



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

**BlueGreen Alliance Midwest States Director Bree Halverson's Testimony to
Minnesota House Climate and Energy Committee
January 10, 2023**

Hello, I'm Bree Halverson, the Midwest States Director for the BlueGreen Alliance, a national partnership of labor unions and environmental organizations that was started here in Minnesota.

The transformational power of the Inflation Reduction Act and Bipartisan Infrastructure Law cannot be overstated. Together they will revitalize U.S. manufacturing, grow clean energy, and support and create good union jobs in Minnesota and around the country. They will also significantly reduce climate emissions. The Inflation Reduction Act alone will tackle climate change by reducing emissions up to 42% by 2030.ⁱ

In both bills there are a number of mechanisms that ensure the investments made are used to create good-paying union jobs. That's really important because the bills will be creating millions of jobs in our country. In fact, an analysis from the Political Economy Research Institute (PERI) at the University of Massachusetts Amherst commissioned by the BlueGreen Alliance found that the more than 100 climate, energy, and environmental investments in the Inflation Reduction Act will create more than 9 million jobs over the next decade across the country.

I am here today to talk about how we can maximize both the number of jobs created here in Minnesota, but also how we can make sure these transformative bills deliver real results to real workers in the form of good-paying, safe, union jobs.

Our nation has been struggling with economic inequality for decades. The U.S. Census Bureau reported that income inequality in 2018—the gap between the wealthiest Americans and the average worker—had reached the highest level recorded since the bureau started tracking the gap.ⁱⁱ According to the Economic Policy Institute, CEOs in 2020 were paid more than 350 times more than the typical worker.ⁱⁱⁱ This is also a problem facing Minnesotans. The income gap here is significant—particularly for people of color who are 300% more likely to be in poverty than whites.^{iv}

There is a direct correlation between the increase in income inequality and the decrease of worker power as the share of workers in a union fell from 24% in 1979 to under 11% now.^v The investments we make today rebuilding bridges, growing clean energy, and investing in our manufacturing sector to build what

we need for a clean future here can grow the good-paying jobs workers need to do more than just get by.

Both bills use a number of mechanisms to help achieve that goal. I want to highlight a few impactful measures that we believe are vital to making sure these bills deliver for workers and the environment.

- The **Davis-Bacon Prevailing Wage** provisions establish a wage floor for each occupation that all contractors on a project must pay at or above. This is typically set to reflect the average or market wage for a given type of work in a given area. Prevailing wage policies are generally limited to workers employed in the construction industry. Requirements or incentives for contractors to pay the prevailing wage can be extended to privately developed projects such as new power generation facilities.
- **Registered Apprenticeship, Pre-Apprenticeship Programs, and Other Union-Affiliated Training Programs** allow workers to build a better life for themselves and their families. Also, strong, democratic unions can play a key role in promoting diversity, equity, justice, and inclusion within these programs. A BlueGreen Alliance analysis of the U.S. Department of Labor's (DOL) Registered Apprenticeship Partners Information Database System (RAPIDS) found that in the construction industry, 43% of apprentices were people of color in union programs, compared to 33% of people of color in non-union programs. Pre-apprenticeship programs, in particular, have become a key tool to improving diversity in the building trades.
- **Project Labor Agreements (PLAs), Community Workforce Agreements (CWAs), and Community Benefit Agreements (CBAs)** are important tools that can lift up job quality. PLAs are collective bargaining agreements that are negotiated in advance of a project. The encouragement of the use of PLAs on federally funded projects is not a new policy, but it has been an effective one. Community Workforce Agreements (CWAs) and Community Benefit Agreements (CBAs) are beneficial tools for communities when included with PLAs. They can be more expansive in scope and are sometimes negotiated with both union and community partners. CWAs go beyond PLAs and focus on creating opportunities to maximize benefits to and in local communities. In

addition to the collective bargaining aspects of a PLA, CWAs frequently include local hire provisions, targeted hire of low-income or disadvantaged workers, and the creation of pre-apprenticeship pathways for careers on the project.

- **Workers must have the freedom to exercise their rights to collectively bargain.** Through the collective bargaining process, workers represented by a union negotiate with their employer the terms of their employment. This includes wages, benefits, hours, health and safety requirements, and more. Research has shown that through the collective bargaining power of unions, workers are able to get more and better benefits—such as health insurance and pensions—and are able to fight for more enforcement of the labor protections they have a right to under the law, like enforcement of safety and health regulations and overtime.
- **Justice40 and Other Targeted Community Investments** are mechanisms in these bills that ensure that new government policies help dismantle structural racism and target federal resources to the workers and communities that need them most. President Biden established a Justice40 Initiative to ensure that 40% of federal investments benefit disadvantaged communities. This could include funding set-asides, funding prioritization, or more general guidance that instructs agencies to maximize benefits for communities or workers in ways that can and should—if properly implemented—complement the Justice40 objectives. This includes prioritization or targeting of resources to environmental justice communities and/or communities impacted by energy transition, such as those where coal-fired power plants or coal mines have closed.
- Finally, these laws will support and create high-quality union jobs, not only at construction job sites, but at manufacturing facilities across the supply chain through the use of strong **Buy America and Buy American provisions**. We should be building our clean energy future here in Minnesota and in the United States.

Let me conclude with this. The tools are all there in the toolbox to make sure these laws deliver for Minnesotans, but it is up to you to make sure we use them.

The BlueGreen Alliance encourages you to act swiftly to match federal funds and move projects forward that will create and sustain good-paying union jobs for the workers of our state, all while reducing the emissions driving climate change.

Thank you for your time today.

ⁱ Rhodium Group, *A Turning Point for US Climate Progress: Assessing the Climate and Clean Energy Provisions in the Inflation Reduction Act*, 2022. Available online:

<https://rhg.com/research/climate-clean-energy-inflation-reduction-act/>

ⁱⁱ Washington Post, "Income inequality in America is the highest it's been since Census Bureau started tracking it, data shows," 2019. Available online:

<https://www.washingtonpost.com/business/2019/09/26/income-inequality-america-highest-its-been-since-census-started-tracking-it-data-show/>

ⁱⁱⁱ Economic Policy Institute, "CEO pay has skyrocketed 1,322% since 1978," 2021. Available online: <https://www.epi.org/publication/ceo-pay-in-2020/>

^{iv} CBS News, "Study: Minnesota's Racial Wealth Gap Is 3rd-Worst In Nation," 2022. Available online: <https://www.cbsnews.com/minnesota/news/study-minnesota-racial-wealth-gap/>

^v Economic Policy Institute, *Union Decline Lowers Wages of Nonunion Workers*, 2016. Available online: <https://www.epi.org/publication/union-decline-lowers-wages-of-nonunion-workers-the-overlooked-reason-why-wages-are-stuck-and-inequality-is-growing/>