

DETROIT IS UNDER CONSTRUCTION!

REBUILDING DETROIT,
REBUILDING DETROITERS:
A CONSTRUCTION CAREERS
PIPELINE THAT WORKS

"My dad... always told me to get a skill. Once you have it, people will always need you... And the trades will treat you well as they will bring you financial success."

Mike Knight,
Access for All Graduate



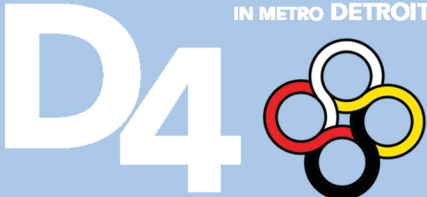
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This is an exciting time for Metro Detroit. Billions of dollars of investment in new economic projects will forever change our landscape, while providing thousands of additional construction and post-construction jobs for years to come. This demand, combined with projected long-term shortages in the construction workforce due to retirements, offers Detroiters unprecedented possibilities for entering the building trades. ***Yet too many Detroiters remain both unemployed and unprepared to take advantage of the new construction jobs coming to the city.***

We must use this opportunity to ensure that interested Detroiters can enter the construction career “pipeline” through apprenticeships that lead to family-supporting jobs with benefits and a career ladder. Developing a construction careers model that integrates practical approaches to address the barriers faced by many Detroiters, coupled with strategic public policy solutions, can help chart a dramatic new future for the city. A future where prosperity stems from the simple idea that development can create outcomes that work for everyone, and not just a select few. The challenges are real, but so are the solutions.

Excerpted from:
Detroit is Under Construction!
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DOING DEVELOPMENT DIFFERENTLY
IN METRO DETROIT



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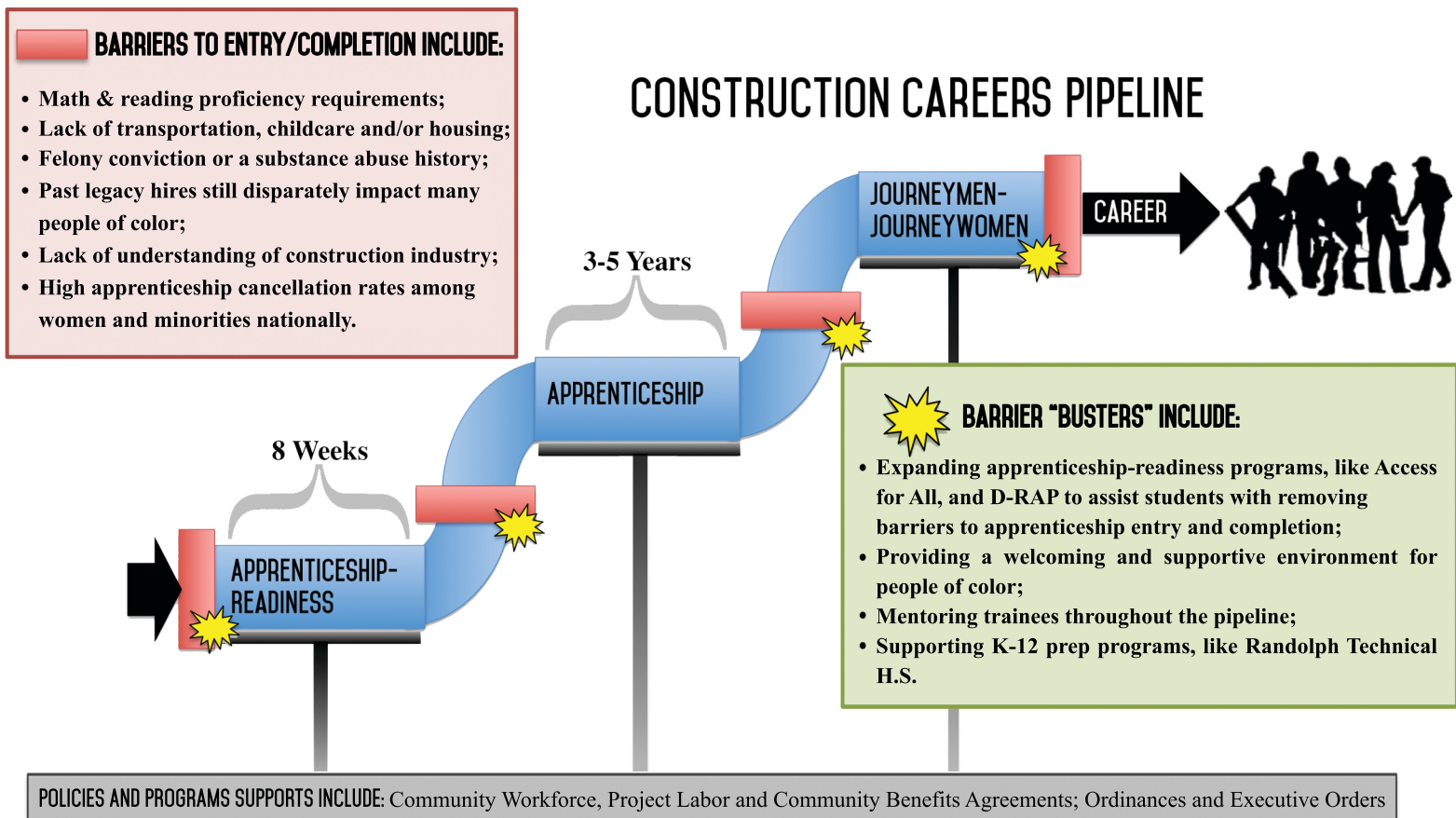
WHAT IS THE PIPELINE INTO CONSTRUCTION CAREERS FOR DETROITERS?

