



Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: President Young

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
Investigative Hearing - Local Hiring Preference Programs

FOR the purpose of investigating the efficacy of adopting a policy that would require resident preference hiring by certain entities contracting to supply goods and/or services to Baltimore City government; examining the impact to date of similar programs nationwide; forecasting the employment benefits for City residents; and analyzing the legal restrictions limiting local hiring programs and the likely impact on the economic development of Baltimore City if a local hiring program put in place was crafted to successfully withstand a legal challenge.

Recitals

Across the country recession-battered local governments are increasingly attempting to steer public works and other contracts for goods or services to local firms or to compel firms bidding for government contracts to hire local residents. In Milwaukee, Wisconsin residents preference hiring is required for all contracting activities of the Department of Public Works. The ordinance requires that 40% of worker hours worked on a DPW contract be performed by unemployed or underemployed residents of the city.

Portland, Oregon's Community Workforce Agreement pilot program for publicly funded projects sets forth targets and goals that are not mandated, but that participants try to achieve. The agreement, signed by the city, community groups, and construction businesses, focuses on hiring 80% of the workforce with local residents, increasing the number of disadvantaged and under-represented people employed to 30% of the total trades and technical projects hours worked, paying a minimum of 180% of state minimum wage, and providing continuing education and certification opportunities.

According to the September 2009, Sacramento Bee, in California, Sacramento County gives bidding preferences to county firms supplying goods and services. Elsewhere in the Central Valley, Stockton aims to shore up its construction sector with a new ordinance requiring contractors on all public projects to fill at least half their work force with locals. Local preference rules have also sprung up in Oakland, Richmond, Salinas, and other cities seeking to create jobs in a difficult economy. Said Richmond's Employment and Training Director: "Whenever there's city dollars involved in a city project, it creates employment."

Yet these laws can backfire, as the article points out. In 2004, the Federal Highway Administration withheld \$700,000 from a road project in Cleveland on the grounds that the Ohio city's local-hiring law, similar to Stockton's, was illegal. A federal appeals court upheld the Highway Administration's decision. Beyond legal issues, local-preference programs are sparking cries of protectionism from some building contractors who opine that such laws make it harder for out-of-town companies to bid on projects because contractors usually prefer to bring their own specialty-trained workers with them.

First Source Hiring Agreements: An Overview, a publication of the University of California, Los Angeles, January 2005, presents a more positive analysis: First source hiring agreements - that require new businesses, new construction or remodeling and expanding businesses to hire local residents for both the construction and permanent jobs associated with the development - offer economic, environmental, and social benefits to communities. These benefits include:

- Tying public investment to community benefits

Corporations benefit from numerous tax incentives and subsidies associated with revitalization efforts. First source hiring agreements insure that local residents benefit from development by increasing local employment opportunities, reducing transportation demands and air pollution, and insuring that local residents can both enjoy and support businesses resulting from revitalization efforts.

- Increasing residents' employment and earning potential, short- and long-term

Successful first source hiring agreement programs are tied to training programs such as basic construction skills, clerical courses, and other training programs that ready potential employees for the types of jobs associated with development efforts. These training programs are designed to respond to new employers' needs, meet employment projections, and provide local residents with skills for the local jobs tied to first source hiring, as well as subsequent employment.

- Addressing diversity without affirmative action

Often, disinvested urban centers have a large proportion of residents of color. First source hiring agreements promote hiring these local residents and, in turn, act to improve diversity in hiring without resorting to controversial affirmative hiring practices that are explicitly tied to race.

- Multiplying effects of redevelopment money

Redevelopment efforts need to be sustained long past the initial building projects. Hiring local residents means residents will be able to spend money in the target neighborhood, thereby directly contributing to the economic base. Additionally, hiring residents supports the local businesses, creates new jobs as the area grows economically, and preserves jobs.

- Reducing congestion

Residents living and working in the same neighborhood drive less, demand fewer parking resources, and reduce air pollution. Reduced commute distances and increased walking to work by local residents is also tied to several health benefits. Physical activity has far-reaching benefits ranging from weight control, lower risk of coronary heart disease, and improved quality of life. Walking just 30 minutes a day will produce benefits among those who are the least active.

As Baltimore considers adopting local hiring preference policy, we are fortunate to be able to examine the

experiences of jurisdictions that have proceeded us in adopting similar policy. Learning from the successes, as well as the mistakes, Baltimore City's policy can be crafted to benefit the un-and-under-employed while, at the same time, avoiding a chilling effect on private industry.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That this Body will investigate the efficacy of adopting a policy that would require resident preference hiring by certain entities contracting to supply goods and/or services to Baltimore City government; examine the impact to date of similar programs nationwide; forecast the employment benefits for City residents; and analyze the legal restrictions limiting local hiring programs and the likely impact on the economic development of Baltimore City if a local hiring program put in place was crafted to successfully withstand a legal challenge.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor; the Director, Department of Finance; the Director, Department of Public Works; the Director, Department of General Services; the Director, Department of Transportation; the Health Commissioner; the Housing Commissioner; the City Solicitor; the Chief Solicitor of the Minority and Women's Business Opportunity Office; the Director, Mayor's Office of Information Technology; the Director, Baltimore Office of Sustainability, the President and Members of the Greater Baltimore Committee; the President and Board of Directors of the Baltimore Development Corporation, and; the Mayor's Legislative Liaison to the City Council.

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