



Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF BROADBAND
JB Pritzker, Governor



UNIVERSITY OF ILLINOIS SYSTEM

Closing the Digital Divide in Illinois

BEAD Deep-Dive Webinar: Illinois-specific Labor Requirements

September 11, 2024

BEAD Deep Dive Webinar Series:

Context and Goals



Context:

To align with NTIA requirements, BEAD-funded Connect Illinois Round 4 **differs from Connect Illinois Rounds 1-3**

The Illinois Office of Broadband aims to **help all interested applicants get familiar** with these requirements ahead of the subgrantee process



Goals:

Breaking down the BEAD process

- Walk through key elements and requirements of the Connect Illinois Round 4 subgrantee process
- Clarify specific components of the BEAD program requirements ahead of the subgrantee process
- Provide regular updates on Connect Illinois Round 4

Topics for Discussion Today

1

Recap of BEAD and progress to date

2

BEAD and IL requirements on labor standards and protections

3

BEAD and IL requirements on MBE / WBE / Labor Surplus Firm inclusion

4

BEAD and IL requirements on workforce development

1

Recap of BEAD and progress to date

BEAD is a \$42B federal grant program that aims to bring high-speed internet to all Americans

\$42.45 billion

Funds provided for BEAD

The Broadband Equity, Access, and Deployment (BEAD) Program is a federal grant program that aims to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where high-speed internet is currently unavailable

Program highlights

Eligible entities

- All 50 States, District of Columbia, and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

Example eligible uses of funds

- Planning for the deployment of high-speed Internet, including conducting research, collecting data, outreach, and training
- Deploying or upgrading Internet in un/underserved areas
- Improving service to community anchor organizations
- Installing Internet and Wi-Fi in multi-unit residential buildings
- Workforce development, including Registered Apprenticeships and pre-apprenticeships, community college and/or vocational training for broadband-related occupations to support deployment, maintenance, and upgrades

What are the goals of BEAD?



The BEAD Program awarded Illinois \$1.04 billion to connect all unserved and underserved locations to broadband over the next 5 years



Ensure universal coverage across all un/underserved locations in the state, maximizing deployment of end-to-end fiber, and only using non-fiber where fiber costs are extremely high¹



Prioritize projects providing broadband access to unserved and underserved locations and community anchor institutions, Wi-Fi equipment for Multi-Dwelling Units (MDUs) then other digital equity and inclusion priorities²



Run subgrantee selection process within one year of approval of the Initial Proposal, and complete implementation within four years of receipt of funds³



Focus on improving broadband affordability through a low-cost broadband service option, and a middle-class affordability plan⁴

1. Page 14 of BEAD NOFO, on the definition of Priority Broadband Project
2. Page 33 of BEAD NOFO, on the allocation of grant funds
3. Page 65 of BEAD NOFO, on deployment deadlines and benchmarks
4. Page 42-46 of BEAD NOFO, on inclusion of affordability in the BEAD scoring criteria

Source: [BEAD NOFO](#)

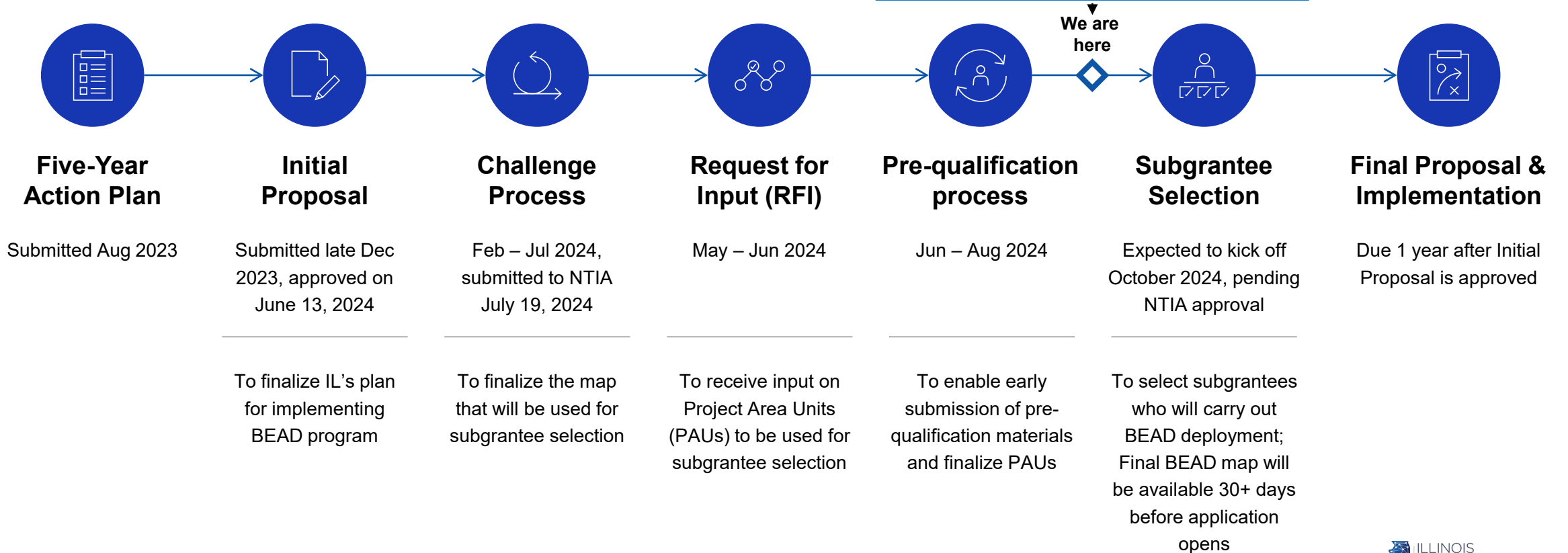
Overview of the BEAD-funded Connect Illinois Round 4 timeline

