

APPENDIX

Williams, Gregory L.

From: Williams, Gregory L.
Sent: Friday, May 01, 2015 3:22 PM
To: Megan Fielder (megan.fielder@dol.state.nj.us)
Cc: Rice, Sen. D.O.
Subject: Reports required by P.L.20

Megan:

Senator Ronald L. Rice, Senate co-chair of the Joint Committee on Economic Justice and Equal Employment Opportunity, is seeking the following information.

P.L.2009, c.313 (C. 52:38-7) requires the Department of Labor and Workforce Development to make an annual report regarding all programs funded under that act, including data regarding women and minority group members in each program and outcomes in employment placement, increased earnings and employment retention.

The most recent report that the Office of Legislative Services has received, issued March 30, 2011, was for the year 2010.

Has a report meeting the requirements of the act been issued for any subsequent year? If so, please provide a copy. If any report is currently being prepared, when is it expected to be completed and issued?

This is, of course, in addition to the previous request for the annual DOLWD reports regarding P.L.A.s required by P.L.2002, c.44.

Your attention to this matter is appreciated.

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From: Williams, Gregory L.
Sent: Tuesday, April 28, 2015 11:22 AM
To: Megan Fielder (megan.fielder@dol.state.nj.us)
Cc: Rice, Sen. D.O.
Subject: Project Labor Agreement annual report

Megan:

Senator Ronald L. Rice, Senate co-chair of the Joint Committee on Economic Justice and Equal Employment Opportunity, is seeking the following information.

Section 6 of P.L.2002, c.44 (C. 52:38-6) requires the Commissioner of Labor and Workforce Development to make an annual report to the Governor and the Legislature regarding the effectiveness of all Project Labor Agreements (PLAs) entered into pursuant that act. The report is specifically required to include a reporting, review and analysis of the information which every public body entering into a PLA is required to provide, pursuant to subsection i. of section 5 of that act (C.52:38-5), regarding the effectiveness of the PLA in meeting the act's requirements to promote the entry of women and minority group members into apprentice and journey worker positions.

The most recent report that the Office of Legislative Services has received, issued October 7, 2010, was for the year 2008.

Has a report meeting the requirements of the act been issued for any subsequent year? If so, please provide a copy. If any report is currently being prepared, when is it expected to be completed and issued?

Your attention to this matter is appreciated.

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52:38-5. Requirements for project labor agreement

5. Each project labor agreement executed pursuant to the provisions of this act shall:

- a. Advance the interests of the public entity, including the interests in cost, efficiency, quality, timeliness, skilled labor force, and safety;
- b. Contain guarantees against strikes, lock-outs, or other similar actions;
- c. Set forth effective, immediate, and mutually binding procedures for resolving jurisdictional and labor disputes arising before the completion of the work;
- d. Be made binding on all contractors and subcontractors on the public works project through the inclusion of appropriate bid specifications in all relevant bid documents;
- e. Require that each contractor and subcontractor working on the public works project have an apprenticeship program;
- f. Fully conform to all statutes, regulations, executive orders and applicable local ordinances regarding the implementation of set-aside goals for women and minority owned businesses, the obligation to comply with which shall be expressly provided in the project labor agreement;
- g. Include a publicly available plan regarding the shares of employment and apprenticeship positions in the public works project for minority group members and women which is in full conformance with the requirements of all applicable statutes, regulations, executive orders and local ordinances and is mutually agreed upon by the participating labor organizations and the public entity which will own the facilities which are built, altered or repaired under the public works project, provided that any shares mutually agreed upon pursuant to this subsection shall equal or exceed the requirements of other statutes, regulations, executive orders or local ordinances;
- h. Require the contract for the public works project to provide whatever resources may be needed to prepare for apprenticeship a number of women and minority members sufficient to enable compliance with the plan agreed upon pursuant to subsection g. of this section and provide that the use of those resources be administered jointly by the participating labor organizations and the public entity or community-based organizations selected by the public entity; and
- i. *Require the public body to monitor, or arrange to have a State agency monitor, the amount and share of work done on the project by minority group members and women and the progression of minority group members and women into apprentice and journey worker positions and require the public body to make public, or have the State agency make public, all records of monitoring conducted pursuant to this subsection.*

L.2002,c.44,s.5.

52:38-6. Annual report to Governor, Legislature

6. *The Commissioner of Labor shall make an annual report to the Governor and the Legislature on the effectiveness of all project labor agreements entered into pursuant to this act in advancing the purposes of this act and in meeting the requirements of this act, including any recommendations deemed necessary by the commissioner to better effectuate those purposes. The report shall include a reporting,*

review and analysis of the information obtained from the monitoring conducted pursuant to subsection i. of section 5 of this act, an analysis of the effectiveness of the project labor agreements in meeting the objectives of section 5 of this act, and a comparison of the performance of public works projects with project labor agreements to the performance of public works projects without project labor agreements.

The first report shall be made on or before December 31, 2003, and subsequent reports shall be made on December 31 of each year thereafter. The report issued on December 31, 2006 shall include an analysis of the overall effectiveness of the implementation of the act from the time of its enactment and any recommendations regarding legislation to make changes in the act deemed necessary by the commissioner to better effectuate those purposes.

52:38-7 Transferred, retained fund; use; reports.

1. a. Notwithstanding the provisions of any law or regulation to the contrary, upon entering into any public works contract in excess of \$1,000,000 which is funded, in whole or in part, by funds of a public body, or any public works contract of any size which is funded, in whole or in part, by funds provided to the public body pursuant to the "American Recovery and Reinvestment Act of 2009," Pub.L.111-5, the public body entering into the contract shall transfer an amount equal to one half of one percent (0.5%) of the portion of the contract amount funded by funds of the public body, or provided to the public body pursuant to the "American Recovery and Reinvestment Act of 2009," Pub.L.111-5, to the Department of Labor and Workforce Development, except that any Statewide authority which enters into the contract and administers a program which meets the requirements of this section may retain all or a portion of the 0.5% share of the funds under the contract as is necessary for the operation of the program, but shall transfer to the department any portion of the funds not necessary for the program, and except that funds shall not be transferred or retained pursuant to this section if the transfer or retaining of the funds is contrary to any federal requirement and may result in the loss of federal funds. For a project in which federal and State funds are combined, the entire amount may be transferred or retained from the State portion of the funds if doing so is necessary to prevent any loss of federal funds.

b. The department or authority shall use the transferred or retained funds to provide on-the-job or off-the-job outreach and training programs for minority group members and women in construction trade occupations or other occupations, including engineering and management occupations, utilized in the performance of public works contracts. The programs funded pursuant to this subsection, shall include, but not be limited to, programs preparing minority group members and women for admission into registered apprenticeships with opportunities for long-term employment in construction trades providing economic self-sufficiency for the minority group members and women, with priority given, with respect to the funds from a contract used for apprenticeship programs or apprenticeship-related programs, to trades utilized in that contract, and shall include programs providing supportive services to help facilitate successful completion of any apprenticeship or other training assisted pursuant to this section. The department or authority shall use funds transferred or retained pursuant to this section to provide grants to implement such programs to consortia which include those community-based organizations, faith-based organizations, labor organizations, employers, contractors and

trade organizations, institutions of higher education, and schools and other local public agencies which the department or authority determines are best able to facilitate entry and success of minority group members and women into training and long-term trade and professional employment in the construction industry, and may use a portion of the funds for initiatives to prepare minority group members and women for registered apprenticeship programs and related post-secondary education, such as grants to consortia provided pursuant to the "Youth Transitions to Work Partnership Act," P.L.1993, c. 268 (C.34:15E-1 et seq.), and for initiatives, such as those of the NJ PLACE program established pursuant to P.L.2009, c.200 (C.34:15D-24 et al.), to facilitate the coordination and articulation of registered apprenticeship programs with degree programs in institutions of higher education, including initiatives to articulate programs in a manner which may assist in providing transitions from trade occupations to professional occupations utilized in the construction industry. The department or authority shall seek agreements and commitments from grant participants to provide long-term employment to successful applicants and trainees where possible. The department or authority shall be reimbursed from the transferred or retained funds for any reasonable and necessary costs incurred by the department or authority in administering those programs.

