has also facilitated the creation of new careers in construction by encouraging contractors to maximize apprentices and pre-apprentices. The LAUSD has also been extremely successful at creating and utilizing pre-apprentice graduates. The LAUSD administered, We Build pre-apprenticeship program has helped contractors and the trades integrate new workers into apprenticeship programs. This program coupled with a general commitment to integrate new workers into the industry has created over 23,000 apprenticeship positions, of which 7,200 were first year apprentices.

The LAUSD has tracked local hire outcomes in multiple ways and their findings indicate something important about worker retention on these projects. LAUSD reports on both the number of local workers and the number of hours completed by local workers. Local workers make up 38% of the workforce and have completed 41% of the hours worked on these projects. Together these numbers indicate that local workers are being retained by their employers and are not being let go after a few days of work. This means that workers are actually getting a foothold into a career in construction and not just short term employment.

LAUSD has also created a transparent and clearly defined system for implementing and monitoring local hire outcomes. The school district generates regular reports based on contractors' certified payroll records. This system creates a strong sense of accountability and responsibility to achieve local hire goals among all stakeholders. The management of this community workforce agreement has contributed to successful implementation of the project stabilization agreement and strong local hire requirements.

## City of Los Angeles Public Works Construction Projects

The City of Los Angeles and the Department of Public Works have overseen the implementation of a series of community workforce agreements since 2001, when they began negotiating project labor agreements that combined targeted hire goals with high job quality standards. The city embarked on this strategy to create more jobs for low-income local workers after data showed few residents of Los Angeles' poor neighborhoods had benefited from a wave of public investment in infrastructure in the 1990s. This case study reviews outcomes from six agreements implemented since 2006 that cover the construction of several public buildings, a sewer system and a traffic system, all funded by several public bonds. Overall, these projects have created over 9,000 jobs, including 2,423 jobs for local residents. These projects have also been effective at bringing new workers into the construction industry with apprentices making up 18% of the total workforce. Although this set of agreements set hiring goals rather than requirements, these projects have consistently met the goals, demonstrating that strong implementation and monitoring systems can make a tremendous difference.

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### City of Los Angeles Project Labor Agreements

The City of Los Angeles and the Los Angeles and Orange County Building Trades Council have negotiated project labor agreements for six public works projects. These public works projects include the construction of new police stations and detention centers, a fire station, a sewer system and a traffic surveillance and control system. In addition to tracking the local hire outcomes for each of these projects, the City's Bureau of Contract Administration has also tracked outcomes for the parking structure at the police administration building. The overall cost of these projects totals \$506,549,921. A series of bond measures have provided funding for these projects, including Proposition F in 2000 and Proposition Q in 2002.

**Table VI: City of Los Angeles Public Works Construction Projects**

Project	Type of Construction	Contract Amount	Percent Complete (Nov 2009)
Harbor Replacement Station and Jail	Police facilities	\$34,758,000	100%
Metro Detention Center	Police facilities	\$73,889,000	99.9%
Police Administration Building	Police facilities	\$231,377,246	99.9%
Police Admin Building Parking Structure	Police facilities	\$65,877,000	99.9%
Fire Station 64	Fire facilities	\$11,985,000	99%
Avenue 45	Sewer system	\$43,359,945	72%
ATSAC*	Traffic surveillance system	\$45,303,730	66%
<b>Total</b>		<b>\$506,549,921</b>	

Los Angeles Bureau of Contract Administration Quarterly Report, December 2009.

\*For the purposes of this study the Automated Traffic Surveillance and Control System (ATSAC) hiring outcomes have been aggregated. The ATSAC includes seven individual projects for which local hire outcomes have been tracked by the Los Angeles Bureau of Contract Administration.

These agreements were designed to ensure that Los Angeles City residents had access to the jobs created by public projects. The City created a tiered hiring mechanism which ensured that jobs were being created in the neighborhoods where they were needed the most. Each agreement includes a list of targeted zip-codes from which union hiring halls are supposed to refer workers from first. Approximately 35% of the population within the targeted zip-codes lives below the poverty line, compared to 19.4% within the City of Los Angeles.<sup>18</sup> Although the primary stated goal of each of the community workforce agreements is to give local residents access to the jobs created by these public projects, this set of agreements also has the potential to alleviate poverty in low-income communities.

A separate agreement was negotiated for each project that established hiring goals for contractors. Each agreement establishes a local hire goal for contractors of 30% or 40%, and includes a list of targeted zip-codes from which union hiring halls are supposed to refer workers from first.<sup>19</sup> If the hiring hall cannot refer enough workers from targeted zip-codes they can refer workers from any zip-code within the City of Los Angeles. Each agreement also establishes an at-risk or disadvantaged hiring goal of either 10% or 15%. At risk hires are referred from community-based job placement organizations including PV Jobs, City of Los Angeles One-Stop Workforce, Helmets to Hardhats, Center for Military Recruitment, Assessment & Veterans Employment and Southeast LA-Crenshaw Work Source. Within these agreements “at-risk” means household income below 50% of the median; homeless; welfare recipient; history of involvement with the justice system; unemployed; or single parent.

