OACO/Oregon Commission on Black Affairs

Labor Agreements as a Solution for Increasing Job Opportunities for African Americans and Females in the Construction Trades in Oregon

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We know that African Americans are underrepresented in the building and construction trades......

- 2006 - 2010
  - 54.5% of White males successfully completed their apprenticeship programs.
  - 21.5% of African Americans successfully completed their apprenticeship programs.
  - 30.2% of African American apprentices terminated from their program during the probationary period compared to 12.4% of White males.
Why?

• Discrimination
• Job Site Harassment
• Income Instability
• Lack of mentors and networks…….
• ......All lead to a culture of failure.
What are public contracting agencies doing to address this disparity?

- Have these contracting strategies been effective in increasing minority participation in apprenticeship programs and African American employment on public works projects?
Project Labor Agreements (PLAs)

Community Benefits Agreements (CBAs)

Hope VI/Section 3 Public Housing Agreements
Agreements

- Single-site collective bargaining agreements between building trade unions and site contractors that govern terms and conditions of employment for all craft labor on the designated construction project.

  - Typical PLA includes agreements on “wage rates, strikes or work stoppages, collective bargaining, payment of union dues, and prohibitions against discrimination in hiring and employment.

  - Often provide workforce utilization requirements in order to accomplish broader goals of the industry, project owner, developer or union.
Edith Green-Wendell Wyatt Federal Building

• Workforce Goals
  - 15 percent of the total project hours were to be set-aside for registered apprentices.
  - No specific goals for female/minority participation.
  - “Good faith” employment goals.
  - $500 out of every $1 million dollars spent for a community construction training fund
Results

- Difficult to quantify due to inadequate data collection.
- Apprentices accounted for 19.5 percent of the total project hours, exceeding the PLA goal of 15 percent of total work hours.
- African Americans only worked 2 percent of the total project hours on Edith Green even though they represent 6.3 percent of the metro area population.
Edith Green - Results

Hours Worked by Race

- Caucasian: 67%
- Hispanic: 19%
- African American: 2%
- Asian: 7%
- Native American: 1%
- Multiple Races: 4%

Legend:
- Caucasian
- Hispanic
- African American
- Asian
- Native American
- Multiple Races
Grant Funding - HOPE VI Grant Program

• New Columbia and Stephens Creek Housing Redevelopment Projects
• HUD funded projects requiring that preferences must be given to low-income individuals and businesses located within the community.
• Contracts required that 20 percent participation by D/M/W/ESB in contract opportunities.
Grant Funding - HOPE VI Grant Program

• Contracts also required that each trade with construction contracts over $100,000 should have 17 percent of their hours worked on the project by apprentices.

• Established goal that 20% of all workforce hours be performed by women, minorities or Section 3 residents.
New Columbia Redevelopment Project

- Housing Authority of Portland (HAP) created and funded the Evening Trades Apprenticeship Preparation (ETAP) program to assist contractors in meeting their workforce goals.
- ETAP program focused on teaching low-income and minority participants basic skills for success in the construction industry.
- HAP instituted strict reporting and monitoring requirements.
New Columbia Results

• 24 percent of all contracts—$27.5 million—went to D/M/W/ESB businesses.
• ETAP graduates and local residents filled 103 jobs.
• Apprentices accounted for 20 percent of the total construction hours.
• Minorities and women worked 45 percent of the construction hours at New Columbia.
New Columbia Results (cont.)

• Minorities worked 40.8 percent of the total project hours and apprentices were responsible for 19.8 percent of the total project hours.

• African American apprentices were responsible for 25.3 percent of the total hours worked by apprentices.

• 14 different trades were utilized on the New Columbia project; African Americans and females were concentrated in 3 of the trades.
New Columbia Results (cont.)

- 83 percent of all African American apprentice and journey level hours were worked in either the carpentry or construction laborer trades.
- 71.3 percent of the total African American journey level hours were worked in the construction laborer trade.
- Section 3 workers were only responsible for 1.3 percent of the total apprentice hours and 1.1 percent of the total journey level workers.
New Columbia Results (cont.)