A construction career is more than just a series of low paying, temporary construction jobs. Skilled journeymen and women in the building trades earn good pay, benefits, a pension, and become part of a dynamic regional workforce. But it isn't easy to get in. We need to fix the broken pipeline to prepare more Detroiters to enter and successfully complete training programs, and have access to a lifetime career.

In such an intense, skills-based industry, apprenticeships are critical because the level of worker proficiency often determines the safety and efficiencies on a job site, the timeliness of project completion and the quality of the final product. Challenges like math and reading proficiency, access to transportation, housing and childcare, and an overall lack of understanding of the construction industry, make it difficult for Detroiters to successfully enter apprenticeship programs. In fact, according to a recent report by JPMorgan Chase outlining the job gaps in the region, 32% of Detroiters only possess a high school diploma or GED, and an additional 22% lack either. In addition, legacy hires dating back fifty years are still haunting the building trades and have created an additional barrier for people of color, resulting in a pool of skilled journeymen and women that does not represent Detroit's demographics. However, Michigan's labor organizations are showing a real commitment to inclusion through Access for All and other Detroit-based outreach programs.

To rebuild the Detroit pipeline, we must consider the three tiers of opportunity, as well as the forces which act as barriers, and the supports which will allow applicants to move through the barriers into construction careers. The three tiers include:

- **Apprenticeship-Readiness Programs**, which prepare students by increasing their math and reading skills, address other barriers and assist with apprenticeship applications.
- **Apprenticeships**, which provide cutting edge, up-to-date training in the trades, coupled with on-the-job, paid experiences, that lead to journey-level certification.
- **Journey-Level Certified**, in which journeymen and women are fully qualified in their skilled trade, with a broad range of experience in residential, commercial and industrial applications, and are able to perform without supervision.



PUBLIC POLICIES TO SUPPORT A CONSTRUCTION CAREERS PIPELINE

Strengthening the pipeline to construction careers for Detroiters requires public policies that support the construction industry and ensure that family-supporting wages, and benefits, along with skills and safety training are standard.

PROJECT LABOR AGREEMENTS (PLA's)

For the last 60 years, PLAs have provided pre-hire arrangements between labor and the developer or contractor for large projects, and are attractive because they assure no labor disruption. Michigan has a complicated system for PLAs today: they are currently illegal for public projects and are no longer mandated (but not illegal) for certain private projects.

COMMUNITY WORKFORCE AGREEMENTS (CWA's)

A CWA is another type of labor-management agreement to address a specific community's needs. Trades unions and training providers see CWAs as a good tool to build strong compacts between labor and community. CWAs include provisions for targeted and "first source" hiring, support for training programs, and technical assistance for less experienced local contractors, as well as mechanisms to measure and enforce employment goals. Currently, no projects in Detroit include a CWA.

COMMUNITY BENEFIT AGREEMENTS (CBA's)

The community may also be signatory to agreements called a CBA: a legally binding contract negotiated between community groups and a developer. In addition to construction-job-related provisions, CBAs can include employment opportunities for post-construction jobs, affordable housing, environmental safety, historic preservation and other needs, which may be specific to the development. Although, Henry Ford Health System entered into a Letter of Agreement with a neighborhood group--West Grand Boulevard Community Collaboration Coalition--currently, no projects in Detroit include a full CBA. The Michigan legislature has proposed legislation which would prohibit local governments from supporting CBAs and any related policies.

