

ILLINOIS DEPARTMENT OF LABOR

STATE OF ILLINOIS

ILLINOIS PREVAILING WAGE ACT REPORT

820 ILCS 130/3.2

**2020 Recommendations to
Increase Female and Minority Participation on Public Works**

JB Pritzker
Governor

Michael D. Kleinik
Director



Prevailing Wage Act (820 ILCS 130/3.2)

(b) No later than December 31, 2020, the Department of Labor shall create recommendations to increase female and minority participation on public works projects by county. The Department of Labor shall use its own study, data from the U.S. Department of Labor's goals for Davis-Bacon Act covered projects, and any available data from the State or federal governments.

Introduction

Apprenticeship programs provide vital career training, which for many Illinoisans, creates a pathway to the middle class. It is commonly known that minorities have not always had an equal chance to a clear pathway to get into the construction industry, and for many years, interested parties have tried to open up access to a construction career for people from underrepresented communities. Numerous meetings have been held, laws passed, and outreach efforts performed. Many advocates argue that construction unions need to be more proactive about recruiting and retaining minority members.

To that end, the General Assembly passed, and Governor Pritzker signed, Public Act 100-1177, which became law in 2019. Among other things, this law requires the Illinois Department of Labor to collect and study information on the demographics of construction apprenticeship participants and to release the following report and recommendations to increase access to construction careers for minority and female workers. Illinois Department of Labor was charged with providing recommendations “by county.” The contractors were unable to provide us with sufficient data to make recommendations by county. However, barriers to participating in the construction industry don’t recognize county lines, and exist for minorities and women across the state, and therefore these recommendations are the same for each county in Illinois. In the future, the Illinois Department of Labor commits to working with contractors to improve the collection of data on the construction labor force on public works projects. It is our goal to remove barriers in counties and regions in the state, with the understanding that population demographics and work opportunities vary widely across the state.

Background on Apprenticeship and Pre-apprenticeship Programs

Apprenticeship programs are established by employers, often in partnership with labor unions. In union apprenticeship programs, unions represent the workers, the contractors hire and employ the workers, and together, they run apprenticeship and training programs. A single union will have dozens of contractors participating in their apprenticeship program partnership through financial contributions to the apprenticeship fund (joint apprentice trust).

Non-union contractors may have their own individual apprenticeship programs using their own curriculum.

Apprentices are employed on construction projects right alongside journeymen, on public works projects and private construction projects, across Illinois. An apprentice tradesperson might work consistently for one contractor for the duration of their apprenticeship. However, most union apprentices work on a variety of jobs, for a variety of contractors that are all part of the same multi-employer apprenticeship program, as the individual contractors’ labor demands change depending on how much work they have. Just like a journeyman, a union apprentice might do a one-week job for one contractor, then be laid off, then go work for six weeks on a different job for a different contractor.

Apprenticeship programs and labor unions are regulated by the United States Department of Labor. Other than collecting data, issuing reports, and making recommendations, the Illinois Department of Labor does not regulate or enforce laws regarding apprenticeship programs or labor unions.

Pre-apprenticeship programs, which are distinct from apprenticeship programs both in what they try to accomplish, and who operates them, are often run by community groups, high schools, community colleges and/or labor unions. The purpose of a pre-apprenticeship program is to remove the barriers that prevent an individual from being qualified to gain acceptance to an apprenticeship program. For example, a pre-apprenticeship program might teach remedial math, tool identification, and job interview skills. Though completion of a pre-apprenticeship program is excellent preparation for success in an apprenticeship program, graduates from pre-apprenticeship programs are not always automatically guaranteed acceptance into an apprenticeship program. The Illinois Department of Labor does not regulate or have any jurisdiction over pre-apprenticeship programs.

Illinois Department of Labor Responsibilities

The Illinois Department of Labor is charged with enforcing wage laws, worker safety laws, and other laws protecting Illinoisans' rights on the job. The Illinois Department of Labor also collects data on workers on public works construction projects, via certified payroll reports, pursuant to the Prevailing Wage Act (820 ILCS 130), and participants in construction apprenticeship programs pursuant to the State Construction Minority and Female Building Trades Act (30 ILCS 577/35).

IDOL Certified Payroll Reports

The Illinois Department of Labor collects certified payroll reports from all contractors working on public works projects on a monthly basis. A certified payroll report is a listing of each person who worked on the project, their name and contact information, their demographic information such as race, ethnicity and gender, their military veteran status, their job classification and skill level, their gross and net wages, the number of hours they worked, and their hourly wage and benefit information. Please note that the requirement of demographic information on certified payrolls is new in 2020, so the Illinois Department of Labor has very little data to look at trends or statistics at this point in time.