Finally, while apprentice utilization is a priority for the City, none of the agreements specify an apprentice utilization goal.<sup>20</sup>

**Table VII: City of Los Angeles Local & At-risk Hiring Goals**

Project	Local Hire Goal	At-risk Goal
Harbor Replacement Station and Jail	30%	15%
Metro Detention Center	30%	15%
Police Administration Building	30%	15%
Fire Station 64	40%	10%
Avenue 45	30%	15%
ATSAC	30%	10%

*Los Angeles Bureau of Contract Administration*

Within these agreements contractors can hire 10 core employees, which are defined as employees that appear on the contractors’ active payroll for 60 of the 100 working days prior to the award of the contract. However, contractors must alternate each core employee hire with a worker from the union hiring hall. For example, the first employee may be a core employee and the second must be an employee from the hiring hall and so on. Contractors must follow this process until they have hired 10 employees from their core workforce, any remaining hires must come from the hiring halls.

<sup>18</sup>American Community Survey 2008.

<sup>19</sup> Targeted zip-codes cover the following areas, Downtown Los Angeles, Central Los Angeles, Northeast Los Angeles, South Los Angeles, Mid-Town Wilshire District, and South Los Angeles.

<sup>20</sup> The Los Angeles Bureau of Contract Administration’s, *Labor Compliance Manual*, states that contractors are required to employ apprentices in at least the ratio set by the California Labor Code Section 1777.5.

Figure I: LA DPW Local Worker Referral Process

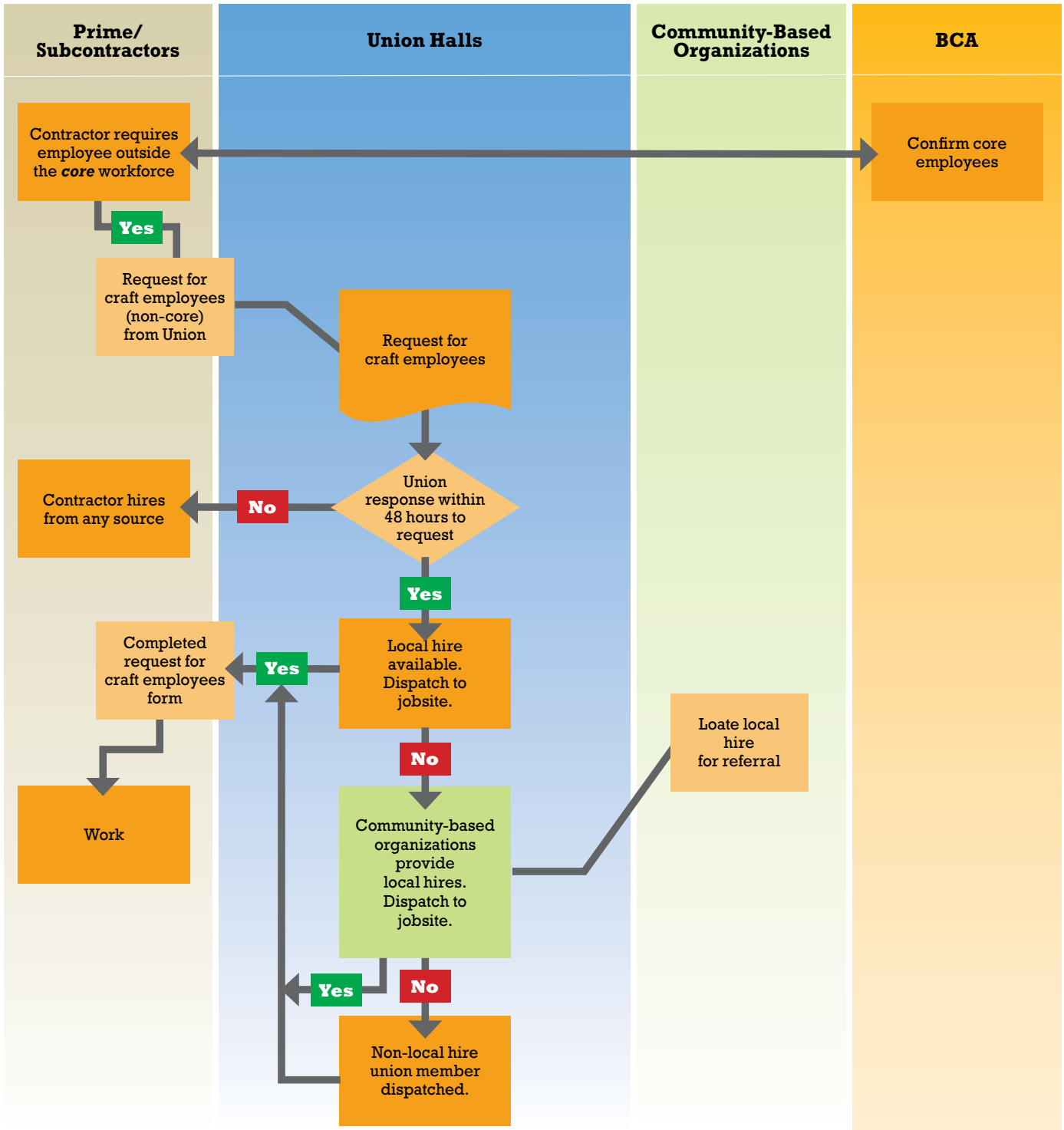


Figure I depicts the collaborative process through which unions, contractors and community organizations put local residents to work on public works projects.