c. The Department of the Treasury, and the Division of Contract Compliance and Equal Employment Opportunities in Public Contracts in that department, shall provide, and make available to the public on the Internet, an annual report, not later than December 31 of 2010 and each year after that year, which shall list all public works contracts subject to this act and report, for each public works contract, the percentage and amount of funds withheld and provided to programs funded pursuant to this section and the numbers and percentages of apprentices and other workers under each contract who are of minority group members and women. *The Department of Labor and Workforce Development shall, not later than December 31 of 2010 and each year after that year, provide an annual report, which shall also be made available to the public on the Internet, on all of the programs funded pursuant to this section, which shall include, for each program, data regarding the performance results of minority group members and women participating in the programs, including outcome measures detailing employment placement, increased earnings and employment retention, as those terms are used in the federal Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. s.2801 et seq.), and shall include data regarding enrollment into registered apprentice programs and results regarding their retention in long-term employment. Public bodies entering into public works contracts subject to the provisions of this section, including Statewide authorities, and the Department of the Treasury shall provide such information to the Department of Labor and Workforce Development and the Department of the Treasury as the departments deem necessary for the purposes of this section.*

d. For the purposes of this section: "public body" means the State of New Jersey, any of its political subdivisions, any authority created by the Legislature of the State of New Jersey and any instrumentality or agency of the State of New Jersey or of any of its political subdivisions; "public works contract" means public works contract as defined in section 1 of P.L.1975, c.127 (C.10:5-31); "registered apprenticeship" means apprenticeship in a program providing to each trainee combined classroom and on-the-job training under the direct and close supervision of a highly skilled worker in an

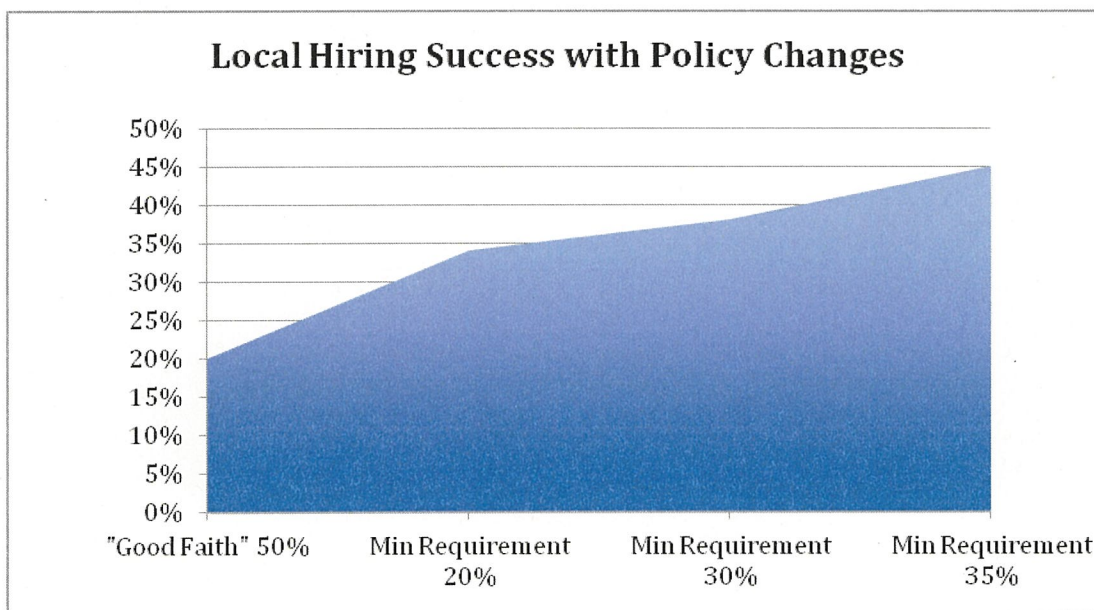
occupation recognized as an apprenticeable trade, and registered by the Office of Apprenticeship of the United States Department of Labor and meeting the standards established by that office; and "Statewide authority" means any authority created by the Legislature which is authorized by law to enter into contracts for construction at locations throughout the State.

L.2009, c.313, s.1.

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To: Joint Committee on Economic Justice and Equal Employment Opportunity, New Jersey
State Legislature
From: Eddie Ahn, Brightline Defense Project
Date: March 14, 2015
Re: Local Hiring Best Practices

In December of 2010, the San Francisco Board of Supervisors adopted the San Francisco Local Hiring Policy for Construction ("Policy"), which mandated minimum local hiring requirements instead of "good faith" local hiring efforts. The Policy is recognized as one of the strongest pieces of legislation in the country to promote resident hiring on locally sponsored projects, and its implementation has been successful due to the leadership of Mayor Ed Lee and Supervisor John Avalos.



Projects subject to the 20% local hiring requirement reported an overall local hiring performance of 34%; projects subject to the 25% local hiring requirement reported an overall local hiring performance of 38%; and for projects subject to the 30% local hiring requirement, an overall local hiring performance of 45% was reported. Over the past four years, local hire projects have supported more than **4 million work hours**, and payroll data shows that all city departments and major trades meet the mandatory minimum requirements. Worker demographics data also indicates increasing gender and racial diversity through local hire (see attached for page 27 of the "March 2015 City and County of San Francisco's Annual Report on Local Hiring").

On a national level, recent changes in federal regulations may broaden the types of construction projects subject to local hiring. In February 2015, the US Department of Transportation (USDOT) announced a one-year pilot program for grant recipients to request inclusion of local hiring requirements on federally funded infrastructure projects.

