



MAINE AFL-CIO
A Union of Unions Standing for Maine Workers
21 Gabriel Drive, Augusta, Maine 04330
Tel. (207) 622-9675 * Fax (207) 622-9685
www.maineaflcio.org



President
Cynthia Phinney
Cynthia@maineaflcio.org

Vice President
Patrick Carleton
cpcarleton@yahoo.com

Secretary-Treasurer
Doug Born
Dougial14@gmail.com

Testimony of Maine AFL-CIO Executive Director, Matt Schlobohm, in Support of LD 1969,
An Act Concerning Equity in Climate Projects and Workforce Development
February 28, 2022

Good morning Senator Daughtry, Representative Sylvester and members of the Labor and Housing committee. My name is Matt Schlobohm. I'm the Executive Director of the Maine AFL-CIO. Over the last couple years, I've also had the pleasure of serving on the Maine's Climate Council and Economic Recovery Committee. The Maine AFL-CIO is a labor federation representing 160 local unions and 40,000 working people in Maine. We work to improve the lives and working conditions of our members and all working people. We testify in support of LD 1969.

Organizationally, we start from a place of recognizing that we face two urgent, interrelated challenges: accelerating climate change and deepening inequality. We must address these challenges together and we support LD 1969 because it does just that.

Inequality of wealth, income, opportunity and power is growing. These inequalities cut deeply along lines of race, gender and geography. This pandemic has only accelerated these inequalities and also laid them painfully bare for us to take full stock of. The top 1% own more wealth than the bottom 90% of Americans.¹ The three wealthiest Americans own more wealth than the bottom 50% of our population – 165 million people.² In Maine, median real wages only grew twenty-three hundred dollars from 2001 to 2018, a rate of 6.6% over 19 years.³ And, as of 2018, 45% of Mainers could not afford an emergency unexpected \$400 expense.⁴ Inequality has far reaching consequences from downward pressure on wages to significantly decreasing life expectancy. The richest Americans live 10 – 15 years longer than the poorest Americans.⁵

¹The richest 1 percent now owns more of the country's wealth than at any time in the past 50 years, Washington Post, December 6, 2017 by Christopher Ingraham.

² The 3 Richest Americans Hold More Wealth Than Bottom 50% of the Country, Study Finds, Forbes, Nov. 9, 2017 by Noah Kirsch.

³ Data from annual median wages from the Quarterly Census of Employment and Wage of the Bureau of Labor Statistics for Maine.

⁴ Could you Cover an Unexpected \$400 Expense? Nearly half of Mainers could not. Maine Center for Economic Policy, June 26, 2018. Accessed at: <https://www.mecp.org/blog/could-you-cover-an-unexpected-400-expense-nearly-half-of-mainers-could-not/>

⁵ The Gross Inequality of Death in America, The New Republic, May 10, 2019 by Roge Karma.
<https://newrepublic.com/article/153870/inequality-death-america-life-expectancy-gap>

We also know that climate change is warming our oceans, raising sea levels, changing our seasons, increasing extreme weather, jeopardizing the integrity of our ecological systems and moving people, animals and pests into motion. Climate instability impacts the future of work – what jobs people do, how they do those jobs and what their working conditions are – whether its firefighters battling ever expanding wildfires, park rangers dealing with increased ticks and lyme disease, fishermen and women facing warming oceans or construction workers facing ever hotter summers. And, of course, we know time is of the essence.

Our response to the climate crisis must be swift and bold. We have to rapidly reduce greenhouse gas emissions and decarbonize our economy. That change is coming and we have two options for how we pursue it in Maine and nationally. Do we build a clean, low-carbon economy built with disproportionately lower-wage, lower-benefit, lower-quality jobs or do we create tens of thousands of good paying, high road, often union jobs? Taking the high road will not just magically happen by itself. It requires that we make deliberate policy choices and that we directly address – and not reproduce or exacerbate – existing economic, racial and gender inequalities.

