

2014

Residents Preference Program



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2014 RESIDENTS PREFERENCE PROGRAM REPORT

◆ Executive Summary

Between the years 2009-2014 the Department of Public Works contracts have met or exceeded required RPP compliance requirements; in 2009 the RPP requirement was 25%.

At the time of this report, 2014 contract data demonstrates that *Residents Preference Program* (RPP) labor hours currently account for *42.8% of the total contract labor hours* worked and 39.1% of total labor dollars paid. RPP Milwaukee Resident labor hours are exceeding compliance requirements by 2.8%; the addition of Non RPP certified Milwaukee Resident labor hours bring *total Milwaukee Resident labor hours to 51.4%*.

Reviewing 2014 statistical information, the Residents Preference Program (RPP) averages per Department of Public Works Divisions are as follows:

- ◆ Buildings = 34.3%;
- ◆ Streets = 45.2%;
- ◆ Sewers = 49.1%;
- ◆ Water = 41.4%;
- ◆ Parking = 44.9%; and
- ◆ Sanitation = 62.0%.

In line with the RPP ordinance, each DPW division requires 40% RPP participation. While the Department of Public works meets this requirement overall (with 42.8% RPP for contracts closed in 2014), not all DPW divisions met this requirement on contracts closed in 2014.

Paving and Sewers projects paid the most to RPP participants, although the Sanitation department had a higher rate of RPP participation overall—paying more to RPP participants per project.

As is the case with all DPW projects, Buildings projects require 40% RPP, but some vendors bidding on these projects are too small to fulfill the requirement. In the future, the Buildings division and the Officer of Small Business Development needs to research possible capacity building for RPP.

124 contracts were closed in 2014. In total *96 contracts are in compliance* with RPP requirements, 8 fell short and 20 are considered exempt from any RPP compliance requirements.

Numbers for both the current year and the five years prior are encouraging, and demonstrate that the majority of City contractors are fulfilling RPP compliance requirements.

Eight contracts fell short of the 40% RPP compliance requirement. Four of the noncompliant contracts fell short by less than 5% and four fell short by greater than 5%.

104 of 124 total closed contracts required RPP participation. Of these 104 contracts, 92% were in compliance with the RPP ordinance.

Contracts that were closed in 2014 paid *Labor and Wage Costs* of \$11,261,260. The *Actual Final Cost* paid to contractors was \$72,526,455. 39% of the total labor costs were paid to RPP participants. In 2010, Labor Cost was 61.4% of the Actual Final Cost. For contracts closed in 2014, only 16% of the Actual Final Cost is Labor/Wage dollars. For 2014 closed contracts, the RPP labor costs made up only 6.1% of Actual Final Cost.

RPP participant hours compromise 42.8% of all labor hours; with RPP and Milwaukee City Resident hours together comprising 51.4% of all labor hours. Labor hours are *split fairly equally* between residents of the City of Milwaukee and those not living in Milwaukee. The nonresidential hours are slightly lower.

Even though the *labor hours are nearly equally split* between laborers who live in the City of Milwaukee and those who do not live in the City, the percentage of *dollars paid towards labor from outside the City of Milwaukee was higher*. The *difference* between the labor hours and the labor dollars paid is that RPP participants are often employed at entry level positions, with a lower rate of pay than those who have skilled trades experience.

Employers on contracts let through the Department of Public works must submit regular timesheets of laborers' wage; home address; apprentice status; job title; gender and race. Workers self-identify gender and race to their employers to report on these documents.

Approximately 57.4% of labor hours and dollars paid were allocated to Caucasian and 92.7% of labor hours and dollars paid were allocated to males. Six percent of workers chose not to disclose their gender and eight percent did not disclose their race.

The City of Milwaukee encourages employers to participate in *apprenticeship programs*. On contracts that closed in 2014, 103 apprentices were employed on DPW contracts. 89% of these apprentices self-identify as Male; 2% as Female; and 9% chose not disclose their gender. 59% of apprentices identify as Caucasian; 27% as non-Caucasian; and 14% chose not disclose their race or ethnicity.

In October 2013, a new customized software database was added to the DPW Application Bid Notices supporting the tracking of eligible workers to participate in the Residents Preference Program. The precision of tracking these potential participants has increased and provides an up to date pool of laborers for employers looking to fill the RPP requirements.

Over 1,540 individuals were verified and approved as Target Residents Workers in 2014. The City of Milwaukee has focused in the recent past years on recruiting eligible workers as well as partnering with several community organizations whose goals are to decrease the unemployment rate and increase the number of working income households. The City partners with Riverworks and WRTP/BIG STEP to certify RPP participants. WRTP is also partnered with UMOS, MAWIB, and the City to recruit and give eligible residents construction experience on City crews.

Increasing working income households is imperative in Milwaukee. The State of Wisconsin's unemployment rate has consistently stayed below 9% while Milwaukee County unemployment rate remains at least 2% higher than the rest of the State. And, from 2010-2014, Milwaukee County's unemployed make up nearly 20% of the State's unemployed total.

Following the overviews of the Residents Preference Program history and method of determining RPP exceptions, this report contains several exhibits complimenting and respectively illustrating certain aspects of the City of Milwaukee Residents Preference Program performance.

◆ Historical Overview of Residents Preference Program

Section 309-41 of the Milwaukee Code of Ordinances requires that the Department of Public Works submit an Annual Report to the Common Council summarizing the results of the previous year's Residents Preference Program (RPP) activities.

In July of 1991, the City of Milwaukee Common Council created the Residents Preference Program. The ordinance originally required that 25% of worker hours be performed by unemployed residents of the special impact area—except in special cases where the Commissioner of Public Works determines there is sufficient reason to impose lesser levels of participation. The designated target area district corresponded to the City's Community Development Block Grant Areas.

In August of 2009, the ordinance was changed and the (RPP) requirements were increased from 25% to 40%. Contracts initiated on or after August 10, 2009 require 40% of worker hours consist of unemployed or under employed residents. In addition, the special impact area has been expanded from the Community Development Block Grant Area to encompass the entire area of the City of Milwaukee.

There are some cases where the Department of Public Works does not require any resident worker participation. These projects involve specialty work requiring unique products or services. The participation criterion may also be waived when funding sources, such as the Wisconsin Department of Transportation, prevent the City of Milwaukee from imposing the (RPP) requirement. A more detailed explanation is included in this report in the following section titled *Contracts Requiring less than 40% Residence Participation*.

◆ City Of Milwaukee Contracts Requiring Less Than 40% RPP

In 2014, 124 formal construction contracts were closed by the Department of Public Works. Twenty (20) of these formal contracts had no resident participation requirements. In each case, the decision to not require normal resident participation requirement was made after discussions with the contracting division concerning the type and exact method of construction involved in the project. The decision to lower or eliminate the participation requirements is based on one or more of the following factors:

- ❖ The work involved was highly specialized requiring skills and experience not possessed by the list of eligible resident workers and not likely to be found in the population of potential target resident workers. Examples of this situation include the selection of a contractor to replace the tank liner at the Linnwood Purification Plant and the provision of elevator

maintenance services at various City facilities. Experienced workers are required for these types of specialized projects.