FIGURE 3: ALL WORKERS BY RACE AND ETHNICITY

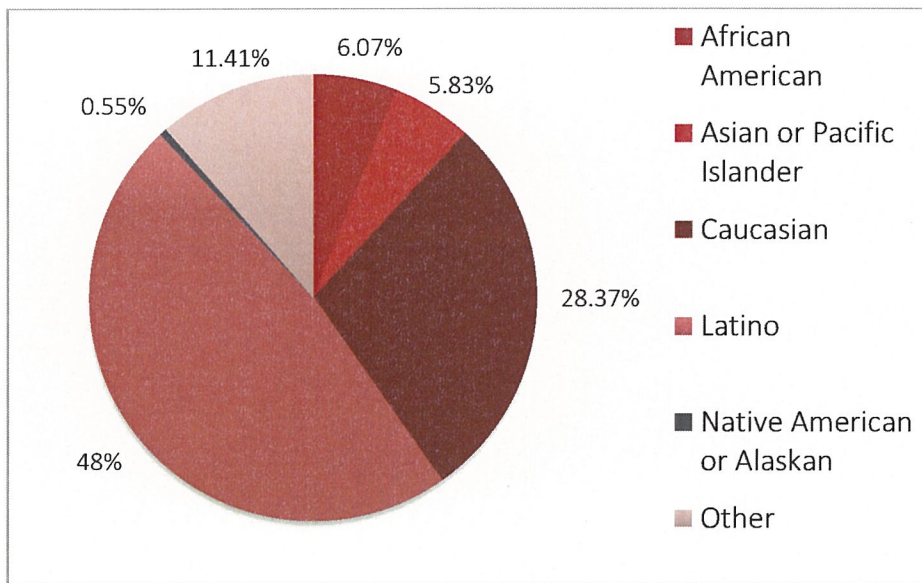
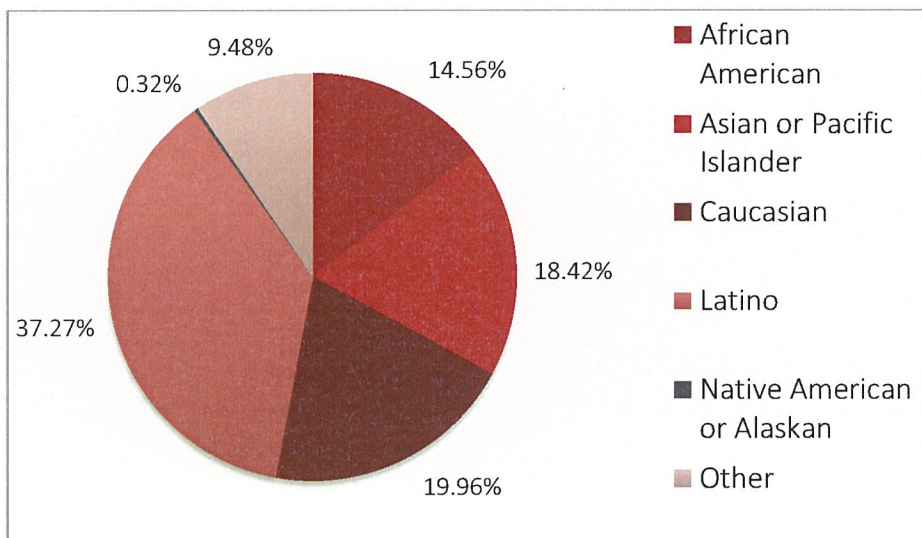


Figure 3 illustrates the race and ethnicity of all workers on all covered projects. Latino workers represent the largest percentage of the total workforce, followed by Caucasian and Asian or Pacific Islander workers.

FIGURE 4: SAN FRANCISCO WORKERS BY RACE AND ETHNICITY



As Figure 4 demonstrates, when race and ethnicity data for San Francisco resident workers alone is examined, worker diversity increases. While Latino workers continue to represent the largest share of workers, the percentage of Asian or Pacific Islander and African American workers is greater.

TABLE 22: WORKERS BY GENDER, OVERALL AND SAN FRANCISCO

	All Workers	San Francisco Workers
Male	14,602	2,675
Female	265	115
Data Not Available	48	6
Total	14,915	2,796
<i>Female Percentage</i>	1.8%	4.1%

Table 22 provides gender information for workers on covered projects. Female workers comprise 4.1% of San Francisco residents on covered projects as compared to 1.8% of all workers.



PUTTING LOCAL HIRE TO WORK

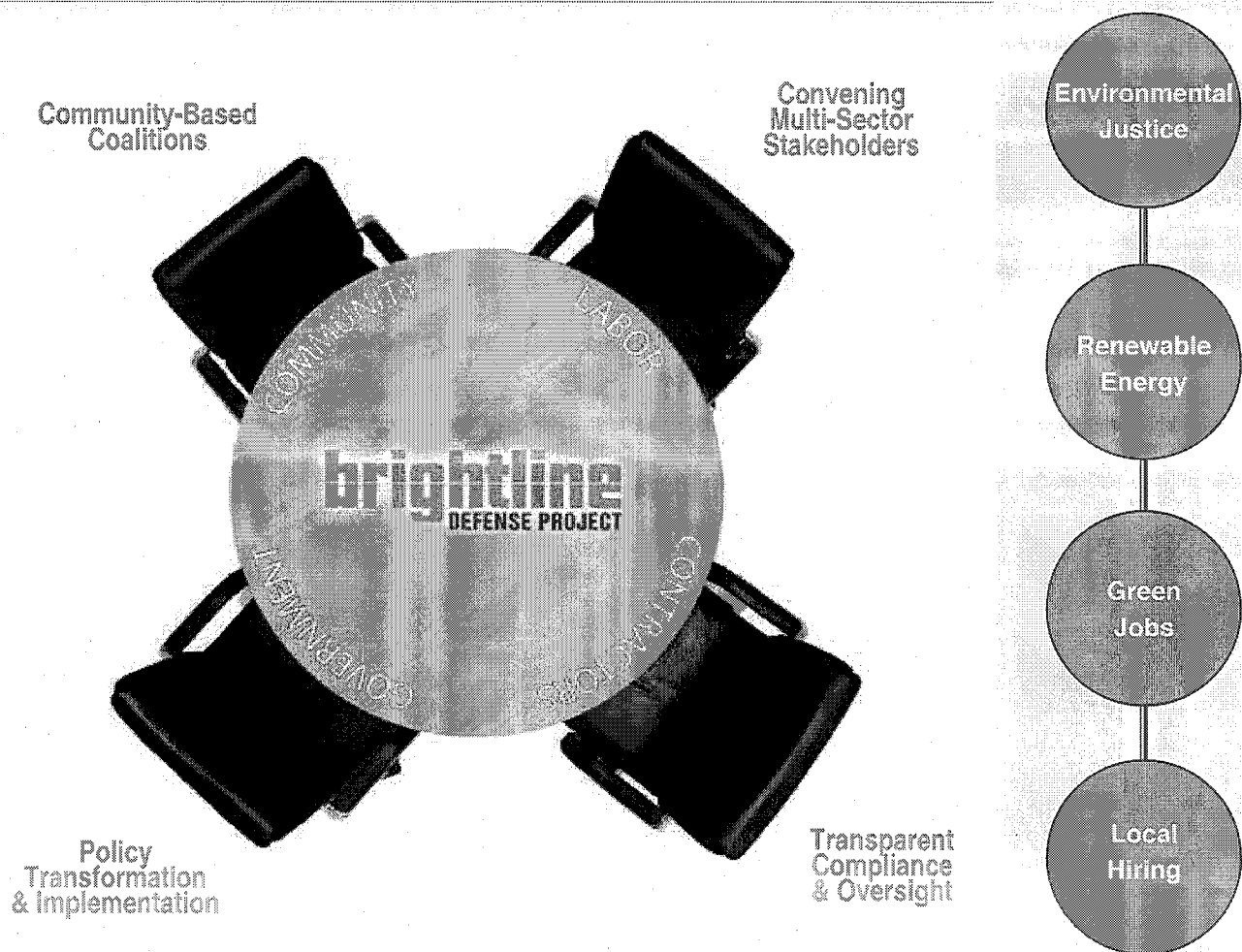
COMMUNITY DRIVEN. QUALITY JOBS. STRONG POLICY.

brightline
DEFENSE PROJECT

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Protecting & Empowering Communities



Brightline Mission: Brightline Defense is a community advocacy organization that promotes policy transformation & quality of life improvements in low-income communities of color. Brightline's environmental justice & workforce development campaign victories have had local, regional and national impact.

Bright-line Rule: a clearly defined law or guideline composed of objective factors that leaves no room for varying interpretation. The purpose of a bright-line rule is to produce predictable and consistent results in its application. This is in contrast to its opposite, the fine line.

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Local Jobs Guaranteed By Law



"I believe that community-driven policy is central to creating long-term and meaningful jobs for local and disadvantaged residents. After many years of broken promises—promises made on the backs of San Francisco's most vulnerable communities—we saw one logical solution: a new, mandatory local hiring law. In solidarity with several generations of people protesting decades of failed good-faith efforts, and by every means necessary...we won."

—Joshua Arce, Brightline Defense Executive Director

A Brightline Rule

At the end of 2010, the City of San Francisco delivered upon a promise several generations in the making.

In adopting the San Francisco Local Hiring Policy for Construction, the City made a bold commitment to local jobs for its local communities. With the passage of this law, publicly funded construction projects now guarantee quality jobs, training opportunities, and pathways out of poverty for local residents.

