

City of Kansas City Workforce Disparity Study



Presentation to the Construction Workforce Board
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**KEEN
INDEPENDENT
RESEARCH**

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Research components

- Review local and state information
- Assess legal issues
- Define labor market area for study
- Compare actual hours and availability of workers on city projects
- Interview workers, businesses, trade unions, trade associations, others and hold public meetings
- Consider refinements to existing City program and alternatives
- Examine compliance systems and staffing
- Present results and prepare report

Key questions

1. Should KCMO be concerned about participation of minorities, women and city residents on City-related construction contracts?
2. What has the City done to address any inequities? Impact?
3. What are the constraints to the City doing more?
4. What have other cities and counties across the country done?
5. What is the current participation of minorities, women and city residents in City-related construction contracts?
6. Is current participation equitable given who is available?
7. Where there are inequities, why do they occur?
8. What should KCMO consider for the future?

1. Should KCMO be concerned?

- Yes, to remedy any injustice for people of color and women, regardless of where they live
- Yes, to improve economic conditions in KCMO
- Yes, to strengthen the tax base in KCMO

2. What has the City done? Has it had an impact?

- 10% and 2% goals for percentage of work hours going to minorities and women on City-related projects
- Also apply company-wide goals for primes
- Require prime and subs (collectively) on each project to meet goals or show good faith efforts
- Can impose strong sanctions for non-compliance
- Program impact unclear

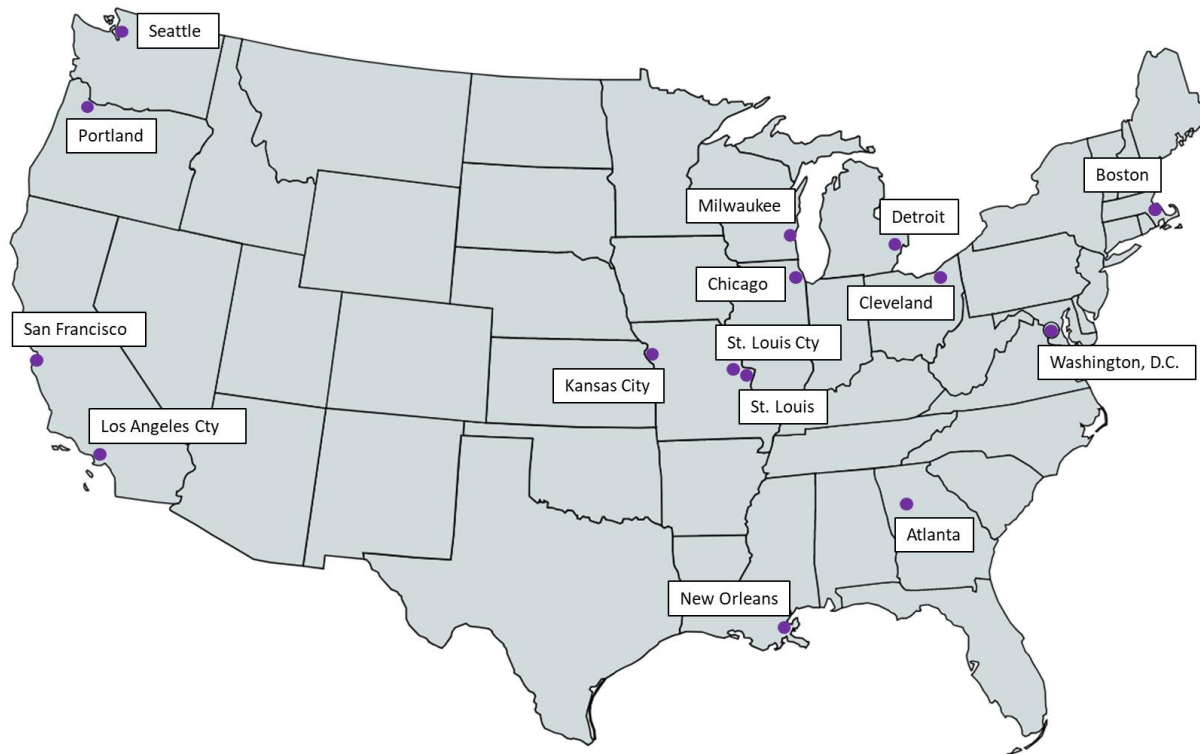
3. What are constraints to City doing more?