Previously, certified payroll reports were collected from the contractors by the public body that had hired them for a project. Under Public Act 100-1177, which was signed into law in January of 2019, the Illinois Department of Labor was required to begin collecting all of the certified payroll information for each public works project in the state, and to create an online portal for contractors to submit those certified payroll reports. This creates a system to conglomerate the data in one centralized repository, which allows for study of the data and streamlined enforcement of violations of the Prevailing Wage Act. Local public bodies are no longer required to collect certified payrolls.

As required by statute, Illinois Department of Labor created the portal, but it was not accepting large contractor information until after September 1st. There was a significant educational effort by Illinois Department of Labor staff to bring contractors up to speed on the new requirement. Illinois Department of Labor will release a report by February 1, 2021 and every year thereafter on the number of people employed statewide and by county, by ZIP, as collected on certified payroll. This will allow for more specialized analysis for regions of the state.

IDOL Apprenticeship Survey

In Illinois, each year, non-union and union construction apprenticeship programs are required to submit a report to the Illinois Department of Labor that includes the number of participating apprentices and

their demographic information, including race, gender, ethnicity, and national origin. This is known as the State Construction Minority and Female Building Trades Report and has been published since 2009.

This data is published on the Illinois Department of Labor web site every year at:

<https://www2.illinois.gov/idol/Laws-Rules/CONMED/Pages/State-Construction-Minority-and-Female-Building-Trades-Act.aspx>

The Illinois Department of Labor publishes a report by March 31 of each year summarizing the information collected from the apprenticeship programs, including the number of apprentices broken down by gender, by race and ethnicity, by national origin, and the numbers in both union and non-union programs.

The 2019 report provides a compilation and summary of data submitted to Illinois Department of Labor by construction apprenticeship programs in Illinois for calendar year 2019. For the 2019 report, Illinois Department of Labor emailed a reminder to all the construction apprenticeship programs that participated in the survey in 2018. In addition, Illinois Department of Labor communicated with many businesses, associations, and labor groups to remind them about filling out a survey. This resulted in a large increase in responses from 2018 to 2019; however, the percentages stayed consistent with reports from prior years. As reflected in the 2019 report, there were responses from 890 construction contractors and different apprenticeship programs in Illinois that prepare individuals for employment in the building trades. These programs vary in length from three months to six years.

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Results of Data Analysis

The table of statistics that we have prepared is from several reports that the Illinois Department of Labor has access to:

- 2019 Census Estimate – statistics taken directly from Census.gov.
- 2019 IDOL Construction Apprentice Report – taken from the Illinois Department of Labor’s 2019 State Construction Minority and Female Building Trades Report.
- Certified Payrolls from April to November – statistics from certified payroll reports that contractors provided to the Illinois Department of Labor.
- 2019 Federal DOL Construction Data – was received from the United States Department of Labor’s Employment and Training Administration. The Illinois Department of Labor made an attempt to determine which companies were construction-related, and which ones were union/non-union. Based upon those determinations, we calculated the percentages below.

	Black	Latino	Asian	White	Female	Other
2019 Census Estimate	14.6%	17.5%	5.9%	76.8%	50.8%	2.9%
2019 IDOL Construction Apprentice Report	9%	18%	1%	70%	4%	3%
Contractor Certified Payrolls in April 2020	< 1%	14%	< 1%	61%	1%	38%
Contractor Certified Payrolls in May 2020	1%	21%	< 1%	82%	2%	16%
Contractor Certified Payrolls in June 2020	1%	32%	< 1%	76%	2%	22%
Contractor Certified Payrolls in July 2020	2%	26%	< 1%	81%	< 1%	17%
Contractor Certified Payrolls in August 2020	1%	28%	< 1%	76%	2%	22%
Contractor Certified Payrolls in September 2020	2%	25%	< 1%	79%	2%	19%
Contractor Certified Payrolls in October 2020	3%	28%	< 1%	72%	2%	24%
Contractor Certified Payrolls in November 2020	2%	30%	< 1%	71%	2%	20%
2019 Federal DOL Construction Apprenticeship Data (Union)	9%	20%	<1%	70%	4%	<1%
2019 Federal DOL Construction Apprenticeship Data (Non-Union)	12%	15%	<1%	69%	10%	3%

**Please note there may be margins for error when calculating statistics.*

***Our certified payroll statistics do not distinguish between union/non-union status.*

Summary of Statistics

- The data in the table appears to show labor unions are underperforming in training Black workers;
- Contractors are reporting employing even fewer black workers on their projects;
- For Latino workers, apprenticeships are on par with the Census estimate, and contractors are exceeding that percentage on their public works projects;
- However, non-union contractors are underperforming with respect to apprenticeships for Hispanics.

