

## **PRIORITY HIRE FAQs**

### **1. What is Priority Hire?**

King County's Priority Hire program is designed to prioritize the recruitment and placement of local workers, who reside in economically distressed communities in King County, on designated King County public works projects. The program is intended to help address construction workforce shortages, diversify the construction workforce, and improve the well-being of individuals who live in geographic areas of economic distress.

### **2. What is a Community Workforce Agreement (CWA)?**

A CWA is an agreement with labor unions that enables the implementation of priority hiring on projects. A Community Workforce Agreement is the same as a standard Project Labor Agreement (PLA) with the added element of allowing for Priority Hire workers. Like a PLA, a CWA is a comprehensive pre-hire collective bargaining agreement between a public entity and labor unions (i.e., the Building Trades), that sets the basic terms and conditions of employment for public works construction projects. The CWA directs all unions that take part in the agreement to prioritize workers who reside in economically distressed areas for dispatch to Priority Hire-covered projects.

The King County, Priority Hire program is implemented on all projects over \$5 million through a [Master Community Workforce Agreement \(MCWA\)](#) with the Seattle-King County Building and Construction Trades Council. King County's MCWA has strengthened collaborative relationships with its labor partners, reduced the risk of labor strikes or work stoppages on critical infrastructure projects and sustained the practice of priority hiring. King County's MCWA is available for use by any local jurisdiction as a model template to develop a project-specific CWA. To request a template CWA for the Priority Hire Grant Program, please email King County's Community Workforce Agreement Administrator, Joe Baca, at [jbaca@kingcounty.gov](mailto:jbaca@kingcounty.gov).

### **3. Is Priority Hire legal?**

Priority Hire uses economic factors—not race or gender or other protected categories—to determine who is eligible as a Priority Hire worker. [Priority Hire Zip Codes](#) were determined through a 2016 [study](#) of King County that identified economically distressed communities. For the purposes of the study, economically distressed communities were defined as areas above the benchmark percentile in two of the following three criteria: (1) high concentration of unemployed people in terms of persons per acre or share of total residents; (2) high concentration of people 25 or older without a college degree in terms of persons per acre or share of total residents; and (3) high concentration of people living at 200% of the federal poverty line in terms of persons per acre or share of total residents. Public entities applying for a grant from King County are encouraged to use these existing Priority Hire Zip Codes when building their own program.

### **4. How does Priority Hire benefit communities?**

A Priority Hire Program can lift residents living in economically distressed areas into the middle class with good living wage careers in the Building Trades. The Living wage jobs uplift communities, build a strong local economy, and enable individuals and households to thrive. Priority Hire is also a proven program for expanding and diversifying the construction workforce. The table below indicates the dramatic economic and inclusive workforce benefits of Priority Hire for the three-year period of 2019 through 2021.

	2019	2020	2021	Totals
<b>Priority Hire Wages Earned (millions)</b>	\$4.40	\$3.70	\$3.20	\$11.30
<b>Priority Hire Labor Hours</b>	93,875	79,810	72,953	246,638
<b>% Hrs. from Persons of Color</b>	45.2%	39%	47.2%	
<b>% Hrs. from Women</b>	13%	7.6%	11.4%	

Source: Apprenticeship and Priority Hire Programs Report for [2019](#), [2020](#) and [2021](#).

Most recently, the [White House recognized King County’s Priority Hire Program](#) as one of just six examples from across the nation showing how evidence can shape practices and policies to lead to better economic and equity outcomes for people and communities.

**5. Does Priority Hire result in added costs for construction projects?**

Based on King County’s experience since 2019, Priority Hire has not added direct labor costs to construction projects. Bid prices continue to be nearly the same as the engineer’s estimates based on the Program Report (Appendix A). Apart from direct labor costs, the administrative costs associated with the program primarily include the development of the CWA and a “CWA Administrator” who oversees the execution of the CWA on behalf of the jurisdiction. King County’s Priority Hire Grant Program is intended to help offset these initial administrative costs, thereby making it easier to start a local Priority Hire Program.