Potential legal challenges

- Race-conscious programs must meet strict-scrutiny standard
- Gender-conscious programs must meet intermediate scrutiny
- Potential challenge based on Privileged and Immunities Clause if program affects interstate commerce (and other challenges)

4. What have other cities done?

- Often have minority, female and resident hiring goals for city-related construction projects
- Some include other disadvantaged workers in goals
- Some define disadvantage based on neighborhood of residence



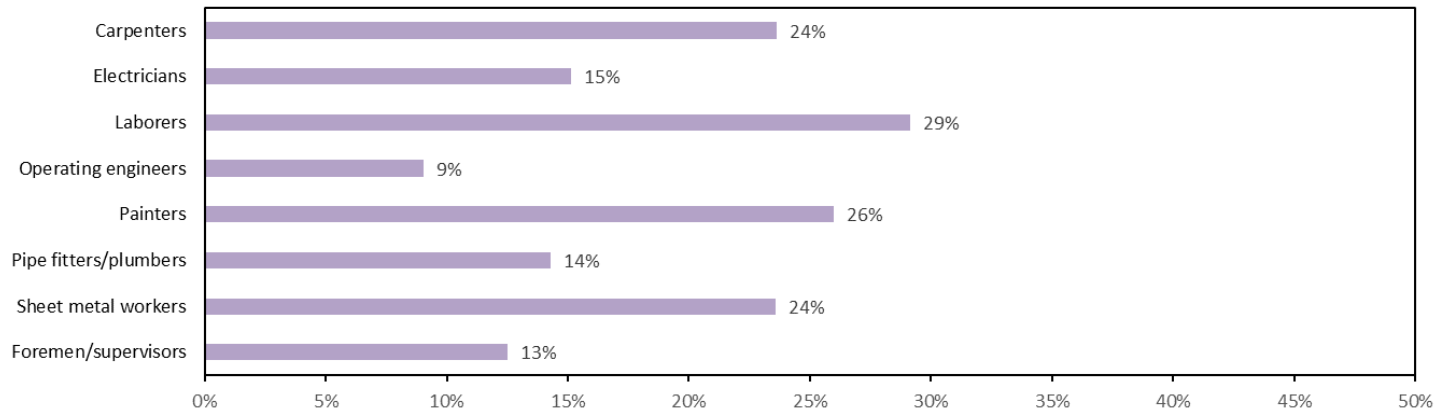
5. What is recent participation on City-related projects?

Percentage of total work hours on City projects May 2015-April 2018			
	Minorities	Women	City residents
Prime contractors	15.0 %	4.0 %	6.8 %
Subcontractors	23.3	3.3	10.3
Total	21.0 %	3.5 %	9.3 %