For decades, the promise of local jobs was governed by agreements based on so-called "good faith efforts." The San Francisco Local Hiring Policy for Construction is unique in that, unlike the City's former "good faith" law, it is grounded in enforceable expectations, standards, and penalties.

This policy is a clear example of a bright-line rule: a clearly defined set of guidelines that produce predictable and consistent results. With the passage of this historic law, and the launch of a monumental ten-year investment in public works construction, local hiring progress is now measured by results rather than by "faith."

Brightline's Role

Brightline Defense was at the center of passing this local hiring policy, one that serves as a bold new model for using public dollars to strengthen a local economy by putting local residents to work.

Our mission is to champion the adoption of bright-line rules such as the San Francisco local hiring law that produce clear and measurable change.

Brightline's Strategy

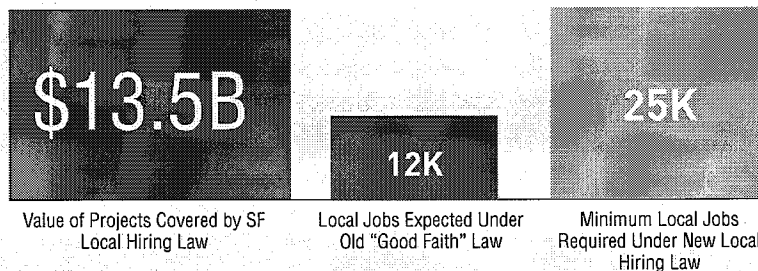
Brightline's strategy to promote policy transformation and quality of life improvements in low-income communities of color is based on playing three unique roles:

- Brightline acts as a convener of community-based organizations and community members, many who may not have a history of working together. This results in the forging of unlikely, yet aligned, partnerships for the sake of improving economic conditions in targeted neighborhoods.
- Brightline acts as a connector between these community-based alliances and other stakeholders such as policy makers, labor, and contractors. This includes organizing coalition and community members for action on the ground and within the halls of government.
- Brightline acts as a creator of policy reform that enforces the underlying principles advanced by the coalition. This ensures community goals are enshrined in the letter of the law through our legal expertise and policy development.

Putting Local Hire to Work

The success and efficiency of our campaign proves that community-driven policy advocacy is sustainable and that a small community-based justice organization can have local, regional, and national impact. As we invest in ensuring that San Francisco's local hiring law translates into quality jobs for disadvantaged communities, we are also expanding our capacity to meet the demand for technical assistance in other jurisdictions seeking to learn from these tools and to expand this approach into non-construction sectors.

This document is a story of the hard work that led to the creation and passage of San Francisco's Local Hiring Policy for Construction.



Source: San Francisco 2012-2021 Ten-Year Capital Plan

Stepping into the Bright-line

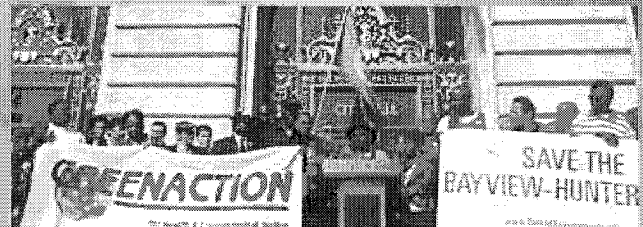
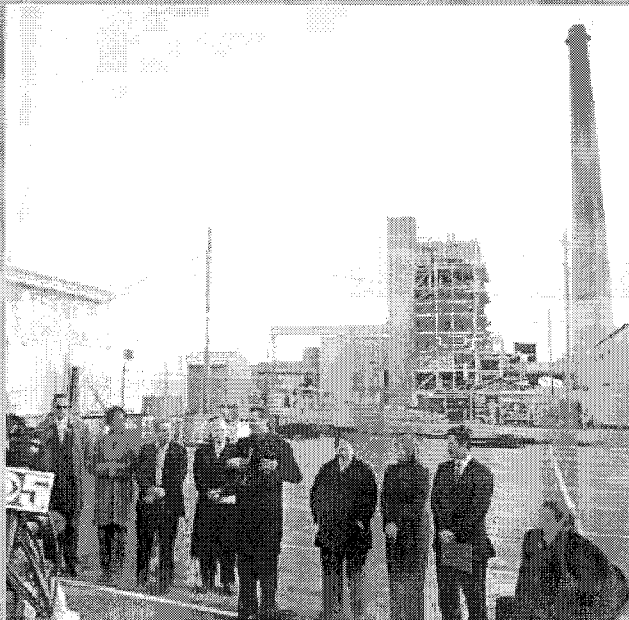
Meaningful partnerships with communities charted our course.

Seeding Efforts with Environmental Justice Roots

Brightline's local hiring policy efforts emerged naturally from our environmental justice work in San Francisco's most unemployed communities. Before organizing a campaign to reform local hiring policy, Brightline and a coalition of environmental and community justice organizations shut down the City's last polluting power plant.

The Potrero Power Plant had a sordid history of releasing life-threatening pollutants at alarming rates into neighboring low-income communities of color. Brightline's work in southeast San Francisco began in 2007 with a fortuitous meeting with Miss Espanola Jackson, a central voice and community godmother in the nearby Bayview-Hunters Point neighborhood. As state and city power agencies recommended the building of a new dirty power plant in the same location as Potrero, we stood with Mother Jackson and a growing number of community partners as the only consistent voices between city decision makers and the building of this new power plant. After three years of intense advocacy and community organizing at the local, regional, and state level, the coalition celebrated its seminal victory.

Success came in large part due to maintaining a distinctive and dynamic alliance, guiding us to create a new model for transforming the role communities play in policy making.



Connecting Renewable Energy & Job Creation

In shutting down Potrero, a key component of Brightline's winning strategy was advocating clean energy alternatives such as the GoSolarSF solar incentive and CleanPowerSF energy program.

These efforts led to an alliance with Van Jones and the Ella Baker Center for Human Rights around targeted green job creation as a tool of environmental justice. Making the case that residents of historically polluted neighborhoods in southeast San Francisco should have guaranteed employment opportunities in clean energy, we saw quality jobs in the new green economy as an opportunity for a new beginning.

What made our early efforts successful was effectively connecting legal and historical precedents with issue advocacy and good old-fashioned organizing, both locally and, when necessary, before state power plant regulators. This would become central to our model for addressing the present and immediate needs of low-income communities. Our environmental justice and renewable energy efforts would lead us into the world of local hiring policy as a tool to turn green job hopes into reality.

Cultivation of Coalitions

Creating community-based coalitions and convening multi-sector stakeholders is a cornerstone of the Brightline model. Brightline's earliest coalition partners included traditional environmental groups like the Sierra Club and Green Party; community voices such as the A. Philip Randolph Institute and Greenaction; clean energy advocates like SF Community Power and good government organizations such as San Francisco Planning and Urban Research. By delivering consistent advocacy and relentless support, we earned the trust of these groups and a diverse cohort of community leaders.

Through these relationships, we gained our first exposure to the City's long-standing "good faith" approach to local hiring. As early as 2009, we began promoting job guarantees instead of just "good faith" for residents of San Francisco's environmental justice communities on clean energy projects. In time, we would become fully invested in efforts to create a bright-line of opportunity for local workers on all city-funded public works.

Experiencing the Failure of Good Faith

Communities provide insight and inspiration for new enforceable local hiring.

Strengthening Community Hiring

The rich relationships we have with community leaders inform our work in the area of policy advocacy. Veteran activists such as Espanola Jackson warned early on that the City's reliance on an outdated local hiring law would hamper our efforts to connect residents in neighborhoods impacted by dirty power plants with green jobs.