PRELIMINARY TIMELINE - SUBJECT TO CHANGE

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Key Updates

- Challenge results submitted; Illinois in curing process with NTIA
- All 40+ entities received IOB feedback on their Pre-qualification submissions
- NOFO drafted and pending State of Illinois approval



2

BEAD and Illinois requirements on labor standards and protections

A. Labor standards and protection

Labor standards and protections for BEAD

Steps for BEAD-required labor standards and protections

BEAD requires the State to ensure that BEAD awardees use strong labor standards and protections



In response to these requirements, **the State of Illinois will require the below BEAD-recommended steps for labor standards and protections:**

- **Paying prevailing wages and benefits to workers**
- **Using project labor agreements, or allowable alternative**
- **Use of local hire provisions**

Measures that will be mandatory for all Illinois BEAD awardees



Paying prevailing wages and benefits to workers: The State will require all awardees to comply with all requirements of the **Prevailing Wage Act** and to report on their compliance monthly, and comply with the **Illinois Work Apprenticeship Initiative**



Use of local hire provisions: The State will require all awardees to comply with **the Employment of Illinois Workers on Public Works Act**, which provides that grant awardees shall employ at least 90% Illinois laborers on qualifying projects during periods of excessive unemployment in Illinois



Project Labor Agreements (PLA): **Projects with \$10M+ total cost** must provide either a certification that the project includes a Project Labor Agreement or a Project Workforce Continuity Plan, and **all applicants can submit a PLA to receive scoring points**

Deep dive to follow ►

Illinois Prevailing Wage Act (820 ILCS 130)

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS



The Statute:

“Not less than the general prevailing rate of hourly wages for work of a similar character on public works in the locality in which the work is performed, and not less than the general prevailing rate of hourly wages for legal holiday and overtime work, shall be paid to all laborers, workers and mechanics employed by or on behalf of any public body engaged in the construction or demolition of public works.” 820 ILCS 130/3



Context:

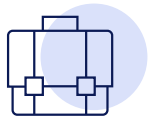
- Simple idea - if tax dollars are used on a construction or demolition project, then the workers on that project should be paid a certain amount
- No “races to the bottom”
- Level playing field
- All Connect Illinois Projects require prevailing wages, and this requirement is included in the Grant Agreement

What is a “Prevailing Wage”?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

 Deep-dive to follow



The Basics

- What most people doing that kind of work make for it in that area
- Depends on geography: Cook County has different rates than Sangamon County. Sometimes, different regions of counties are also different
- It includes fringe benefits
- It depends on the “character” of the work - in other words, the classification of the job



Classifications

- The rate depends on the classification of each job
- This roughly breaks down into different trades: carpenters vs. electricians vs. laborers, etc.
- But there can be further classifications. For example, truck drivers are broken out by how many axles they drive
- Most common classifications on Connect Illinois projects are Electrical Lineman, Laborer, and Operating Engineer



Rate determination

- The rates are determined by an annual survey conducted by the Illinois Department of Labor
- This survey is conducted every June, with the results published on July 15
- Periodic updates throughout the year
- Heavily based on rates set by CBAs, PLAs, etc.