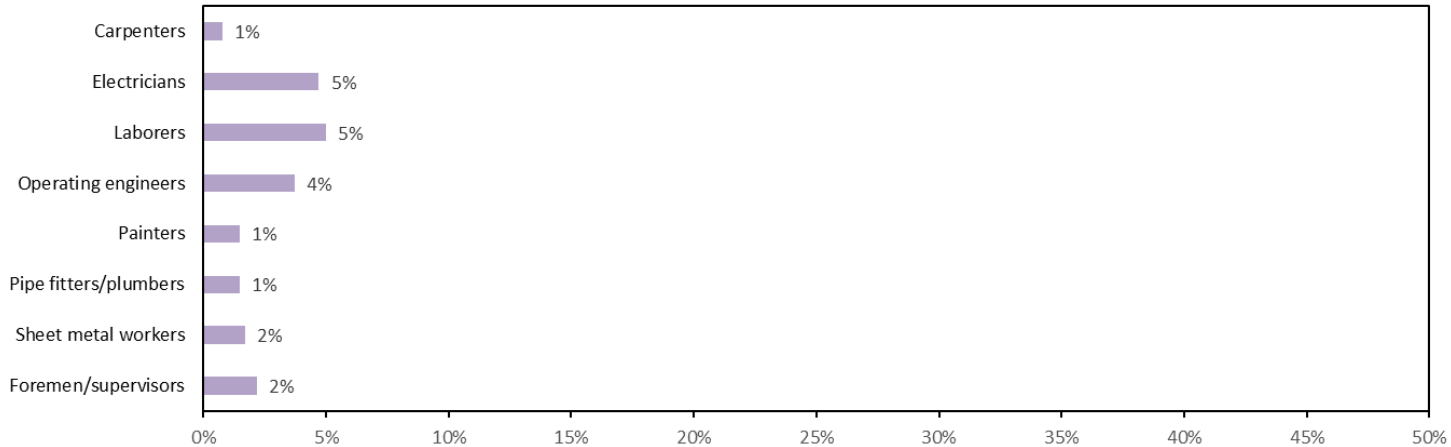
Percentage of apprentice work hours on City projects May 2015-April 2018			
	Minorities	Women	City residents
Prime contractors	16.3 %	12.3 %	11.2 %
Subcontractors	26.0	3.8	12.7
Total	25.0 %	4.6 %	12.6 %

5a. What is recent participation on City-related projects?

Percentage of work hours by trade performed by minorities, May 2015 – April 2018

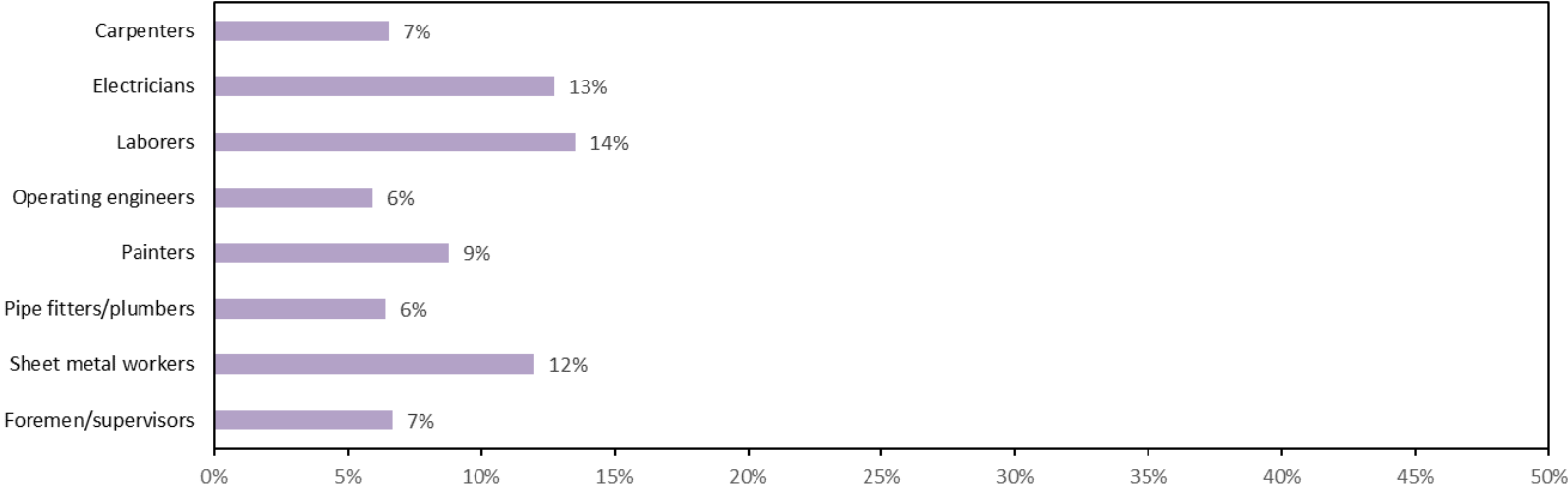


Percentage of work hours by trade performed by women, May 2015 – April 2018



5b. What is recent participation on City-related projects?

