



ACCELERATOR FOR AMERICA

MAXIMIZE INVESTMENT FOR JOB
& SMALL BUSINESS GROWTH

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SUMMARY

Local decision-makers across the U.S. have expressed the need to immediately and sustainably address rising unemployment and expanding social, economic, and racial inequality in their communities. To accelerate the economic recovery, the New Partnership on Infrastructure (NPI) recommends that Congress: **1) Establish a national training center for workforce development and apprenticeship programs for infrastructure. 2) Declare in economic stimulus bills that federal competition rules do not prohibit innovative job creation incentives such as the U.S. Employment Plan (USEP) and local hire in procurements for all infrastructure projects. 3) Incentivize state and local agencies to hire growing small and medium sized businesses. 4) Create and expand federal grant incentives that drive innovation and put people to work.** These policy recommendations, will enable local innovation to thrive, and if adopted will:

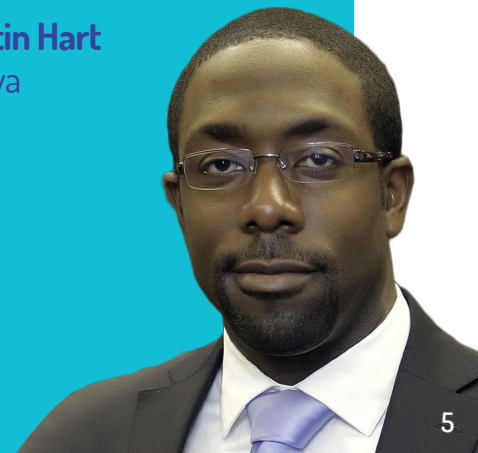
- » Foster economic recovery from the pandemic and strengthen local economies overall.
- » Prepare America's workforce for the future through training and skills development programs.
- » Create good infrastructure jobs in communities across the country.
- » Advance the growth of small and minority-owned businesses historically underserved and that have been battered by the current economic crisis.
- » Reduce social, economic, racial, and gender inequality.

THE PROBLEM

Local officials across the country are contending with how to build a sustained recovery that includes the entire community, including how to get residents back to work into well-paying jobs. Mayors and local infrastructure sector leaders have expressed the need to 1) Create good jobs. 2) Prepare their workforce for future job opportunities by providing them with needed training for skills development. 3) Support the advancement of local small, and minority- and women-owned businesses in their communities.

“Recovery must include everyone. We need to make sure opportunities and access are available to all.”

Mayor Quentin Hart
Waterloo, Iowa



POLICY RECOMMENDATIONS

RECOMMENDATION #1:

Establish a national training center for workforce development and apprenticeship programs for infrastructure.

Outcome(s): Cultivate a skilled labor force, develop a labor pipeline for infrastructure projects.

“If we’re really trying to do something on a big scale, we would stand up centers of learning all over the country and put real monies into infrastructure for it.”

Phil Washington, CEO, LA Metro

Cities need federal leadership and meaningful funding for workforce development and apprenticeship programs to prepare workers for stable, well-paying jobs. To date, federal workforce development programs have been unable to successfully meet local needs. For example, the Federal Transit Administration (FTA) Innovative Workforce Development (IWD) grant program is under-funded, issued at irregular intervals, and lacks a clear set of goals. Limited federal training funds should be used to create a national training center for infrastructure, like the National Transit Institute, to set clear national objectives and establish a comprehensive strategy by providing resources, thought leadership, and training standards. Further, a national training center for infrastructure should support programs that will provide minority and low-income communities with quality education and training to excel in emerging industries, like the electric transportation sector, where access to training and education for charging infrastructure engineering, battery manufacturing, and electric vehicle maintenance is limited. Innovative local training models, like Valley Transit Authority’s (VTA) bus operator apprenticeship program, have proven that good training offers a high return on investment. VTA partnered experienced operators with new drivers to provide insights and advice at the start of their careers, resulting in nearly 100% of program participants still driving for VTA 18 months later.



POLICY RECOMMENDATIONS

RECOMMENDATION #2:

Declare in economic stimulus bills that federal competition rules do not prohibit innovative job creation incentives such as USEP and local hire in procurements for all infrastructure projects.

Outcome(s): Strengthen recovery, create good U.S. jobs, address social, economic, and racial inequality.