Distribution of African American & Caucasian Hours by Trade

- **African American Hours**
- **Caucasian Hours**
New Columbia Results (cont.)

Distribution of African American Apprentice Hours by Trade

- Carpenters: 44.5%
- Laborers, Construction: 42.8%
- Plumbers, Pipefitters, Sprinkler: 11.5%
- Cement Concrete Terrazzo Mason: 0.4%
- Electricians: 0.6%
- Equipment Operators: 0.1%
New Columbia Results (cont.)

Distribution of African American Journey Hours by Trade

- Carpenters: 71.3%
- Electricians: 3.2%
- Equipment Operators: 8.4%
- Laborers, Construction: 6.6%
- Painters, Paperhangers: 0.4%
- Plumbers, Pipefitters, Sprinkler: 1.7%
- Roofers: 8.4%
Stephens Creek Crossing Redevelopment Project

- Workforce and contracting criteria similar to New Columbia.
- Greater focus on employing Section 3 residents.
Stephens Creek Crossing Redevelopment Project - Results

- Apprentices worked 18 percent of the total project hours.
- African Americans worked 5 percent of the total project hours (compared to 9.6% of all hours at New Columbia).
- African Americans were much more likely (2.7 times more likely) than Caucasians to work as laborers or carpenters on the Stephens Crossing Project.
Stephens Creek Crossing Redevelopment Project - Results

Distribution of African American Apprentice Hours by Trade

- Carpenters: 55.5%
- Cement Masons: 3.2%
- Iron & Steelworkers: 1.7%
- Laborers, Construction: 5.3%
- Roofers: 0.2%
- Sheet Metal Workers: 34.0%
Stephens Creek Crossing Redevelopment Project - Results

Distribution of African American Journey Hours by Trade

- Carpenters: 44.3%
- Carpet, Floor, Tile Inst.: 21.6%
- Equipment Operators: 8.0%
- Iron & Steelworkers: 6.2%
- Laborers, Construction: 2.8%
- Sheet Metal Workers: 0.2%
- Truck Drivers: 17.0%
Stephens Creek Crossing Redevelopment Project - Results

Distribution of African American & Caucasian Hours by Trade

- Brick, block, stone masons
- Carpet, floor, Tile, Installers
- Electricians
- Equipment Operators
- Glazers, Glassworkers
- Insulation Workers
- Iron & Steelworkers
- Laborers, Construction
- Painters, Paperhangers
- Plumbers, Pipefitters, & Sprinkler
- Roofers
- Sheet Metal Workers
- Supervisors, Construction
- Tile Setters
- Truck Drivers
- Welders & Cutters
Stephens Creek Crossing Redevelopment Project - Results

• Employment conditions improved for Section 3 residents over New Columbia.
• Section 3 residents accounted for 39 percent of all hours worked by apprentices and 10.6 percent of all hours worked by journey level workers.
• 42 percent or 12 of the project’s 28 new hires were Section 3 residents.
Lessons from the HUD-HAP Grant Funding - HOPE VI Grant Program

• Pre-apprenticeship programs can be a key recruitment tool for increasing diversity in the construction trades.
• The absence of trade specific equity goals may result in minority hours being concentrated in lower paying trades.
• Strict reporting and monitoring requirements are necessary.
Community Benefits Agreements

• Community benefits agreements (CBA) are legal contracts between a developer and a set of nongovernmental groups whose support the developer considers necessary to obtain key public approvals or subsidies.
• CBAs are intended for use on large-scale development projects to ensure that the community and local workers receive lasting benefits from the project.
Community Benefits Agreements

- CBAs are similar to PLAs in that they are project-specific agreements between labor and management.
- Unlike PLAs, CBAs allow community-based organization (CBOs) to come to the table and advocate for the needs of the local community.
Community Benefits Agreements

• September 2012 – City of Portland adopted a policy that permits CBAs to be used on all city construction contracts over $15 million.