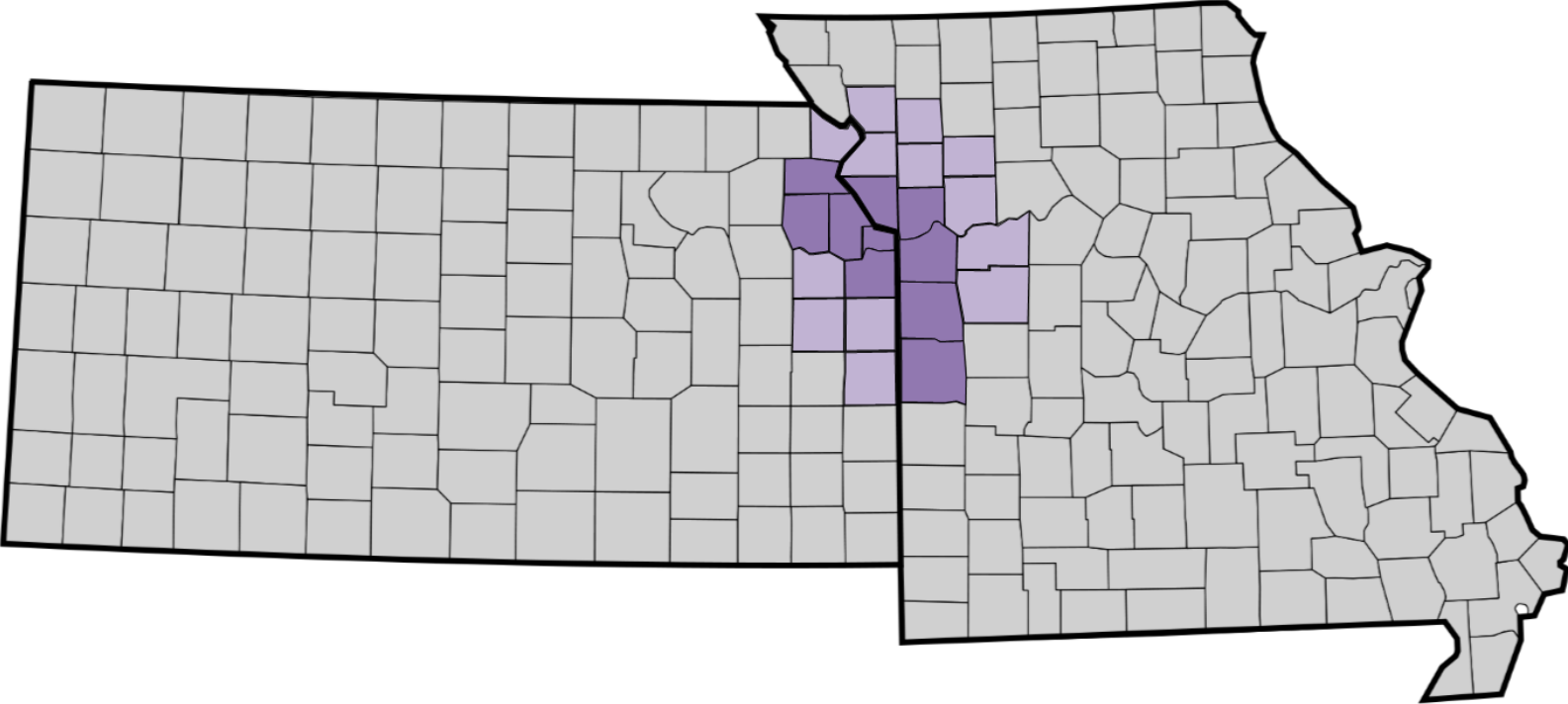
Percentage of work hours by trade performed by city residents,
May 2015 – April 2018



6. Is participation equitable given who is available?

- Hours on City-related projects compared with current availability
- Current workforce compared with region's labor pool
- Apprentice hours on City projects compared with pool of young workers
- Union membership and training not yet examined because only have data from a few unions

6a. Counties in Kansas City CMSA that are in labor market area for KCMO projects (dark shade)



