

THE
UNIVERSITY
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REAL JOBS RHODE ISLAND CASE STUDY:

Construction Trades Skill-Up Partnership

Prepared for:

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Construction Trades Skill-Up Partnership

Real Jobs Rhode Island (RJRI)

In 2015, The Rhode Island Department of Labor and Training (DLT) awarded funding to workforce development collaborations throughout the state. Funding was provided through development grants to create sector-based partnerships and create a plan to provide workforce training aimed at sector needs. Implementation funding was then provided for these partnerships to develop training materials and train workers in Rhode Island in targeted industries including healthcare, technology, marine trades, and the arts. Sector partnerships were developed through public private partnerships that included industry, workforce intermediaries, and educational institutions to address the economic needs of the state.

I. Sector Need

The Construction Trades Skill-Up Partnership (CTSUP) was formed to help small contractors grow and compete in Rhode Island's thriving construction industry. The West Elmwood Housing Development Corporation (WEHDC), the Rhode Island Black Contractor's Association, NeighborWorks Blackstone River Valley, Providence Revolving Fund, Coast Modern Construction, ACR Construction, Gilbane Building Company, Youthbuild Providence, KITE Architects, the Roger Williams University School of Continuing Studies, and the City of Providence all were responsible for the partnership's formation.

The WEHDC was the lead agency forming CTSUP and did so for the following reasons:

- Small contractors in Rhode Island's construction industry had little experience or formal training in running small businesses, preventing contractors from bidding on larger contracts allowing them to grow.
- Large contractors were struggling to find small contractors with the professional skills needed to work on larger projects.
- A shortage of qualified and skilled contractors meant that large contractors only gave four percent of their contracts to minority and women-owned businesses. rather than the 10 percent required by state law.
- A shortage of qualified and skilled contractors placed the construction industry at risk of not meeting demands that were anticipated to arise as part of industry-wide trends, such as the adoption of green building technologies.

II. Grant History

The WEHDC is a community development agency that has served the West End of Providence since 1970. It has extensive experience in community and housing development, managing small and large construction projects, and maintains strong relationships with members of the non-profit development community, local contractors, and partners that deliver

construction training. Its experience also includes managing the CLEARCorps lead remediation program from 2003-2011, which required training its staff and AmeriCorps participants how to recognize and mitigate lead hazards in buildings.

The WEHDC's participation through CTSUP represents the first time the organization has worked with the Department of Labor and Training. WEHDC applied for and received a Real Jobs Planning Grant in 2015, which it used to host four workshops that brought industry leaders together to generate ideas about designing and implementing a workforce training program. Participants in these workshops, who were compensated for their time, discussed how to design a curriculum tailored to industry-wide conditions, the different capabilities of small contractors and large contractors, and the value-added of a training program.

III. Goals and Objectives

CTSUP established two goals:

1. Eliminate the barriers to business expansion faced by small contractors.
 - CTSUP trained small contractors with the business skills necessary to increase their ability to both hire and be hired, and to improve their ability to bid for and receive larger or publicly funded construction projects.
2. Help meet the business and professional development needs of small contractors.
 - CTSUP established a Contractor Support Center to provide business incubation and ongoing professional development for small contractors.

IV. Partnerships

WEHDC formed CTSUP through its extensive network of associates known in the construction industry, by referrals of industry leaders that came recommended due to their construction expertise, and by interested members of the construction industry who wanted to create jobs. These partners included non-profit developers and associations of traditionally underrepresented workers who shared their expertise and perspectives on the challenges of employment and development in the construction industry. CTSUP initially began with 10 members but grew in number as its partners identified additional participants that contributed unique insights about the special challenges of Rhode Island's construction industry.

Table 1: Partnership Members and Responsibilities

<p>West Elmwood Housing Corporation</p>	<p>Lead Applicant: Responsible for grant management and oversight of the training plan implementation; recruiting a Construction Trades Skill-Up Program Coordinator to lead all aspects of program implementation.</p>
<p>Roger Williams University School of Continuing Studies</p>	<p>Responsible for developing and executing the training program curriculum; recruiting program instructors; providing a space for classes at the university's Providence campus; advising the grantee on how to develop the course into an in-person/online hybrid.</p>
<p>Providence Revolving Fund, NeighborWorks Blackstone River Valley, Black Contractors Association of RI, ACR Construction, Gilbane Building Company, and Coast Modern Construction</p>	<p>Responsible for participating in quarterly meetings to plan and review progress in the training program and its curriculum; committing to hiring program graduates; developing back-office support so that graduates of the Training Program could use business incubation services.</p>
<p>City of Providence</p>	<p>Responsible for participating in quarterly meetings to plan and review progress in the training program and its curriculum; contributing funds to the partnership; helping sponsor the Contractor Support Center.</p>
<p>Youthbuild Providence</p>	<p>Responsible for participating in quarterly meetings to plan and review progress in the training program and its curriculum; developing back-office support so that graduates of the Training Program could use business incubation services.</p>
<p>KITE Architects</p>	<p>Responsible for participating in quarterly meetings to plan and review progress in the training program and its curriculum; committing to hiring program graduates; developing back-office support so that graduates of the Training Program could use business incubation services.</p>

V. Implementation Activities and Processes

Goal #1: Eliminate the barriers to business expansion faced by small contractors.