The County has created economy of scale efficiencies for implementing its Program by: (1) creating a Master CWA that can apply to any project (versus a project-specific CWA); and (2) deploying the CWA Administrator on multiple construction projects. In early 2023, the County plans to launch a new federally supported grant program. The grant program is intended to help local jurisdictions start up their own Priority Hire Programs and offset the initial administrative costs. See question #10 below for the names of contacts at King County who can provide more information about Priority Hire and the upcoming Priority Hire Grant Program.

**6. Does Priority Hire result in fewer competitive bids on construction projects?**

Priority Hire does not appear to result in fewer competitive bids based on King County’s experience. The [2019 Contracting Opportunities Report](#) (Appendix A) specifically compared bid rates on Priority Hire projects in 2019 compared to data from previous years involving “non-Priority Hire” projects. There was an average bid response rate of 3.3 per Priority Hire project [Page 15 2019 Report](#). In the three-year timeframe of 2016 to 2018, the average bid response rate was 2.7 per non-Priority Hire project. In the preceding three-year timeframe of 2013 to 2015, the average bid response rate was 3.7 bids per non-

Priority Hire project. These relatively small differences in bid rates between Priority Hire and non-Priority Hire projects lead to the conclusion that bid rates are more likely influenced by regional economic conditions for construction rather than the existence of a Priority Hire program.

Further, [the 2021 Contracting Opportunities Report \(Appendix A\)](#) indicates that there were 15 Priority Hire projects that year with an average of 3.9 bids per project. The increased bidding rate was largely due to lowering the threshold for Priority Hire projects from \$15M and over to \$5M and over. indicates that there were 15 Priority Hire projects that year with an average of 3.9 bids per project. The increased bidding rate was largely due to lowering the threshold for Priority Hire projects from \$15M and over to \$5M and over.

**7. Does Priority Hire limit the participation by small business open shop (non-union) contractors?**

Priority Hire does not limit the participation of open shop contractors. Data from King County's recent annual reports on the Contracting Opportunities Program indicate that open shop contractors continue to have solid participation rates on Priority Hire projects when measured in contract dollars awarded. The following is the trend over the last three years comparing union and open dollar awards, including the record setting participation rates of open shop contractors in 2021:

- [2019 Annual Report Appendix A](#): Union \$121.6M (91%) and Open Shop \$11.9M (9%)
- [2020 Annual Report Appendix A](#): Union \$64.6M (91%) and Open Shop \$12.8M (9%)
- [2021 Annual Report Appendix A](#): Union \$29.3M (22%) and Open Shop \$107.2M (78%)

**8. What are the economic and equity benefits King County has seen by implementing Priority Hire (measured by labor hours and the value of those labor hours)?**

See the response to question #4 above. The [2021 Apprenticeship and Priority Hire Program Report](#) also includes a wealth of data about labor hours and wages earned by Priority Hire workers, including breakdowns for apprentices and journey workers, and breakdowns indicating labor hours and wages earned by Priority Hire workers that are persons of color and women.

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**9. How did King County start its Priority Hire Program?**

The County's Priority Hire Program started off as a pilot effort on three Wastewater projects in 2017. The permanent program was proposed by the King County Executive and adopted by the County Council in 2018. Priority Hire requirements now apply to every construction project that exceeds \$5 million. The program has achieved outstanding results as noted in the responses above and has received national recognition as noted in the response to #8.

**10. Who do I contact at King County to learn more about Priority Hiring and the Priority Hire Grant Program to local jurisdictions?**

<b>King County Staff</b>	<b>Title</b>	<b>Telephone Number</b>	<b>Email Address</b>
Joe Baca	CWA Administrator	(206) 477-9443	<a href="mailto:jbaca@kingcounty.gov">jbaca@kingcounty.gov</a>
Sandy Hanks	Compliance Manager	(206) 263-9717	<a href="mailto:Sandy.hanks@kingcounty.gov">Sandy.hanks@kingcounty.gov</a>
Maurine Karichu	Labor Equity Supervisor	(206)263-0254	<a href="mailto:mkarichu@kingcounty.gov">mkarichu@kingcounty.gov</a>