As state and local governments pursue projects to address climate change—such as building wind farms and solar fields, installing electric vehicle infrastructure, and improving building efficiency—they should use their powers in a way that delivers value for taxpayers and benefits working people. The need to address climate change is clear and urgent, as record heat, severe flooding, and smoke-filled skies continually remind. So, too, is the need to create high-quality jobs: Wages for most workers have been stagnant for decades, and the COVID-19 pandemic has exacerbated long-standing problems in the economy.

Reaching a clean energy future will transform major sectors and spur new employment opportunities. In 2019, the clean energy economy employed more than 3.3 million workers. Climate policies present an opportunity to create high-quality union jobs and make the economy more equitable for people of color, women, and other disadvantaged groups.

State and local governments can have an enormously powerful effect on labor conditions not only when they pass laws setting labor standards that are higher than federal standards but also when they purchase goods and services or promote projects such as through the use of tax incentives and loan guarantees. State and local governments should require that companies providing goods and services purchased or subsidized by the government, as well as companies working on projects subject to the government’s regulatory or permitting decisions, adhere to wage and benefit standards that will provide good jobs to their employees and deliver quality goods and services to taxpayers.

Five key measures that state and local governments should apply to all climate-related work financed through contracts, grants, loans, or tax incentives, or work that is subject to government permitting, include the following:

1. Promote good relationships between workers and firms by using labor peace agreements and project labor and community workforce agreements

2. Protect existing compensation standards with prevailing wage requirements

3. Use workers’ boards to promote high standards
4. Expand access to apprenticeships and other training provided by joint labor-management partnerships

5. Ensure compliance with workplace laws

---

1. Promote good relationships between workers and firms by using labor peace agreements and project labor and community workforce agreements

Employers often engage in sophisticated campaigns to prevent workers from forming unions such as by forcing workers to attend anti-union meetings—including one-on-one conversations with supervisors—and pressuring workers to reveal their private preferences for the union. These kinds of actions frequently lead to labor disputes, delays, and disruptions that reduce the quality or timely delivery of goods and services. State and local governments can, as market participants, take steps to help limit labor disputes and ensure that their spending leads to the timely delivery of quality goods and services.

**Labor peace agreements**

To help prevent labor disputes, state and local governments may require labor peace agreements on certain projects when there is a risk of labor disruption. The heart of a labor peace agreement is a requirement that government contractors and permittees have binding contracts with labor organizations that either represent their employees or are seeking to represent their employees. These contracts between companies and unions prohibit strikes, work stoppages, and lockouts, and they often ensure that companies remain neutral during union-organizing drives. The government-imposed obligation to enter into labor peace agreements also often includes a requirement that the companies’ agreement with unions has a mechanism for final and binding arbitration of unresolved disputes relating to union representation and collective bargaining.

**Project labor and community workforce agreements**

On some large building projects—for example, new construction or restoration of bridges, tunnels, and buildings—governmental bodies can require contractors to use project labor agreements (PLAs) and community workforce agreements (CWAs). PLAs and CWAs are prehire agreements between construction managers and unions that set the terms of employment for those who will work on the project. Unlike a collective bargaining agreement, a PLA is project-specific, covers all the crafts that will work on the project, and is in effect only for the duration of the contract.
Many PLAs also include provisions for hiring a portion of the workforce from targeted communities and, when they do so, are sometimes known as CWAs. The community workforce provisions provide a mechanism for disadvantaged groups to gain access to skills development and high-paying jobs, particularly when these provisions are paired with apprenticeship training opportunities. For example, the agreement covering construction of the bridge that replaced the old Tappan Zee Bridge spanning the Hudson River took strong steps to promote local jobs for the diverse community. The agreement required that

... up to 50% of the apprentices placed on the project shall be first year, minority, women, or economically disadvantaged apprentices as shall be 60% of the apprentice equivalents, placed on the project, who do not necessarily meet all of the age or entrance requirements for the apprentice program or have necessarily passed the entrance exam.9

PLAs and CWAs provide significant advantages to governmental bodies as they substantially reduce job interruptions that are occasioned by jurisdictional disputes or labor stoppages due to strikes and set terms and conditions of employment that are predictable and applicable over the full term of the construction project. (Generally, unions and construction managers agree that wages will be increased in accordance with increases in area master contracts.) Unions also like these agreements because they can support union membership and maintenance of appropriate wage and benefit standards throughout the project.10

Several states have moved to include PLAs in their climate proposals. For example, Oregon’s proposed Clean Energy Jobs bill directs its Department of Administrative Services to adopt rules requiring the use of PLAs for construction projects costing more than $200,000.11 In addition, Washington state’s Clean Energy Transformation Act, passed in 2019, created a 100 percent sales tax exemption for renewable energy projects developed under a CWA or PLA.12