CTSUP planned to eliminate barriers to business expansion by building the business skills and professionalism of small contractors. The pursuit of this goal established a culture of continuous improvement in the construction industry that helped small contractors improve their business skills and allowed them to seek out larger contracts. By increasing the capacity of small contractors to compete for larger projects, CTSUP anticipated that large contractors would develop greater confidence in the skills and professionalism of small contractors, thus improving the overall performance of Rhode Island's construction industry from top to bottom. Participation in the Training Program allowed small contractors to learn the administrative and financial skills necessary to grow strong and effective businesses, which, in turn, created opportunities for larger jobs.

The Training Program was designed to train 20 participants, divided into two cohorts of ten. CTSUP expected that 16 of 20 participants would complete the Training Program. Each cohort received 150 in-class and online training hours over a nine-month course held at the Providence campus of the Roger Williams University School of Continuing Education. The first cohort began in September of 2016 and ended in June of 2017, while the second cohort planned recruitment and enrollment dates of July and August of 2017, with an anticipated start date of September 2017. The Training Program was designed around a strict schedule that did not interfere with peak construction times, and its success was measured by completion of the program and the skills that were gained by participants through the curriculum. Participants were screened through Roger Williams University to ensure they had the skills needed to engage with the curriculum at the level it was taught.

Each participant was charged a tuition fee of \$750 for his or her participation, but CTSUP organized incentives to make the training program accessible to those who could not afford tuition. Working with partner organizations, CTSUP offered conditional, partial tuition reimbursements to participants contingent on the participant's regular participation and completion of training milestones, like completing a business plan or working towards a new state certification. These incentives were created not only to make the training program more accessible, but to encourage participant attendance and effort.

The Training Program consisted of a five module curriculum to develop the skills necessary to manage a successful construction business. Instead of focusing on a few critical skills in depth, it delivered an overview of the full range of skills that are necessary to achieve success in the industry. It covered client management and customer service, business development, business administration, project management-based skills, and legal and construction contracts. The client management and customer service module helped participants learn strategies and techniques to cultivate and keep long-term clients, and addressed such topics as building relationships, negotiating, understanding client needs, conflict resolution, and client management software. It also exposed participants to topics like mentoring, business plan development, strategic planning, marketing and promotions, resources and tools, and

networking. The business administration module taught participants how to run their businesses more efficiently, and delivered content relating to payroll, human resource administration, personal finance, industry certifications, insurance and bonding, workers' compensation, and business administration software. The project management-based skills module aided participants in identifying and creating methods for managing projects and the skills needed to manage the entire construction process. This module addressed topics such as estimating, project management, plan reading and due diligence, vendor relationships, construction delivery models, code changes and industry trends, and using project-based software. The module was also designed to develop business skills in responding to requests for proposals, requests for quotation, and requests for information. The final module covered legal and construction contracts and taught participants the basic legal skills needed to handle small legal matters on their own and to identify when it was necessary to hire professional legal support. This module included topics like terms and language, compliance, standardized documents, change orders, American Institute of Architects contracts, and legal software.

Goal #2: Help meet the business and professional development needs of small contractors.

In order to meet its second goal, CTSUP established a Contract Support Center. The Contract Support Center is a business incubation center for Training Program graduates. When participants have successfully completed their training, graduates are provided with expert administrative support by the Contract Support Center so they have the capacity to execute their new administrative and financial plans. The Center also builds on the culture of mentorship and professional development that began with the Training Program by continuing to engage industry leaders in training and mentorship for contractors. These support services allow small contractors to incorporate new methods of doing business and fully evolve into the types of contractors who can successfully compete with larger firms.

The Center, which opened in November 2016, was scheduled to operate for a year, was designed to address the needs of the 16 participants completing the Training Program. In its business administration role, the Center helped clients with billing and accounts payable, file maintenance, invoicing, payroll, bookkeeping, submitting bids, managing appointments and scheduling, assisting in setting up professional e-mail accounts, and organizing communication. Its professional development services included bringing in speakers and making arrangements so that instructors and peer mentors were able to work with clients.