• Only two City projects have utilized CBAs to date - the Kelly Butte Reservoir Project and the Interstate Maintenance Project.
Kelly Butte Reservoir Project

- Replacement of Kelly Butte’s 10-million-gallon above the ground steel tank with a 25-million-gallon underground reservoir.
- Estimated project cost - $90 million.
- Project timeline: Fall 2012 – December 2015
Kelly Butte Reservoir Project

- Equity Goals & Strategies for Increasing Minority Participation
  - 1. Project-wide goal of 20 percent apprenticeship utilization on all prime contracts of $200,000 or more and subcontracts of $100,000.
  - 2. Utilization requirement is not craft or trade specific.
  - 3. Targeted minority apprentices to work 18% of all project hours and minority journey workers to work 18% of project hours.
Kelly Butte Reservoir Project

4. To support this goal, the CBA requires the creation of a labor-management-community oversight committee to ensure that contractors are held accountable for the project’s diversity goals.

5. The agreement also sets aside funds to support pre-apprenticeship training programs.
Kelly Butte - Results

• Data on workforce utilization not sufficiently disaggregated for detailed analysis.
• To date apprenticeship utilization is at 22.5% of all project hours.
• African American participation was the highest out of all of the projects studies at 8.9%.
• African American apprentices have worked 20.1% of all project hours.
Kelly Butte - Results

- African American journey workers accounted for only 5.7% of all project hours.
Kelly Butte - Results

Journey Hours Worked by Race

- Caucasian: 71%
- Hispanic: 6%
- Native American: 16%
- Asian: 0%
- African American: 1%
- Other: 6%
Interstate Renovation Project

- Renovation of the Portland Water Bureau’s Interstate Maintenance Facility.
- Estimated cost for the project is approximately $35 million.
- CBA provisions identical to Kelly Butte.
Interstate Renovation Project - Results

• Data on workforce utilization not sufficiently disaggregated for detailed analysis.

• Apprentices accounted for 23% of the total project hours with 32% of those hours being worked by female apprentices and 40.6% of those hours worked by minorities.

• Minority workers were responsible for 24.5% of the total project hours. (Apprentice and Journey.)
Interstate Renovation Project - Results

- Minority hours were clustered in the Laborer and Carpenter occupations.
- Some gains seen for minority workers in Plumbing and Drywall occupations.
Interstate Renovation Project - Results

Distribution of Hours for Minority & Caucasian Workers

- Minorities
- Caucasians
Interstate Renovation Project - Results

% of Minority Apprentice & Journey Hours by Trade

- Minority Apprentices
- Minority Journeyworkers
Interstate Renovation Project - Results

% of Hours Worked by Minorities

- Apprentice
- Journey
Lessons Learned from Community Benefit Agreements

- Community participation and community oversight can improve minority participation rates.
- Data needs to be disseminated and disaggregated in order to ensure minorities are receiving equal opportunities.
- Project-wide equity goals can result in minority hours being concentrated in lower paying trades.
Conclusions and Recommendations

• Workforce agreements only impact African American hiring on public works projects; equity will not be achieved until African American have equal access to employment on public and private jobs.

• African Americans seem to be disproportionately underrepresented at the journey worker level, undermining the development of African American apprentices.
Conclusions and Recommendations

- Labor Agreements should set clear and enforceable equity goals; “good faith” does not lead to good results.
- Equity goals should be set by trade.
- Workforce utilization data needs to have clear reporting criteria and oversight by an industry lead committee.
- Supportive services need to be developed to retain minority workers.
Conclusions and Recommendations

• Pre-apprenticeship programs should continue to be utilized to provide minorities with a pathway into the construction trades.

• Employer incentives and employer led coalitions are the key to addressing the underrepresentation of African Americans in the construction workforce.
About the Author

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