For decades, public works contractors were required to demonstrate no more than a "good faith effort" to hire local workers. This meant that construction contractors were expected to "do their best" to hire a fifty percent local San Franciscan workforce. However, with inadequate oversight and no enforced penalties for failing to meet expectations, "good faith efforts" led to many high profile instances of disappointment and disenfranchisement of the City's most disadvantaged communities. Many community members felt marginalized in this process, stuck in a cycle of debating what was, or was not, "good faith," without true community engagement despite the devastation of record unemployment.

As San Francisco unemployment approached a forty-year high in early 2009, the A. Philip Randolph Institute introduced Brightline to a group of Bayview-Hunters Point and Visitacion Valley community-based organizations well-acquainted with this sense of frustration among their unemployed clients. As jobless low-income residents increasingly relied upon these organizations for help as the economy continued its decline, these organizations shared our desire to find reliable ways of meeting their clients' needs. By March of 2009, a series of meetings and conversations led to the organization of a dozen groups operating under the moniker of "The Southeast Jobs Coalition."

SOUTHEAST JOBS COALITION

Aboriginal Blackman United
Anders & Anders Foundation
A. Philip Randolph Institute
Arc Ecology
Brightline Defense Project
Inner City Youth
Positive Directions Equal Change
Visitacion Valley Community Development Corporation
Young Community Developers

Local Jobs for Local Residents

Over the course of the next year, our coalition would experiment with a strategy of coupling issue advocacy with direct policy innovation and collaborative community organizing.

Our goal was to encourage policy makers, unions and contractors to increase access to jobs for unemployed residents of San Francisco's low-income southeast communities. Most of these workers had meaningful experience in the construction trades or were graduates from San Francisco's CityBuild pre-apprenticeship training program.

Community members were ready, willing, and eager to show what they could do on the job site, particularly on projects built in their neighborhood. Our coalition partners were able to tap into this pool of viable candidates who desired to benefit from employment opportunities funded by their tax dollars

"It's a real shame: people saying there aren't enough skilled workers in our community. I remember a time when folks in southeast San Francisco didn't have access to education, but we somehow still built fighter pilot planes that American soldiers relied on to win wars. In the 60s, my husband was in the Navy. He was a first-class Electrician. The difference is that we now have a chance to train our young people so that serving on the fields of combat isn't the only publicly funded job that's out there. Right now, there are thousands of young men and women that want to serve the city of San Francisco. So let them carve their names into the fabric of our public buildings, roads and parks, because when you get to the heart of it, we have a right to work on behalf of the city we live in. Brightline certainly understands this."

—Espanola Jackson, Veteran Bayview-Hunters Point Activist



Searching for Solutions

Identifying enforceable policies to put San Franciscans to work.



Winning Jobs On Sunset Reservoir

Brightline and the Southeast Jobs Coalition regularly looked for opportunities to pilot new local hiring approaches. In April 2009, the City unveiled a proposal to put 25,000 solar panels atop a water reservoir in San Francisco's Sunset District. We knew this new project would without a doubt bring dozens of green jobs to San Francisco, serving as an opportunity to use public dollars to put local residents to work.

The largest renewable energy project of its kind in the country, Sunset Reservoir presented a clean and clear opportunity to target jobs for residents of historically polluted neighborhoods such as Bayview-Hunters Point and Potrero Hill. However, we were alarmed by the glaring absence of concrete, local hiring goals in the proposal. As a result, Brightline and the Southeast Jobs Coalition publicly opposed the Sunset Reservoir solar project.

In partnership with CityBuild and local policy makers such as Supervisors Eric Mar and Carmen Chu, we crafted an agreement which aligned the project goals with the City's longstanding policy of promoting opportunities for its local workforce. Our agreement required that no less than 30% of the panels would be installed by residents of the City's eight most economically disadvantaged zip codes, including low-income communities of color such as Bayview-Hunters Point, Chinatown, and the Mission.

Directly challenging the prevailing notion that "good faith" was the most communities could expect when it came to jobs, we brought in new allies with our jobs agreement that helped get the project approved with employment guarantees for local, disadvantaged workers. The project would eventually break ground in the spring of 2010.



Local Hiring and Organized Labor

Sunset Reservoir was where Brightline first worked with organized labor to advance progressive community development goals. In crafting a bright-line community hiring agreement, the Laborers Union became our partner in delivering high-quality jobs to disadvantaged workers from low-income communities of color. This experience formed Brightline's belief that the wages, health benefits, pension, training, and workplace protections that employment with union membership provides are essential to breaking persistent cycles of unemployment, as well as generations of poverty.

In fact, the needs of San Francisco's vulnerable communities are uniquely aligned with the needs of unemployed workers in the City's union hiring halls. Both are hurting from protracted periods of unemployment. Both benefit from the creation of new jobs, as well as when low-wage jobs without benefits become good-paying jobs with benefits and long-term career opportunities.

We find local hiring policy conversations to be most fruitful when they reach an acknowledgement of these mutual vulnerabilities as well as the potential strength of a deep and meaningful community-labor partnership. These discussions often highlight, sometimes to the point of tension, the impact an admitted history of exclusion in certain cases has had on some communities and their trust in the ability to align these values.

Yet we hold a resilient belief that the spirit of trade unionism can uplift communities, and firsthand experience with a union that shared that belief helped edify Brightline's multi-sector stakeholder approach to reshaping local hiring policy.

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Working to meet the needs of our community and labor unions.

"I've been a union electrician for 12 years. For the last six years, I've sat on many citizen advisory committees, watching public construction projects go up during a time when local residents are unable to get jobs. We have dozens of local unions here in San Francisco whose workers have been out of work for two to three years, running out of unemployment, losing their homes, going through hardship and then losing everything. I got involved in the local hire conversation because I saw a win-win opportunity for my community and for my union."

—Uruma Beltruy, Electrician - Journey Level Member of IBEW Local 6



From 'Green Jobs' to All Jobs

By the summer of 2009 we would expand our policy scope beyond green jobs to target opportunities on public works construction. When the City proposed a \$368 million street repair bond for the November ballot, we sought to build upon our Sunset Reservoir local hiring approach by introducing job guarantees to the proposal.

Brightline issued a policy paper in July that made the case for a new, mandatory local hiring requirement to be included in the ballot measure. With public support falling short of the two-thirds required to approve the bond, we reasoned that job guarantees for taxpayers asked to vote for and fund the work would make passage of the proposition more likely. The City Attorney's office responded with their belief that it was illegal to require local hiring as part of the street repair bond. In fact, we learned that even the City's "good faith" language had been completely removed from most contracts due to confusion regarding the legality of resident hiring. These experiences showed us that City officials had engaged in a very limited review of local hiring case law.

With the proposed street repair bond serving as merely the tip of the iceberg on an ambitious, multi-billion dollar plan to invest local dollars into public works construction, we knew that turning the City around in terms of its view of the viability of mandatory local hiring was essential.

A New Partner

In the meantime, Brightline was introduced to the work of Chinese for Affirmative Action (CAA) during advocacy to win local hiring gains on the expansion of San Francisco City College. An organization with forty years of social justice advocacy, CAA had recently secured a local hiring commitment on construction of a new City College campus in Chinatown.

That summer, after a successful joint effort to establish a stronger local hiring policy for the City College construction, CAA invited Brightline to collaborate on a report that would at last quantify what the City's real progress was toward meeting its "good faith" local hiring goals.

One year later, our partnership would deliver unprecedented local hiring analysis and a set of policy recommendations that would garner groundbreaking recognition and results. This was a critical step in exposing the failures of "good faith."

"Local hiring is really about strong communities. San Francisco's 'good faith' policy consistently failed to deliver for those local and historically marginalized residents. When you look you at the data for communities of color and English speakers, or less than 4 percent of job hours going to women, these numbers are unacceptable."