Once a contractor has hired their first core employee, the next hire must come from the union hiring hall. Contractors submit a request for craft employees to a union hiring hall. The hiring hall must reply to the contractors request within 48 hours. If the union does not respond the contractor may hire a worker from any source. Otherwise the union will respond to the hiring request and will dispatch a local worker if they have one available. If a local worker is not available unions rely upon community based organizations to refer a local worker to be dispatched. Local workers that are referred by community based organizations are not necessarily union workers. If the community based organization is unable to provide a local worker then the hiring hall will dispatch a non-local union worker.

**Local Hire Outcomes<sup>21</sup>**

Each agreement sets the goal that 30% (40% for the Fire Station #64 project) of all labor should be completed by workers that reside within the targeted zip-code or a zip-code within the city of Los Angeles. To date the Police Admin Building is the only project that has reached the local hire goal. However, both the Avenue 45 and ATSAC projects are relatively new and have made significant progress towards achieving the goal. Overall, 2,477 local workers have worked on public works projects, which is 26% of the total workforce.

**Table VIII: Number of Local Workers on Los Angeles Public Works Projects**

Project	Local	Total Workers	% Local
Harbor Replacement Station and Jail	272	1,370	20%
Metro Detention Center	523	1,993	26%
Police Admin Building	1,058	3,180	33%
Police Admin Building Parking Structure	154	1,098	14%
Fire Station #64	178	718	25%
Avenue 45	51	219	23%
ATSAC	187	689	27%
<b>Total</b>	<b>2,423</b>	<b>9,267</b>	<b>26%</b>

*Certified Payroll March 2010; provided by City of Los Angeles Bureau of Contract Administration*

<sup>21</sup> The local hire outcomes discussed were reported on the Bureau of Contract Administration website [http://bca.lacity.org/index.cfm?next\\_body=local\\_hiring.cfm](http://bca.lacity.org/index.cfm?next_body=local_hiring.cfm).

When the local hire outcomes are measured by the percentage of local workers, only one project exceeded the 30% local hire goal. However, when local hire outcomes are measured by the percentage of hours completed by local workers, nearly all of the projects exceeded the 30% goal. With two exceptions, workers residing within a Los Angeles City zip-code have completed more than 30% of the hours worked on each project. Local workers completed 42% of the hours worked on the Avenue 45 project which is the highest percentage. However, local workers completed the highest number of hours on the Police Administration Building, totaling 465,651 hours which was 35% of the total hours worked on that project. Although 34% of the hours worked on the Fire Station #64 project were completed by local workers, this achievement falls short of the agreement’s higher goal of 40%. The Harbor Replacement Station and Jail is the only project that did not reach the 30% goal with only 18% of the total hours being worked by local workers.

**Table IX: Hours Worked by Local Workers and Workers from Targeted Zip-codes**

	Harbor	Metro	Police Admin	Police Admin Parking	Fire Station #64	Avenue 45	ATSAC	Total
Hours worked by local workers	42,867	172,057	465,651	70,548	33,637	44,845	98,214	<b>927,819</b>
% hours worked by local workers	18%	32%	35%	32%	34%	42%	32%	<b>32%</b>
Hours worked by target zip-code	24,421	69,212	236,879	31,802	25,788	36,003	33,914	<b>458,019</b>
% hours worked by target zip-code	10%	13%	18%	14%	26%	34%	11%	<b>16%</b>
Total hours worked	239,686	539,316	1,340,549	223,316	100,040	105,969	308,582	<b>2,857,458</b>

*Certified Payroll March 2010; provided by LA Bureau of Contract Administration*

Each agreement also established targeted zip-codes from which the union halls were to refer workers from first. Although meeting local hire goals at this more narrow definition of local was more challenging, workers from targeted zip-codes completed about 50% of the hours worked by local workers. With a few exceptions, nearly all of the targeted zip-codes are predominately minority populated and experience high unemployment rates.<sup>22</sup> The Avenue 45 project achieved the best outcomes on this measure, with 34% of the hours completed by workers who reside within a targeted zip-code. The lowest performers at this level are the Harbor Station reaching only 10% and the ATSAC projects, reaching 11%. However, the ATSAC projects are still underway and have time to increase the number of hours worked by workers from targeted zip codes.

Between April 2006 and March 2009 local workers have earned approximately \$27.5 million in wages, which is about 32% of the wages earned on public works projects.<sup>23</sup>

<sup>22</sup>2007 Los Angeles Zip-code Data Book, United Way-Los Angeles and unemployment data analyzed by the Los Angeles Alliance for a New Economy.