Note: Jefferson County, KS is not within 22-county CMSA, but included within labor market area due to how Census Bureau groups counties in its data reporting

6b. Participation on City projects and availability

	Hours worked on City-related projects	Trade-specific availability	Disparity index
African American	7.65 %	6.21 %	123
Asian American	0.49	0.75	65
Hispanic American	11.56	18.48	63
Native American	<u>1.30</u>	<u>0.68</u>	191
Total minority	21.00 %	26.12 %	80
Women	3.48 %	2.33 %	149
City residents	9.31 %	22.86 %	41

6c. Construction workforce and availability in region

	People in construction trades in region	Civilian labor force ages 16+ without a four- year college degree	Disparity index
African American	6.61 %	16.07 %	41
Asian American	0.78	2.48	31
Hispanic American	21.81	10.70	204
Native American	0.57	1.04	55
Other minority	<u>0.03</u>	<u>0.13</u>	23
Total minority	29.80 %	30.40 %	98
Women	2.47 %	47.44 %	5
City residents	23.88 %	25.39 %	94

6d. Apprentices on City projects and availability

	Apprentice hours worked on City-related projects	Civilian labor force ages 18-24 without a four- year college degree	Disparity index
African American	11.59 %	19.51 %	59
Asian American	0.34	2.95	12
Hispanic American	11.94	12.27	97
Native American	<u>1.16</u>	<u>1.44</u>	81
Total minority	25.03 %	36.17 %	69
Women	4.68 %	48.12 %	10
City residents	12.57 %	27.89 %	45

6f. Participation in trade unions

- Contractors on City-related projects not required to be union signatories but must pay prevailing wages
- Study team requested membership data from major construction trade union in Kansas City area ... six fully responded
- Training center participants: 18% people of color and 6% female
- Apprentices: 21% people of color and 4% female
- Journey workers: 12% people of color and 1% female

7. Why do some of the inequities occur?

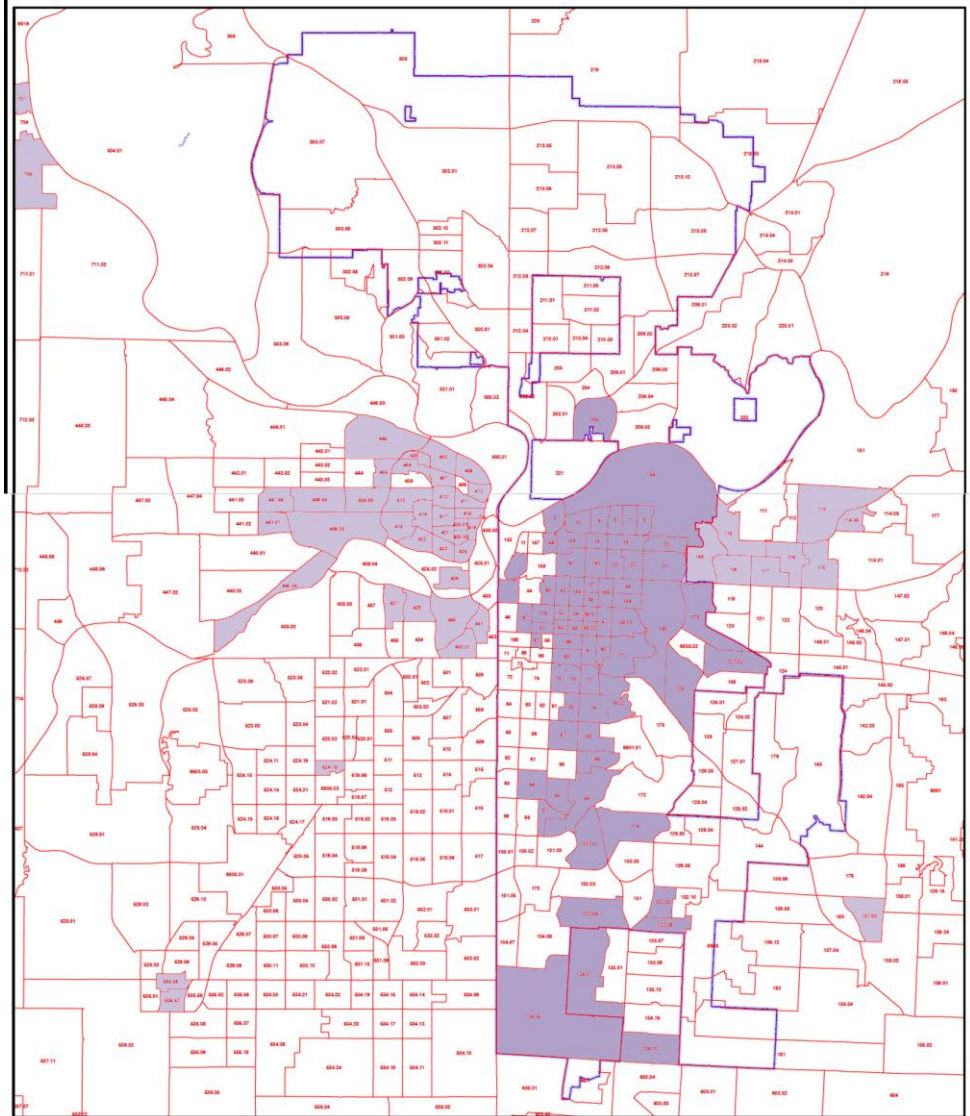
- Exposure of young people to construction
- How people enter the industry
- Barriers to completing an apprenticeship
- Different treatment of people of color and women working in the industry