—Vincent Pan, Executive Director, CAA



Winning Real Policy Reform

They said: "Good faith is all we can do." We said: "We can absolutely do better!"

Review of Local Hire Case Law

In a short period of time, Brightline has demonstrated how a small coalition of organized people and groups can succeed in securing quality of life improvements for disadvantaged communities. As 2009 drew to a close, we found ourselves in search of a bright-line solution to transform policy and guarantee quality job opportunities for underserved San Francisco residents.

Our efforts to reshape city opinion with respect to mandatory, as opposed to "good faith," local hiring led us to the City of Cleveland's Fannie M. Lewis Resident Employment Law. This 2003 ordinance established job guarantees for local and low-income workers, but was challenged in court not long after it was enacted. However, the 2007 case of *Cleveland v. Ohio* upheld the Lewis Law and rejected the same constitutional objections that now held back policy makers in San Francisco. This legal precedent validated our support for a new, mandatory local hiring approach.

A New Ally

Though the City would reject our proposed amendment to the street repair bond and ultimately pull the measure from the ballot for lack of public support, our advocacy caught the attention of former community activist, labor organizer, and first-year lawmaker, Supervisor John Avalos.

As 2009 drew to a close and San Francisco's unemployment rate approached a forty-year high, Supervisor Avalos sat down with Brightline's Joshua Arce and CityBuild director Guillermo Rodriguez to discuss Brightline's proposal for a new mandatory local hiring policy and how such a law might increase opportunities for unemployed residents and jobless graduates of the CityBuild pre-apprenticeship program. Avalos committed to working with our coalition on a local hiring reform agenda in the coming year.

Bold Solution Needed

The year 2010 began with an important breakthrough. City Attorney Dennis Herrera confirmed that Brightline's legal analysis of the legal defensibility of mandatory local hiring had changed his opinion on the subject. With this green light from the City's top legal adviser, we began to develop our plan. Our initial strategy was to pilot a new local hiring approach with the San Francisco Public

Utilities Commission, but Supervisor Avalos signaled his desire to craft a policy to cover the City's entire capital plan for construction.

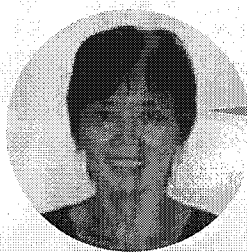
Our ongoing advocacy with the Southeast Jobs Coalition and work on our policy report with Chinese for Affirmative Action helped facilitate the coming together of a powerful cross-sectional coalition across San Francisco's communities of color, one that would be required to meet the task of citywide local hiring reform. We would complete our research that June against the backdrop of a massive community protest at the Sunset Reservoir led by Aboriginal Blackman United (ABU), an organization of unemployed, yet skilled, mostly African American members of a variety of trade unions. A labor dispute had led to layoffs of workers of color that had found employment on the job by virtue of the local hiring agreement that we crafted the year prior.

The Failure of Good Faith

Ongoing conversations with fellow community advocates, civil rights attorneys, workers, labor leaders, and activists informed the policy research and proposed reforms we would publish in the groundbreaking August 2010 report, "The Failure of Good Faith: Local Hiring Policy Analysis and Recommendations for San Francisco."

At a press conference in Chinatown attended by representatives from across San Francisco, we presented our findings. Simply stated, the City consistently failed to meet its "good faith" local hiring goals. Public works averaged only a 24% local workforce, a number which dropped to 20% in 2010. Local women, people of color and limited English speakers were likely to find opportunities only within the basic crafts rather than the higher-paid mechanical trades.

Community leaders and our partners in labor agreed that these outcomes were unacceptable. We proposed that the solution was implementation of a new mandatory local hiring policy, one modeled on either the Cleveland ordinance or the construction careers policies emerging in Los Angeles with support of the Los Angeles/Orange Counties Building Trades Council. The report outlined a policy that would require specified levels of opportunities for local and disadvantaged workers within all trades, targets for local apprenticeship, and the setting of outcomes based on actual performance measures with financial penalties for noncompliance.



"Local contractors can make local hiring work. It makes us feel closer to the community. Some of the workers that we employ would not have a chance if there were no community contractors to make sure they are working. And if there is no work for local workers to take advantage of, they leave the City and take away a piece of what makes San Francisco special."

Florence Kong, President, Kwan Wo Ironworks



Establishing Consensus

Against this backdrop, Supervisors John Avalos and Sophie Maxwell, who represented the City's most unemployed neighborhoods, worked with Rhonda Simmons and Guillermo Rodriguez from the Mayor's Office of Economic and Workforce Development and Redevelopment Agency Director Fred Blackwell to convene a series of local hiring policy discussions funded by the Walter & Elise Haas Fund and San Francisco Foundation. The goal was to convene representatives of the key sets of local hiring stakeholders: community, labor, contractors, and government.

On August 5, Avalos, Maxwell and Mayor Gavin Newsom's Chief of Staff Steve Kawa asked the participants to come up with a consensus approach to local hiring reform. Brightline's Joshua Arce, Chinese for Affirmative Action's Vincent Pan, Bayview-Hunters Point community and labor advocate Utuma Belfrey, Antonio Diaz of community organizers ¡PODER!, and Jason Trimiew of social enterprise non-profit REDF served as community representatives. Five building trades representatives, four local, regional and national contractors, and four City department heads met for over 20 hours of federally-mediated discussions.

The convenings included discussions of the pros and cons of both a local hiring ordinance and project labor agreement approach, as well as conversations about what each set of stakeholders might gain from potential local hiring reform. Consensus was not reached but many good ideas came from this process.

In September, Avalos re-convened community stakeholders, the Mayor's Office, and the City Attorney to craft legislation based on the discussions, and invited trade unions who declined to negotiate during the stakeholder process to the table as well. An open and transparent process empowered community members who once felt voiceless to be empowered to create change.

Brightline contracted the Community Benefits Law Center to aid in framing these policy recommendations. We began with vital reforms such as replacing "good faith efforts" with mandatory outcomes and requiring targets within each construction trade. We also developed a progressive definition of targeted disadvantaged workers and financial penalties for non-compliance.

Brightline and our community partners engaged a diverse groups of community members to provide input and even specific language for the legislation, meeting out in the community and returning back to City Hall to share feedback at the table that Avalos and his legislative aide Raquel Redondiez had set. This document would be completed in remarkable period of weeks.

Local Heroes Introduce Local Hire

Supervisor Avalos introduced the San Francisco Local Hiring Policy for Construction on October 19, 2010. At a massive City Hall rally, Avalos delivered the vision for a new deal on the steps of City Hall. Attended by over 150 community activists, workers, labor representatives, unemployed residents, and policy makers the event quickly expanded organizing efforts on the ground. With seven Supervisors speaking at our rally, more than enough to pass our law, we were poised for a local hiring victory.

Over the next month and a half, the Board would hold two committee hearings in which nearly two hundred speakers came out to speak in favor of the law with no organized opposition. San Francisco Public Utilities Commission General Manager Ed Harrington and Redevelopment Director Blackwell testified in support of the law, and Department of Public Works Director Ed Rieskin committed to publishing his agency's local hiring data on line for public review and community oversight.

We worked diligently to partner with labor and found allies in the City's two largest and most progressive trade unions. The Laborers Union first collectively bargained assurances that the law would build up very gradually towards a 50% requirement, with an array of safeguards along the way, and a requirement that contractors works with state-certified apprenticeship programs.

In December, the Carpenters Union stepped up during the final stretch, indicating their willingness to support the law when the City offered further concessions with respect to the starting hiring percentage and additional flexibility around the dispatch of disadvantaged workers. The Building Trades Council did not take an official position on the law but did offer language for a "direct entry" provision for community apprentices to serve as a path for future partnership.