Implementation Oversight

The programs and services delivered by CTSUP were overseen by a partnership program coordinator. Working under the WEHDC Real Estate Development Department, the program coordinator managed partnerships, implemented the plan, established the Contractor Support Center, convened partners for ongoing review and development, and worked with Roger Williams University to develop and adapt a curriculum based on the needs of the construction industry's partners. The creation of this position allowed WEHDC to remain involved in the

programs it helped to create, while also ensuring that a dedicated coordinator was able to keep the program viable.

VI. Achievements

Partnerships

Positive reaction from the industry

Participants and industry leaders spoke positively about the program, which CTSUP interpreted as a sign of success. Participants had spoken of learning valuable skills from knowledgeable instructors, while industry leaders identified the curriculum as a strength of the training program. Industry partners also praised the program's emphasis on skill development as a factor that helped participants meet the qualifications to become better businessmen.

Recruitment

Strong recruitment

Of the 10 participants that were expected to enroll and complete the program, CTSUP succeeded in enrolling eight participants in training, while seven completed the training program. The second cohort enrolled 11 out of an expected 10, and was not completed by the time this analysis was compiled.

Relying on industry members to supply recruits

CTSUP relied on its industry partners to direct recruits to this training program. This helped CTSUP fulfill its target recruitment goals and ensured that those who participated in training were deemed by the industry to receive the most benefit from training.

Trainee Barriers

The time burden of delivering training to business owners

Time was the largest obstacle for trainees. The training program was geared toward business owners who experienced a lot of demands for their time, but the partnership was able to arrange class offerings so that they were delivered during off-peak construction season.

Transition from Training to Employment

Delivering a valuable service

CTSUP recruited and trained a cohort of small contractors who functioned at a higher level and competed for larger bids and more jobs upon completing the program. Of the eight participants attending the training, seven successfully completed it. CTSUP anticipates that the skills delivered to graduates through the program will allow participants to build capital and to

look at their businesses through different perspectives. Further, the program enabled participants to build relationships with industry leaders through networking and mentorship. The Contract Support Center helped to connect graduates of the training program with mentors in the industry to continue the graduate's progress in the industry. Having a robust personal network in the construction industry is critically important for receiving additional contracts and gaining experience working with larger companies.

Other

Recognizing and serving all aspects of small contractors

The training program was successful in filling a substantial gap in the construction industry. Other programs had existed to enhance the business skills of contractors, but they were sporadic and not accessible to all workers. This program offered a way to coordinate a large-scale training opportunity that could be standardized and accessible to workers across the various facets of the industry. It also recognized small contractors as both employers and employees. This allowed the training program to enhance the skills of the contractors in both of their roles.

Expansion into the industry

CTSUP received positive feedback on its training program design from other stakeholders in the wider construction industry, and was approached by these stakeholders to expand the program to serve more members of the industry. CTSUP is currently in talks to expand the scope of its program to serve this need. The grantee views this as confirmation that its program is well-constructed and has shown positive outcomes for its participants and collaborating partners.

Table 2: Performance Metrics for All Training Programs

IG-18 RJRI Construction Trades Skill-Up (West Elmwood Housing)	Start Date of First Cohort	Proposed End Date for All Cohorts	Target Enrollment	Enrolled	Target Completed	Completed
Recruitment, Training, and Employment						
Business Skills for Construction Trades - Cohort 1 (Incumbents)	11/14/16	4/20/17	10	8	10	7
Business Skills for Construction Trades - Cohort 2 (Incumbents)	9/1/17	02/22/2018	10	11	10	TBA*
Other Objectives						
Increase in number of employees they can now bring on due to growth & ability to manage business					3	Ongoing
Increase in the value of contracts					15 percent growth	Ongoing
Increase in average length of contract as measured before and after graduation.					TBD	Ongoing
Increase in the number of bids submitted					8	Ongoing
Percent of bids awarded					TBD	Ongoing
Net company revenue growth					TBD	Ongoing
*The second cohort was not complete at the time this report was written.						

VII. Challenges

Partnerships

Agreeing on causality

A key challenge was getting sector partners to agree on the obstacles that stood in the way of small contractors achieving success in the construction industry. Some partners identified a lack of opportunity and access to larger bids as the greatest challenge facing small contractors. These partners believed the best solution was to relax the standards of large bids and give small contractors loans to enable them to take on larger jobs. Others, including the WEHDC, believed that the lack of business acumen presented the main obstacle to the success of small contractors. Without being able to run a business effectively, these partners believed that no amount of access or opportunity could help these contractors succeed. In their view, success could be achieved by training contractors to secure loans independently. Despite the initial challenges of overcoming this divide, CTSUP agreed to focus on improving the business skills of small contractors as an overall sector strategy that would have positive effects spreading throughout the sector.

