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Introduction

Local governments are engines of economic development in our communities. They are frequently the largest employers in the region, providing stable, place-based jobs with benefits. As institutions of the public sector, their employment and contracting policies and practices constitute an interesting and useful context for looking at workforce diversity, equity, and inclusion. Further, some local government efforts have shown an interest in high road economic development,¹ and some scholarship² and research organizations³ have argued for local governments to have a greater role in equitable, inclusive economic and workforce development. For this brief, I consider some ways for high road economic development efforts to offer enhanced employment opportunities for workers from low-income communities and communities of color.

In California, Proposition 209 has banned affirmative action based on race and ethnicity. In its place, equity-minded policymakers have created alternative methods and tools to address various segments of the population. I looked within and beyond local governments to seek out policy tools and strategies that utilize targeting or could potentially be adapted to include targeting for specific communities. The intent was to emphasize the role of local governments in targeted workforce development, including career pipelines that involve local government and jobs that are created or supported by local government. I surveyed literature and conducted interviews, looking broadly for examples and models from different sectors.

This brief is organized in three parts: First, I establish a framework of four categories for considering workforce policies, programs, and strategies. Second, I offer profiles of model policies and programs from across the four categories. Third, I conclude with implications and questions for further study.

¹ Efforts in San Francisco, Los Angeles, and Cleveland are described in this paper.
³ Center for American Progress, San Francisco Planning and Urban Research, and Los Angeles Alliance for a New Economy are a few organizations that have published research on this topic.
Categories of targeted workforce development tools

There is a range of different local government policies, programs, and strategies that relate to targeted workforce development and workforce pipelines. Placing them in four categories facilitates analysis and discussion, though none of the categories can really be considered without the others, and the policies and programs often cut across more than one category:

1. City human resources (HR) policies and practices, including hiring and recruitment, management, and retention;
2. City policies and programs pertaining to contracting for goods and services, including local hire ordinances aimed at benefiting businesses that qualify and programs to assist businesses with their development and ability to compete;
3. Workforce development programs, particularly education, training, and apprenticeship programs that are government-supported or aimed at public sector employment or public contract work;
4. Large-scale project-based mechanisms, usually pertaining to property or infrastructure development, including community benefits agreements (CBAs), project labor agreements (PLAs), and other efforts made on a project-by-project basis.

Worth noting is that it can be useful to consider an economic perspective of supply and demand in comparing the different types of efforts. Efforts attempting to increase the supply of qualified, competitive workers or enterprises may be thought of as human capital development. On the other side, a number of equity-oriented policy tools aim to increase the demand for workers or enterprises.

Only the third category here, workforce education and training, definitively pertains to human capital development and has a clear supply side aim. The first category, HR policies and practices, and the fourth, project-based mechanisms, clearly address the demand side. The second category, in which local hire and business and entrepreneurship development are included, splits across both supply and demand strategies.

In thinking about the first category, HR policies and practices, the common constraints of city and county governments serve as a standard context for interpreting the highly variable political dynamics in different locations. Given that, the literature on diversity management and leadership and applications in HR tends to be fairly high level and offers general strategies around the premise that people of color in management or leadership positions hire more people of color. Local government HR must be a component of pipeline programs that lead to city jobs. If the goal of a workforce training program is to end with a city job, then city HR should be a supportive stakeholder. I present one example, the RePower LA Utility Pre-Craft Trainee program, where this is the case, and another, Seattle Public Utilities, where HR practices are being changed in an effort to be more inclusive and equitable in hiring.

