

WORKFORCE GOALS

An important part of a conversation that examines the future of the St. Louis region is understanding the role local governments play in developing and promoting a workforce that is representative of the citizens who use and fund those governments. As such it is imperative to understand what goals and requirements are in place to promote diversity among the workforces that are employed or contracted with using taxpayer dollars. The following represents a brief overview of workforce utilization standards in three major St. Louis regional governments: St. Louis City, St. Louis County, and the Metropolitan Sewer District (MSD).¹

St. Louis City

The City of St. Louis began utilizing workforce diversity standards in 2009 with the passage of city ordinance 68412. This ordinance established labor diversity participation goals for each City “Public Works Contract for which the design team’s base value of the contract is One Million Dollars or more” (Section Three). These goals indicated that a designated percentage of the labor hours for each qualifying contract be performed by minorities, women, St. Louis City residents, and apprentices. The ordinance outlined definitions for minorities to include Black Americans, Hispanic Americans, Asian Americans, and Native Americans and introduced a goal of 25% of labor hours on public works contracts over \$1 million be performed by members of these groups. Additionally, it set the goals for participation of women to represent at least 5% of the labor hours for such projects (Sections One & Three). Finally, the 2009 measure set a goal of 20% of labor hours to be performed by residents of the City and 15% of hours performed by apprentices (Sections Two & Four).²

In 2013, St. Louis City enacted an updated ordinance relating to workforce diversity goals. This ordinance – #69427 – repeals the 2009 ordinance and adds new standards in lieu of ordinance 68412. In addition to the goals set forth in the previous version, ordinance 69427 expands workforce diversity goals to include not only public works projects but all Tax Increment Financing (TIF) Projects and St. Louis City Bonded Projects with a base value over \$1 million. Further, the new ordinance charges the St. Louis Agency for Training and Employment (SLATE) and the St. Louis Development Corporation (SLDC) with determining the costs associated with implementation of monitoring and compliance on these projects as well as the ability to establish appropriate fees to cover the costs determined (Section Six). Lastly, the 2013 ordinance increased the size of the Community Jobs Board – which reviews and provides feedback to SLATE on the implementation and impact of the ordinance – from nine to thirteen and establishes procedures for non-compliance that include the possible barring of offending developers and/or general contractors from public works contracts or TIF projects for a period of

¹ While MSD is an independent entity and does not provide municipal level services, it maintains a very prominent presence in the regional public works infrastructure and has considerable influence in helping shape the standards that guide diverse workforce development. Further, MSD is consistently a leader in setting inclusive goals and standards among the workforce they employ to maintain St. Louis’ sewer systems.

² The ordinance defined apprentices to be individuals “enrolled in any training program approved or recognized by the United States Department of Labor, Employment and Training Administration (ETA), Office of Apprenticeship (OA).” St. Louis City Ordinance 68412, Section Two.

up to two years with additional sanctions possible (Sections Eight & Ten). The changes from the 2009 ordinance to the present version reflect both an expansion of the scope and potential impact of the workforce participation goals and also empower the agencies overseeing these inclusion goals the necessary authority to enforce them in instances of a breach. This progression affirms St. Louis City's dedication to developing and growing a workforce that is more representative of the citizens it serves.

MSD

In 2012 the Metropolitan Sewer District (MSD) commissioned a study to better understand the workforce in the St. Louis region and help establish its own workforce diversity goals.³ The primary basis for seeking such information was an upcoming \$4.7 billion multi-decade effort to upgrade and improve much of the sewer infrastructure in the St. Louis region and MSD's professed commitment "to ensuring equal employment opportunities for the City of St. Louis and St. Louis County residents who will fund this program through a utility rate increase" (Preface). The resulting workforce goals represent the most ambitious inclusion standards for the region. The goals apply to construction and professional service contracts valued at \$500,000 and above.⁴ For construction contracts, MSD aims to have 30% of the labor hours performed by members of minority classes – African Americans, Asian Americans, Hispanic Americans, or Native Americans. They also have a goal of 7% of construction labor hours being completed by women and 30% being completed by local residents (1-27, 28). Finally, for contractors who utilize apprentice labor, it is required that 40% of those hours worked be performed by apprentices (1-29).