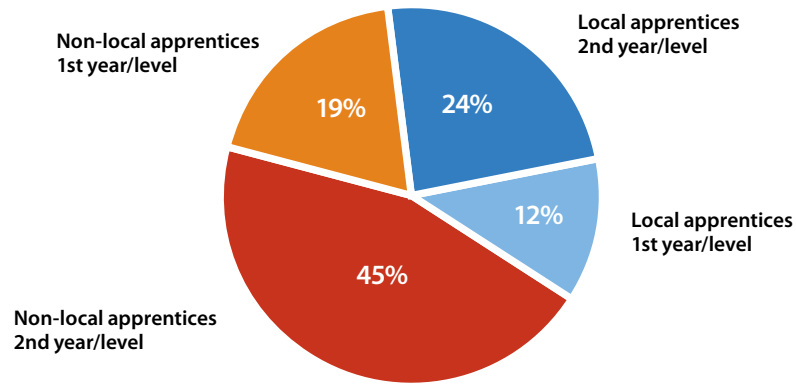
<sup>23</sup>City of Los Angeles. “Building Partnership that Strengthen Families and Communities” Presentation. This number may include public works projects that were not included in this study.

### Apprentice Utilization<sup>24</sup>

Between April 2006 and March 2009, 1,537 apprentices worked on public works projects, which amount to 18% of the total workforce.<sup>25</sup> Of these workers, 477 or 31% were first year/level apprentices. Apprentices account for 36% of the local workforce and have earned 14% of the total wages earned by local workers which is an estimated \$4,620,170. Of the 552 local apprentices, 180 were first year/level apprentices. The average hourly rate for apprentices on public works projects is \$15.00 per hour.<sup>26</sup>

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**Figure II: Breakdown of Apprentices on LA DPW Projects**



City of Los Angeles "Building Partnerships that Strengthen Families and Communities" Presentation

**Table X: Summary of Apprentice Utilization on All LA DPW Projects\***

	Local	Non-local	Total
Apprentices	552	985	1,537
1st year/level apprentices**	180	297	477

City of Los Angeles "Building Partnerships that Strengthen Families and Communities" Presentation  
 \*The data presented in this section may include public works projects that were not included in this study.  
 \*\*1st year/level apprentices are included in the apprentice count.

By November 2009 the total number of local apprentices working on these projects rose to 822 workers. Nearly half of local apprentices worked on the Police Administration Building which is the largest project.

<sup>24</sup>The data presented in this section may include public works project that were not included in this study.  
<sup>25</sup>Ibid.  
<sup>26</sup>Ibid.

**Table XI: Local Apprentice Utilization by Project**

Project	Local Apprentices
Harbor Replacement Station and Jail	85
Metro Detention Center	145
Police Administration Building	404
Police Admin Parking Structure	92
Fire Station 64	47
Avenue 45	14
ATSAC	35
<b>Total</b>	<b>822</b>

*Los Angeles Bureau of Contract Administration Quarterly Report - Nov. 2009*

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## Conclusion

By using community workforce agreements that incorporate targeted hire goals into project labor agreements, the City of Los Angeles has been very effective at putting local residents to work on publicly funded construction projects. More than 2,400 jobs have been created for local residents through these projects and Los Angeles residents that reside in zip-codes with high unemployment rates have completed 49% of the hours worked by local workers.

Although the agreement set local hire goals rather than requirements, local workers have completed a substantial amount of the work on these projects. This success emphasizes that these agreements work if a good process for implementation and monitoring is established, and a system is created to help contractors locate qualified local workers.

This case study also demonstrates the importance of tracking local hire outcomes in multiple ways. By evaluating both the number of local workers and the number of hours worked by local workers we can document patterns of worker retention on these projects. Without knowing the hours worked on the projects it is impossible to know whether local workers are only working a few days on projects or if they are actually starting careers in construction. On the public works projects, although local workers make up 26% of the workforce, falling short of the local hire goal, these workers have completed 32% of the hours worked which exceeds the 30% goal.

## Los Angeles Community College District (LACCD)

**T**he Los Angeles Community College District has overseen implementation of a community workforce agreement since 2001, when the District signed a project labor agreement that applied to public bond-funded construction projects and includes strong local hire provisions. In its first seven years, the comprehensive energy-efficiency rehabilitation and construction program created almost 16,000 new construction jobs, including 5,085 for local workers. The program also made limited but important progress in drawing at-risk workers into construction careers. This case study draws on data compiled for a 2008 report by Padilla & Associates. The internal campus and district operations that have given rise to these outcomes remain opaque.

### Los Angeles Community College District

As one of the largest community college districts in the nation, the Los Angeles Community College District serves approximately 250,000 students annually. The nine LACCD campuses provide educational services to 36 cities and cover about 882 square miles. 40% of LACCD students are over the age of 25 and 65% are minorities.

The population and economic conditions of the neighborhoods surrounding each campus vary. Some neighborhoods are predominately white, while others are largely communities of color. Educational attainment levels surrounding each campus vary, with some communities having large populations of college graduates and others in which 78% of the population has a high school education or less.<sup>27</sup> Similarly, some neighborhoods experience poverty rates as high as 36%.<sup>28</sup>

### LACCD's Sustainable Building Program

Faced with increasingly outdated facilities, in 2002 the LACCD created a comprehensive building plan to renovate and rebuild all nine campuses. The program places strong emphasis on energy efficiency and minimizing environmental impact on all campuses. The Sustainable Building Program, as it is called in all campus materials, has been in the business of creating green construction careers since it began. All new buildings that are funded by bond measure funds will meet LEED standards. It is estimated that 85 buildings will be LEED certified by completion.