2. Protect existing compensation standards with prevailing wage requirements

Prevailing wage laws require that companies working on government-funded projects pay wages and benefits that at least match compensation levels prevailing in the industry and region. This ensures that government spending does not drive down market wages and helps to standardize wages across an industry. In industries with a significant number of high-road, unionized firms, prevailing wage laws support higher compensation standards than typical minimum-wage laws and prevent these standards from being undercut. Prevailing wage laws also lead to high-quality work at little to no additional cost to taxpayers.13
Advocates for good jobs can press state and municipal governments to initiate or expand prevailing wage law requirements. Prevailing wage laws are common in the construction sector, and states are beginning to mandate them on clean energy projects as well. For example, a 2019 bill in Connecticut requires that developers bidding on up to 2,000 megawatts of offshore wind projects commit to paying their workers prevailing wages. But prevailing wages need not be limited to the construction sector. A number of local governments, including New York City and Jersey City, New Jersey, have adopted prevailing wage laws that apply to government service contracts, and this concept should be applied to climate service jobs such as operations for green buildings.

In developing these laws, policymakers should ensure that the prevailing wage is determined in a manner that recognizes the value of collective bargaining in setting high standards, as a number of governments already do for at least some forms of spending. Several states explicitly use collectively bargained rates, without regard for a set coverage threshold, to determine prevailing wages for public works projects. Jersey City calculates the prevailing wage for building service workers based on the collectively bargained wages from the union contract that covers the most workers in a given classification, provided that the contract covers at least 200 workers. States such as Illinois and New York set prevailing wages based on the wage paid to a certain percentage of workers in an industry or locality and set the percentage at a level the enables unions to influence the standard. States and cities can even use the prevailing wage as a way to set minimum standards for all work in an industry, regardless of whether it is government funded.

3. Use workers’ boards to promote high standards

Workers’ boards—also known as wage boards—are governmental bodies that bring together representatives of workers, employers, and the public to set minimum standards for jobs in particular regions and industries. In sectors where union membership is lower and the sector too fragmented for independent collective bargaining to cover many workers, and where the prevailing wage is low, workers’ boards can provide a way to establish higher wage and benefit standards. Workers’ boards can also foster more traditional bargaining through features that build power for workers as well as by forging a negotiating relationship between employers and worker organizations.

Workers’ boards can set minimum wages and benefits—or floors—for jobs across an industry as well as institute wage scales requiring higher pay for greater skills or experience, along with safety and training standards. Several states, including New York and California, allow wage boards for a variety of sectors. Seattle has a more robust version for domestic workers, and proposed legislation in Washington state would create a particularly strong version for independent contractors. Lawmakers should establish workers’ boards in the climate space as well.
Advocates for good jobs should fight for the adoption of workers’ board mechanisms. Legal provisions prescribing workers’ board processes should ensure that workers have strong rights to participate in board proceedings and are protected against retaliation. Advocates should encourage organizations to reach out to workers and engage them in board activities. These elements can help build union strength and potentially lead to more direct bargaining.  

For states and localities that already have in their laws a mechanism to set up a wage or workers’ board, the task at hand is often the political one of creating the grassroots campaign that will push the appropriate public officials to establish the board and appoint members to it who are responsive to workers’ needs. In other areas, there may not yet be a provision in the law to establish a workers’ board. The task in these areas is to create the grassroots campaign that will push public officials to enact the appropriate law.

4. Expand access to apprenticeships and other training provided by joint labor-management partnerships

Government-registered apprenticeship training programs are a proven training model that combines structured classroom instruction with paid on-the-job training. Apprenticeship training can lead to high-paying jobs and create opportunities for career advancement. Employers in the building and construction industry, working with unions, have long used registered apprenticeship training programs to provide a steady pipeline of highly qualified workers who meet federal and state standards for safety and training. Doing so helps ensure quality production on government projects now and in the future. Other labor-management training partnerships also have a strong record of producing high-quality training that leads to a good job, in contrast to many training programs that do not involve unions.

To expand the scope of high-quality apprenticeship and other joint labor-management training programs as well as to ensure that these efforts increase access to training for Blacks, Hispanics, women, and other historically disadvantaged communities, lawmakers can take several steps. First, they can require that 15 percent or more of labor hours on large-scale infrastructure projects be performed by apprentices participating in programs that meet federal and state registered apprenticeship standards, as, for example, Washington state and Alaska have done for projects across the state. New Mexico’s Energy Transition Act, for example, would require that 10 percent of workers on the construction of new electricity generation facilities be qualified apprentices in 2020, increasing to 17.5 percent in 2024–2026 and 25 percent thereafter.
In addition, lawmakers can require these projects to adopt a targeted-hire initiative that establishes mandatory hiring requirements and partners with local community groups to ensure that affected groups—such as local residents, women, people of color, workers with disabilities, and other disadvantaged groups—are able to access these jobs, similar to the policies adopted by San Francisco and the Los Angeles County Metropolitan Transportation Authority. Climate policies are also starting to include local hiring provisions. For example, Minnesota is currently considering clean energy legislation instructing the public utilities commission to “consider local job impacts and give preference to proposals that maximize the creation of construction employment opportunities for local workers.” The bill would also allow public utilities to recover from ratepayers the expenses incurred for efforts to maximize employment of local workers to construct and maintain generation facilities that supply power to the utility’s customers.