In addition to workforce diversity goals for construction, MSD has established goals for both engineering and non-engineering professional service contracts. Those goals require that 18% of professional service labor hours be performed by minorities and 32% be performed by women.⁵ In an effort to help local firms come into compliance with these goals, MSD is willing to work with contractors who do not yet meet the requirements as long as they have a program in place that demonstrates a good faith effort to meet workforce diversity goals. As expressed in their 2012 Workforce Study, MSD recognizes the scale and magnitude of its Capital Improvement and Replacement Plan and its potential to "create long-term economic and employment benefits within the region."⁶ With the workforce diversity goals currently in place at MSD there is great potential to ensure continued development of a strong local workforce that is representative of the demographic makeup of St. Louis City and County.

³ *Workforce Study*, Metropolitan St. Louis Sewer District, December 2012.

⁴ Memoranda from Metropolitan Sewer District Business Diversity on MBE Utilization and Workforce Program Building Construction Projects and Non-Building Construction Projects (February 2014) (<http://www.stlmsd.com/aboutmsd/diversityinformation/supplierdiversity>).

⁵ Memoranda from Metropolitan Sewer District Business Diversity on Minority and Women Workforce Utilization Program Engineering Professional Service Projects and Non-Engineering Professional Service Projects (August 1, 2013) (<http://www.stlmsd.com/aboutmsd/diversityinformation/supplierdiversity>).

⁶ *Workforce Study*, "Preface," Metropolitan St. Louis Sewer District, December 2012.

St. Louis County

Currently, there are no workforce diversity goals or requirements in place for contracts from St. Louis County. However, in January 2014 St. Louis County hired its first Diversity Program Manager who is currently leading a disparity study. This study will allow St. Louis County to better understand the scope and depth of the issue and how implementing workforce goals might affect our region's ability to develop a workforce that is representative of the citizens who fund its governments.

Conclusion

While St. Louis City and MSD have made great strides in beginning to implement and enforce workforce diversity standards for the region, it is obvious more could be done. In order for the St. Louis region to continue growing and offering strong economic opportunities for its diverse population, it is critical that the region adopt standards to promote diversity among the current and future generations of workers in the region. One way to do this would be to adopt uniform workforce goals across the St. Louis region. An important first step in this effort is St. Louis County implementing its own workforce utilization standards related to contracts it issues. By implementing standards for one of the largest governments in the region, efforts to enhance the diversity of the current and future workforce in St. Louis would be helped greatly and the region would be one step closer to developing a workforce that is representative of the diversity of the citizens who reside here.

REGIONAL DEMOGRAPHICS & WORKFORCE STANDARDS

Regional Demographics (2012 Census Projections)

	Saint Louis City	Saint Louis County	Combined (City & County)
Total Population	319,112	1,000,473	1,319,585
Female	51%	52.7%	52%
White	45.9%	70.5%	65%
African-American	48.5%	23.6%	30%
Asian	3%	3.8%	3.6%

Regional Workforce Goals

	St. Louis City ¹	St. Louis County	MSD – Construction ²	MSD - Construction ³	MSD - Professional Services ⁴
Minority	25%	-	30%	30%	18%
Women	5%	-	-	7%	32%
Resident	20%	-	-	30%	-
Apprentices	15%	-	-	*	-

¹ Applies to each public works contract, tax increment financing project, and St. Louis City Bonded Project with an estimated base value of \$1 million or more

² Projects estimated at \$50,000 and over

³ Projects estimated \$500,000 and over

⁴ Includes both professional engineering and non-engineering professional services

* MSD requires that 40% of apprentices working on projects estimated at \$500,000 and over be minority or female apprentices