The second category, policies and programs pertaining to city procurement and purchasing as well as assistance for businesses that could fulfill those city needs, includes both supply and demand approaches to economic and workforce development. This category is for established policies and programs created through legislation or are otherwise made to be lasting. An example is local hire as a citywide policy or program, which consists of requirements or incentives to induce or encourage demand for businesses that qualify as local enterprises. In some instances, programs also exist to help prepare local suppliers to qualify and compete for contracts. The concept of local hire is well established
and documented, and there are plenty of examples of it being used in a variety of cities, so it is not a focus in this brief. However, it is worth emphasizing that local hire, first source, and targeted hire are separate policy tools attached to different jurisdictional levels. For example, federal procurement rules have not allowed agencies to use geographic hiring preferences on federally funded projects such as large-scale infrastructure development. In March of 2015, the U.S. Department of Transportation established a pilot program to allow local hire on federally funded transportation projects for one year, and efforts are ongoing to change federal policy through legislation.4

I present two examples from the San Francisco Public Utilities Commission, its Community Benefits Policy and its Contractors Assistance Center, and they seem to fit best in the second category. The Community Benefits Policy is a model of a local government intervention in community economic development, while the Contractors Assistance Center is a complementary program that serves as a resource to match city procurement and purchasing needs with local suppliers.

The third category includes workforce education, training, and apprenticeships. It has a clear supply side focus, which differentiates it from the other three categories. This category is perhaps the most broad and least defined of the four. In a sense, training and education are elements of any workforce pipeline, so it may not always be helpful to think of this category separately from the others. The Utility Pre-Craft Trainee program of RePower LA cuts across multiple categories: the pre-apprenticeship pipeline program includes math education, utility job training, and job placement assistance, and it relies on the support and involvement of the public utility HR.5

The fourth and final category is project-based mechanisms. This distinction is made from the second category, which is for longer term and more encompassing policies and programs. The tools and strategies used on a project-by-project basis can serve as pilots for longer-term policy changes, and they can allow for more creativity and testing of new and different ideas. The mechanisms studied here are for large-scale property or infrastructure development projects, where construction contracts are a major component and can be used to create jobs. Community benefits agreements and project labor agreements (or project stabilization agreements) have been widely used and established for decades, and they continue to be a relevant and useful tool for targeted workforce development.

Models from within and beyond local government

Seattle Public Utilities Human Resources

Seattle Public Utilities (SPU) is a department of the City of Seattle, Washington. SPU is in the process of adopting and implementing strategic initiatives to address social equity in its service area and workforce. In order to bring more diversity into its workforce, SPU is making its hiring practices more inclusive and transparent. Changes include simplifying job application processes to make them more

http://thesource.metro.net/2015/03/03/usdot-announces-local-hire-initiative
Interview with Erika Thi Patterson, LAANE. March 2015.
5 Interview with Ashley Thomas, LAANE. February 2015.
accessible and understandable. Job prerequisites have been adjusted for relevance. Examples of this are not requiring a driver’s license for positions that do not require driving and not requiring a college degree for positions where a high school diploma is sufficient. SPU has rewritten or revised a number of job descriptions to increase specificity, identify critical skills, and ensure that the position is accurately described in clear language. Additionally, SPU is making an effort to have its interview panels and recruitment and outreach teams be racially diverse and inclusive of both managerial and peer-level staff.\(^6\)

SPU’s institutional changes are part of a concerted effort to be more transparent, accessible, and inclusive in its recruitment and hiring practices with the goal of reaching out to more communities and increasing diversity in its workforce. These relatively simple, immediately implementable changes are being made without necessitating policy or structural changes, which could be a cumbersome process.

**Utility Pre-Craft Trainee Program**

RePower LA is a campaign working to capitalize on and expand Los Angeles Department of Water and Power’s (LADWP) citywide energy efficiency programing. The three objectives are to create middle class jobs in the local economy, save money for city residents who depend on LADWP services, and address clean energy and environmental issues. The RePower LA coalition was convened by the Los Angeles Alliance for a New Economy (LAANE), the International Brotherhood of Electrical Workers (IBEW) Local 18, and Strategic Concepts in Organizing and Policy Education (SCOPE) and includes a wide range of labor, community-based, and environmentally focused partners.

A key component of the RePower LA campaign is the Utility Pre-Craft Trainee (UPCT) program, which addresses the campaign objective of local middle class jobs. The UPCT is a pre-apprenticeship that includes targeted recruiting, paid on-the-job training with career potential, and supportive services provided by coalition partners. Participants are provided with remedial and skills-based learning to prepare them for LADWP exams. The program is designed to give trainees access to LADWP jobs and union benefits as well as transferrable utility job skills.