Public funding is key to the Sustainable Building Program. This \$6 billion project is funded through a series of bond measures. Proposition A, passed in 2001 and Proposition AA, passed in 2003, providing a combined \$2.2 billion. In 2008, voters passed Measure J which provided an additional \$3.5 billion for the project. As of January 2010, 322 construction projects have been completed with 139 projects remaining.

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<sup>27</sup>US Census Bureau 2000.

<sup>28</sup>Ibid.

## LACCD Project Labor Agreement

The LACCD project labor agreement was signed in December of 2001 and is in effect until the project is completed. The agreement applies to construction, renovation or rehabilitation work on contracts that are funded with at least \$225,000 of Prop A/AA funds or specialty contracts that are funded with at least \$25,000 of Prop A/AA funds and in either event when more than 50% of the contract's funds are from Prop A/AA. The agreement applies to all primary contractors and subcontractors.

The PLA establishes the goal that 30% of the work be done by local residents. Within this agreement "local" is defined on two tiers. Tier I local hires are workers that reside within the zip-code of a particular campus. Tier II local hires are workers that reside within any of the zip-codes within the district. Though these tiers are identified in the agreement, there is no greater preference, incentive or weight given to hiring workers from Tier I, which is smaller in geographic size and likely represents a much smaller workforce. The agreement further requires that 20% of the local workforce qualify as at-risk.

Finally, apprentices may make up 30% of each craft's workforce, unless the state has established a lower maximum percentage. In an effort to facilitate the entry of new workers in construction, 50% of apprentices should be in their first year to the extent available.

## Pre-Apprenticeship Feeder: PV Jobs

Although the LACCD agreement does not create a structured relationship with existing pre-apprenticeship programs, the District tends to work with PV Jobs to help identify and recruit local at-risk workers. PV Jobs works with community organizations and worker centers in Los Angeles to help local at-risk residents obtain union construction jobs on LACCD projects. Since 1998 PV Jobs has helped thousands of at-risk adults find employment opportunities that pay a living wage and offer a career ladder. The program got its start with the large Playa Vista development in Los Angeles, which had a goal of filling 10% of the construction positions with at-risk workers. PV Jobs has a proven track record of placing workers in a number of building and construction crafts, including painters, carpenters, floor installers, laborers, plumbers, concrete masons, sheet metal workers, electricians, and tile setters.<sup>29</sup> Since PV Jobs focuses on at-risk adults, applicants must demonstrate one of the following; income below 50% of median; homeless; welfare recipient; unemployed; single parent; or criminal record. Applicants are required to attend an orientation prior to acceptance into the program as a demonstration of their commitment. PV Jobs also conduct regular follow-up with their workers to ensure they are being placed in paying jobs.

Graduates of PV Jobs do not receive any preference or particular status that would enable them to get hired immediately onto LACCD building projects. But the program has demonstrated success in producing

<sup>29</sup>Rosner, Sagalle. "Job Implications in Los Angeles' Green Building Sector: An analysis of workforce development opportunities in the green building sector; and recommendation for integrating low income communities of color with building sector jobs." May 2006

qualified workers who are better equipped to pass apprenticeship tests and access construction careers. Although the process for moving workers from the PV Jobs program into construction jobs remains opaque, 601 workers have been placed on LACCD projects.<sup>30</sup>

**Local Hire Outcomes<sup>31</sup>**

The latest data on LACCD local hire performance is from an October 28, 2008 report generated by Padilla & Associates, an independent consulting firm. As previously noted, local hire outcomes are evaluated on two tiers. Across all campuses, the program shows significant progress in meeting the local hire goals at the second tier. Over 30% of the workforce on construction projects hired across all campuses were workers who live in the LACCD district. Though the District broke some new ground in identifying and hiring workers who reside adjacent to individual campuses where construction projects took place, the outcomes for Tier I local hire and for at-risk workers are less impressive. Only 5% of the total workforce, across all campuses, came from a neighborhood adjacent to a campus building project, and less than 3% of all workers came from the at-risk category.

Some campus projects were better at meeting the Tier I — local to the campus — goal. The Harbor and Valley campuses created the highest number of construction jobs. Though these campuses only achieved a 4% local hire rate at Tier I, they nonetheless created a total of 258 new job opportunities for residents of nearby neighborhoods. Although the overall workforce on the Mission and ELAC campuses was smaller, a higher percentage of the workforce was from adjacent neighborhoods. Together, these two campuses employed a little more than 3,200 workers, and 330 or about 10%, of their total workforce were local to the campus. There was a significant need for quality employment opportunities in the neighborhoods surrounding the ELAC and Mission campuses. In the neighborhoods surrounding both campuses over 50% of people have a high school diploma or less and the area surrounding the ELAC campus experiences relatively high poverty rates.<sup>32</sup> Although these campuses have not reached the local hire goal at Tier I, this program has created hundreds of good jobs for local residents in high need areas.