Recruitment

Recruitment and retention

The project's implementation consumed most of CTSUP's time and focus and it was during this phase that recruitment was not emphasized. Although participants were offered financial incentives and low tuition, recruits remained discouraged by the cost of the program and the time commitment posed by a mostly evening, classroom-based program. As a result, CTSUP retained eight out of eleven participants throughout the training program. To address this challenge, CTSUP plans to have an increased focus on marketing and advertising in the future to draw in more candidates, as well as a greater focus on the program's rules in order to increase retention.

Trainee Barriers

Program cost

Although CTSUP considers the fee for its training to be reasonable (\$750 per participant), it found that the cost of the program dissuaded some industry contractors from participating.

Training

Ensuring participant attendance

It was challenging for CTSUP to reduce the burden of training sessions on participants. Even though classes were held after work hours in Providence and classes on Saturday were limited, some participants were not able to attend all training sessions due to various personal reasons. Yet, no widespread issues like lack of access to transportation existed. CTSUP, therefore, sought to limit absences by attaching tuition reimbursements to consistent attendance.

By doing so, CTSUP found that absences were mostly limited to situations where participants had prior commitments, illnesses, or family emergencies. CTSUP also plans to modify its training so that it delivers courses on the basis of student electives so that participants can choose their trainings.

Transition from Training to Employment

Other

Lack of time

The DLT's strict schedule added stress for CTSUP and forced the industry partners to accept a program that required more development to meet the needs of industry partners. With more time to develop the program, CTSUP could have spent more time in discussion with industry stakeholders to learn more about gaps in the industry. This was a challenge that CTSUP nevertheless overcame by putting its "nose to the grindstone" and focusing on the timely development and implementation of its program.

Unexpected staff turnover

Early in CTSUP's implementation process, a contractor hired to manage the grant left the partnership. This person had the most intimate knowledge of the details of the grant, and the personnel who took over this position had to spend time becoming familiar with the different aspects of the program and its implementation. However, after this new staff member became familiar with the grant, the implementation process was able to continue smoothly.

Revision of performance metrics

The performance metrics used to measure the success of CTSUP's training programs do not accurately reflect its industry and the work that its partners are doing. The DLT is working with CTSUP to modify these performance metrics to ensure that they accurately reflect the partnership's efforts in future years.

VIII. Sustainability

CTSUP expects the Contract Support Center portion of its program to be sustainable without RJRI funding. Currently, RJRI funds allow graduates to receive the Center's services without cost, but its services can be given to other businesses who did not participate in the program for a fee. If the Center provides services on a fee-for-service basis, then it can earn enough income to operate independently.

While the Contract Support Center offers the possibility of sustainability without RJRI funding, the Training Program is too costly to be run without outside funding, even if the projected future income from the Contract Support Center is used as a funding source. If funding can be secured, CTSUP views the training program as a very successful, sustainable, and flexible program.

In the future, CTSUP also plans to offer different training programs that build on the

progress of the initial training program. With continued financial support from DLT, CTSUP plans to offer training in leadership and management so that participants succeed in their new roles as business supervisors and can learn about recruiting and maintaining talented employees. CTSUP also plans to implement a program that focuses on business financial profiles in order to develop lines of credit with supply houses and banks that enable small contractors to take on bigger jobs. With these other programs, CTSUP envisions participants applying the tools and skills gained in the initial training program to become more efficient and effective businesses.

IX. Lessons Learned

The following lessons were learned by CTSUP in executing its training program:

- Dedicate more time in discussion with stakeholders to refine the program and its goals prior to implementation.
- Implement a flexible curriculum that offers elective-like options to allow participants to opt-out of training areas where they already have strengths and focus more closely on topics that will allow them to improve.

X. Best Practices

The following best practices were utilized by CTSUP:

- Compensate industry partners for time spent in planning meetings.
- Invite industry partners to implementation meetings only when their specific expertise is necessary.
- Clearly communicate the time commitment expected of each industry partner.

XI. Recommendations

Based on the implementation successes and challenges for CTSUP, the following recommendations are suggested:

- Help other industry partnerships offer incentives to training participants to help offset the cost of participating in the training program.
- Offer additional funding or financial aid to cover per-person training fees for those who cannot afford the tuition.
- Delegate specific funds for compensating industry partners for attendance at planning meetings in all planning grants for small and new businesses to help incentivize industry participation in other partnerships.