Empowering States & Localities: Making Federal Funds Work for Communities & Workers

OMB Uniform Guidance

May 2, 2024
Today’s Agenda & Speakers

What we won & why it matters! - Madeline Janis, Jobs to Move America Co-Executive Director

Key Partnerships - Brad Lander, NYC Comptroller, Co-Founder Local Progress

Details on UG updates & use - Anna Smith - Senior Policy Coordinator and Valerie Lizárraga - National Program Assistant Director, Jobs to Move America

Local Case Study - Leone Jose Bicchieri - Working Family Solidarity, Chicago

5 Key Steps to Start - Janice Fine - Workplace Justice Lab at Rutgers Director

Q & A
What is the Local Opportunities Campaign (LOC)?

- National coalition of partners has been leading the charge to update a set of decades-old federal grant guidance—known as the Uniform Guidance

- In the past, these rules have impeded cities and states from using community & worker-centered policies in their procurement of goods and services

- The overall goal of the LOC is to update the Uniform Guidance to ensure that pro-worker and pro-community policies can be used when cities enter into contracts on federally-funded projects

- AND WE DID IT!
What is the OMB Uniform Guidance?

The Uniform Guidance is a set of federal guidelines housed at the Office of Management and Budget that determines how states and localities can spend federal money and how they award federally-funded contracts to private companies.

- Since the 1980s, the OMB’s UG has made it difficult for states and cities to attach labor and equity standards by indicating that this might impede *fair and open competition*.
Examples- How the Uniform Guidance Limited State & Local Action in the past

In the past, the Uniform Guidance caused these local contract specifications to be rejected:

- Specifications for local hiring - or geographic preference
- Specifications prohibiting “pay-to-play” - bidders making political contributions to state elected officials
- Specifications mandating domestic partner benefits
- Specifications requiring disclosures regarding contractor predecessors’ participation in slavery
What the Proposed Updates Get Right

Updated guidance clarifies that pro-worker measures are not prohibited by the guidance, including:

- **Scoring Mechanism** - to incentivize quality jobs
- **Project Labor Agreements (PLAs)** - and other pre-hire agreements
- **Protects workers right to unionize**
- **Promotes worker retention** - first right of refusal
What the Proposed Updates Get Right

The guidance includes pro-worker requirements that include:

- Protects against misclassification
  
  Requires that agencies only award contracts to responsible contractors

- Account for the workforce impacts in cost-benefit analysis
  
  Analysis of the project’s potential workforce impacts & if the project will displace public sector employees.
What the Proposed Updates Get Right

Pro-equity measures that are not prohibited by the guidance, include:

- **Local hiring** *(removes geographic preference ban)*
- **Targeted hiring** *(Preferencing disadvantaged communities in hiring)*
What the Proposed Updates Get Right Cont.

Pro-community mandates and encouragements, include:

• Promotes sustainable contracting

• Allows cities to encourage community benefits in contracting

The guidance makes clear that these examples and that other pro-worker, pro-community, and pro-equity policies are allowed, so long as they are not explicitly prohibited by other guidance or by laws and regulations governing specific programs.
How to Utilize the Guidance - Scoring Mechanism

● What it does:
  ○ Creates a race to the top among bidders for public contracts or applicants for public funding
  ○ They can incentivize family-sustaining jobs with inclusive hiring practices

● Example: JMA’s US Employment Plan
  ○ Companies create legally binding commitments to good jobs and inclusive hiring practices
  ○ Agency evaluates U.S.E.P. commitments and rewards best plans
  ○ Scores can be tied to bidding evaluation, funding, or certifications
  ○ U.S.E.P. are transparent and enforceable
Examples - Scoring Mechanism/USEP

- LA Metro’s Manufacturing Careers Policy
- New York MTA
- Chicago Transit Authority
- Amtrak
How to Utilize the Guidance - Local & Targeted Hire

LOCAL HIRE - Hiring workers to work on projects in their communities. Agencies can additionally target based on zip codes that:

- Are economically distressed
- Have a high unemployment rate
- Have a concentration of households below the federal poverty level rate

TARGETED HIRE - Prioritizes workers with certain criteria such as:

- Economic conditions
- Barriers to employment
- Historically underrepresented
- Justice40 communities
How to Implement Community-Centered Policies

Depending on state and local contract law, local & targeted hire programs (and other policy tools) can be implemented through various mechanisms:

- City Wide Ordinances
- Agency Policies
- Community Benefit Agreements
- Individual contracts between contracting agencies and prime contractors

These policies can be done together or separately but must be done in partnership with community stakeholders.
Examples - Local & Targeted Hire

LA Metro’s Construction Careers Policy - City agency local hire program.

- LA Metro sets targeted hire goals and enforces goals through a PLA with the Los Angeles/Orange County Building Construction Trades Council.

Los Angeles Policy Elements:

- Implemented through Project labor agreement and agency
- Applies to all projects >$2.5 million
- Monthly reports on benchmarks

Required Benchmarks:

- 40% Hires from economically disadvantaged zip codes
- 20% From apprenticeship programs
- 10% Hires with barriers to employment

Results:

- 58.21% All benchmarks consistently met and exceeded, including 58.21% of hires from economically disadvantaged zip codes
How to Utilize the Guidance - Local & Targeted Hire

Seattle’s Priority Hire - City-wide ordinance that includes:

• Targeted hire
• Local hire
• Stakeholder advisory committee
• Requirements for Community Workforce Agreements
5 key steps to plan a campaign

1. You can’t do this alone - find or help build a table!
2. Research funding flows
3. Power map opportunities
4. Match demands with programs & new organizing handles
5. Make case for funding for co-enforcement / compliance monitoring from the very start of the campaign