- ❖ The contract was primarily for the purchase of equipment that could be installed by a small number of workers with specialized skills. For instance, most of the cost associated with a new vehicle lift at the Central Repair Garage was for equipment purchase with minimal expenditures related to labor.
- ❖ No local contractors performed the type of work required, meaning that the Prime contractor selected to perform the work is not from this area. An example was the Department's contract for seal coating of various city streets. Similar to 2005, in 2007 a newer method of seal coating was selected for this work. The new method was only being performed by contractors located outside the Milwaukee area. Unique equipment and specially trained personnel were required to perform the seal coating.
- ❖ The project was funded either totally or in large part from a source other than the City. When non-City grant funds are used for public improvements, the grantor generally prohibits the City from imposing social requirements that exceed the standards and requirements of the grantor. Examples of this would include all contracts funded by the American Recovery and Reinvestment Act of 2009 (Stimulus).
- ❖ The contract is for services that will be provided on an unpredictable schedule. A common example is snow plowing. DPW signs up several small independent snow plowing contractors. These small contractors generally have very few employees. Requiring them to meet RPP standards is not possible as work is uncertain and unpredictable.

RESIDENTS PREFERENCE PROGRAM COMPLIANCE

Of the 124 contracts closed in 2014, a total of 96 contracts are in compliance with RPP compliance requirements, 8 fell short and 20 are considered exempt from any RPP compliance requirements.

◆ 25% RPP Requirement

In total seven (7) contracts were initiated before August 10, 2009. Four (4) contracts had a RPP compliance requirement of 25%, one (1) had an adjusted RPP of 12% and two (2) contracts were exempt from the RPP compliance requirement of 25%. The five (5) contracts with an RPP requirement are in good standings and have exceeded the RPP compliance requirement of 25%.

◆ 40% RPP Requirement

117 contracts were initiated on or after August 10, 2009. Ninety-two (92) had a RPP compliance requirement of 40%. The remaining seven (7) RPP compliant contracts have adjusted RPP percentages ranging from 5% to 25%. Eighteen did not have an RPP requirement.

◆ Non-Compliant Contracts

CONTRACTOR	CONTR. NO.	TYPE OF PROJECT	REQUIRED RPP%	ACTUAL % RPP HOURS	% SHORT FALL
MARED MECHANICAL	C523120044	BLDGS	40.00%	17.40%	-22.60%
LANGER ROOFING	C523130119	BLDGS	40.00%	17.30%	-22.70%
PARKING LOT MAINTENANCE	C523130130	BLDGS	40.00%	39.30%	-0.70%
T.A. MASON COMPANY	C661140062	BLDGS	40.00%	17.90%	-22.10%
DC BURBACH	C523120072	STREETS	40.00%	36.50%	-3.50%
LALONDE CONTRACTORS	C523130107	STREETS	40.00%	38.50%	-1.50%
MICHEL'S PIPE SERVICE	C523120005	SEWER	40.00%	34.40%	-5.60%
UPI, LLC	C683130060	SEWER	40.00%	37.90%	-2.10%

- ❖ Eight (8) contracts fell short of the 40% RPP compliance requirement. Four (4) of the noncompliant contracts fell short by less than 5% and four (4) fell short by greater than 5%.
- ❖ Building contractors were most likely to fall short of the RPP requirement by more than 5%.
- ❖ 77.5% of contracts closed in 2014 are in compliance. Contracts not in compliance with RPP requirements consist of 6.5% of the contracts closed in 2014. Sixteen (16%) percent of contracts closed in 2014 were exempt from RPP requirements.

FORMAL CONTRACTS

◆ Compliance Statistics

- ❖ 124 contracts were closed in 2014.

RPP COMPLIANCE (25%) REQ.	TOTAL
TOTAL CONTRACTS	7
COMPLIANCE	5
NONCOMPLIANCE	0
EXEMPT	2

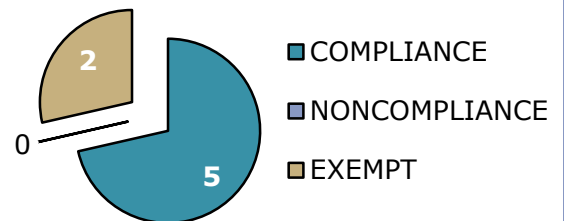
RPP COMPLIANCE (40%) REQ.	TOTAL
TOTAL CONTRACTS	117
COMPLIANCE	91
NONCOMPLIANCE	8
EXEMPT	18

SUMMARY RPP COMPLIANCE	TOTAL
NONCOMPLIANCE < 5%	4
NONCOMPLIANCE > 5%	4

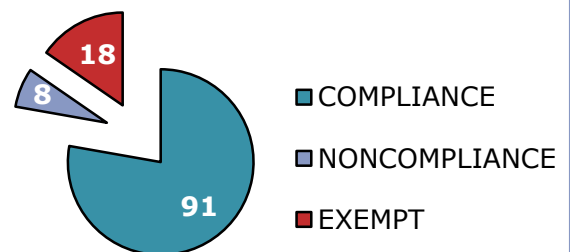
SUMMARY OF CLOSED 2014	TOTAL
TOTAL CONTRACTS	124
COMPLIANCE	96
NONCOMPLIANCE	8
EXEMPT	20

- ❖ Zero (0) contracts fell short of the 25% RPP requirement.
- ❖ Eight (8) contracts fell short of the 40% RPP requirement.
- ❖ Twenty (20) contracts were exempt from RPP requirements.