The particular strengths of the UPCT program are that it is run by a union and has the support of a public agency. These factors themselves are not unique, but the structure of the program utilizes community partners to provide other tailored services and support to trainees. Some examples are childcare services to help trainees stay in the program and soft skills training for professional development. The program’s targeted recruitment process has the flexibility to be adjusted for different or changing needs and also utilizes community partners for outreach in various communities.\(^7\) This model represents a forward-thinking strategy to address diversity, equity, and inclusion through good career-based job training.

**SFPUC Community Benefits**

The San Francisco Public Utilities Commission (SFPUC) officially adopted a Community Benefits Policy in 2011 and became the first utility in the nation to do so. Building on its 2009 adoption of an

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\(^6\) Interview with Michael Davis, Seattle Public Utilities. August 2014.

\(^7\) Interview with Ashley Thomas, LAANE. February 2015.

Environmental Justice Policy, the agency, which is a department of the City and County of San Francisco, established a stated objective to be a good neighbor to the people whose lives and neighborhoods are directly affected by its operations, programs, and policies. The SFPUC’s main sewage treatment facility, which treats some 80 percent of the City’s sewage, is located in one of the most disadvantaged neighborhoods in San Francisco, so the intention was clear.

Though not pertaining explicitly to targeted workforce development, the SFPUC Community Benefits Policy and its community benefits staff are a model of a city agency with an established mechanism to request community investments directly and explicitly from the private entities it contracts with through the contract award process.

Benefits programs and initiatives range across workforce development and training, economic development, environmental justice and environmental sustainability, and education. Examples are internships for disadvantaged people and local residents impacted by contract projects as well as case management and skills development for low-income, low-skilled workers. Commitments are quantifiable and measurable and are written into requests for proposals (RFPs) valued at five million dollars and above. Community benefits proposal submissions are evaluated and awarded points during the selection process, and community benefits staff work with project management and contract administration staff to negotiate the terms, timeline, reporting, and monitoring of benefits execution and delivery. Benefits are provided directly to the community, not to the SFPUC. This model leverages a city agency to act as a middleman for the community—requesting, negotiating, and monitoring community benefits on their behalf.

**SFPUC Contractors Assistance Center**

The SFPUC Contractors Assistance Center, also located in one of the most disadvantaged neighborhoods in San Francisco, is a free resource center for businesses in the community. It provides technical and financial assistance, training and workshops, networking events, one on one counseling, and guidance through the various processes of contracting with the City.

Notably, the Contractors Assistance Center engages in a proactive process for local vendor sourcing. The Center is operated by the Infrastructure Bureau of the SFPUC, which projects future procurement needs and seeks out companies in the community to fulfill them. If there is a need that a potential supplier is not yet equipped to fulfill, the Contractors Assistance Center can work with them on developing their business to be able to meet that need and also refer them to a community-based organization that specializes in entrepreneurship and small business development. In this way, the city agency goes beyond the scope of local hire and first source policies and typical business and contractors assistance programs by taking a proactive role in encouraging and developing local businesses.

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9 Interview with Catherine (Kay) Fernandez Smith, SFPUC. April 2015.  
San Francisco Public Utilities Commission Community Benefits Appendix B: Examples of Community Benefits Commitments from Professional Services Consultants.  
11 San Francisco Public Utilities Commission Contractors Assistance Center brochure. October 2014.  
San Francisco Public Utilities Commission Contractors Assistance Center Resource Guide.  
12 Interview with Catherine (Kay) Fernandez Smith, SFPUC. April 2015.
**Evergreen Cooperatives**

The Evergreen Cooperatives (Evergreen) is a Cleveland-based, worker-owned network of three enterprises: Evergreen Laundry, Ohio Solar, and Green City Growers. Evergreen’s strategy follows three goals: First, leverage procurement from local anchor institutions such as hospitals and museums and local government agencies. Second, develop a worker-owned, community-based network with residents from marginalized communities to meet those procurement needs. Third, ensure that the businesses are the greenest in their sector to be both environmentally beneficial and to appeal to anchor institutions seeking to meet sustainability goals.

