



2023

Local Hiring Initiatives in San Luis Obispo County



[bw] RESEARCH
PARTNERSHIP

Agenda

1. Research Objectives & Methodology
2. Key Definitions
3. Key Findings & Case Studies from the Local Hire Analysis
4. Next Steps & Considerations for SLO County

Research Objectives

1

Gather perspectives on local hire from local stakeholders.

2

Analyze workforce agreements and local hiring initiatives implemented in the U.S. to identify best practices for implementation.

3

Assess the effectiveness of workforce agreements and local hiring initiatives implemented in San Luis Obispo County.

4

Quantify the economic impacts of local hiring initiatives.

Methodology



Key Definitions



Local Hire Programs are government policies that require project owners/contractors to hire residents or businesses within a particular geographic region defined by the local government to perform work or provide services, across multiple projects and developments.



Project Labor Agreements (PLAs) are legally binding, pre-hire collective bargaining agreements exclusive to the construction industry, negotiated between labor union(s) and employers (project owners/contractors), which establish the terms and conditions of employment for a specific project.



Community Workforce Agreements (CWAs) are legally binding agreements negotiated between project owners and local community organizations, that include community-oriented commitments related to equitable workforce development, social justice, small business support, and/or other issues.



Community Benefits Agreements (CBAs) are enforceable contracts negotiated between project owners and local community organizations, that can incorporate a broader range of community-focused goals (as compared to CWAs) related to affordable housing, pollution reduction, or other community priorities.

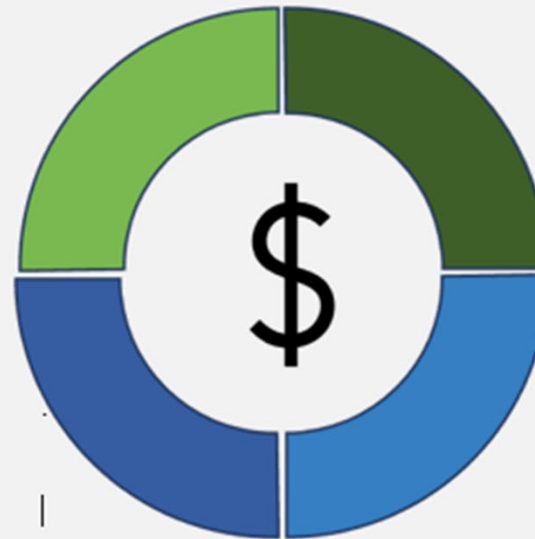
Local Hire in SLO County

OFFSHORE WIND

The Offshore Wind Industry in Morro Bay is expected to bring in regional investment topping out at \$262 million in annual economic impact between SLO County and Santa Barbara County.

CENTRAL COAST BLUE

Central Coast Blue is a water infrastructure project estimated at \$55 million, jointly managed by the Cities of Pismo Beach, Arroyo Grande, and Grover Beach, and the South San Luis Obispo County Sanitation District.