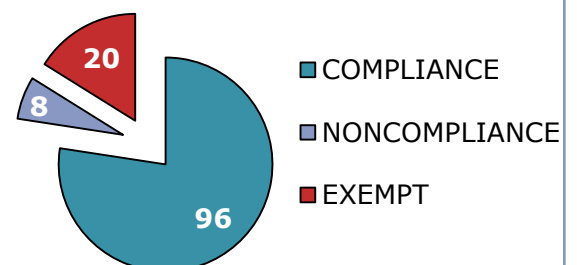
2014 RPP COMPLIANCE (25%) REQUIREMENT



2014 RPP COMPLIANCE (40%) REQUIREMENT



2014 RPP COMPLIANCE

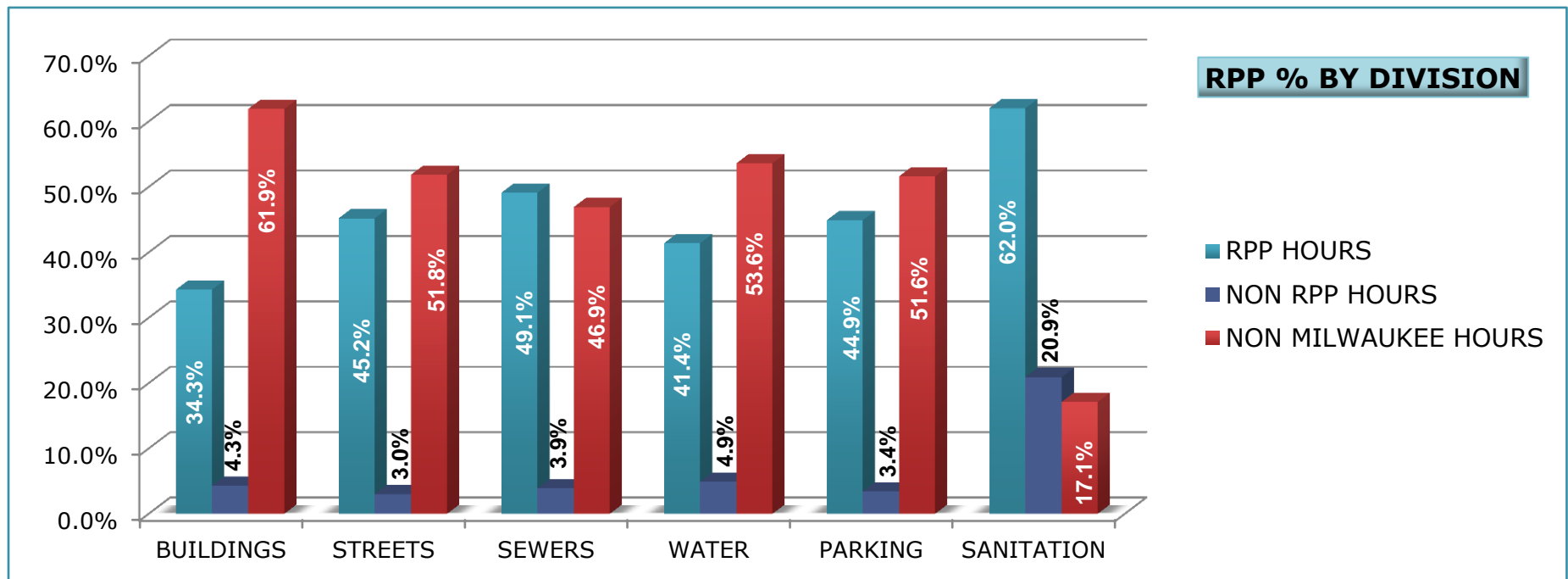


RESIDENCY REQUIREMENTS BREAKDOWN

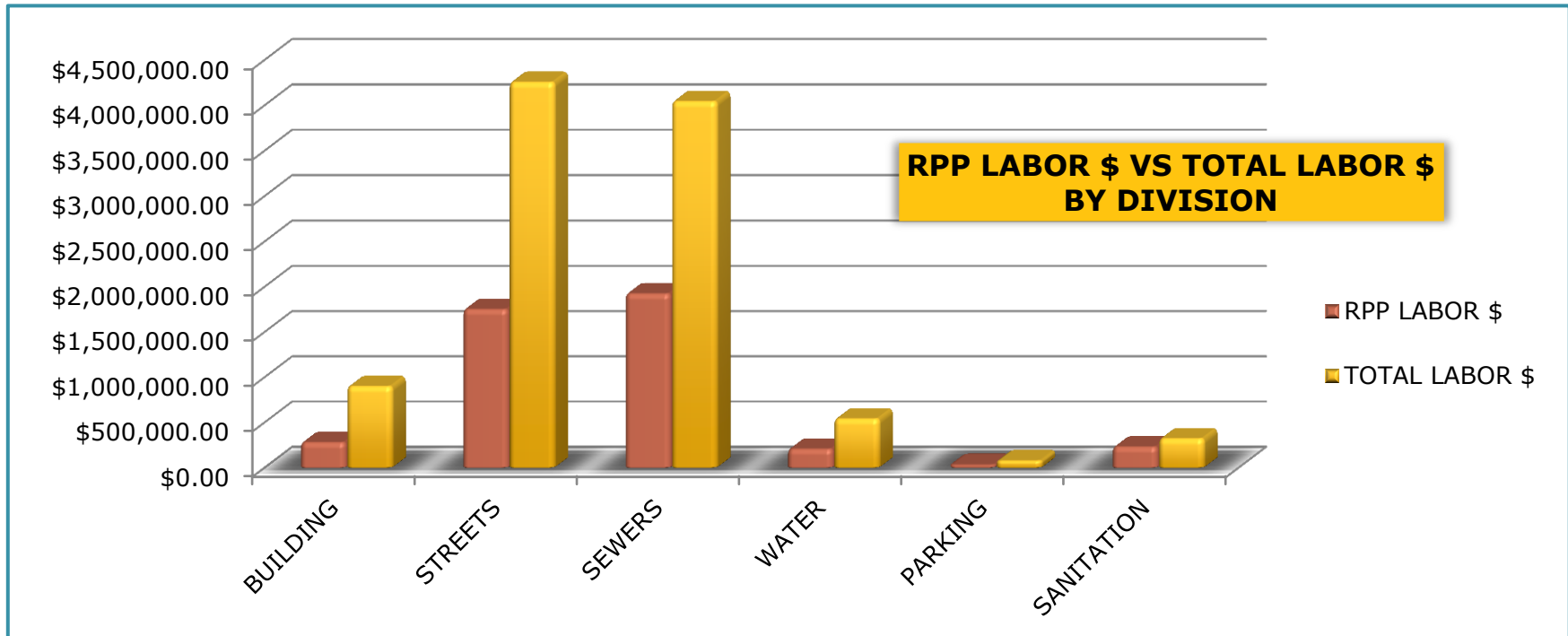
◆ Division Target Resident Hours Percentage

BUILDINGS	STREETS	SEWERS	WATER	PARKING	SANITATION
34.3%	45.2%	49.1%	41.4%	44.9%	62.0%

- ❖ Sanitation leads the percentage of Resident Hours with 62%. Their contracts were vacant lot clean-ups. As of this past fall all of these contracts were transferred to DNS to continue administering the contracts.
- ❖ Sewers and Streets continue to achieve high RPP percentages in their projects.
- ❖ Parking had only one project requiring a RPP of 40%.
- ❖ Buildings require 40% RPP, but some of the vendors are too small to fulfil the requirement.
- ❖ Forestry's projects are bid differently than the other divisions. Forestry bids are calculated by square foot versus labor hours. Therefore Forestry projects are not included in this calculation.