Evergreen started its businesses in an area known as Great University Circle (GUC), where the median household income is less than $18,500, 25 to 30 percent of the residents live in poverty, and over 25 percent of the working population is unemployed. Evergreen creates jobs by contracting with large anchor institutions to provide green services like laundry and solar installations and then works with local community-based organizations to recruit and train GUC residents for these jobs. Evergreen job training programs are located with residents in mind, taking into account that many do not have access to a car or public transportation.

Employees become co-op members and worker-owners after a relatively short six-month period. Managers and leaders are promoted from within to strengthen a culture of community ownership, familiarity and mobility, and trust in its co-ops. A significant number of Evergreen’s worker-owners are formerly long-term unemployed or have criminal records or histories of substance abuse and face a long road to financial independence, so Evergreen provides them with financial education, credit counseling, and legal services. Evergreen leverages partnerships with local and national entities, including the City of Cleveland, to make this possible. Through its business model, Evergreen has created local jobs for socially and economically disadvantaged workers while also generating new business and preserving the wealth within the community.

**Conclusion: Implications**

These models provide insights into the variety of tools and strategies being tried, and they offer feasible ideas as a supplement to the existing literature on diversity, equity, and inclusivity in the workforce. Each model in this brief presents a distinct strategy and thought process. While there is no one way to match disadvantaged people with good jobs, a couple of common themes emerge:

- Policies or programs intending to serve disadvantaged communities are more effective when they recognize the specific needs of the communities and plan to address those needs, especially in culturally conscious ways. An important element of this is meaningfully including members of the target community in the policy or program development process and providing a structure for continuous feedback.
- Policies or programs are stronger when they utilize collaborations for implementation. Securing commitments and buy-in from collaborators is crucial. Practitioners discussed the need for upfront honesty in recognizing the different roles and needs of coalition partners and incentivizing each of them.

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13 Interview with Evergreen Cooperatives. August 2014.
14 James Elmendorf, LAANE. March 2015.
For further study

As mentioned above, recent and ongoing developments raise questions for further research. The local hire pilot program for federally funded transportation projects brings up questions of jurisdictional levels, funding, and legislative policy pertaining to geographic and other targeting. Long Beach recently implemented a five-year citywide project labor agreement, which merits study and could have future policy implications. The Jobs to Move America campaign, organized by the Los Angeles Alliance for a New Economy, aims to secure commitments from local government agencies and the federal government to relocate transportation manufacturing in or near U.S. metropolitan markets. This could have major job creation and other economic impacts. Also not included in this brief are worker centers, particularly race or ethnicity-based worker centers such as the Los Angeles Black Worker Center, and federally funded Workforce Investment Boards; both play roles in workforce development and employment pipelines, and local governments often provide various kinds of support and resources to each.

Place comparisons

In reviewing exemplary targeted workforce development models and the thematic elements that they share, it is clear that the process through which a policy becomes established is an important component of the policy itself, how it is implemented, and its success.

The Los Angeles-San Francisco comparison illustrates this point. Los Angeles is home to a number of innovative workforce development efforts led by coalitions of and partnerships between organized labor and nonprofit community-based organizations. In San Francisco, comparable workforce development efforts tend to be run and organized by the City and County. A theory and possible explanation for this is that the strong local government structure in San Francisco drives these efforts and supports collaborations, whereas power and influence are more disperse in Los Angeles, so efforts tend to come from the community rather than City Hall. The notion that the local landscape—the actors and power dynamics—is fundamentally important to the shaping and functioning of workforce development efforts, is an important theme to keep in mind and explore further. The institutions and politics involved in crafting and implementing policies, programs, and practices are location-specific and thus a crucial element in understanding what works in one place and why as well as why it may or may not work in another place.