**Table XII: LACCD Local & At-Risk Hire Outcomes**

Category	Number of Workers	% of LACCD Construction Workforce
Total workers	15,965	100%
Local to college	833	5%
Local to district	5085	32%
At-risk local workers	469	9% of workers local to district
		2.9% of all workers

*LACCD Local Hire/At-Risk Summary Report prepared by Padilla & Associates*

<sup>30</sup>PV Jobs Newsletter Fall 2008.

<sup>31</sup>All hiring outcomes in this case study are based on a report by Padilla Associates who monitored contractor compliance with the PLA requirements.

<sup>32</sup>US Census Bureau, 2000.

There was similar variation across the nine campuses in meeting the Tier II goal, though overall projects on all campuses could be deemed successful. Two campuses fell just short of the 30% local hire goal at Tier II, while seven campuses exceeded the goal. The West campus had the highest percentage of local hires, 45%, which is a total of 226 workers. The Harbor and Valley campuses each created over 3,000 construction jobs, and over 2,000 of the jobs at those two campuses went to local workers. Overall, of the 15,965 jobs LACCD construction projects have created 5,085 or 32% qualify as local hires at Tier II.

The LACCD program has thus far had limited success recruiting and employing at-risk job-seekers into its construction projects. Across all campuses and all workers, only 2.9% of the workforce came from the at-risk category. The 469 at-risk workers hired on these projects represent about 9% of the local workforce. There has been tremendous variation among different campuses in hiring at-risk workers. Only two campuses, Southwest and West, met the goal articulated in the PLA by showing that 20% of their local workforce came from the at-risk category. At the West campus 63% of the local workforce were at-risk workers, but this percentage only represents five workers. At the Southwest campus 27% of the local workforce were at-risk workers. Twenty one quality construction jobs were created for at-risk workers in an area that experiences high levels of poverty and low levels of educational attainment. Within this predominately African American and Hispanic area, nearly 70% of the population has a high school diploma or less.<sup>33</sup> Although LACCD has not reached the at-risk hire goal yet, they have been successful at creating quality construction jobs for local workers living in neighborhoods where quality career opportunities are needed the most.

## Conclusion

The LACCD set out ambitious goals to modernize and update the building stock on its nine campuses, including strong emphasis on new green construction and energy efficiency retrofitting of existing buildings. Using a community workforce agreement that incorporated targeted hiring goals into a project labor agreement, the District also set out an ambitious set of hiring goals that would ensure that campus construction projects benefitted local residents, job-seekers from poor neighborhoods and workers at-risk of falling out of the workforce. Though we have little information on the process by which these goals were developed and implemented, the data reviewed here shows that the District has made real progress in developing a construction program that creates new jobs for local workers.

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<sup>33</sup>US Census Bureau 2000.

## Findings

- 1. Community workforce agreements that combine targeted hire goals with a project labor agreement put a significant number of low-income local residents to work.** Local governments set ambitious targets for hiring workers from low-income neighborhoods onto publicly-funded construction projects, and for the most part they succeeded. Local workers made up more than 30% of the workforce on LAUSD and LACCD projects. Just below the established goal, local workers made up 26% of the workforce on LA DPW projects. However, the percentage of hours worked by local workers exceeds the established goal.
- 2. Community workforce agreements created a significant number of new construction career opportunities.** By encouraging the trades and contractors to maximize use of apprentices, these agreements created thousands of new construction careers. 31% of the workforce on LAUSD projects were apprentices and 18% of the workforce on LA DPW projects were apprentices. A significant percentage of these apprentice slots were filled by first year apprentices, indicating that these workers were embarking on a new career path and in some cases working on their first job.
- 3. These agreements have a proven track record of retaining local workers.** The percentage of local workers was about the same as the percentage of hours worked by local workers on LAUSD and LA DPW projects. Local workers account for about the same percentage of local employees and hours worked on LAUSD and LA DPW projects. LAUSD local hires account for 38% of the total workforce and they have also completed 41% of the hours worked on LAUSD projects. Likewise local workers made up 26% of the workforce and have completed 32% of the hours worked on LA DPW projects. This data indicates local workers were not only being hired, but that they were also being retained.
- 4. These agreements lifted up wages for new workers, creating middle-class career paths.** The average hourly wage for local workers on LAUSD projects was \$29.58. These jobs pay family sustaining wages, provide benefits, and access to a career.
- 5. Community workforce agreements have the potential to alleviate poverty.** The LA DPW agreements identified targeted zip-codes from which union hiring halls were supposed to refer workers from first. By prioritizing zip-codes that experience high levels of unemployment and poverty, these agreements delivered quality jobs to the neighborhoods that needed them the most. On LA DPW projects workers from targeted zip-codes completed 49% of the hours worked by local residents.

