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Commentary to Chambers of Commerce Members

(This commentary was commissioned by my client, the Sacramento Asian-Pacific Chamber of Commerce for it and two other chambers. The writing is entirely mine, with only a few changes made by the client).

## **Community & Workforce Training Agreement: We're focused on jobs and small business**

Recently, the Sacramento Asian-Pacific Chamber, Sacramento Black Chamber and Sacramento Hispanic chambers made an unprecedented move to support the Sacramento City Council's Community Workforce and Training Agreement.

We would like to recap for members of the three chambers the key reasons for that decision. They are easily summed up and comprise the filter by which we consider all actions taken by government: Is it good for our diverse, small business community?

Here are the elements of the agreement that ultimately lead to our support:

- The agreement applies only to city public works construction projects of \$1 million or more and only to public works construction projects that are 100 percent financed with public funds.
- The agreement establishes a goal that 30 percent of the work hours be performed by residents of the city—and in particular, small businesses.
- Residents of the city get priority on jobs referrals.
- A pilot small business utilization and compliance program that targets using Sacramento businesses on citywide projects will be established.

In addition, there's a workforce component: Twenty percent of hours worked by apprentices must be by those who live in selected economically disadvantaged zip codes and who are veterans, women, welfare recipients, prior offenders or homeless.

We agree with the labor unions that large city projects benefit by employing union workers—who have excellent training and also submit not to strike during construction. The labor unions, in turn, promise to hire local workers and make provisions that nonunion contractors—small businesses—can bid on projects.

Regional interests are cooperating to ensure that progress in the community is shared among many economic sectors. Currently on the drawing boards for the City of Sacramento are large projects such as

the Sacramento Convention Center, renovation of the Community Center Theater, a firehouse and a large sewer project. Because of this agreement, a healthy portion of that work will be done by local firms and local workers.

Some critics might ask if such an agreement is feasible and if there can be accountability. We can respond by pointing to a similar workforce and training agreement between labor unions and the firm that built the Golden 1 Center—whose financing included a hefty contribution from the City of Sacramento.

An audit released in late 2017 by the city found that local hiring goals were met, goals for local apprentice work were exceeded and involvement of local small businesses were met.

This audit gives us confidence that the agreement we supported has achievable goals and they can be substantiated. Moreover, the audit demonstrates a willingness by the labor unions to hold to their part of the bargain.

The decision by the chambers to support the City of Sacramento's community and workforce training agreement is both historic and controversial. In our years as chamber leaders and business people, many times we have seen that the hard work of progress is possible only when actions taken are, in fact, unprecedented and raise eyebrows. That's how change happens—when you buck the trends and act against "conventional wisdom."

And that's how our chambers have operated over the years. We are not conventional chambers. We have special interests and represent a diverse population. We are very proud the ethnic chambers joined together in supporting our small businesses, local labor unions and the City of Sacramento to help drive business to local firms and to hire local and disadvantaged workers—all the while improving the landscape of the city.

The agreement helps create good middle class jobs. It provides for reinvestment in the community. That's the basis for good economic development.

[Signed: By Azizza Davis Goines, President & CEO, Sacramento Black Chamber; Pat Fong Kushida, President & CEO, Sacramento-Asian Pacific Chamber and Cathy Rodriguez, President & CEO, Sacramento Hispanic Chamber of Commerce]