Most Common Classifications on Broadband Projects

How to identify which job functions apply to your project

AS OF SEPTEMBER 9, 2024 INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS



Classification

Electric Power Lineman

Electric Power Groundman

Laborer

Operating Engineer (Operator)



Description

Journey level skilled installation/
repair/maintenance of lines

Entry level; assists Lineman

Performs unskilled manual labor;
digging, moving, etc.

Operates heavy machinery
(i.e., trenchers, excavators)



Considerations

Most common class on
broadband jobs

Essentially lineman's assistant

Broad category, doesn't require
specific training or certification

Least common for broadband
projects

A. Labor standards and protection

Project Labor Agreements



Overview of PLAs

Project Labor Agreements (PLAs) are collective bargaining agreements unique to construction projects

They are pre-hire collective bargaining agreements negotiated between one or more construction unions and one or more construction employers (contractors/project owners) that establish the terms and conditions of employment for a specific construction project



Key considerations for PLAs

- Required for projects over \$10M
- Applicants that include PLAs will score higher on the Fair Labor Practices Scoring Criteria for Connect Illinois Round 4
- Helps a project comply with labor standards
- Regulatory agencies are less likely to investigate/ penalize a project with a PLA
- Clearly lays out the roles of the various trades, contractors, etc.
- Helps prevent work stoppages/instability
- Opens lines of communication between the various entities involved in the process
- Lays out processes to handle any disputes

A. Labor standards and protection

Project Labor Agreements



Essential Elements of a PLA

- Between the entity running the project (in this case, the grantee) and at least one labor union
- Guarantee against strikes, lockouts, etc.
- Ensure a reliable source of labor
- Set goals for woman and minority contracting and hours
- Permit the selection of the lowest responsible bidder
- Set a process for resolving disputes
- Bind all contractors and subcontractors



State of Illinois suggestions for PLAs

- Consult the local building trades organization. Building trades organizations are umbrella organizations that cover all relevant local unions (electricians, laborers, operating engineers, etc.) and can speak for all of them in negotiating a PLA
- Use form PLAs when possible. These have already been stress tested and often approved by the relevant government agencies
- Make sure the PLA has a process to deal with wage disputes, jurisdictional disputes, procurement disputes, etc.
- Add in writing any matters you think are important
- Reach out early
- Keep the lines of communication open

3

BEAD and Illinois requirements on MBE / WBE / Labor Surplus Firm inclusion

B. MBE / WBE / Labor Surplus Firms inclusion

BEAD requirements on MBE/WBE and Labor Surplus Firms

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Source: BEAD NOFO, Illinois BEAD Initial Proposal Volume II

BEAD requires the below affirmative steps to assure that minority business enterprises (MBE), women's business enterprises (WBE), and labor surplus area firms are used when possible:



Placing qualified small and minority businesses and women's business enterprises on solicitation lists



Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources



Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises



Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises



Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce



Requiring subgrantees to take the affirmative steps listed above as it relates to its subcontractors

To meet BEAD requirements outlined above, **the State will require all subgrantees to participate in the Business Enterprise Program (BEP)**, which uses multiple processes to ensure that MBEs and WBEs are recruited, used, and retained whenever possible

Deep dive to follow ►



- The State of Illinois promotes and encourages the continuing economic development of minority-owned, women-owned, and persons-with-disabilities-owned and operated businesses
- The BEP Act helps accomplish this by increasing the participation of such businesses in contract and grants awarded by the state
- Every state project, including every BEAD project, must comply with BEP
- The State has set an aspirational goal that no less than 20% of the total dollar amount of all state construction contracts and grants be awarded to businesses owned by minorities, women, and persons with disabilities:
 - 11% to businesses owned by minorities
 - 7% to businesses owned by women
 - 2% to businesses owned by persons with disabilities
- Such businesses must be registered with the Commission on Equity and Inclusion (CEI)
- Each project, including every BEAD project, has its own individual goal, factoring in the location of the project, the nature of the work, etc.
- The individual goal is set by the CEI
- Grantees must at least be able to document that they made a Good Faith Effort to meet that goal

B. MBE / WBE / Labor Surplus Firms inclusion

Business Enterprise for Minorities, Women, and Persons with Disabilities Act (BEP)

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

4

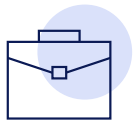
BEAD and Illinois requirements on workforce development

BEAD requires investments to develop a skilled, diverse workforce

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

BEAD requirements on workforce development



Use of highly trained workforce

Description of how the State will ensure subgrantees support the development of a skilled workforce capable of carrying out BEAD Program work in a manner that is safe and effective