**6. Getting to these outcomes tended to involve outreach, recruitment and orientation**

**conducted by a strong pre-apprenticeship program.** LAUSD's We Build and PV Jobs pre-apprenticeship programs have helped contractors recruit and hire local and at-risk workers. Both of these programs recruit local residents, people of color, women and low income people and help prepare them for union apprenticeship positions. Graduates of these programs are highly competitive candidates for union apprenticeship positions, having completed safety, basic skill training and the minimum education requirements. The We Build program has placed 496 local workers with construction trades on LAUSD projects and PV Jobs have placed 601 workers on LACCD projects.

**7. A clear and transparent system for monitoring local hire outcomes is key to successful implementation of community workforce agreements that include targeted hire outcomes in a project labor agreement.**

LAUSD and LA DPW both created a concrete system for monitoring and reporting local hire outcomes. Each project generates regular reports on local hire outcomes based on certified payroll records. These projects also have proven track records of moving local residents into construction jobs and utilizing apprentices. All stakeholders have a stronger commitment and sense of responsibility to achieve the requirements of the agreement when a system for monitoring implementation is established.

These programs showed strong progress toward establishing and refining systems that helped move low-income people into middle-class construction careers. But more work is needed to help evolve the pathway for workers at risk of falling out of the workforce altogether.

**8. Programs made limited but important progress in drawing at-risk workers into**

**construction careers.** Data on at-risk hires was only available for the LACCD projects. At-risk hires make up 9% of the local workforce on LACCD projects, and 2.9% of the total workforce. Though this number is low, it nonetheless represents a significant effort to serve workers with real barriers to success – lack of education credentials, a record of incarceration or other involvement with the criminal justice system, recent receipt of public assistance and the like. Focusing efforts on addressing those barriers, and getting at-risk workers connected to the high-quality training and career pathway offered by a good construction job may yield more limited numbers but real progress in moving people from poverty into the middle class.

## Conclusion

Community workforce agreements that combine targeted hire goals with job quality standards within project labor agreements have a proven track record of moving local residents into good construction jobs and creating new careers in the construction industry. These agreements are a win for everyone. Governments and communities benefit from the poverty alleviation resulting from the creation of living wage jobs which reduces reliance on public services. Contractors win by connecting to a well trained and stable workforce, which saves time and money. And finally, unions benefit by having a way to incorporate new workers into an aging workforce.

The projects discussed in this report demonstrate the range of positive impacts community workforce agreements can have on communities. In each case study, a substantial number of local residents were put to work on publicly funded projects. In the case of the LAUSD projects, local workers made up 38% of the workforce, which is more than 27,000 workers. Local workers also earned a corresponding amount of the wages earned on these projects. Local workers earned over \$390 million in wages on LAUSD projects and on LA DPW projects they have earned \$27.5 million. Further demonstrating how these agreements create middle-class jobs, the average hourly wage on LAUSD projects was \$29.58 per hour.

The LAUSD and LA DPW agreements were also successful at integrating new workers into the construction industry, by maximizing apprentice utilization. Thirty-one percent of the LAUSD workforce were apprentices and on LA DPW projects 18% were apprentices. Additionally, on both projects 31% of apprentices were first year apprentices, indicating the creation of new construction careers.

Although these projects have been very successful at hiring local workers, hiring at-risk workers proved to be more of a challenge. The LACCD and LA DPW projects both set at-risk hire goals, however data was only available for the LACCD case study. About 9% of the local workforce on LACCD projects qualified as at-risk, representing significant progress towards reaching the 20% goal, but little is known about what the challenges in meeting this goal were. More research is needed to understand the challenges these projects encountered in their efforts to hire at-risk people to determine what could be done to make these goals more attainable.

Pre-apprenticeship programs are an important part of maximizing the potential these agreements have to create quality careers. In partnership with community based organizations, pre-apprenticeship programs help unions and contractors identify local, and often disadvantaged, workers that are ready and committed to starting a career in construction. The We Build pre-apprenticeship program played this important role for the LAUSD projects. To date, the We Build has placed nearly 500 local workers in union apprenticeship positions on LAUSD projects.

These case studies also produced interesting findings about the structure of job quality and local hire standards in community workforce agreements. First, successful achievement of local hire goals increases as the size of the defined local area increases. In other words, it's easier for contractors to hire local workers when the local area is large than when the area is small. This was the case for all of the agreements. Both the LAUSD and LA DPW agreements measured local hire outcomes at a smaller project area level and then at a larger city or county level. Both projects were quite successful at hiring local workers at the project area level, and this success multiplied when the local area was expanded to the city or county. The LACCD agreement explicitly set up two levels of local. Tier I meant workers who lived in the zip-code of a particular campus and Tier II meant workers who lived in the much larger community college district. At Tier I only 5% of the workforce were local and at Tier II 32% were local. Without any incentives or requirements prioritizing Tier I, contractors met local hire goals at Tier II.

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Second, it's important that local hire outcomes are measured both by the number of local workers and by the number of hours completed by local workers. It's good to know how many local workers are working on a particular project, but without tracking how many hours these workers have completed there is no way of knowing whether local workers are being retained or are only working a few days on these projects and then being let go. Both the LAUSD and LAPW projects have tracked both the number of local workers and the number of hours completed by local workers, which has enabled us to assert that local workers are being hired and retained.

