House Democrats recently unveiled the Moving Forward Act, a bill that would invest $1.5 trillion to modernize America’s physical infrastructure.\(^1\) The legislation would get millions of Americans back to work and ensure that communities can make long-overdue improvements to highways and rail and transit systems. In addition, it goes even further to support economic recovery by investing in health care, airports, clean energy, broadband, education, and drinking water infrastructure. As the country emerges from the global pandemic, such a major infrastructure investment will be critical to the nation’s economic recovery.\(^2\)

Moreover, the proposed package takes several positive steps to ensure that its investments support high-quality jobs. In order for any infrastructure package to create widely shared economic benefits, Congress must also ensure that all companies benefiting from infrastructure spending create good jobs that are accessible to Americans of all walks of life. At a minimum, the government should require all private sector employers receiving federal infrastructure spending to:

- Pay decent wages and provide quality benefits.
- Prevent discrimination and comply with equal pay protections.
- Expand access to apprenticeship and targeted hire programs.
- Respect workers’ rights to join a union.
- Comply with existing workplace laws.
- Adhere to “Buy America” rules that create jobs in the United States.

Federal COVID-19 response must safeguard workers and restart the economy through critical infrastructure investment

Due to the public and private efforts to minimize the incidence of the pandemic, large swaths of the U.S. economy are temporarily shut down. Approximately 21 million Americans, or 13.3 percent of the total workforce, applied for unemployment benefits in May.\(^3\) And unemployment rates among Latinx, Black, and
Asian workers were much higher—17.6 percent, 16.8 percent, and 15 percent, respectively—compared with white workers, at 12.4 percent. Yet without further government intervention, short-term closures could have long-term consequences, and too many jobs could disappear for good. Indeed, the Congressional Budget Office estimates that U.S. unemployment rates will remain above 8 percent through 2021 and that this recession will lead to a loss of $15.7 trillion in gross domestic product by 2030.

Major investment in infrastructure would help to restart the economy by directly sustaining and creating millions of jobs for American workers. These workers would jump-start growth in other sectors by spending their new earnings in their communities, even during this time of social distancing—for example, at local stores and restaurants. This, in turn, would send a signal to private companies to begin hiring and investing in capital projects. Federal policymakers must act now to ensure that state and local governments, which oversee most infrastructure, are able to get new projects moving forward as soon as it is safe for everyone to go back to work.

Ideally, Congress would act now to pass major infrastructure legislation that would provide money over a five- or 10-year period. Infrastructure projects do not start and stop on a dime. State and local governments must make a long-term funding commitment. With the current authorization for highway and transit programs set to expire at the end of September, there is no reason to wait on enactment of a major infrastructure plan.

While President Donald Trump is yet again signaling interest in taking up a major infrastructure package, he has repeatedly failed to move such proposals forward to Congress. If a major infrastructure package fails to be enacted during this session, Congress and whoever is elected president this fall must prioritize these investments in the next session.

Simply spending more money is not enough to build inclusive prosperity for America’s working families. In order to maximize the benefit of infrastructure spending, policymakers must attach standards to ensure that private sector companies receiving support create good jobs. After weeks of going without pay, many Americans will be desperate for income and willing to accept jobs from low-road employers that are willing to break the law or pay below market wages. Allowing bad actors to benefit would not only harm workers and drive down pay in subsidized sectors but also slow the economic rebound, as workers earning lower wages would have less ability to spread gains throughout the economy.

The government has a number of tools at its disposal to ensure that the jobs created by the investment are good jobs. House Democrats committed to ensuring that the jobs created through any infrastructure package are covered by Davis-Bacon Act protections, which require construction work to pay market wages and benefits. For
example, the Moving Forward Act extends Davis-Bacon coverage to several spending programs; helps expand registered apprenticeship in surface transportation projects; and requires major purchases of transit vehicles to include incentives for manufacturers to pay decent wages as well as provide apprenticeships and recruit traditionally underrepresented labor. In addition, the package incorporates provisions of the Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act to boost transparency and adopt guardrails to ensure that recipients meet labor and Buy America requirements.8

In addition, Sen. Kirsten Gillibrand (D-NY) and Rep. Karen Bass (D-CA) introduced the Build Local, Hire Local Act last summer, which would go even further to ensure that any major infrastructure package upholds high job quality standards and that local communities where infrastructure projects take place reap meaningful benefits.9 Finally, in their “Better Deal” agenda, Senate Democrats endorsed protections on all government spending that would help to ensure that workers who want to form unions are able to do so.10

These types of interventions are essential because existing job quality protections do not automatically extend to new spending programs. But there is more that can be done to support workers. For example, most safeguards—such as wage standards for service workers and affirmative action planning requirements—cover only employers receiving federal contracts, even though more than half of all federal spending to support private sector jobs comes in the form of grants, loans, loan guarantees, and tax credits.