◆ Actual RPP Dollars By Division



	BUILDING	STREETS	SEWERS	WATER	PARKING	SANITATION
RPP LABOR \$	\$278,785.21	\$1,750,791.85	\$1,923,406.69	\$206,135.52	\$33,908.95	\$229,807.40
TOTAL LABOR \$	\$898,242.91	\$4,254,720.63	\$4,042,858.82	\$539,550.94	\$78,417.52	\$320,568.77
RPP % OF LABOR \$	31%	41%	48%	38%	43%	72%

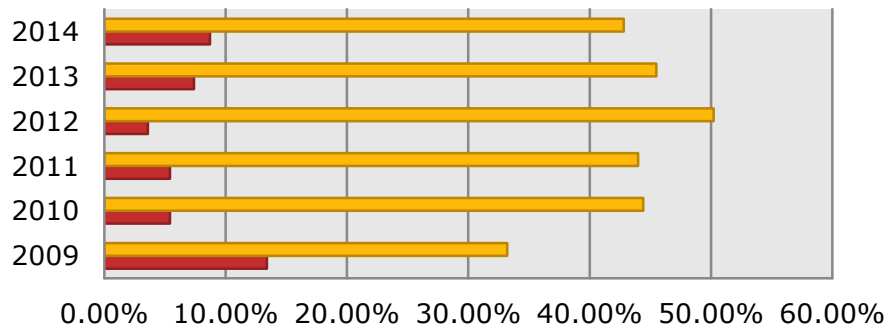
- ❖ Streets and Sewers have the highest dollar amounts going towards RPP participants; although percentage-wise, Sanitation has higher percentage per project to RPP participants.
- ❖ Overhead costs and higher skilled laborers on infrastructure projects explain the percentage difference between the Streets and Sewers divisions and the Sanitation division.

◆ RPP vs Non-RPP & Non-Resident

YEAR	RPP %	NON RPP %	NON MILWAUKEE %
2009	33.20%	13.40%	53.30%
2010	44.40%	5.40%	50.20%
2011	44.00%	5.40%	50.60%
2012	50.20%	3.60%	46.20%
2013	45.50%	7.40%	46.20%
2014	42.80%	8.70%	48.70%
AVERAGE TO DATE	43.35%	7.32%	49.20%

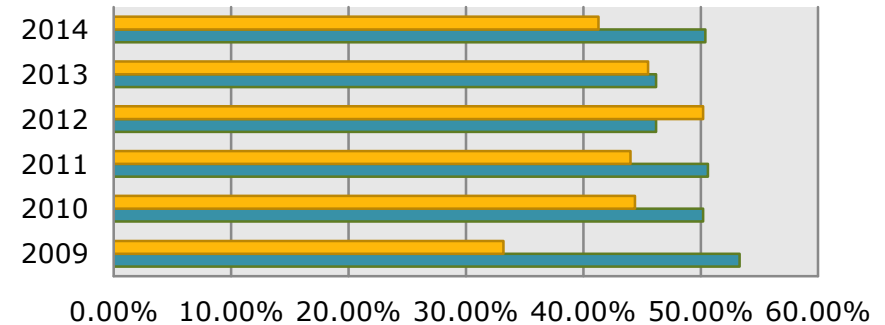
- ❖ Between the years 2009-2014 the Department of Public Works contracts have met or exceeded required RPP compliance requirements; in 2009 the RPP requirement was 25%.

RPP to Non RPP



	2009	2010	2011	2012	2013	2014
■ RPP	33.20%	44.40%	44.00%	50.20%	45.50%	42.80%
■ NON RPP	13.40%	5.40%	5.40%	3.60%	7.40%	8.70%

RPP to Non Milwaukee



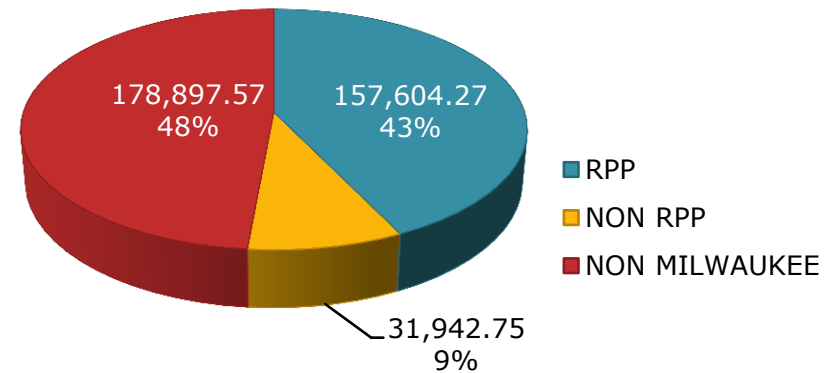
	2009	2010	2011	2012	2013	2014
■ RPP	33.20%	44.40%	44.00%	50.20%	45.50%	41.30%
■ NON MILW	53.30%	50.20%	50.60%	46.20%	46.20%	50.40%

◆ Residency Hours

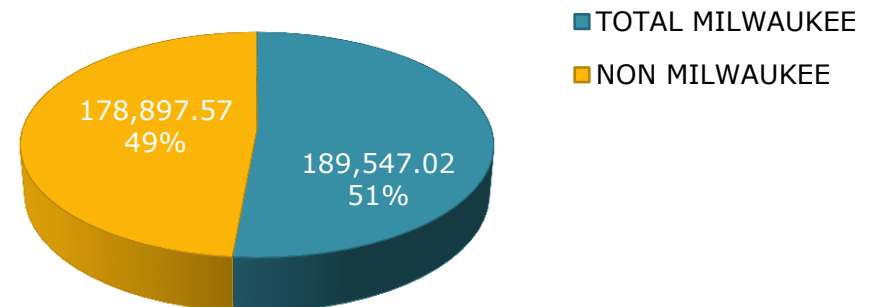
	LABOR HOURS	%
RPP	157,604.27	42.8%
NON RPP	31,942.75	8.7%
NON MILWAUKEE	178,897.57	48.6%
TOTAL MILWAUKEE	189,547.02	51.4%
NON MILWAUKEE	178,897.57	48.6%
TOTAL LABOR	368,444.59	100%

- ❖ RPP participant hours total 42.8% of all labor hours.
- ❖ RPP participant and Milwaukee City Resident hours together bring the percentage up to 51.4%.
- ❖ Labor hours are *split fairly equally* between residents of the City of Milwaukee and those not living in Milwaukee. The nonresidential hours are slightly lower.