To date, the quality of jobs in the renewable energy economy in Maine has been very uneven. In 2019, the median wage in Maine for weatherization installers and technicians was \$14.34;⁶ for floor, ceiling and wall insulation workers in Maine in 2020 the median wage was \$16.14 and for solar photovoltaic installers it was \$19.09.⁷ When you factor in typically mediocre benefits – and that median wage rates inherently mean lots of jobs pay significantly less than the median – its clear that we can and should do better.⁸

LD 1969 moves us in the direction of a clean energy economy with high quality jobs. It seeks to address the climate and inequality crises together. LD 1969 grows out of recommendations from Maine Won't Wait – our state's four-year plan for Climate Action, which states:

*"The Strengthen Maine's Clean Energy Economy Plan highlights the importance of encouraging efforts to target the creation of these high-quality jobs through strategies that pair job quality standards with clean-energy investments. Some of these may include prevailing wages, project labor agreements, safety and health protections, community benefit agreements, registered apprenticeship utilization, and local-hire provisions. Domestic content requirements (guarantees of components and contracting with Maine workers and businesses) can also assist in building local supply chain opportunities. These and other related requirements should be considered when developing clean-energy projects and relevant policies."*⁹

⁶U.S. Department of Labor, Employment Training Administration, O*NET Online, 2019; <https://www.onetonline.org/link/localwages/47-4099.03?st=ME&p=annual>

⁷ U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2020 State Occupational Employment and Wage Estimates, Maine; https://www.bls.gov/oes/current/oes_me.htm#00-0000

⁸ These economic trends in Maine around the uneven and mediocre job quality of renewable energy jobs have played out nationally as well. See for example, *Building Solar Farms May Not Build the Middle Class*, New York Times, July 16, 2021 by Noam Scheiber. <https://www.nytimes.com/2021/07/16/business/economy/green-energy-jobs-economy.html>

⁹ Maine Won't Wait: A Four Year Plan for Climate Action, pg. 72. https://www.maine.gov/future/sites/maine.gov/future/files/inline-files/MaineWontWait_December2020.pdf

What LD 1969 Does:

LD 1969 strengthens our workforce development system, opens career path opportunities in a way that advance equity and helps us build the workforce Maine needs and attaches job quality standards on large renewable energy projects that receive state economic assistance. For renewable energy projects over 2MW that receive economic assistance from the state of Maine, the bill puts basic standards in place. To give you a sense of this size threshold, 2MW is equal to roughly 6,000 – 8,000 solar panels. A recent 2.5MW solar project in Maine required a 15.5 acre site.¹⁰ To be clear: LD 1969 applies to large projects; it does not cover residential projects.

This bill does three important things to strengthen our workforce development system, advance equity and improve the quality of jobs in the renewable energy economy.

1) Building out a Pre-Apprenticeship Framework for Maine to Build the Workforce we Need and Advance Equity

LD 1969 builds out a statutory framework for pre-apprenticeship programs in Maine. Registered apprenticeship is a tried and true “earn while you learn” model that has provided career ladders and good job opportunities for decades in construction and increasingly numerous other industries. Pre-apprenticeship programs are shorter, direct entry programs that provide workers with apprenticeship readiness skills and frequently include an opportunity to directly enter into a registered apprenticeship program after completing an application process. Pre-apprenticeship has frequently been used to open high quality career opportunities to directly impacted and historically underrepresented communities such as women, people of color, immigrants and justice-involved individuals. Across the country there are numerous women in the trades pre-apprenticeship programs or pre-apprenticeship programs working to connect communities of color and immigrant communities to world-class registered apprenticeship programs and the careers that come with them.

LD 1969 develops a statutory framework for registered pre-apprenticeship programs in Maine. It sets basic standards for these programs, ensures that they have a direct relationship with a registered apprenticeship program, sets out curriculum guidelines, develops application, certification and evaluation processes through the Maine Apprenticeship Program and requires that pre-apprenticeship programs advance equity, inclusion and accessibility. The bill also directs the Maine Department of Labor to seek funds to support pre-apprenticeship programs.

Having a structure for pre-apprenticeship programs will provide an important pathway into the good quality construction careers needed to build out the clean energy economy. It will also help Maine’s economy more broadly by helping us build the workforce that we need and by advancing equity through opening these opportunities to groups historically not afforded the same access to these opportunities.