Making matters worse, the Trump administration and his allies in Congress are working to undercut strong standards. The administration announced that it would not require federal contractors receiving coronavirus funding to comply with long-standing anti-discrimination protections that mandate that they take affirmative efforts to hire women, people of color, veterans, and people with disabilities.11 Moreover, the Senate majority stripped protections from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that would have required airlines receiving bailout funds to pay workers at least $15 per hour; and now, Senate Majority Leader Mitch McConnell (R-KY) wants Congress to free companies from future liability when they fail to take reasonable steps to protect their workers from COVID-19 exposure.12
Six steps to ensuring that infrastructure investment creates good jobs

All companies supported by federal infrastructure spending must create good jobs, regardless of whether they receive grants, loans, loan guarantees, or tax credits. In order to do so, federal policymakers must include protections in any major infrastructure investment to ensure that all subsidized firms comply with the following requirements:

1. Pay fair wages and provide quality benefits
   All jobs supported through the infrastructure package should pay decent wages and provide essential benefits. Yet the Davis-Bacon Act and the McNamara-O’Hara Service Contract Act, which set wage and benefit rates for contracted workers in the construction and service sector at existing market levels, do not automatically apply to new spending programs. Moreover, too often, prevailing wage rates are set at levels that undercut high industry standards and sometimes even pay poverty wages.  

   Prevailing wage and benefit protections should apply to any future infrastructure spending. In addition, Congress should adopt reforms enacted by several cities and states to ensure that when significant numbers of workers in an industry join together in unions, the collectively bargained wage rates can become the prevailing wage rates.

   Also, Congress should raise the minimum wage floor for all recipients of infrastructure funds to $15 dollars per hour and ensure that funded companies provide essential benefits such as paid sick leave. In occupations and geographies with low levels of union membership, prevailing wage rates often fall below the living wage needed to sustain a family. Raising minimum pay and expanding benefits protections would build on the work of President Barack Obama, who established minimum wage and paid sick leave protections for those working on federal contracts. Finally, policymakers should enact protections to ensure that publicly supported workers receive fair scheduling protections, extended paid family and medical leave, and access to quality and affordable child care.

2. Prevent discrimination and enforce equal pay protections
   All workers—no matter their race, gender, religion, national origin, sexual orientation, gender identity, disability, or veteran status—should have access to jobs funded through an infrastructure package and should receive fair compensation from their employers. Yet, as discussed above, one of President Trump’s first acts in response to the coronavirus crisis was to announce that the government would grant exemptions and waivers to some anti-discrimination protections that require contractors receiving coronavirus relief funds to take affirmative efforts to hire women, people of color, LGBTQ individuals, veterans, and people with disabilities.  

   Previously, the administration has granted the attorney general the
authority to enact religious exemptions from these protections and halted implementation of corporate reporting requirements; moreover, it has rescinded pay transparency obligations enacted by President Obama to require federal contractors to provide workers with information on how much they are paid.\textsuperscript{15}

Congress should require the administration to restart anti-discrimination reporting and enforcement for all recipients of coronavirus funds. In addition, it should provide funding for the Office of Federal Contract Compliance Programs—which is charged with enforcing these protections—at levels sufficient to support targeted investigations into sectors with significant pay disparities by race, ethnicity, gender, and other factors, as well as reviews of employee movement from entry- and mid-level jobs into higher-earning positions.\textsuperscript{16} Finally, Congress should require federal contractors to provide workers with information about how much they are paid and affirm requirements mandating that each year, all employers provide the government with compensation data broken down by race and gender.

3. Expand access to apprenticeship and support targeted hire programs

Infrastructure investment that supports registered apprenticeship and paid training programs could help workers obtain high-paying jobs with opportunities for career advancement; ensure that industries are able to build a pipeline of highly qualified workers; and push back on actions by the Trump administration to erode apprenticeship standards and block local hire agreements.\textsuperscript{17} Moreover, by linking apprenticeships with nationally recognized credentials and targeted hire agreements, Congress can create opportunities for workers who were long excluded from construction jobs.

Lawmakers should require that apprentices participating in programs that meet federal and state Registered Apprenticeship standards perform at least 15 percent of their hours on large infrastructure projects. Lawmakers should also require that projects adopt a targeted hire initiative to establish hiring requirements and partnerships with community groups, so that affected groups—such as local residents, women, people of color, workers with disabilities, and other disadvantaged individuals—are able to access these jobs. These requirements are modeled after successful programs in Washington state, Alaska, San Francisco, and Los Angeles County.\textsuperscript{18}

In industries and regions with few established Registered Apprenticeship programs or where established apprenticeship programs have little capacity to fulfill necessary training, any infrastructure bill should ensure partnership with the public workforce system and provide funding to labor-management intermediaries in order to develop apprenticeship or paid work-based learning programs.\textsuperscript{19}
4. Respect workers’ rights to join a union

All workers who want to form a union should be able to do so. Despite enhanced protections to ensure that contract workers know their rights and to prevent companies from using government funds to fight the efforts of workers to form a union, workers seeking to unionize typically face an uphill battle.20