Findings and Recommendations

1. Opportunities – It is recommended that apprenticeship application procedures for each apprenticeship program in the state be filed with the Illinois Department of Labor. Each apprenticeship program shall provide contact information for their coordinator. In addition, the Illinois Department of Labor will keep a contact list of individuals interested in construction apprenticeships, including participants in state funded pre-apprenticeship programs, throughout the state. When apprenticeships are accepting applications, the Illinois Department of Labor could notify the potential applicants via email. The Illinois Department of Labor could post apprenticeship opportunities on its web site and would send a compiled report of these opportunities to all Illinois General Assembly members, the Illinois Department of Employment Security, and the Illinois State Board of Education periodically. Members of the Illinois House and Senate can provide those opportunities to their constituents directly.
2. Open Application Times – It is recommended apprenticeship programs might consider alternative methods of increasing the window of time during which individuals can apply to the program to better accommodate prospective applicants who may have other responsibilities preventing them from making specific windows of time.
3. Internships – It is recommended that construction contractors and union apprenticeship programs grant paid internships to minority individuals. These would be non-construction internships. The structure of the internship would need to be agreed upon. This can be done on a statewide basis, or regional.
4. Accountability – Require programs and contractors that file reports under the State Construction Minority and Female Building Trades Act to include information on outreach efforts to increase minority access to the construction trades.
5. Oversight – Labor leaders, contractors, community-based organizations, and legislative leaders must commit to meet on a regular basis. A contract or commitment document should be signed for this oversight committee. This could be done in conjunction with the Illinois Works Review Panel (30 ILCS 559). It is further recommended that the Illinois Department of Labor be granted a seat on the panel.
6. Apprenticeship Retention Review -- It is recommended that the annual apprenticeship reports include a listing of all apprentices who, for whatever reason, don't reach the journey person level, including address and phone number. The Illinois Department of Labor would do an audit of these individuals to understand the reasons for not completing their apprenticeship, which would allow the Illinois Department of Labor to make better recommendations to the General Assembly in the future.
7. Contracts – Require all contractors on public works to comply with Subchapter VI ("Equal Employment Opportunities") of Chapter 21 of Title 42 of the United States Code (42 U.S.C. 2000e and following) and with Federal Executive Order No. 11246 as amended by Executive Order No. 11375. These pertain to civil rights and ensure that contractors on public works projects meet a standard of fair treatment of their workers.
8. Brochures – Apprentice programs might consider providing brochures from local service agencies, other information regarding local social service providers, and other resources available to all apprentice participants.
9. Drivers' License Access – Build upon previous efforts to restore driving rights for individuals with minor offenses. Additionally, looking to expand drivers' education courses for anyone seeking to learn. These items will remove a barrier for individuals who need transportation for work.

10. Advisors – Apprenticeship programs should develop a network of experienced construction workers, perhaps retirees, who could do outreach to current apprentices to welcome them to the program and answer any questions they have about the industry. The culture in construction can be difficult to get used to, and it is critical to retain those first-year apprentices and prepare them for what a construction career is like.

11. Invest in Infrastructure – It is imperative that the state continue to invest in infrastructure, so there are construction jobs available for apprentices. It is vital that apprenticeship programs have consistent openings to increase inclusion of formerly disenfranchised populations. When there is no work to be done, apprenticeships won't accept any new applicants. It is recommended that the Illinois General Assembly pass a capital appropriation bill every year to continue this investment.

12. Bureau of Apprenticeship - Include funding for the Bureau of Apprenticeship under the Illinois Department of Labor in the budget. The Illinois Department of Labor has the authorization to set the Bureau up, but not the funding. The department was unable to do any in-person outreach due to the pandemic. With an appropriation and re-opening of the state, the Illinois Department of Labor can hire two staff to do outreach, targeted evaluations in each county, and identify ways to break down barriers for minorities.

13. Research - Additional research appears needed on why the percentage of minorities being employed on public works projects is lower than the percentage of minority apprentices going through training programs (as referenced in the data table).

14. Pre-Apprenticeship Programs – As mentioned earlier in the report, utilizing pre-apprenticeship programs can help break down barriers for minority populations by strengthening their qualifications for acceptance into apprenticeship programs. State funding through the Illinois Works Pre-Apprenticeship Grant Program for qualifying pre-apprenticeship programs should continue being a priority.

Conclusion

The Illinois Department of Labor will continue to work with the Illinois General Assembly and the Governor on implementing these recommendations. The Illinois Department of Labor's next report to the General Assembly will be due by February 1, 2021. It will include the total number of people and hours worked on public works projects broken down by county. The Illinois Department of Labor will break it down by 5-digit zip code, and the individual's residence during employment on public works.