2) Payment of Prevailing Wages & Encouraging Apprenticeship & Pre-Apprenticeship Utilization

¹⁰ Franklin Planning Board Oks Solar Project, Ellsworth American, by Rebecca Alley, Dec. 16, 2020

<https://www.ellsworthamerican.com/maine-news/franklin-planning-board-oks-solar-project/>

For projects over 2MW that receive state economic assistance, LD 1969 requires payment of the prevailing wage. Prevailing wages ensure that workers are paid wages and benefits that are customary for each occupation in an industry. The principle underlying prevailing wage laws is bipartisan and longstanding. It is that the government should not play an active role in driving down wages. By establishing a uniform rate in alignment with the labor market, the law prevents a “race to the bottom” in which contractors lower wage and benefit rates to make their bids more competitive. For the federal government the Davis Bacon law – named after its Republican sponsors Sen. James J. Davis and Rep. Robert Bacon – was signed into law by Herbert Hoover in 1931.

Maine has long had a state prevailing wage law requiring payment of a prevailing wage rate on state “public works” construction projects like roads, sewers, bridges, etc. The Maine Bureau of Labor Standards conducts an annual survey of wages and benefits in different construction related trades in various locations throughout the State to determine prevailing wage rates by trade for different counties.

LD 1969 extends prevailing wage rate requirements to larger renewable energy construction projects. It also modestly encourages use of registered apprenticeship and pre-apprenticeship programs by allowing payment of apprentice rates for apprentices on projects if the apprentices are part of a registered apprenticeship program and that program has a relationship with a pre-apprenticeship program. This will gently encourage the use of both apprentice and pre-apprenticeship.

3) Strengthening Job Quality Standards and Ensuring Workers See Benefits from these Projects

Finally, for any future solicitations conducted by the Maine PUC under Maine’s Renewable Portfolio Standard (RPS), the bill seeks to ensure that workers benefit from these projects. LD 1969 adds the existence of a Project Labor Agreement (PLAs) as one of the permissible factors to meet the economic benefits standard under the program. Projects under the existing RPS are selected based on 70% benefit to rate payers and 30% benefit to Maine’s economy. This bill adds Project Labor Agreements as one additional permissible factor for consideration to meet that 30% level. It also includes worker ownership and ESOPs as another permissible factor.

Project Labor Agreements (PLAs) are a project management tool that allow developers and workers to come together to ensure a highly skilled workforce on a project so that it can be completed on time and under budget. A Project Labor Agreement is a pre-hire, project wide negotiated agreement that establishes ground rules that cover all contractors and all construction workers on a project. Project Labor Agreements were in the news recently as the federal government is utilizing them on federal construction contracts over \$35

million.¹¹ In Maine PLAs have been used most recently in the offshore wind industry as AquaVentus signed an MOU to develop a PLA on its floating offshore wind research array project.¹²

Used since the 1930s, PLAs are an effective tool for ensuring timely, cost effective delivery of projects. The advantages of this business model are several:

- It provides contractors with access to a properly trained, highly skilled workforce
- It facilitates more accurate budgeting and cost forecasting for project owners and contractors by establishing set wage rates for all craft workers and apprentices on the project
- It helps ensure that projects are built correctly the first time, on time and as a result on budget for the end user. Additionally, future building maintenance costs are often lower.

Conclusion:

We support the bill before you because in our response to the climate crisis we have a tremendous opportunity to build a more equitable, high road economy. That will not just happen on its own. Good jobs do not just fall from the sky. They typically result from public policy, workers overall bargaining power and market dynamics. LD 1969 seeks to ensure that large scale renewable energy projects benefit our communities and lead to good quality jobs, a highly trained workforce and economic opportunities for a diverse and broader set of workers.

That's good for our economy and it is also essential to the durability and viability of our response to the climate emergency. The climate crisis demands dramatic transformations. We can only achieve those if they are accompanied by shared economic benefit that people can see and touch and feel in their lives.

For all of these reasons, we urge you to vote ought to pass on LD 1969.

¹¹ See <https://www.laborrelationsupdate.com/uncategorized/president-biden-signs-executive-order-requiring-project-labor-agreements-for-large-scale-federal-construction-projects-35-million/> and <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/03/fact-sheet-president-biden-signs-executive-order-to-boost-quality-of-federal-construction-projects/>

¹² See <https://www.pressherald.com/2021/04/07/contractors-developer-promote-offshore-wind-jobs-deal-for-maine/>