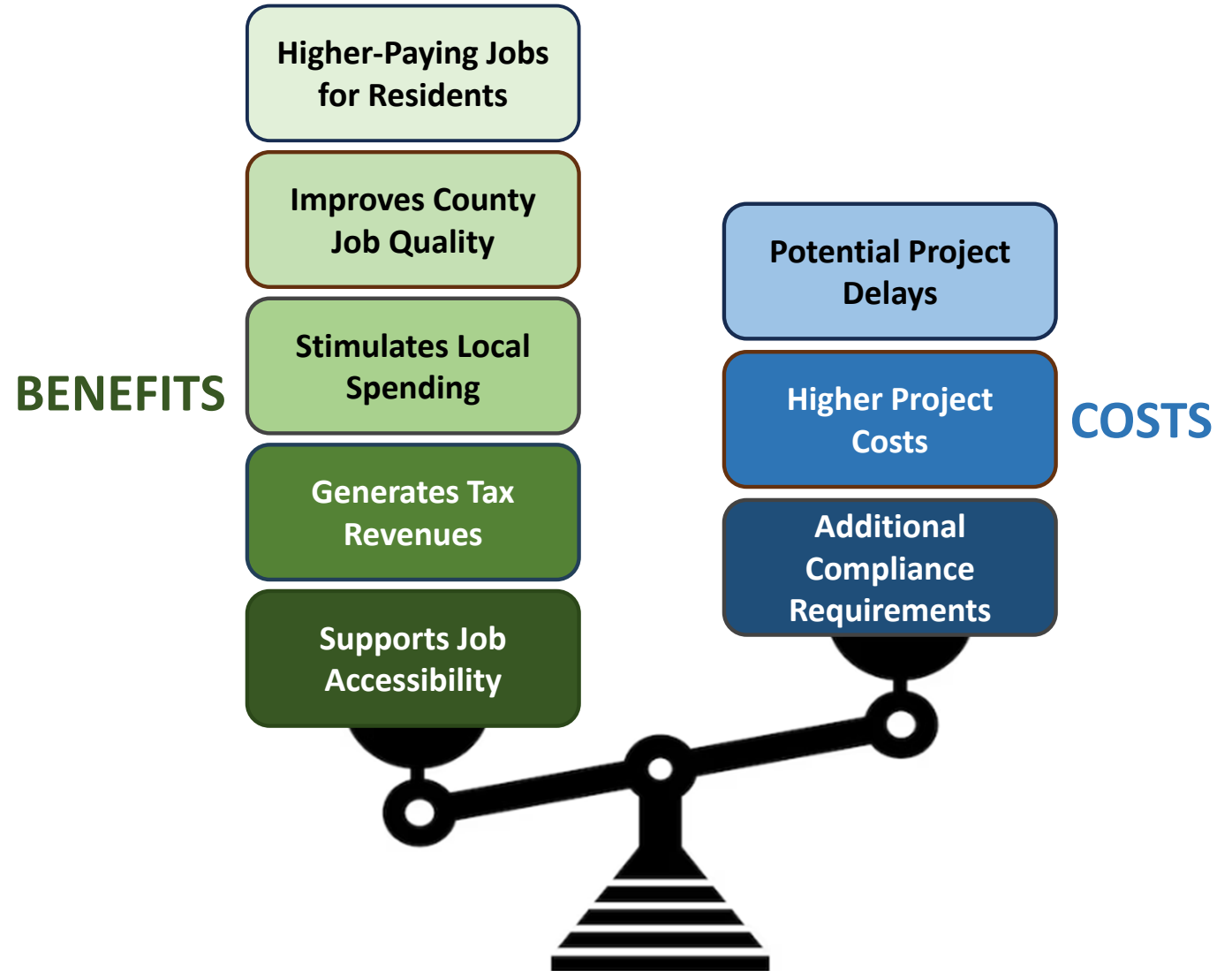
CALTRANS

In 2022, Caltrans announced over \$174 million in funding for transportation infrastructure, including over \$100 million from the federal Infrastructure Investment and Jobs Act. Much of this funding will go towards widening parts of SR-46.

COUNTY INVESTMENTS

San Luis Obispo County has budgeted nearly \$167 million toward road and water infrastructure upgrades over the next five years.

Local Hire in SLO County

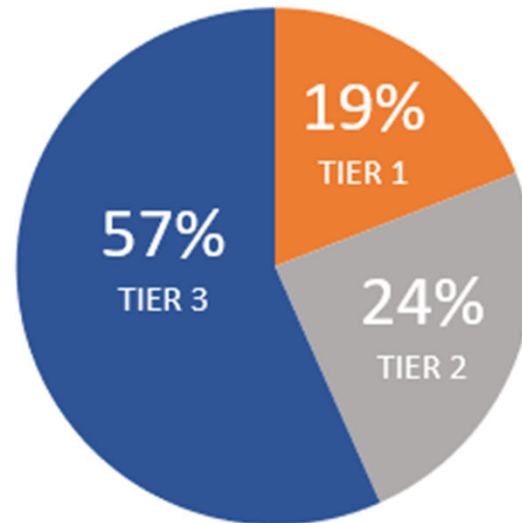


Key Finding #1

Local hire programs support local job quality by setting a minimum level of employment for high-wage, accessible Construction jobs.

- 77% of Construction jobs pay wages higher than the county median wage.
- 11% of Construction workers have a 4-year degree.

San Luis Obispo County's Job Quality by Tiers (2022)



Source:
San Luis Obispo County State
of the Workforce 2023 Study

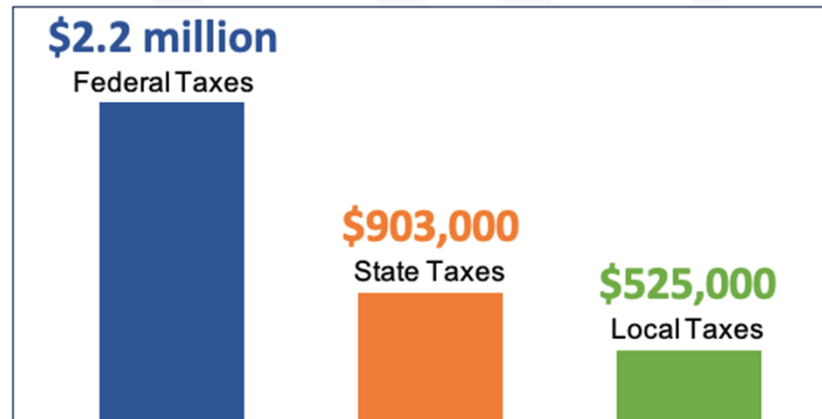
Key Finding #2

Local hire requirements generate significant economic and fiscal impacts.

Economic Impacts Per 100 Additional Local Construction Workers



Fiscal Impacts Per 100 Additional Local Construction Workers



Source: IMPLAN

Key Finding #3

- There is a general lack of awareness and agreement surrounding local hiring initiatives.
- To garner support, stakeholders should be made aware of the potential costs and benefits – as well as actual experiences from past projects involving local hire.
- Local hire initiatives should be tailored to the region and establish hiring priorities.
- Given the upcoming wave of regional infrastructure investments, it is important to consider local hiring initiatives now to ensure that they can be implemented in time to maximize benefits to the local economy and residents.

Case Study #1



Photo Credit: City of San Luis Obispo

Community Workforce Agreement: City of San Luis Obispo Water Resource Recovery Facility (WRRF) \$114 million upgrade project:

- **Target:** 30% local hire
- **Result:** 79% hired from SLO or three surrounding counties (Santa Barbara, Ventura and Monterey)
- **Estimated Cost:** \$325,339-\$498,444
- **Estimated Benefit:** \$10.4 million in Gross Regional Product

Case Study #2



Photo Credit:
MNS Engineers, Inc

Community Workforce Agreement: South San Luis Obispo County Sanitation District \$28 million upgrade project

- **Target:** 30% local hire
- **Result:** 62% local hire
- **Estimated Cost:** \$168,220-219,220
- **Estimated Benefit:** \$2.0 million in Gross Regional Product

Next Steps



Increase awareness of the local & economic benefits of local hire initiatives.



Support a moderate local hire requirement to support the local workforce.



Provide training opportunities (apprenticeships & community college programs) and connect them with career pathways in infrastructure, building & design.



Bolster career exploration for construction & infrastructure jobs for students in middle and high school.



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