Local Innovation: Amtrak

In 2014, Amtrak used USEP for a \$2 billion procurement for a new set of high-speed trains. The awarded contractor created 400 new jobs in upstate New York at a facility to manufacture the rail cars. Further, the contractor used U.S. manufactured parts from more than 30 states to build the trains, creating an additional 1,000 jobs across the country.

Local officials have voiced the need to simultaneously improve local infrastructure and create good jobs for their residents. The federal government must enable local decision-makers to achieve local social and economic goals by clarifying the federal government's current competition rules to explicitly encourage adoption of the USEP for manufactured goods and services and local and targeted hire incentives for construction projects when using federal funds. Transit projects have used targeted hiring preferences in procurements by leveraging USEP, a program approved by the U.S. Department of Transportation (USDOT) for procurements of heavy equipment like rolling stock. The adoption of USEP and innovation displayed by agencies like Amtrak has demonstrated that 1) Further federal leadership is needed. 2) Procurement approaches can simultaneously foster competition, create good community jobs, and target social, economic, and racial inequality. By declaring that federal competition rules do not prohibit innovative job creation incentives for all transportation modes, as well as water infrastructure and energy projects, the federal government can squeeze the most out of every recovery dollar spent by creating good jobs. To expedite economic recovery in the most impacted localities, the federal government could encourage local agencies to use local and targeted hire practices and set a national goal that a minimum of 40% of project hours on new contracts be performed by individuals recently unemployed due to the current economic crisis.



POLICY RECOMMENDATIONS

RECOMMENDATION #3:

Incentivize state and local agencies to hire growing small and medium sized businesses.

Outcome(s): Advance the growth of small and minority-owned businesses.



AFA

Small and minority-owned businesses need support to grow and remain competitive, especially after the pandemic. Current federal regulations require that agencies receiving federal funds have a disadvantaged business enterprise (DBE) program, which can incentivize small businesses that meet Small Business Administration (SBA) standards to stay small rather than mature into medium-sized businesses. In response to these concerns, LA Metro established two local innovations, a Medium-Sized Business Program and a Small Business Prime Program, to support small businesses with tools to “get certified and grow”. The federal government can support the advancement of small and minority-owned businesses by first renaming DBEs. The term “disadvantaged” perpetuates the systemic marginalization of these businesses, which we recommend should be renamed to “historically underutilized” business. Also, the federal government can help scale local innovations, like the LA Metro programs, by 1) Creating a national Medium Business Size Standard to compliment the Small Business Size Standard. 2) Using stimulus dollars to provide start-up capital to stand up 15 (to start) similar local small business prime/on-call contracts and medium-sized business programs in agencies across the country in localities most impacted by COVID-19. Directly funding such business programs presents an effective opportunity to confront systemic racial inequality, and provide the administrative infrastructure to meet and expand national historically underutilized business targets, which are currently not met by all agencies. As the country needs and will continue to need a dramatic increase in historically underutilized and small business activity and growth, this is a robust and equitable way to do so.

POLICY RECOMMENDATIONS

RECOMMENDATION #4:

Create and expand federal grant incentives that drive innovation and put people to work.

Outcome(s): Research hubs in cities across the country that drive economic development and help us build back better, create jobs, workforce development and skills training.



Innovation in the United States has a long history of being driven by federal investment in research and development. Cutting-edge technology and scientific advancements that have revolutionized our lives, like the internet, GPS, vaccines and microwaves, are all the result of strategic investments by the government to prepare for the future. A recent study showed that nearly one third of patents in the United States are the result of federal research funding.¹ In recent years, federal funding for research and development has decreased, leading to the decline in the incentives for long term research in areas that are needed for our economic competitiveness. As we recover from this crisis and work to rebuild our communities better and more equitable than they were before, it is critical that we make investments in new technologies and our communities simultaneously. Creating regional research hubs that do cutting-edge work and also include training for workers in developing fields and deployment strategies for how these advancements will work for everyone could have a major impact on local economies across the country. Further, the federal government can and should strategically partner with Historically Black Colleges and Universities and Hispanic-Serving Institutions to develop these training hubs. For example, as we work to electrify the transport sector and struggle with ensuring technologies meet local needs, it would make sense for the Department of Energy to create local research hubs where cities could test various technologies. Local testing of technologies such as batteries and charging stations to determine what performs well in extreme heat and cold would result in major cost reductions in these technologies. Encouraging regional experts to test this technology builds momentum for the technology with local buy in. As the technology advances, these hubs can train workers in this field and catalyze adaptive economic growth in the region.