EXECUTIVE ORDERS (EO's)

The City of Detroit has executive orders in place to mandate involvement by Detroit workers and businesses on any construction project funded partly or in whole by the City. The most important order for the construction industry is Executive Order (EO) 2014-4, requiring that at least 51% of the workforce must be bona fide Detroit residents, among other provisions. However, because there are currently not enough skilled Detroiters to fill 51% of the available positions, stories of unintended consequences, including qualified contractors unwilling to bid, bringing untrained Detroiters onto work sites, and issues with residency legitimacy, point to a need for robust monitoring coupled with other strategies, to ensure the intention of the Order is met.

PREVAILING WAGE LAWS

Michigan's Prevailing Wage law covers construction workers employed on state-financed or sponsored construction projects. The law establishes wage and fringe benefit rates to be paid to construction workers on these state projects. Some local jurisdictions also require prevailing wages for locally-subsidized development. Both state and local prevailing wages are currently under attack in Michigan with the introduction of legislation in January 2015.



GOOD PROGRAMS + GOOD DATA ARE KEY

Apprenticeship-readiness training and apprenticeship programs coupled with other approaches which support the goals of Executive Order 2014-4--such as developing Community Workforce Agreements, and ensuring robust monitoring and enforcement of the EO--are the most promising strategies to prepare and connect unemployed/underemployed Detroit residents, particularly people of color and women, with careers in construction.

Moreover, it is important to recognize that only with good data can we understand what success actually means for getting Detroiters trained and working. Therefore, it is critical to track the path of Detroiters regionally over time to accurately gauge how many work in the construction trades, since workers move from job to job as projects are completed, traveling both inside and outside the city for work.

RECOMMENDATIONS

With these considerations in mind, we present our recommendations, drawn from national and local research on policies, practices and procedures. We believe they support a strong, viable construction careers model for Detroit:

RECOMMENDATIONS FOR APPRENTICE READINESS AND APPRENTICESHIP PROGRAMS

- **Implement a direct entry system for graduates.** Graduates of named apprenticeship-readiness programs, who meet eligibility criteria, should have priority for acceptance into an apprenticeship program.
- **Build strong partnerships with community-based organizations.** Residents can receive help to successfully enter and/or complete apprentice-readiness and apprenticeship programs through targeted barrier-removal and support services offered by community-based organizations.
- **Develop comprehensive tracking and monitoring systems.** Track those who complete apprenticeship-readiness programs, enter apprenticeships--either immediately or as openings are available--and who become journeymen/women, and analyze results so that industry-driven training programs and strategies are strengthened and continuously improving outcomes over time.



RECOMMENDATIONS FOR POLICYMAKERS

- **Implement Community Workforce Agreements (CWAs).** Encourage developers to use Community Workforce Agreements (CWAs) for all publicly subsidized development projects in Detroit. Negotiation of an authentic and enforced CWA, which is approved by the City, should be seen as a good faith measure toward meeting the requirements of Executive Order 2014-4. The expectation over time is that through CWA support for re-building the construction careers pipeline, the construction industry will grow a local workforce and, as a standard practice, meet the goals of EO 2014-4.
- **Track, Monitor, and Enforce Employment Outcomes.** In addition, robust monitoring and enforcement of EO 2014-4 compliance will keep everyone's "feet to the fire," while providing an additional funding stream for the training and support needed to align the flow of workers through the pipeline with market demands over time (see below).
- **Support apprenticeship-readiness programs with dollars from public projects and with non-compliance funds.** Provide funding for: 1) a first source-hiring agency (that would also monitor local hiring requirements); 2) local apprenticeship-readiness programs; and, 3) apprenticeship programs, with an automatic allocation of 1% of public dollars used for a development project, along with all of the funds collected in fines due to failure to comply with Executive Order 2014-4.
- **Spend limited resources on proven programs.** Invest resources into: 1) industry-driven apprenticeship-readiness programs with a record of graduating students who gain acceptance into the building trades apprenticeships; and, 2) apprenticeship programs with a record of graduating journeymen/women who are fully qualified in their skilled trade, and successfully obtain employment in their chosen field.

For a link to the full report, click here: <https://goo.gl/Z13xtt>

Doing Development Differently in Metro Detroit (D4) is a diverse coalition of community, environmental, faith, and organized labor organizations united to strengthen metro Detroit through meaningful community engagement in the creation of sustainable "win-win" economic development strategies and public policy. We seek engagement at all levels through dialogue, leadership development, collaboration and new models for organizing around good jobs, safe workplaces and quality of life issues.