Putting Local Hire to Work

The Power of Multi-Sector

By the time the law reached the Board of Supervisors for a vote, our multi-sector local hiring coalition had become a widespread and diverse collaboration of allies. Base-building organizations such as POWER, IPOWER, Coleman Advocates, Chinese Progressive Association, and the Filipino Community Center organized their members for rallies and hearings. Local, minority-owned contractors such as Kwan Wo Ironworks and Rubicon stood with large regional and national contractors such as Webcor Builders and Nibbi Brothers to offer suggestions to streamline local hiring compliance. The Sierra Club stood alongside the NAACP embracing the policy's capacity to promote sustainability in low-income communities of color.

The Osiris Coalition represented a new generation of African American leadership. BEDF and the Greenlining Institute presented an economic argument about the social cost of not adopting an approach to increase local employment in our most disadvantaged communities. Community leaders across gender, races and political orientations stood together in solidarity.

Our collective efforts garnered the clear support of seven Supervisors as we focused on securing a unanimous vote of all eleven Supervisors before the December vote.

Supervisor Bevan Duffy, who represented the same Castro district as civil rights leader Harvey Milk, was evaluating the four corners of the law going into the vote. Brightline worked with Espanola Jackson and ABU president James Richards to organize phone calls and visits to Duffy's office so that he might engage firsthand those community members most in need of work. This direct approach elicited a resounding yes from Supervisor Duffy.

On December 7, Avalos delivered a poignant summary of the collective vision embodied in his legislation and the San Francisco Local Hiring Policy for Construction passed overwhelmingly. The energy in City Hall that day was electric.

The Final Stretch

As the holidays approached, Mayor Newsom conducted his own due diligence on the policy, reaching out to an array of stakeholders while the law sat on his desk awaiting signature. Borrowing a popular phrase from ABU, Brightline printed Christmas cards asking the Mayor to "Put the Merry into Christmas and the Happy back into New Year, please sign the community's local hiring law."

We delivered 1,000 cards signed by unemployed workers and local hiring supporters to Mayor Newsom in two overflowing Christmas bags. The next day, Brightline received word that Newsom would send the law back to the Board with a letter laying out his thoughts on how to successfully implement the law as he left office to become state Lieutenant Governor.

As a result, local hiring became law on Christmas morning, leading several generations of community members to celebrate this historic achievement.

Former civil rights attorney and longtime City Administrator Edwin Lee would replace Mayor Newsom and make local hiring implementation a priority in 2011. Mayor Lee has worked closely with Supervisor Avalos and community, labor, and contractor stakeholders to deliver on the promises of this landmark legislation. In November 2011, and with the addition of mandatory local hiring, San Francisco voters approved the Prop. B road repair bond.

"We needed a New Deal in San Francisco. In the 1930's during the Depression we saw how government put many people back to work through publicly funded construction. We have a great opportunity to do that here in San Francisco with our tax dollars, spending local money in our local economy for local benefit. Brightline's Joshua Arce has been a relentless force behind local hiring and particularly this legislation. He came to educate me about the Cleveland ordinance and the court ruling upholding their mandatory local hiring legislation. It was from that meeting that I knew that we could do it here."

—John Avalos, Supervisor District 11



The Road Ahead

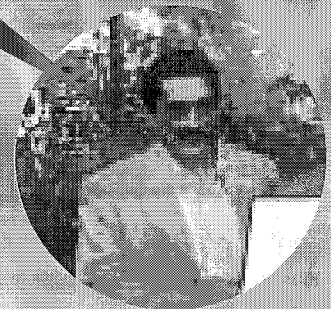
Brightline is in a moment of exponential growth as policy makers and community-based organizations in other cities seek to replicate our strategy and policy. In the coming year we will fully document our tools and approaches for local and regional use, seeking to meet the demand for technical assistance and peer-to-peer networking to replicate our community-driven mission.

The demand for replication is remarkably high. Earlier this year, Brightline provided technical assistance to the New Jersey Office of Legislative Services, as State Senator Ronald L. Rice sought a local hiring reform model for his own Newark District. Brightline worked over a period of several months with the legislature's lead research analyst in developing a New Jersey-based law modeled after San Francisco's ordinance, with an option for local jurisdictions to use project labor agreements as the preferred vehicle for implementation.

In addition, Brightline fields requests on a regular basis from advocates in cities across the country who have learned about the San Francisco local hiring policy and desire to use our law as a starting point for new local hiring policies of their own. In addition, a new generation of local policy makers such as Supervisor Jane Kim have begun to expand the outcomes-based local hiring approach to San Francisco's booming technology sector, while we do our part for our partners in labor to ensure that construction projects such as preparation for the 2018 America's Cup are built by organized labor in partnership with our local communities.

"Local 261 supports Brightline & Local Hiring. We have a long history of strong local membership and hiring people from the community. I see all the time what a quality job can do to transform people's lives for the better. We're glad to see the City more invested in putting people to work. I imagine other unions are too."

—Ramon Hernandez,
Business Manager, LiUNA!



Local Hire Timeline

1970-1994 "BEST EFFORTS"

An agreement between the Bayview-Hunters Point Model Neighborhood Agency, San Francisco Building and Construction Trades Council, and Associated General Contractors of California requires the parties to "use their best efforts" to ensure that "no less than 50% of the work force in each craft" on southeast San Francisco public works construction are residents impacted by the phased closure of the Hunters Point Shipyard.



JANUARY 2009

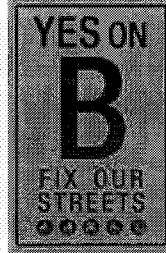
The economic downturn nearly doubles local unemployment in one year. In low-income communities of color, unemployment is well into double digits.

Brightline begins winding down its campaign to shut down the Potrero Power Plant and works with Bayview-Hunters Point and Visitacion Valley job developers to create jobs in disproportionately polluted and unemployed communities.

JUNE 2009

Brightline proposes to mandate local hiring on proposed \$668 million Prop. B Road Repair Bond to create local jobs and win voter support.

San Francisco City Attorney's office expresses opinion that local hiring is illegal and has removed even "good faith" language from city contracts.



JANUARY 2010

San Francisco unemployment hits 10% for the first time in over 40 years.

Supervisor Avalos requests mandatory local hiring legislation from the City Attorney and speaks to the community's policy objectives at the Board of Supervisors.

1994 "GOOD FAITH"

The City codifies its approach to local hiring in an ordinance that requires contractors to "make a good faith effort" to hire qualified individuals who are residents of the City and County of San Francisco to comprise not less than 50% of each contractor's total construction work force.

MARCH 2009

Brightline and its partners form the Southeast Jobs Coalition, working first to create a local hiring agreement for the Sunset Reservoir solar project.

They successfully secure a requirement that 30% of the workforce must come from the City's most economically disadvantaged neighborhoods.



JULY 2009

Brightline issues policy paper in response to City Attorney's office assertion regarding local hiring, making the case for the legality of a mandatory local hiring policy based on the Cleveland local hiring ordinance.

The Road Repair Bond is pulled from the ballot for lack of public support.

FEBRUARY 2010

City Attorney Herrera announces that based on Brightline's analysis, he no longer believes local hiring is illegal.



AUGUST 2009

Supervisor Avalos meets with Brightline's Joshua Arce and CityBuild director Guillermo Rodriguez, to discuss a Brightline advocacy of a mandatory local hiring policy.

SEPTEMBER 2010



Supervisor John Avalos convenes a citywide committee to draft new local hiring policy.

After one month and dozens of meetings, community convenings, town halls, and late night drafting sessions, legislation is ready for introduction.