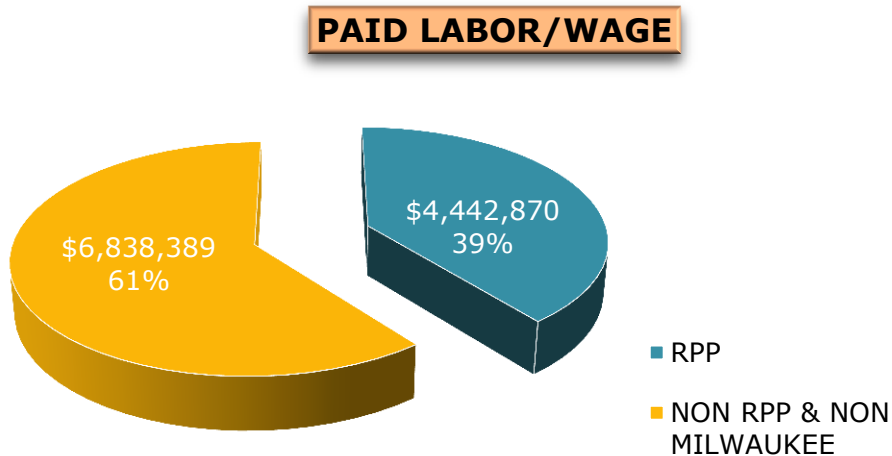
LABOR HOURS



MILWAUKEE LABOR HOURS



◆ Paid Labor/Wage Dollars



	PAID LABOR	%
RPP	\$4,422,870.42	39%
NON RPP & NON MILWAUKEE	\$6,838,389.53	61%
TOTAL LABOR \$	\$11,261,259.95	100%

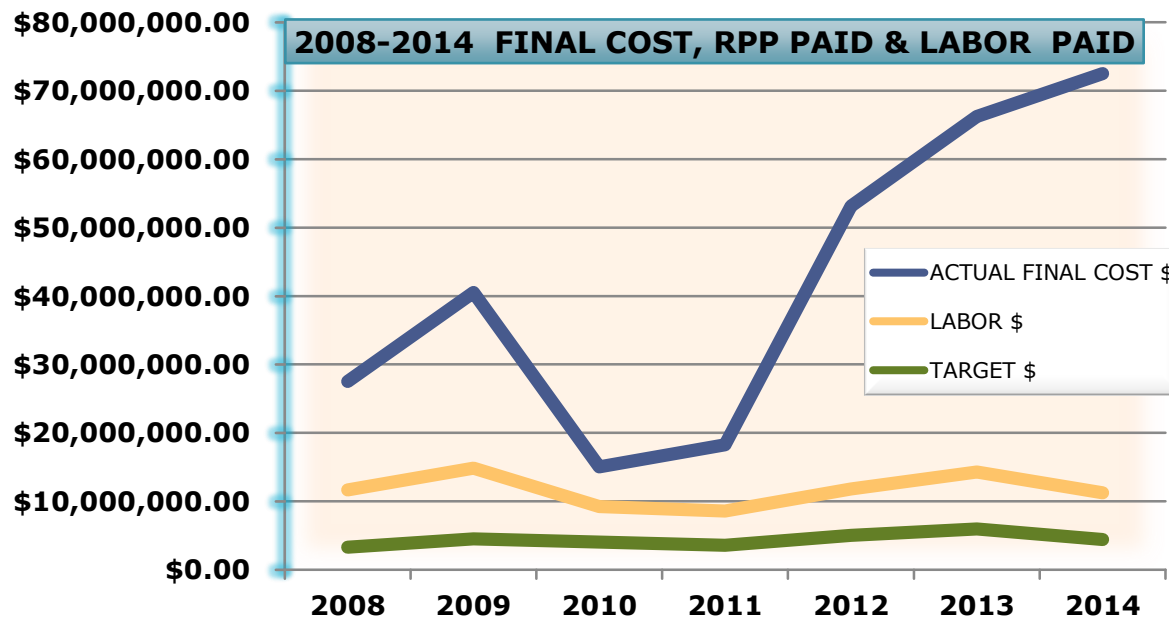
Labor (\$) paid are approximations based on total labor hours

- ❖ \$11,261,259.95 was paid in *Labor & Wages* for contracts closed in 2014.
- ❖ \$72,526,455.14 totals *Actual Final Cost* paid out to contractors for contracts closed in 2014.
- ❖ Approximately 16% of the total monies paid to contractors were labor costs.
- ❖ 39% of the total labor costs were paid to RPP participants.
- ❖ Even though the previous graph on page 12, shows the *labor hours are nearly equally split* between laborers who live in the City of Milwaukee and those who do not live in the City, the percentage of *dollars paid towards labor from outside the City of Milwaukee was higher*.
- ❖ The *explanation of the difference* between the labor hours and the labor dollars paid is that RPP participants are often employed at entry level position, which pays lower than those who have skilled trades experience.

◆ Residency Dollars By Year

YEAR	ACTUAL FINAL COST	LABOR \$	RPP \$	% OF RPP LABOR COSTS	% OF LABOR COSTS
2008	\$27,516,952.00	\$11,654,555.90	\$3,288,989.17	28.22%	42.35%
2009	\$40,514,861.10	\$14,820,164.79	\$4,508,322.08	30.42%	36.58%
2010	\$15,052,255.55	\$9,242,835.17	\$4,051,845.54	43.84%	61.40%
2011	\$18,277,764.84	\$8,571,291.27	\$3,566,528.78	41.61%	46.89%
2012	\$53,131,485.41	\$11,792,397.00	\$5,008,749.30	42.47%	22.19%
2013	\$66,250,427.69	\$14,267,823.97	\$5,974,093.09	41.80%	21.50%
2014	\$72,526,455.14	\$11,261,259.96	\$4,422,870.42	39.30%	15.53%
TOTAL	\$293,270,201.73	\$81,610,328.06	\$30,821,398.38	38.24%	35.21%