Finally, the process through which local hire and jobs standard requirements are implemented and monitored are critical to the success of community workforce agreements. Both the LAUSD and the LA DPW projects have create regular reports on local hire outcomes based on certified payroll records. This process created a strong sense of accountability among contractors, union and program owners. The results speak for themselves. Together these two projects have created over 30,000 jobs for local workers.

Community workforce agreements combine targeted hire goals with project labor agreement job quality standards, to create new jobs in a vital industry. Each of the case studies discussed in this report provide important lessons on how to maximize the public's investment in construction jobs by also creating high quality jobs.



**Appendix I****Trade and Occupation List for LAUSD Analysis of Local Hire Outcomes by Trade**

The Los Angeles Unified School District case study includes an analysis of local hire outcomes by trade. The analysis is based on a LAUSD generated certified payroll report that listed local hire outcomes by trade occupations. For the purposes of this report the listed occupations were categorized by trade. The table below lists the occupations that were included in each trade.

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Trade	Occupations
<b>Plumbers, Sprinklerfitters, Steamfitters</b>	Pipefitters
<b>Tile &amp; Terrazzo</b>	Terrazzo Finisher Terrazzo Worker Tile Finisher Tile Layer
<b>Cement Masons</b>	Cement Masons
<b>Electrical Workers</b>	Electrical Utility Lineman Electrician
<b>Teamsters</b>	Teamster
<b>Laborers</b>	Parking and Highway Laborer Improvement Laborer Housemover
<b>Plasterers</b>	Plaster Tender Plasterer
<b>Painters</b>	Painter Glazier Drywall Finisher
<b>Bricklayers</b>	Brick Tender Bricklayer, Stoneman
<b>Sheetmetal</b>	Sheet Metal Worker
<b>Landscape and Irrigation Fitters</b>	Landscape/Irrigation Laborer/Tender
<b>Iron Workers</b>	Ironworker
<b>Roofers</b>	Roofer
<b>Boilermakers</b>	Boilermaker-Blacksmith
<b>Carpet &amp; Linoleum</b>	Carpet, Linoleum
<b>Elevator Constructors</b>	Elevator Constructor
<b>Carpenters</b>	Carpenter Drywall Installer/Lather Fence Builder
<b>Gunite Workers</b>	Gunite Worker
<b>Operating Engineer</b>	Operating Engineer Landscape Operating Engineer
<b>Asbestos Workers</b>	Asbestos and Lead Abatement Asbestos Worker, Heat and Frost Insulator
<b>Other</b>	Field Surveyor Fire Safety & Miscellaneous Sealing Modular Furniture Installer Building/Construction Inspector Field Soils & Material Tester

**Appendix 2**

**Targeted Zip-codes for Los Angeles Department of Public Workers Projects**

Under the LA DPW agreements, hiring halls are supposed to refer workers that reside in one of the targeted zip-codes first. If no workers are available from targeted zip-codes then workers that live within any Los Angeles zip-code are referred.

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Targeted area	Targeted zip-codes
Downtown Los Angeles/Central Los Angeles	90012 90013 90014 90015 90017 90001 90003 90011 90021 90023 90033 90063 90071 90044 90062 90058
Northeast Los Angeles	90026 90031 90032 90036 90037 90038 90039 90041 90042 90065 90063
South Los Angeles	90002 90007 90008 90016 90018 90043 90047 90059 90061 90089
Mid-town Welshire District	90004 90005 90006 90016 90010 90020 90028 90027 90029 90057
South Los Angeles	90248 90710 90731 90732 90744 90501 90502 90247

**Appendix 3**

**Los Angeles Community College District Zip-codes**

The following table includes a list of LACCD campuses and the targeted zip-codes for each campus. Tier I local hires include workers who live within the zip codes listed for a particular campus and Tier II local hires include workers who live in any of the zip-codes listed for the district.

LACCD Campus	Targeted Zip-codes
City College	90004 90036 90005 90038 90006 90039 90010 90041 90012 90046 90017 90048 90019 90057 90020 90065 90026 90068 90027 90069 90028 91205 90029
East Los Angeles College	90022 90201 91801 90023 90202 91802 90031 90270 91803 90032 90280 90033 90640 90040 91754 90042 91755 90063 91770 90071 91775 90089 91776
Harbor College	90274 90710 90744 90275 90717 90745 90501 90731 90746 90502 90732 90810
Mission College	91040 91351 91042 91331 91340 91342 91344 91345
Pierce College	90290 91311 91343 91301 91316 91356 91302 91324 91361 91303 91325 91362 91304 91326 91364 91306 91330 91367 91307 91335 91406 91436
Southwest College	90002 90059 90248 90003 90061 90249 90044 90222 90303 90047 90247
Trade Technical College	90001 90015 90062 90007 90018 90255 90011 90021 90013 90037 90014 90058
Valley College	90077 91501 91605 91352 91502 91606 91401 91504 91607 91402 91505 91403 91506 91405 91601 91411 91602 91423 91604
West Los Angeles College	90008 90064 90272 90016 90066 90291 90024 90067 90292 90025 90094 90293 90034 90210 90035 90211 90043 90212 90045 90230 90049 90232



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