Participation in partnerships

Description of how the State will promote sector-based partnerships that provide skills-based training and wrap-around services to support local workers (e.g., registered apprenticeships)



Equitable on-ramps into broadband jobs

Description of how the State will create equitable on-ramps into broadband-related jobs by removing barriers to entry, and by maintaining job quality and worker voice



Job availability to diverse worker pool

Description of how the State will ensure job opportunities created by broadband funding programs are available to a diverse pool of workers



Details on the full list of investments by the State of Illinois can be found in Initial Proposal Volume II, “Workforce Readiness”

Deep dive on Illinois Works to follow



Illinois Works (ILW): Innovative Workforce Development Model

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Designed to:



Create demand for building trade apprentices through the Apprenticeship Initiative



Develop a talent pipeline through the Pre-apprenticeship Program



Provide incentives for employers to hire and retain talent through the Bid Credit Program

Primary goal

Utilize these programs to **increase equity** while developing a **qualified and sustainable talent pipeline** within construction and the building trades.

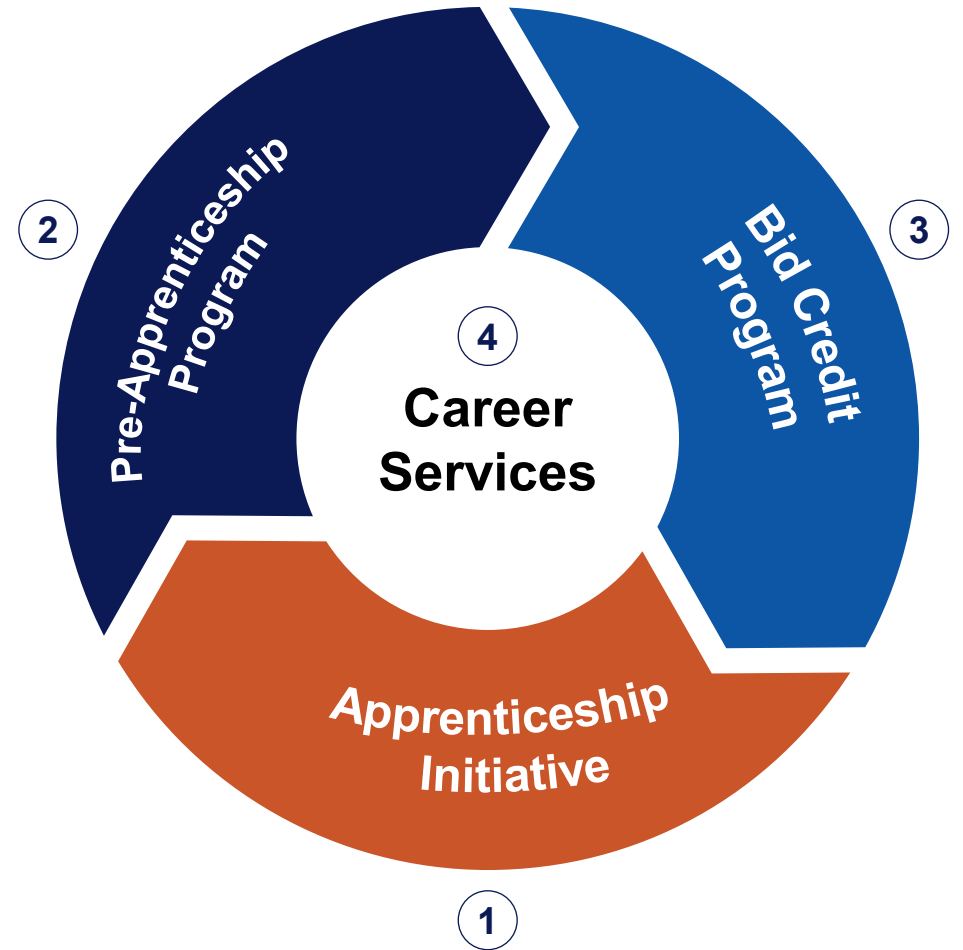
Illinois Works Innovative Workforce Model

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Increase equity while developing a **qualified and sustainable talent pipeline** within the construction industry and building trades, using this model:

Deep dive on each component to follow





C. Workforce readiness

What is the Apprenticeship Initiative?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