(Percentages and (\$) values based on 709 closed contracts from 2008 to 2014)*



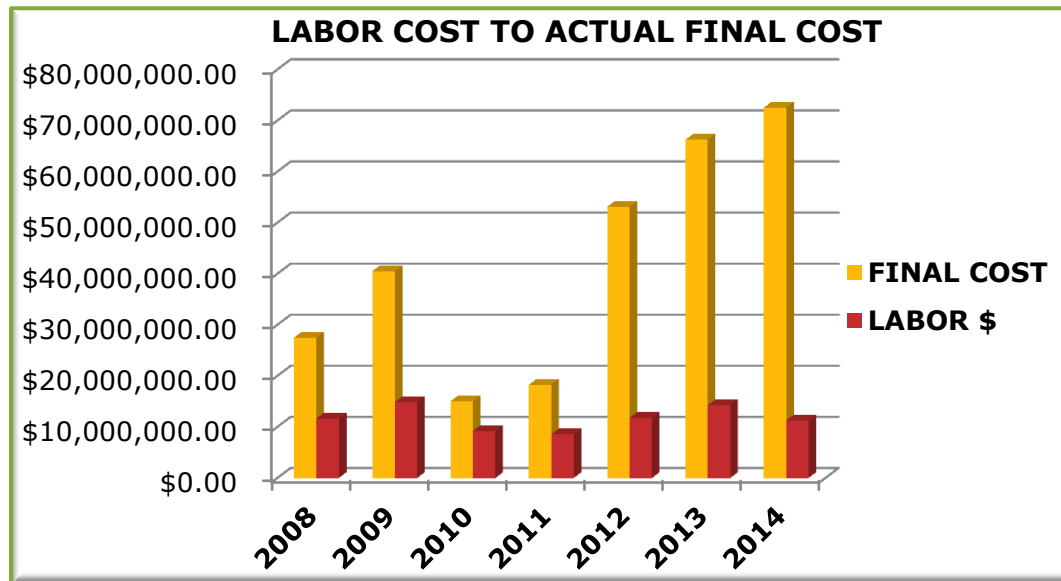
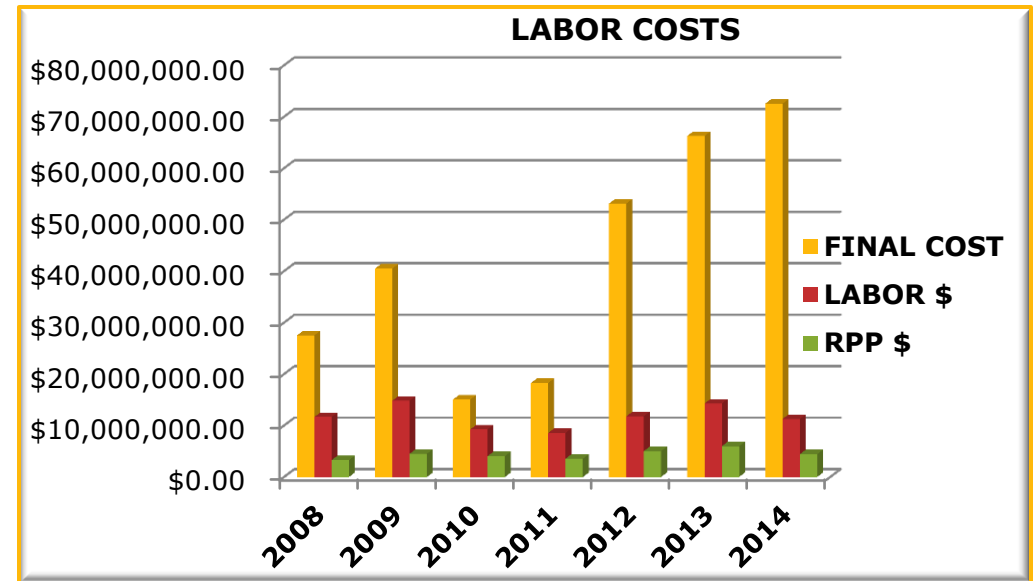
- ❖ These graphs compare the Labor/Wage Cost versus Final Actual Final Cost for formal contracts closed 2008-2014.
- ❖ The percentage of labor dollars going to RPP participants has remained fairly consistent for contracts closed from 2008-2014.
- ❖ The most striking statistic is the Labor/Wage dollars to Actual Final Cost dollars.
- ❖ The Labor/Wage Cost for both RPP and Milwaukee residents remain almost flat from 2008 to 2014.
- ❖ The Actual Final Cost has increased from 2008-2014. These costs include materials and overhead expenditures. There is more than an 89% gap between the Actual Final Cost and the RPP Labor/Wage Cost.

◆ Total Labor/Wage Dollars To RPP Dollars

- ❖ 2014 closed contracts met the 40% RPP requirement, with an average RPP percentage of 42.8%.
- ❖ Total Labor/Wage dollars are almost 3 times the RPP dollars.

RPP: \$4,422,870.42

Total Labor/Wage: \$11,261,259.96



◆ Total Labor/Wage Dollars To Actual Final Cost

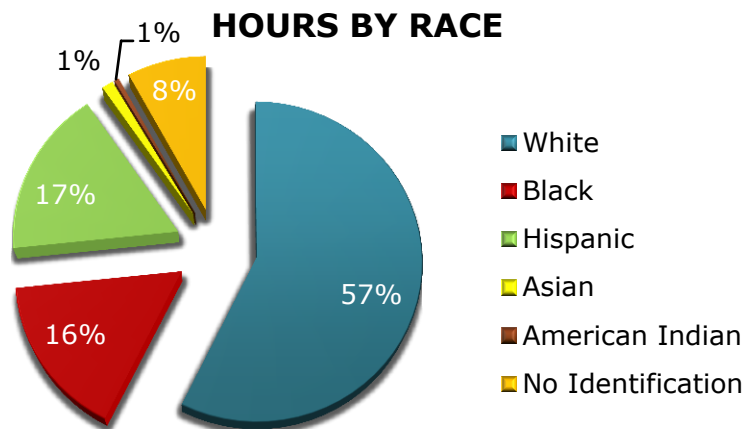
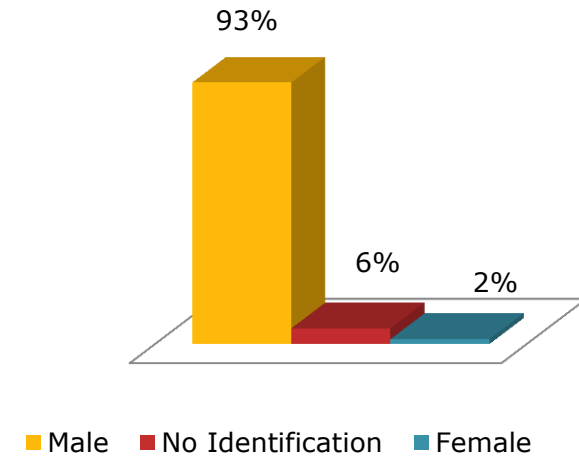
- ❖ In 2010, Labor Cost was 61% of the Actual Final Cost.
- ❖ In 2014, Labor costs were 16% of the Actual Final Cost.
- ❖ For 2014 closed contracts RPP labor costs were only 6% of Actual Final Cost.

LABOR/WAGE DOLLARS BY RACE AND GENDER

◆ Labor By Race and Gender

2014 RACE & GENDER SUMMARY				
RACE	HOURS	% HOURS	\$ PAID	% PAID
White	211,333.60	57.36%	\$6,915,756.56	61.41%
Black	58,923.40	15.99%	\$1,483,219.63	13.17%
Hispanic	62,684.47	17.01%	\$1,817,234.95	16.14%
Asian	4,281.90	1.16%	\$142,658.51	1.27%
American Indian	1,808.61	0.49%	\$52,595.66	0.47%
No Identification	29,412.61	7.98%	\$849,794.64	7.55%
Total	368,444.59	100.00%	\$11,261,259.95	100.00%
GENDER				
Male	341,696.70	92.74%	\$10,415,385.55	92.49%
Female	6,288.50	1.71%	\$225,797.63	2.01%
No Identification	20,459.39	5.55%	\$620,076.77	5.51%
Total	368,444.59	100.00%	\$11,261,259.95	100.00%

HOURS BY GENDER



- ❖ Workers self-identify their gender and race/ethnicity. Employers report hours worked.
- ❖ The above table illustrates that approximately 57% of labor hours and dollars paid were allocated to Caucasians.
- ❖ The above graph illustrates that 93% of labor hours and dollars paid were allocated to males.

