



City of Cleveland
Frank G. Jackson, Mayor

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June 1, 2015

The Honorable Clifford A. Rosenberger
Speaker of the House of Representative
77 S. High St.
14th Floor
Columbus, Ohio 43215

The Honorable Keith Faber
Ohio Senate President
Statehouse
1 Capital Square, 2nd Floor
Columbus, Ohio 43215

Dear Speaker Rosenberger and Senate President Faber:

The City of Cleveland strongly opposes House Bill 180 & SB 152, which seeks to prohibit Ohio cities from using geographic-based hiring preferences in the performance of local construction projects. HB 180 & SB 152 is a misguided attempt to block the leveraging of federal, state and local construction dollars to improve Ohio's workforce, rebuild our urban areas, and strengthen Ohio's economy.

Ongoing unemployment among Ohio's urban populations continues to hamper Ohio's economic recovery and contribute to the segregation of our cities by race and income level. Our young people have increasing difficulty getting a start in Ohio's workforce. These workers and the overall economy of Ohio will benefit from the local jobs created through the use of geographic-based hiring preferences on construction projects: jobs with apprenticeships, clear career paths, and quality on-the-job training.

Local laws that enact geographic-based hiring preferences in the performance of construction projects are intended to combat unemployment and poverty by requiring resident participation in the making of a community's capital improvements. These laws respond to a pressing need to include community residents in the employment opportunities afforded by projects funded in whole or in part by local dollars.

In 2003, Cleveland enacted a resident employment law. Extensive public hearings and testimony revealed that even though Cleveland's residents possess the skills and training required to work on constructions projects and Cleveland has a higher unemployment rate and higher poverty rate than its surrounding communities, few employment opportunities arose for Cleveland residents on Cleveland-financed construction projects. The purpose of Cleveland's law is to alleviate unemployment and poverty in Cleveland through employment opportunities on construction projects funded, in whole or in part, with City assistance. Local hiring preferences are essential to promote opportunities for local workers by ensuring that they participate in, and benefit from, the economic opportunities that these projects present.

While Cleveland's law is designed to stem unemployment and poverty in Cleveland, full and open competition is an essential component of Cleveland's law. Cleveland's law does not impose pre-conditions on contract awards or requirements on competing bidders. It affects contractors after contract award only. It does not restrict competition, have an anti-competitive effect, prefer "local" contractors, or give a competitive advantage or disadvantage to any bidder. It supports full and open competition. At the same time, it affords a meaningful opportunity for employment to Cleveland's residents.

Cleveland's unemployment rate remains unacceptably high. Cleveland's resident hiring law is a reasonable and key component of Cleveland's economic recovery efforts. HB 180 & SB 152 targets Cleveland's efforts. If adopted, HB 180 & SB 152 will signal that our state government is opposed to local initiatives in urban areas to help improve their local economies and the lives of their residents.

Cleveland's law requires that construction contracts of \$100,000 or more contain a provision that Cleveland residents perform at least 20% of construction worker hours on the project. A City contractor may readily satisfy that obligation or minimize the prescribed percentage in several ways: 1) the law specifically excludes the number of hours of construction work performed by non-Ohio residents; 2) a contractor may count toward its requirement hours performed by Cleveland residents employed by the contractor or any subcontractor on other, non-City, construction contracts at the same time; and 3) the law permits a City contractor or potential contractor to request and obtain a reduction in the minimum percentage of construction worker hours to be performed by residents.

Cleveland's law does not disadvantage or exclude a class of potential bidders from the pool of applicants or limit competition. It furthers Cleveland's goal of investing in our City, a community struggling to improve employment opportunities and reduce poverty.

Contrary to the statements of the sponsors of HB 180 & SB 152, Cleveland's geographic-based hiring preference does not unfairly impact non-Cleveland construction workers in Ohio. Under Cleveland's law, up to 80% of the construction worker hours on the project can be performed by non-Cleveland construction workers from Ohio.

Contrary to the assertions of the sponsors of HB 180 & SB 152, there is simply no evidence that geographic-based hiring preferences increase project costs or force the use of untrained workers. Contractors do not transport large numbers of employees from out of town to a construction site. This would be cost prohibitive. Hiring construction workers locally eliminates these costs. While use of skilled workers is a necessity on construction projects, these same projects offer numerous opportunities for entry-level workers. All construction workers were "untrained" when they started their careers. Once given the opportunity to work on construction projects performing the most basic tasks, these "untrained" workers receive the training and experience they need to find permanent employment and long-term career opportunities. More importantly, Cleveland's population includes trained construction workers. Any inference that Cleveland's law compels construction contractors to only hire untrained construction workers in Cleveland is insulting.

Contrary to the assertions of the sponsors of HB 180 & SB 152, geographic-hiring preferences do not build walls against employment but rather create new opportunities for employment. Low-income workers, women, people with disabilities and people of color are vastly underrepresented in construction jobs, when compared with their overall participation in the workforce. This is a missed opportunity for connecting our citizens to quality jobs, especially given the wages and benefits associated with construction work. Local hiring on construction projects offers a pathway toward full workforce inclusion for all members of our community.

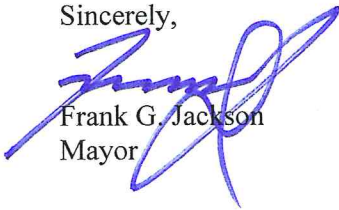
Ultimately geographic-based hiring preferences can improve the overall economy of Ohio. In addition to the immediate economic benefits to Ohio's urban areas through wage reinvestment, the use of local-hire programs leverage the investment of construction dollars to facilitate a growing construction workforce in Ohio. This will result in a long-term strategic goal of a creation of a local, skilled construction workforce available to effectively respond to the growing demand for infrastructure improvements throughout Ohio and the nation.

Does Ohio advance economically or do we put up walls to prevent inclusion and participation by Ohio residents traditionally excluded from construction-related employment opportunities?

By leveraging construction dollars to create employment opportunities in the very communities in which the projects are located, the State of Ohio can support more equitable distribution of quality jobs, the creation of career ladders and opportunities in disadvantaged communities, and strengthen local economies. Local hiring preferences do not hamper competition, but instead communicate to our residents and to our small businesses owners that they will benefit from publicly funded projects in their cities. HB 180 will destroy these efforts.

I urge all legislators to vote against House Bill 180 & SB 152.

Sincerely,



Frank G. Jackson
Mayor