



2023

Local Hiring Initiatives in San Luis Obispo County



Agenda

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

Research Objectives

1. Analyze workforce agreements and local hiring initiatives implemented in the U.S. to identify best practices for implementation
2. Assess effectiveness of workforce agreements and local hiring initiatives in SLO County
3. Quantify economic impacts of local hiring initiatives
4. Gather perspectives on local hire from local stakeholders to inform recommendations

Methodology

1. Conduct executive interviews with regional stakeholders
2. Analyze literature on previous workforce agreements and local hiring initiatives
3. Compile and analyze economic data to quantify economic benefits of local hire
4. Develop considerations for next steps & recommendations

**Key
Definition #1:
Local Hire
Program**

- **Local Hire Programs** are requirements designated by a local government.
- These programs require project owners and contractors to have a certain percentage of workers that live within the region defined by the local government, across many projects and developments.
- ***Type of Agreement:*** Government policy

**Key
Definition #2:
Project Labor
Agreement**

- **Project Labor Agreements** are legally binding agreements negotiated between labor unions and the project owners.
- These agreements are developed for individual projects.
- ***Type of Agreement:*** An enforceable contract between project owners and a labor union.

**Key
Definition #3:
Community
Workforce
Agreement**

- **Community Workforce Agreements** are legally binding agreements negotiated between a project owner and local community organizations.
- These agreements lay out workforce requirements that relate to equitable workforce development, social justice, small business support, and/or other issues.
- ***Type of Agreement:*** An enforceable contract between project owners and local community organizations

**Key
Definition #4:
Community
Benefits
Agreement**

- **Community Benefit Agreements** are similar to community workforce agreements but include a broader range of community-focused goals related to affordable housing, pollution reduction, or other community priorities.
- ***Type of Agreement:*** An enforceable contract between project owners and local community organizations

Local Hire in SLO County

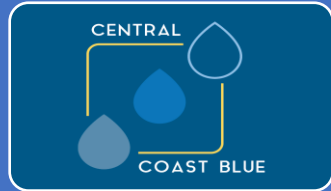
Local hire opportunities will increase due to planned national and regional spending on infrastructure.



Caltrans: Over \$174 million in funding for transportation infrastructure, including over \$100 million from the Infrastructure Investment and Jobs Act.



SLO County: Nearly \$167 million in funding for road and water infrastructure upgrades.



Central Coast Blue: \$55 million in funding for water infrastructure development.



Morro Bay Offshore Wind: \$262 million annual economic impact for SLO and Santa Barbara Counties.

Local Hire in SLO County

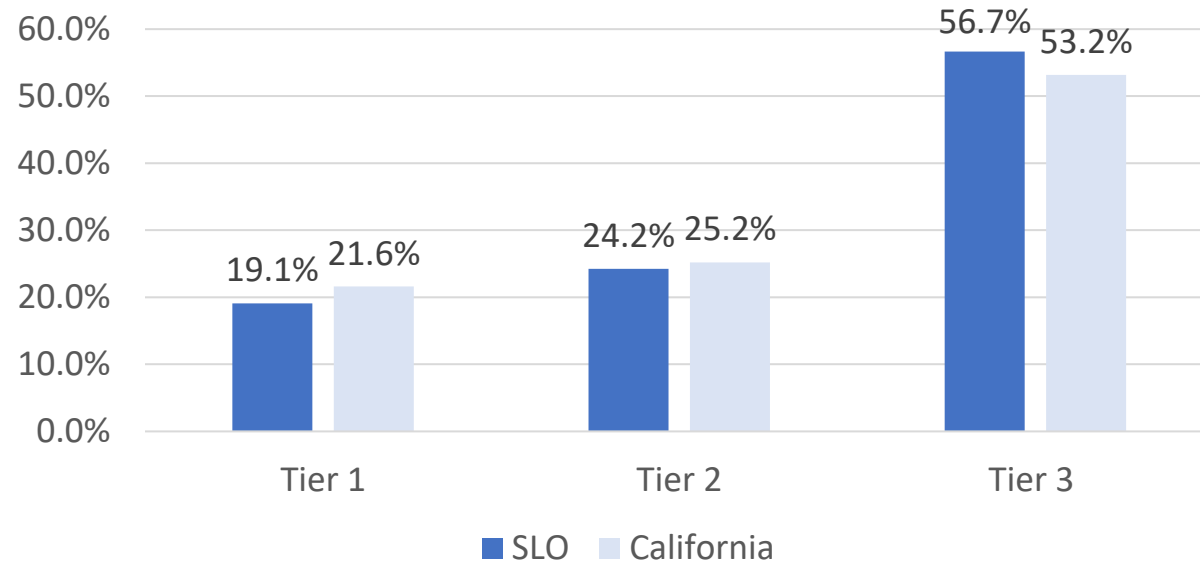
- **Perceived Costs**
 - Potential project delays
 - Potential increases in project costs
 - Additional compliance requirements
- **Perceived Benefits**
 - Supports higher paying jobs for residents
 - Expected to improve the county's job quality for resident workforce
 - Stimulates local spending
 - Generates tax revenues
 - Provides quality employment opportunities for less than a 4-year degreed workers

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)



Key Finding #2

Local hire requirements generate significant economic and fiscal impacts.

Economic Impacts Per 100 Additional Local Construction Workers

	Employment	Labor Income	Value Added
Direct	100	\$8,751,400	\$10,253,300
Indirect	16	\$904,500	\$1,819,500
Induced	33	\$1,710,700	\$3,169,500
Total	149	\$11,366,600	\$15,242,300

Fiscal Impacts Per 100 Additional Local Construction Workers

	Local	State	Federal	Total
Direct	\$35,400	\$432,800	\$1,785,500	\$2,253,700
Indirect	\$251,100	\$216,900	\$126,200	\$594,300
Induced	\$238,100	\$253,300	\$313,900	\$805,300
Total	\$524,600	\$903,000	\$2,225,600	\$3,653,300

Key Finding #3

Local hire programs have been successfully implemented in SLO County.



City of San Luis Obispo Water Resource Recovery Facility

- Workforce agreement for \$114 million upgrade
- Target: 30% local hire
- Result: 70% hired from SLO or three surrounding counties (Santa Barbara, Ventura and Monterey)



South San Luis Obispo County Sanitation District

- Workforce agreement for \$28 million upgrade
- Target: 30% local hire
- Result: 59% local hire
- Project completed on time, within budget

Key Finding #4

- 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 projects within the county can be implemented in time to maximize benefits to the local economy and residents.

Next Steps



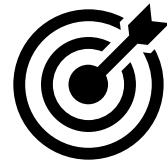
Increase awareness of the local & economic benefits of local hire initiatives.



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



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