OCTOBER 2010

Supervisor John Avalos introduces local hiring legislation as massive City Hall rally.

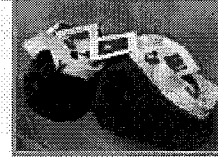
NOVEMBER 2010

Brightline, the Southeast Jobs Coalition, CAA, the Progressive Workers Alliance, and a growing citywide coalition of advocates organize turnout on the ground and at City Hall.

Brightline and community partners work to earn the support of organized labor.

DECEMBER 2010

Board of Supervisors passes the local hiring legislation. In the spirit of the holiday season, Brightline delivers holiday cards to Mayor Gavin Newsom asking him to sign it.



The San Francisco Local Hiring Policy for Construction becomes law.

JUNE 2010



ABU leads a major community protest at Sunset Reservoir after a labor dispute leads to layoffs of workers employed through our local hiring agreement.



MARCH 2011

Four months after its passage, San Francisco's Local Hiring Policy for Construction goes into effect.

MARCH 2010

Community advocates highlight lack of opportunities on Hetch Hetchy water system projects, exploring the balance between jobs for local ratepaying communities and impacted residents in the Bay Area region.

AUGUST 2011

Multi-sector stakeholders convene to develop a vision for successful local hire implementation.

AUGUST 2010

Brightline Defense and Chinese for Affirmative Action publish "The Failure of Good Faith," criticizing the City's local hiring performance and proposing policy recommendations.



The Haas Sr. Fund and San Francisco Foundation convenes a series of local hiring stakeholder conversations in an effort to reach consensus on local hiring reform. Community, labor, contractor, and government stakeholders discuss local hiring models from Los Angeles, Cleveland, and elsewhere, but do not reach agreement on a single set of recommendations for policy makers.



NOVEMBER 2011

Brightline and partners launch the San Francisco Local Hiring Community Education Committee (www.sffocalhiring.com).

LOCAL HIRING SCORE CARD											
JOE AGOSTINI	JOHN ANDREWS	ERIC BARNETT	DAVID LIPSON	DEAN KELLY	CAROL MONTGOMERY	ED ZAP	JANIS MARKS	PHIL TONG			
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

JULY 2011

The San Francisco Public Utilities Commission awards the first construction contract under the new mandatory local hiring law. This and other projects awarded by the Department of Public Works come in at or below budget, dispelling speculations that the new law would drive up construction costs.

Local Hire Ins & Outs

Guaranteed local participation on public works construction.

San Francisco's Local Hiring Policy for Construction went into effect on March 25, 2011. The law requires city contractors to hire local and disadvantaged workers within every construction trade on city-funded construction, mandating 20% local residents in 2011 with that number increasing 5% annually until reaching the goal of 50% by 2017. Financial penalties are imposed in cases of contractor noncompliance. The City will conduct a comprehensive review of this new program in the third year to ensure that its goals are being met.

Additional Requirements

The law mandates that 50% of all construction apprentices must be from local communities. This creates an instant pipeline of local blue- and green-collar workers to meet the gradually escalating requirement for seasoned journey level workers. The measure also requires that half of all local opportunities be allocated for residents of historically disadvantaged communities and those facing barriers to employment.

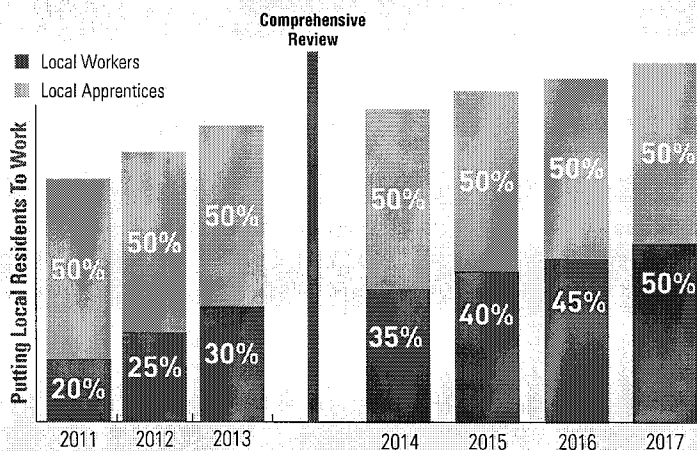
The law provides contractors a method of alternative, pipeline compliance when a local workforce is not available by providing the option of to partner with local trade unions and certified pre-apprenticeship programs such as CityBuild to bring a new local community apprentice into the trade through direct entry. Contractors may also work off penalties by employing San Francisco residents on non-covered projects at the prevailing wage and by banking hours for future projects by exceeding local hiring requirements.

\$177M

Estimated additional revenue for SF general fund over next 10 years due to increased local wages.

335

Estimated annual number of brand new jobs caused by multiplier effect of more dollars in the hands of residents



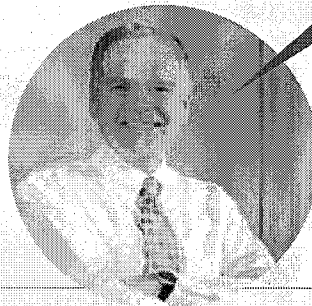
Case Example - Construction of the San Francisco Public Utilities Commission Headquarters

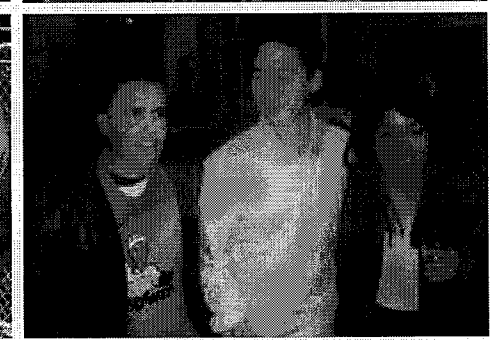
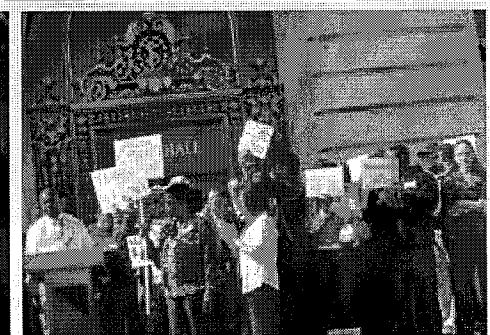
San Francisco is currently building a \$191 million new, state-of-the-art headquarters for the San Francisco Public Utilities Commission. General Manager Ed Harrington, an important supporter of the local hiring law, gave direction to contractors that though the project is not covered by the new law, he wanted the project built as if it was. As of January 1, 2012, this publicly funded project is averaging a 40% local workforce across 422,000 job hours in over 20 different trades. The difference between this and the City's prior year average of 20% is nearly \$2 million in additional wages for residents, plus nearly the same amount in worker benefits.

No trade performing more than 2% of total job hours has delivered less than a 20% local workforce. General Manager Harrington has noted that he believes the project provides local hiring dry run and shows that contractors and labor are preparing to work with government and the community to make local hiring work.

"The Public Utilities Commission has a lot of projects that are going on and we have struggled sometimes less than fully successfully to make 'good faith' into a reality. The problem has been that we have not had a tool with teeth in it, so we can actually make this happen as opposed to hope for it to happen. We support local hiring and we look forward to making the law work."

—Ed Harrington,
General Manager, SFPUC





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National Association for the
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(NAACP) - San Francisco Chapter

Osiris Coalition

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La Raza Centro Legal

Mujeres Unidas y Activas

People Organized to Demand En-
vironmental and Economic Rights
(PODER)

People Organized to Win Employ-
ment Rights (POWER)

Pride at Work

Young Workers United

Community Benefits Law Center

Roberts Enterprise Development
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Greenlining Institute

Equal Justice Society

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