Subsidized employers are free to use their own funds to fight organizing efforts and often engage in sophisticated campaigns to prevent workers from forming unions.21 This can include forcing workers to attend anti-union meetings and pressuring workers to reveal their private preferences for the union. Moreover, President Trump repealed protections that ensured that service contractors provided workers employed on previous contracts a right of first refusal.22

All companies receiving federal infrastructure funds should be covered by existing collective bargaining protections for contract workers, and successor contractors should be required to provide a right of first refusal to workers. In addition, companies receiving federal support should be required to comply with the Protecting the Right to Organize Act.23 This means, for example, that firms could not force workers to attend anti-union meetings or sign arbitration agreements that would get rid of their rights; moreover, they would have to give workers the ability to communicate with each other about collective issues. Congress could go even further to support worker voice by requiring local agencies overseeing major hubs of work, such as airport authorities, to develop boards bringing together worker and employer representatives to establish ongoing workplace standards, including required minimum pay, benefits, scheduling, training, and staffing levels.

5. Comply with existing workplace laws

All companies receiving federal infrastructure funds should be required to report their record of workplace violations. Numerous government studies have found that government contractors face few consequences when they break federal workplace laws designed to ensure that workers are paid what they are owed, are safe on the job, and do not face discrimination. For example, a 2017 Senate report found that two-thirds of the government’s 100 largest contractors have been caught breaking workplace wage and safety laws.24

Although President Obama took action to ensure that companies complied with health and safety standards, wage laws, and anti-discrimination protections before they received federal contracts, President Trump signed legislation rolling back these protections. Lawmakers should require contractors with long records of serious and repeated workplace law violations to come into compliance before they are able to receive any federal funding.25

In addition, policymakers can ensure that protections are enforced by monitoring recipients—particularly those in industries with high rates of violations and
corporations with poor compliance records—as was previously done to monitor fraud, waste, and abuse among federal recipients of economic stimulus funds during the Great Recession.\textsuperscript{26} Congress should also empower workers to stand up for their rights by permitting them to take action on their own, or even on behalf of the government, against companies that violate their rights and by providing grants to community and worker organizations to engage in outreach to workers and employers.

6. Create jobs in the United States
All assistance to recipients of infrastructure funds should be covered by strong domestic content standards. Laws designed to ensure that the federal government purchases American-made products and that federally supported infrastructure projects use American-made inputs are too often poorly enforced and cover only a limited number of spending programs as well as a limited number of end products.\textsuperscript{27} For example, the U.S. government opens a far greater share of its procurement market to foreign goods than do its five largest foreign trade partners covered under the World Trade Organization’s Agreement on Government Procurement combined—the European Union, Japan, Canada, South Korea, and Norway.\textsuperscript{28}

Federal agencies must do a better job of administering existing domestic content preference laws and guaranteeing transparent and thorough audit processes to ensure compliance.\textsuperscript{29} In addition, they should establish higher thresholds for granting waivers of domestic content preferences; close loopholes that undermine the intent of these laws; ensure that low-bid contracting procedures do not undercut the ability to source domestically produced content; expand the application of Buy American and Buy America preferences to other types of federal spending programs and federal assistance programs identified as not being covered; and, when practicable, take steps in trade negotiations to rebalance a lopsided balance of procurement market access. If agencies are slow to act, Congress should require more aggressive steps that would result in more products made in America being purchased with federal dollars. Fortunately, House Democrats are poised to do just that.

Job quality and equity standards raise standards for workers

By adopting the protections outlined above in any infrastructure investment package, policymakers would be significantly raising standards for working people from all walks of life while, at the same time, helping Americans struggling from the economic consequences of the coronavirus get back to work.

Research finds that wage standard protections raise wages, lower poverty rates, and reduce inequality in affected industries. According to a 2016 study, construction workers in states with strong or average prevailing wage laws made nearly
$12,000 more per year, on average, than construction workers in states with weak or no prevailing wage laws.30 Moreover, participation in Registered Apprenticeship programs results in an average earnings gain of more than $3,400 per year and a lifetime earnings gain of nearly $120,000.31

Similarly, federal interventions to reduce discrimination among federal contractors have been successful. After President Lyndon B. Johnson adopted affirmative action requirements for federal contractors, studies show that demand for Black Americans and women increased significantly in contractor establishments compared with noncontractor establishments.32

Policymakers can also support widespread prosperity by ensuring that workers who want to form a union are able to do so. Research shows that unions reduce wage inequality and increase economic mobility.33 For example, children who grow up in areas with a high union density typically rank relatively higher in income distribution as adults than those from areas with few union members.34

Conclusion

COVID-19 has sparked a national recession that has left Americans from all walks of life reeling and has disproportionately affected communities of color. Federal policymakers can help get millions of Americans back to work by supporting economic recovery through investment in critically needed public infrastructure. Yet in order to maximize the benefits of this spending, policymakers must be intentional about ensuring that this investment creates good jobs that are available to all working Americans. They can do so by requiring all private sector beneficiaries of an infrastructure package to comply with a robust package of job quality standards. This will both help everyday Americans move beyond the current crisis and foster widespread prosperity.

*Karla Walter is the senior director of Employment Policy at the Center American Progress.*