PUBLIC WORKS APPRENTICE PROGRAM

◆ Apprentices By Race And Gender

APPRENTICES BY GENDER

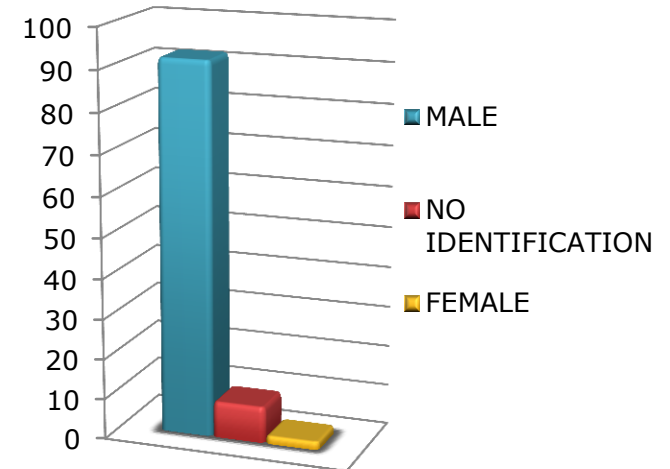
	TOTAL	(%)
MALE	92	89%
FEMALE	2	2%
NO IDENTIFICATION	9	9%
TOTAL	103	100%

- ❖ 103 apprentices worked on contracts that closed in 2014. 89% of these apprentices self-identify as Male; 2% as Female; and 9% chose not to disclose their gender.
- ❖ Of the 103 apprentices working on these contracts, 59% self-identify as White; 27% as non-white; and 14% chose not to disclose their race/ethnicity.

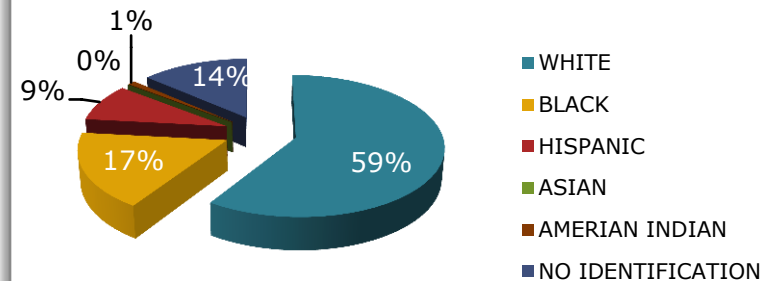
APPRENTICES BY RACE

	TOTAL	(%)
WHITE	61	59%
BLACK	18	18%
HISPANIC	9	9%
ASIAN	0	0%
AMERICAN INDIAN	1	1%
NO IDENTIFICATION	14	14%
TOTAL	103	100%

APPRENTICES BY GENDER

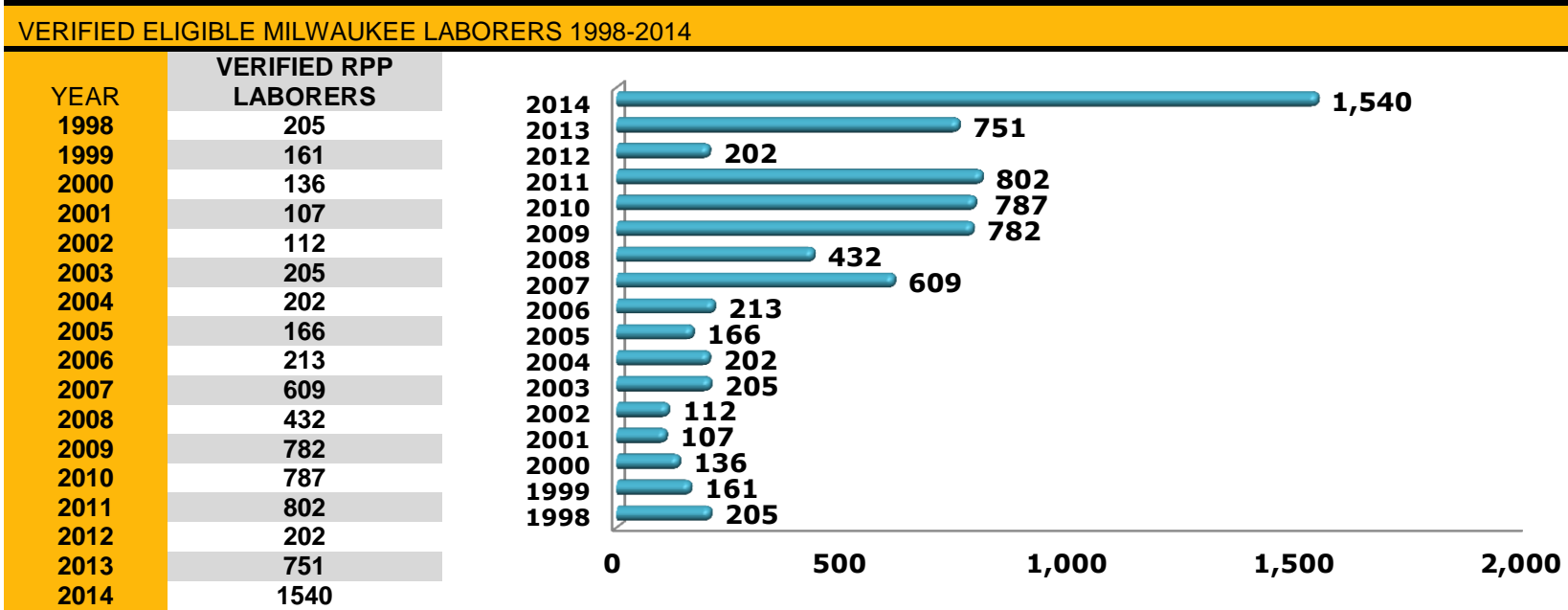


APPRENTICES BY RACE



CERTIFICATION OF TARGET RESIDENT WORKERS

◆ Certified Workers By Year



- ❖ 1998 – 2006: Averaged approximately **167** certified laborers per year.
- ❖ 2007 – 2011: Increased to an average of approximately **622** laborers per year.
- ❖ 2012 = **202** Target Resident Workers were approved and verified.
- ❖ 2013 = **751**: Approved & verified Target Resident Workers. Since creation of RPP database, tracking certified/verified workers has increase in precision.
- ❖ 2014 = **1540**: Approved & verified Target Residents Workers. In recent years, The City of Milwaukee has focused on recruiting eligible workers as well as partnering with several community organizations with a goal to decrease the unemployment rate as well as increase the number of working income households. The City partners with Riverworks and WRTP/BIG STEP to certify RPP participants. WRTP is also partnered with UMOS, MAWIB, and the City to recruit and give eligible residents construction experience on City crews.

