Construction
Hot Topics
Update

June 9, 2015
Legislative Updates – Erin Luke

Public Projects: Two New Bills

1. Local Hiring Goals

2. Project Labor Agreements
Local Hiring Goals - INTRODUCTION

- Workforce Goals v. Business Preferences
- Local v. MBE/WBE/SBE/DBE
- **Purpose:** Local Jobs
- **Challenges:** Competition, Right to Choose Where to Live and Work
Local Hiring Goals - EXAMPLES

- **Cleveland:** Fannie M. Lewis Law (Ch. 188)
  - Contracts > $100,000, 20% Resident, 4% Low Income
  - Penalty: 0.125% of Contract Sum for each missed percentage

- **Cuyahoga County:** County Based Business Preference (Ch. 502)
  - “County Business” w.i. 2% of low bid has option to match
  - Principal Place of Business in Cuyahoga County for 3 years
Local Hiring Goals – NEW LAWS

- Companion Bills (HB 180, SB 152)
- No Local Hiring Requirements

No public authority shall require a contractor, as part of a prequalification process or for the construction of a specific public improvement or the provision of professional design services for that public improvement, to employ as laborers a certain number or percentage of individuals who reside within the defined geographic area or service area of the public authority.

- No Local Hiring Bid Preference

No public authority shall provide a bid award bonus or preference to a contractor as an incentive to employ as laborers a certain number or percentage of individuals who reside within the defined geographic area or service area of the public authority.
Local Hiring Goals - STATUS

- **House Bill 180**
  - Commerce and Labor Committee
  - June 9 (today!) – Hearing at 1:00 p.m.

- **Senate Bill 152**
  - Government Oversight & Reform
  - June 10 (tomorrow!) – Hearing at 8:45 a.m.
Project Labor Agreements - INTRO

- Project-Specific Agreement

- Union Participation

- **Purposes**: Working Conditions and Hours, Cooperation and Harmony (No Strike)

- **Challenges**: Cost, Competition
Project Labor Agreements – CURRENT LAW

- “Unlawful Labor Requirements in Public Improvement Contracts Law” (ORC Ch. 4116)

- Prohibits “public authorities” from requiring contractors to sign PLAs or join unions


  - Caveat: State can regulate its own activities as an individual market participant
Project Labor Agreements – NEW BILL

- **House Bill 64 (Main Operating Budget)**
  - Limited Scope: Applicable to “state agencies” only
  - New Tweak: State cannot require or prohibit PLAs
  - New Provision: **No state funds** for political subdivisions that require or prohibit PLAs on public projects.

- **Question:** Constitutional?
Project Labor Agreements - STATUS

- February 11 - Introduced in House
- April 22 – Passed House
- April 27 – Introduced in Senate
- April 29 – Referred to Finance Committee
Questions?