- Sets an apprenticeship goal for **public works projects** estimated to cost **\$500,000 or more**, including both **capital grants** and **direct capital contracts**
- Opens the doors of **opportunity** into the construction industry and the building trades for under-represented populations
- Ensures that contractors and subcontractors comply with the **legislated goal: 10% of the actual or estimated labor hours for each wage classification of qualifying capital construction projects are performed by apprentices**
- Of this 10%, **half (5%) of the apprenticeship hours are to be performed by graduates of Illinois Works, Climate Works, or Highway Construction Careers Training Programs** (This legislation incorporates these graduates into the existing apprenticeship goal)



C. Workforce readiness

How does an applicant know if their project is eligible to comply with the apprenticeship goal?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS



If a public works project has an **estimated cost of \$500,000 or more**, eligibility is determined by:

*Calculations based on the **percentage of the state funding contribution to the overall project cost***

The **Apprenticeship Initiative** utilizes a set of criteria to determine project eligibility

ILW informs State agencies if a project must comply. **State agencies, in turn, inform contractors** if they need to comply and guide them through the process



C. Workforce readiness

How does the Apprenticeship Initiative help contractors meet the legislated goal?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

- The **Apprenticeship Initiative** acts as a **guide** to ensure contractors are hiring apprentices to meet the requirements of the Illinois Works Jobs Act
 - This results in avoiding possible fines and in obtaining the economic benefits of the **Illinois Works Bid Credit Program**
- The Apprenticeship Initiative also coordinates with the Illinois Works **Pre-apprenticeship Program** to provide lists of graduates for contractors to hire and sponsor into DOL-registered apprenticeship programs



C. Workforce readiness

What type of training will contractors receive?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

- **Illinois Works trains State agencies** and meets regularly with them to provide guidance on projects and ensure the 10% goal is met
- In turn, **State agencies train contractors** on the procedures and technical steps, and work closely with contractors during the lifespan of the capital project
- Illinois Works also offers **monthly information webinars** for contractors related to compliance processes and procedures (starting May of 2024)



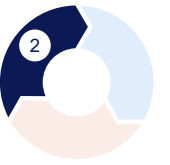
C. Workforce readiness

What do applicants have to do to meet the legislated goal?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

- Work closely with the state agency funding the applicant's project, using them as trainers and guides
- Know the required forms and when they are due
- Review forms for completeness before submitting them in a timely manner



What is the Pre-Apprenticeship Program? (1/2)

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Creates a **qualified talent pipeline** to fill job opportunities with diverse candidates



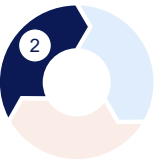
Pre-apprenticeship skills training through a network of community-based organizations (including Community Colleges)



Transition services to meet the program's primary goal of graduates enrolling in US DOL-Registered Apprenticeship Programs



Preference is given to underrepresented populations that have historically encountered barriers to entry or advancement in the trades, including minorities, women, and veterans



What is the Pre-Apprenticeship Program? (2/2)

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Creates a **qualified talent pipeline** to fill job opportunities with diverse candidates



Free Tuition and a stipend to participants who attend the program



\$25M appropriated Illinois Works Funds for the grant program (funds expected to be received for years to come, making this program the first financially sustainable construction pre-apprenticeship program funded by the state)



C. Workforce readiness

What is the Bid Credit Program?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS
AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

Incentivizes contractors to hire and retain a diverse pool of candidates

- It allows contractors and subcontractors to **earn bid credits by employing apprentices who have completed the Illinois Works Pre-apprenticeship Program**
- Bid credits **can be used toward future bids for public works projects** contracted by the State of Illinois or an agency of the state

Career Services (Glue Keeping the System Together)

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS



Follows up with graduates to update their availability, contact information, career plans, and needs



Develops relationships with Registered Apprenticeship Programs (RAPs) and contractors



Does job-matching between graduates and contractors



Creates customized lists of graduates for DOL-registered apprenticeship programs, unions, trade associations, among others

Where can applicants get more information?

AS OF SEPTEMBER 9, 2024

INFORMATION PROVIDED ON AN INFORMATIONAL BASIS AND DOES NOT SUPERCEDE ORIGINAL DOCUMENTS

For more information,
visit the Illinois Works Contractor Resource page at:
Dceo.Illinois.gov under Assistance for Businesses
(Demo of site and available resources)

Comments, feedback, or questions?

Email us at:

CEO.ILWorks@Illinois.Gov



Stay informed!

Next Webinar:

September 18, 12-1PM (every Wednesday)

**Sign up to receive updates from the
Illinois Office of Broadband**

<https://bit.ly/IOBPartner>