8. What should KCMO consider for the future?

- a. Substitute neighborhood-based targeted worker for race-conscious program component
- b. Expand scope of company-wide goals and other requirements to include subcontractors
- c. Focus project goals on targeted workers and women, set minimums for apprentice hours, set project-specific goals for apprentice and journey hours
- d. Additional collaboration with trade unions, non-union groups, high schools and others to eliminate employment disparities
- e. Expand program administration to operate new components

8a. Potential goals for disadvantaged neighborhoods

HUD-defined Qualified Census Tracts (inside/outside KCMO)



50% of HHs have incomes below 60% of Area Median Gross Income or have poverty rate of 25% or more

8a. Young adults ages 18-24 in QTCs (continued)

- 33,000 in QTCs (20% of labor market area total)
- Most are people of color
- 18,500 (55%) of total young adults in QTCs are city residents

8b. Company-wide goals for individual primes and subs

- Expand current requirements to subcontractors
- Continue current provisions regarding compliance and reporting
- Set company-specific goal for female workers and targeted workers
- Each company shows good faith efforts to meet its company-wide goals to be eligible to be in bids for City-related contracts

8c. Project goals

- Project specific minimum for total apprentice hours on project (e.g., 20% of total hours)
- Female and targeted worker goals for apprentice hours
- Female and targeted worker goals for journey worker hours
- Continue reports on hours for people of color and city residents

8d. Additional collaboration

- City agreements with trade unions, training programs, other partners
 - Union and non-union apprenticeship and other training programs would include inclusion and retention efforts, goals and reporting
 - Contractors that hire through organizations with agreements can use that to show good faith efforts (no change from current)
 - Otherwise, contractors need to show their own good faith efforts (change from current ordinance)

- Programs to expose students to construction careers

- Encouragement of effective pre-apprenticeship programs

- Supportive services for entrants into pre-apprenticeship, apprenticeship and other training (with City funding)

8e. Program administration

- Recommendations build on existing ordinance, infrastructure and reporting systems
- City would still need to:
 - Educate contractors and workers about changes
 - Add targeted worker field to contractor reporting
 - Add targeted worker registration step to First Source registry
 - Expand company-wide goals to subcontractors
 - Set project-specific goals (discontinue uniform goals)
 - Implement/monitor agreements with union and non-union organizations
 - Change good-faith efforts review
 - Add program compliance to pre-approval for prime and subcontractor participation in City-related projects (at bid stage)
 - Make other needed changes

8e. Program administration (continued)

- Periodically review program, including definition of targeted worker
- Add staffing resources to program administration, add funding for supportive services