WISCONSIN UNEMPLOYMENT HISTORY

See below for the history of unemployment rates for the State of Wisconsin and the County of Milwaukee between 2010 and 2014.

◆ Wisconsin Unemployment

	2010	2011	2012	2013	2014
Labor Force	3,081,512	3,080,399	3,074,255	3,084,978	3,093,918
Employment	2,814,393	2,841,465	2,857,594	2,876,712	2,923,533
Unemployment	267,119	238,934	216,661	208,266	170,385
WI Annual Average %	8.7	7.8	7.0	6.8	5.5

- ❖ The State of Wisconsin's unemployment rate has consistently stayed below 9%.
- ❖ Milwaukee County unemployment consistently remains at least 2% higher than the rest of the State.

◆ Milwaukee County Unemployment

	2010	2011	2012	2013	2014
Labor Force	476,448	477,744	476,448	479,833	480,920
Employment	428,833	433,336	435,440	439,536	447,273
Unemployment	47,615	44,408	41,008	40,297	33,647
Milw Co Average% (per capita)	10.0	9.3	8.6	8.4	7.0

- ❖ In 2014, Milwaukee County unemployed individuals comprised 19.75% of the State's unemployed.
- ❖ Between 2010 and 2014 almost 20% of Wisconsin's unemployed individuals resided in Milwaukee County, even though the County's labor force was only 16% of the State's total labor force in 2014.

◆ Percentage of Milwaukee County Unemployed to Wisconsin Unemployed

	2010	2011	2012	2013	2014
WI Unemployed Individuals	267,119	238,934	216,661	208,266	170,385
Milwaukee Co Unemployed Individuals	47,615	44,408	41,008	40,297	33,647
Percentage of Milwaukee Co to WI	17.83%	18.59%	18.93%	19.35%	19.75%

-information cited from Wisconsin's Worknet; <http://worknet.wisconsin.gov/worknet/downloads>; July 2015

FINAL ANALYSIS & RECOMMENDATIONS

The Milwaukee Residents Preference Program has two primary requirements for workers; 1) must be a resident of the City of Milwaukee; and 2) must meet unemployed or underemployed qualifications; i.e. resident has worked less than 1200 hours in the preceding 12 months or has not worked in the preceding 30 days or, regardless of employment status, has household income at or below the federal poverty guidelines. The Common Council has stood in support of Milwaukee's unemployed since the inception of the Residency Preference Program. They continued this support in 2009, when expanding the program City-wide to include those under employed.

To better report on the success of the Residents Preference Program, a new customized software database was added to the DPW Application Bid Notices (DPW App database) to support the tracking of eligible program participants beginning in October 2013. The precision of tracking these potential participants has increased since 2013, and the DPW App database provides an up-to-date pool of laborers for employers looking to fill the RPP requirements. Over 1,540 individuals were verified and approved as Target Residents (and added to the DPW App database) in 2014.

Increasing working-income households is imperative for economic growth in the City of Milwaukee. Milwaukee County's unemployment rate remains higher than the State average (see page 19). The Milwaukee Residents Preference Program is one way the City can support its resident workforce at a time when that support is much needed. Despite the City's strong endorsement of this Program, there are challenges to be met.

◆ Challenges of the Residents Preference Program:

❖ Political Environment:

2015 Wisconsin Act 55 (the budget bill) repeals the state prevailing wage law for local governmental units such as villages, towns, cities, school districts, or sewerage districts effective January 1, 2017.

However, even with the repeal of prevailing wage requirements the City can choose to continue monitoring RPP requirements via time reports.

❖ Record Keeping:

DPW relies heavily on contractors to submit information used in monitoring the Residents Preference Program. Information is available, but it is held by the contractors until hard copy timesheets are provided to the Contract Department at which time this data is transferred to an electronic format for recording and reporting purposes.

◆ Recommendations To Expand/Improve Residents Preference Program:

❖ Champion the Milwaukee Apprentice Program:

The continuation and expansion of the Apprentice Program has the potential to give the unemployed and underemployed an opportunity to receive the training and skills necessary to become a skilled-trades laborer. As seen on page 17, apprentices on DPW projects are predominantly white and male. The City can do more to encourage more outreach to women and non-whites within the trade union apprenticeship programs.

❖ Creative use of resources and Nurturing community partnerships:

In addition to the RPP, other programs sponsored by the City to assist workers who may have additional hurdles to overcome; i.e. education, addiction, child-care, transportation, criminal record, etc. should be implemented or expanded. This is an opportunity for the City of Milwaukee to partner with more community organizations that provide support to the City's workforce. Private employers who participate in these types of programs may gain a preference to doing business with the City in future contracts and projects.

In the environment of "do more with less", the City has an opportunity to think outside the traditional structure of public projects. This Program has demonstrated that it can increase the pool of potential laborers available to area contractors. As evidenced in this report, construction costs are on the rise while labor costs have plateaued. Sixty-one percent of all labor dollars are still going to non-RPP residents and those living outside of the City of Milwaukee.

❖ Lobbying at a State Level:

Continue aggressive lobbying of Wisconsin legislators to maintain Prevailing Wage requirements for public projects and other programs the City uses to expand opportunities to hire unemployed or underemployed workers.

❖ Improve Record Keeping:

Accurate and data rich reporting of RPP numbers to the Common Council is needed to provide a complete picture of the program and its effect on the Milwaukee workforce. To facilitate this reporting, DPW is in the process of moving away from the acceptance of hard copy timesheets to requiring employers to submit electronic timesheets for all projects. Beginning with projects let in January 2015, all Paving and Sewers contractors are required to submit time reports (including RPP participation and demographic information) via LCPtracker—a web-based labor compliance program. When the contracts included in LCPtracker are closed, data on RPP participation can be quickly pulled together for reporting. In the meantime, RPP data is compiled after time sheet data is manually entered by City staff.

The City is responsible for providing a full RPP participant database—one that tracks historical data on both the certification and contract participation of RPP workers. Although LCPtracker will enable faster reporting on closed contracts, it cannot serve as an RPP participant database—only participants actively working on DPW contracts will be tracked in this system. A dual-database system is in effect. Support for the custom-made DPW database is central to the Department's ability to provide accurate, detailed, and timely reports to the Common Council.

The next step in the program is to determine if the contractors are using the pool of eligible residents for City projects and to continue to use these workers after their eligibility expires as fulltime employees. Additional coordination with contractors to track information about laborers, will give a clearer representation of the program's successes. This Program is poised to expand. As seen on page 18 of this report, RPP participant certification has grown exponentially (a 600%+ increase in certifications in 2014 when compared to 2004). *Tracking this information and continuing the push for contractors to comply with RPP reporting and oversight of the information will require additional resources.*