





October 11, 2023

**FISCAL AND POLICY NOTE**

TO: Jennifer A. Jenkins  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: Roger G. Banegas   
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CB-091-2023 Project Labor Agreement Coordinating Committee

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CB-091-2023 (*Proposed by:* Council Members Burroughs, Oriadha, and Hawkins)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

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AN ACT CONCERNING PROJECT LABOR AGREEMENT COORDINATING COMMITTEE for the purpose of revising thresholds for project labor agreements, making all County projects valued at over \$10 million to have a mandatory project labor agreements approved by the Project Labor Agreement Coordinating Committee for submission to the County Executive for their approval and change the composition of the Coordinating Committee.

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**Fiscal Summary**

**Direct Impact**

*Expenditures:* Potentially increased expenditures on subject construction contracts.

*Revenues:* No revenue impact likely.

## **Indirect Impact**

Potentially favorable.

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## **Legislative Summary:**

CB-091-2023<sup>1</sup>, proposed and sponsored by Councilmembers Burroughs, Oriadha, and Hawkins, was presented on September 19, 2023, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. This Bill would amend the provisions of the Prince George's County Code that regulate project labor agreements. The proposed Bill aims to revise thresholds for project labor agreements, making all County projects valued at over \$10 million to have a mandatory project labor agreement approved by the Project Labor Agreement Coordinating Committee for submission to the County Executive for their approval and change the composition of the Coordinating Committee.

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## **Background/Current Law:**

The proposed legislation seeks to amend Subdivision 13 under Section 10A, Division 6, *Special Provisions*. Currently, a provision in the law recognizes Project Labor Agreements (PLAs) as craft labor agreements authorized under federal labor law.<sup>2</sup> In 2013, CB-039-2013, "An Act Concerning Project Labor Agreements,"<sup>3</sup> was approved and enacted, allowing solicitations for construction projects by the County estimated at one million dollars to include a clause requiring the inclusion of a Project Labor Agreement. The bill also called for the establishment of a Project Labor Agreement Coordinating Committee comprised of representatives of contractors, labor organizations, and appropriate County officials to oversee the development of Project Labor Agreements and assist in their administration.

President Biden signed Executive Order 14063<sup>4</sup> on February 4, 2022, to improve timeliness, lower costs, and increase quality in federal construction projects by requiring project labor agreements (PLAs) on federal construction projects above \$35 million.<sup>5</sup> The Executive Order will benefit taxpayers, contractors, and workers by alleviating the coordinating challenges on large, complex projects, raising quality standards for contractors bidding on federal projects, reducing uncertainty in the contracting process, and increasing training for the federal contracting workforce.<sup>6</sup> PLAs standardize the work rules, compensation costs, and dispute settlement process on construction

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<sup>1</sup> [CB-091-2023](#)

<sup>2</sup> [Subtitle 10A, Division 6, Subdivision 13 of the Prince George's County Code](#)

<sup>3</sup> [Prince George's County Council - Reference No. CB-039-2013 \(legistar.com\)](#)

<sup>4</sup> [The White House - Executive Order 14063](#)

<sup>5</sup> [President Biden Signs Executive Order to Boost Quality of Federal Construction Projects](#)

<sup>6</sup> Ibid.

projects, giving the government and its taxpayers certainty that projects will be completed at a set cost.

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### Resource Personnel:

- Leroy Maddox Jr., Legislative Officer
  - Dejah Williams, Chief of Staff/Legislative Aide, District 8
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### Discussion/Policy Analysis:

Project Labor Agreements (PLAs) are a type of collective bargaining agreement unique to the construction industry.<sup>7</sup> PLAs are pre-hire collective bargaining agreements negotiated between one or more construction unions and one or more construction employers that establish the terms and conditions of employment for a specific construction project. PLAs are essential as they specify wages and fringe benefits and require contractors to hire workers for the project through a union hiring hall responsible for supplying unique skilled labor<sup>8</sup>. PLAs often encourage small and disadvantaged businesses to bid on and participate in projects as long as they are qualified. An important factor of project labor agreements is that they open doors for women and people of color to receive family-sustaining union jobs in the construction industry.<sup>9</sup>

### CB-091-2023

CB-091-2023 would alter the leadership and role of the Project Labor Agreement Coordinating Committee that was previously established under CB-039-2013<sup>10</sup>. The proposed bill would amend Subtitle 10A. *Purchasing. Division 6. Special Provisions. Subdivision 13. Project Labor Agreements.* to (1) make PLAs mandatory for County contracts of \$10 million or more; (2) change the designated chair of the Committee; and (3) require the Committee to approve all PLAs prior to their becoming effective.

- **§10A-158. Project Labor Agreements.** The amendment of this subsection is to add a *shall* clause to the language in order to enforce the increase of the threshold of construction projects by the County from One Million Dollars (\$1,000,000) to Ten Million Dollars (\$10,000,000), and to require the use of a Project Labor Agreement. (page 1, line 19, to page 2, line 1). Effectively, this will change the inclusion of a PLA on County Construction projects from *discretionary* (“may include”) for contracts of \$1 million and up to *compulsory* (“shall include”) for contracts of \$10 million and up. The significance of this change (and its potential fiscal impact) is largely dependent on the number of construction

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<sup>7</sup> [Department of Labor - Project Labor Agreement Resource Guide](#)

<sup>8</sup> Ibid.

<sup>9</sup> [Department of Labor -Six Key Facts About Federally-Funded Project Labor Agreements](#)

<sup>10</sup> [Prince George's County Council - Reference No. CB-039-2013 \(legistar.com\)](#)

contracts of this size that the County enters. Council staff have requested this information from the administration, but it has not been received as of the date of this memorandum.

- **§10A-158.00.01. Project Labor Agreement Coordinating Committee; composition; duties.** This subsection states that the Project Labor Agreement Coordinating Committee will be comprised of 10 representatives. The key change in CB-091-2023 is switching the “Chairman of the Public Safety and Fiscal Management...”, who under current law serves as an *ex-officio member* of the Committee, to the Government Operations and Fiscal Policy Committee Chairperson or the Chairperson’s designee, serving as the Committee *Chairperson*. As such, the Bill would remove the Director of Central Services or the Director’s designee as Chairperson of the Committee. (page 2, lines 5 through 13). This change would replace a person who, by virtue of their position, has a level of expertise with a person who may or may not have such expertise. Also, the fact that Council committee leadership changes from year to year could have an impact on the operations of the Committee.
- **§10A-158.00.01(c).** The addition to this subsection states that the Committee must approve by a vote of the majority of members present, all project labor agreements to go before the County Executive for approval before they become effective. (page 2, lines 19 through 21) This additional power/responsibility would be an entirely new function of the Committee.

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### **Fiscal Impact:**

#### *Direct Impact*

The enactment of CB-091-2023 may have a direct adverse fiscal impact on the County due to the potential of increased County construction project costs on contracts of \$10,000,000 or more, which will now be subject to mandatory PLAs.

#### *Indirect Impact*

The enactment of CB-091-2023 may have a favorable indirect fiscal impact to the extent that it results in County workers benefitting economically from PLA provisions, and these benefits result in more local economic activity.

#### *Appropriated in the Current Fiscal Year Budget*

No.

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### **Effective Date of Proposed Legislation:**

The Act shall take effect forty-five (45) days after it becomes law.

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If you require additional information or have questions about this fiscal impact statement, please contact me via phone or email.