

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6508

AN ACT CONCERNING INVESTMENT IN THE CONSTRUCTION JOB

Title: WORKFORCE FOR LOW-INCOME RESIDENTS.

Vote Date: 3/21/2019

Vote Action: Joint Favorable Substitute

PH Date: 2/14/2019

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Labor and Public Employees Committee, Rep. Ron Napoli, Rep. Geraldo Reyes

REASONS FOR BILL:

Despite low unemployment figures, work opportunities for low-income and historically-underemployed residents in specialized non-service sector career pathways remains problematic. One sector is the construction industry. Whereas, there are statewide goals for Minority-owned Business Enterprises and Women-owned Business Enterprises, project labor agreements and municipal workforce efforts could be bolstered by the state adopting state hiring requirements in state construction contracts.

RESPONSE FROM ADMINISTRATION/AGENCY:

None submitted.

NATURE AND SOURCES OF SUPPORT:

Rep. Ron Napoli, 73rd Assembly District:

As a Waterbury alderman, and chair of the Waterbury Good Jobs Liaison Committee, he oversaw the implementation of the Waterbury Good Jobs ordinance which outlines a 30% local hiring goal on all publicly-funded construction projects and sets percentages for women, new hires, and apprenticeships. Utilizing the Northwest Regional Workforce Investment Board infrastructure, many Waterbury residents have worked on school construction, road paving, public works, and energy efficient lighting conversions. Cathy Awwad, program administrator, reports 2,837 attended orientation, 1,829 completed

applications, 803 completed training, and 695 were hired—an enviable number reflecting a 86% placement rate. While CT invests millions of dollars in construction projects, unfortunately, many urban and minority residents do not benefit from these taxpayer expenditures. The bill would seek to leverage a variety of workforce development programs in the private sector with the Department of Labor being designated to oversee a construction jobs pipeline. It gives due consideration to the project-based local hiring programs as outlined in Section 3 of HUD regulations. In 2015, the Committee unanimously passed SB 383, a bill meant to address high unemployment among minority and female residents. Had the bill passed the General Assembly, the employment rate in urban areas would have improved. The waiting period is over.

Catherine Awwad, Executive Director, Northwest Regional Workforce Investment Board:

Waterbury Mayor Neil O’Leary named the Northwest Regional Workforce Investment Board as lead agency for construction projects in Waterbury in 2011. The program has successfully recruited, trained, and placed numbers of residents into good-paying construction jobs. In addition to the statistics mentioned by Rep. Napoli, workers make on average a \$19.11 hourly wage.

Lawrence Corvino, President, Connecticut Association for Adult & Continuing Education (CAACE):

There are opportunities to improve career pathways from education and training to sustaining occupations in high-demand job sectors and there are enhancements that help to make construction workforce development programs more successful. First, counselors can provide guidance about the job as well as on childcare and transportation issues. Second, the use of nationally-recognized “stackable” certificates and credentials allowing for job growth and time flexibility. Third, providing integrated instruction and training (IET) in contextualized instruction. Fourth, tie the program to the National Retail Certification Program. Fifth, Create and promote partnerships. Sixth, pull funding together from multiple sources. (Pell, Workforce Investment, tuition, foundation grants). Seventh, make certain regulations permit success.

Larry DeVito, Program Manager and Compliance, Northwest Regional Workforce Investment Board:

One young man he worked with had a eighteen-month construction assignment that led to continued employment with the same company. He went from struggling with his rent to becoming a homeowner. The home has a in-law unit, so he was able to have his mother move into his home. Another success story included a woman who has been successfully employed through the Operating Engineers for two years now.

Michael Harris, Waterbury, CT:

As a relocated resident, the need for a good-paying position based on a reputable training program was desired to provide for the family. The Good Jobs ordinance in Waterbury has been a gateway of opportunity for Mr. Harris and his family.

Forrest Little, Damato Construction employee, Waterbury, CT:

Works under the Good Jobs Ordinance for Damato Construction. Was a dislocated worker who drove trucks for 15 years and needed a change in careers. He was offered a five-week Brownsfield course that lead to working on the Shepaug River Dam project, for which he is

grateful. The job has helped to offer financial stability with thoughts of starting a 401k. Waterbury's experience is invaluable.

NATURE AND SOURCES OF OPPOSITION:

Chris Fryxell, President, Associated Builders & Contractors (CT-ABC):

CT-ABC represents over 200 members in the Merit Shop industry. The desire to lift people out of poverty by providing access to meaningful employment is an admirable goal and one that CT-ABC fully supports. Countless individuals have escaped poverty and joblessness by pursuing a trade and building a fruitful career in the construction industry. ABC invests heavily in workforce development and training. They are proud to help train the next generation of craftsmen, however, severe shortages of skilled labor have hampered progress. The hiring requirement of 25% set asides seems to be particularly problematic. They are also not aware of any evidence that suggests low-income residents are discriminated against in the hiring practices of the construction industry. To the contrary, many construction jobs go to low-income residents. Requiring contractors to hire low-income individuals is unnecessary, as most, if not all, are willing to do so. Further, a hiring requirement could displace skilled craftsmen to complete a construction project efficiently, cost-effectively, and safely, possibly lowering quality and more expensive project.

Joyce Wotjas, Lobbyist, Mechanical Contractors Association of CT:

The Mechanical Contractors Association of Connecticut opposes the bill. Although well-intentioned, it is dangerous and puts the cart before the horse. To use "low-income" criteria to develop a set aside program in a field considered by the Department of Labor to be "high risk" and "safety-sensitive" is not only wrong, but has the potential to endanger lives. Construction has come a long way since the "pick and shovel days." Classroom training and "on-the-job" experience combine for 4-5 years of apprenticeship. The bill will result in increased costs for all state projects and eat up future limited roadway bond funds. The unintended consequences of all of the mandates will eventually discourage potential bidders on state projects. Less competition equals higher costs.

Reported by: Bryan Anderson

04/03/19