In industries and regions with few established registered apprenticeship training programs or where established apprenticeship programs have little capacity to fulfill demands for training, policymakers should provide funding to labor-management intermediaries to develop apprenticeship programs or paid work-based learning programs and to ensure that training funds do not go to low-quality programs that do not involve unions.

5. Ensure compliance with workplace laws

Unfortunately, government contractors frequently violate standards such as prevailing wage laws and more general workplace standards such as minimum wage, overtime, and sick leave. Several steps would help secure enforcement of these laws, including beefing up governmental labor inspectorates and permitting workers to take legal action on their own, or on behalf of the government, against companies that violate their rights. In addition, more stringent requirements in the processes governing bidding for government contracts could engender more compliance. For example, requirements providing for more exacting reviews of bidders’ records of compliance with workplace laws, requirements that persistent violators come into compliance before they are able to receive new contracts, and requirements that preference be given to the bids of employers who have a track record of upholding high standards and complying with the law. As one example, Oregon’s Clean Energy Jobs bill would require participating contractors to “demonstrate a history of material compliance with the rules and other requirements” of labor and employment agencies as well as federal and state wage and hour laws.

One recent approach that seems to have great potential for securing compliance with wage laws is co-enforcement. Traditionally, legislatures have left to governmental bodies the full burden of investigating whether companies have complied with the law and taking measures to enforce compliance. Even if they were
adequately funded, however, these agencies could not reach all worksites, and they can struggle to build trust with workers.\textsuperscript{38}

Co-enforcement is an approach that creates a partnership between the governmental bodies charged with enforcement and workers’ support groups that have strong incentives to ensure compliance with the law, including unions, worker centers, religious organizations, and other volunteer groups.\textsuperscript{39} Co-enforcement has been shown to improve “compliance and enforcement.”\textsuperscript{40} An additional benefit is that it can provide opportunities for workers to interact with and join unions or other worker organizations.

Co-enforcement involves several components: a formal role for worker organizations educating workers about their rights and helping government inspectors, providing these organizations with workplace access, and funding for their efforts. In one of the oldest co-enforcement programs, the Los Angeles Unified School District and other city agencies partner with trade unions to train volunteers to enforce the prevailing wage laws on district projects. The district authorizes these volunteers to conduct site visits and interview workers about compliance as well as help with audits, hearings, and review conferences.\textsuperscript{41} In co-enforcement programs adopted by states such as California,\textsuperscript{42} cities such as San Francisco\textsuperscript{43} and Seattle,\textsuperscript{44} and counties such as Multnomah, Oregon,\textsuperscript{45} grants are provided to worker organizations to inform workers of their rights and help them take action against law-breaking companies.

Conclusion

By relying on the five proven strategies outlined above, state and local governments can ensure their efforts to address climate change benefit workers, high-road employers, and taxpayers. Though governments throughout the country have successfully adopted these strategies, good-job advocates may want help as they pursue them in their locality. Supporters of good jobs will want to ensure, for example, that the policies are drafted to withstand common legal challenges and are supported by the best research. The Climate Jobs National Resource Center and Center for American Progress can help advise advocates on best practices and can provide examples of agreements, ordinances, and related documents that have proven valuable to advocates for workers.

\textit{David Madland is a senior fellow at the Center for American Progress. Terry Meginniss is an adviser to the Climate Jobs National Resource Center.}


10 A good discussion of the advantages of PLAs for governmental bodies, contractors, and unions may be found in Kotler, “Project Labor Agreements in New York State.” Notably, the report concludes that PLAs do not drive up construction costs on covered projects.


14 CAP will soon release a report outlining best practices for state and local policymakers seeking to create new and expanded prevailing wage laws for government-funded work.


20 See, for example, Washington, D.C.’s law regarding security guards, which states that “[b]eginning on July 1, 2019, and no later than July 1 of each successive year, an employer shall pay a security officer working in an office building in the District of Columbia wages, or any combination of wages and benefits, that are not less than the combined amount of the minimum wage and fringe benefit rate in effect on September 1 of the immediately preceding year for the guard classification established by the United States Secretary of Labor pursuant to Chapter 67 of Title 41 of the United States Code (41 U.S.C. § 6701 et seq.); as amended.” See: D.C. Code §32-1003(h), available at https://code.dccouncil.us/dc/council/code/titles/32/chapters/10/.


For an example in the clean energy space, see the Electric Vehicle Infrastructure Training Program (EVITP)—a partnership between unions, auto manufacturers, utilities, and educational institutions—which training electricians to install and maintain electric vehicle charging stations. Electric Vehicle Infrastructure Training Program, “Home,” available at https://evitp.org (last accessed July 2020).


Seem N. Patel and Catherine L. Fisk, “California Co-Enforcement Initiatives that Facilitate Worker Organizing.”

