



Updated federal grant guidance will help create good jobs

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Recently, the Biden-Harris administration issued important updates to the [Office of Management and Budget's Guidance for Federal Financial Assistance](#), also known as the "Uniform Grants Guidance," which sets parameters for how states and localities, and others, can spend federal money and award it to private entities.

These updates streamline and clarify requirements that will give state and local governments more opportunities to ensure federal funds are used efficiently while also advancing specific community goals and initiatives like good jobs, equity in recruitment and hiring, environmental sustainability, and uninterrupted delivery of services.

Here are some of the most important updates:

Identifying Responsible Grantee Contractors

The updates help states and localities identify responsible grantee contractors to further federally assisted projects. For example:

- **Protecting against misclassification:** Requires recipients to review contractor integrity, including proper classification of employees.
- **Sustainable contracting:** Encourages recipients and subrecipients to use sustainable products and services in their projects.
- **Review workforce impacts in cost analysis:** Clarifies that recipient cost analyses should consider the procurement transaction's potential workforce impacts if the procurement transaction will displace public sector employees.
- **Protecting workers' right to organize:** Makes clear that federal funds cannot be used to persuade or dissuade employees from organizing a union or engaging in collective bargaining.

Strong workforce procurement standards

The new guidance also explains that states and local governments can adopt strong procurement standards that take project stability and workforce issues into account. For example, they can require contractors to:

- Establish new [project labor agreements](#).
- Target hiring and preferences, including in disadvantaged or underserved communities, and areas with poverty or high unemployment.
- Craft agreements that are [designed to benefit communities](#) or provide uninterrupted services.
- Ensure employees of a predecessor contractor enjoy rights of first refusal under a new contract.

Tools to ensure good jobs, and equitable access to those jobs

The new guidance further clarifies that state and localities can use geographic preference requirements and local hire policies, consistent with federal law and the U.S. Constitution.

Local hire preferences help create equitable on-ramps to quality careers in local communities. Under the new guidance, state and local governments can prioritize contracting with small local businesses, which helps bolster local economies and communities.

The guidance also incentivizes quality jobs, empowering recipients to incorporate strong scoring mechanisms that reward bidders for committing to specific numbers and types of high-road jobs, as well as certain compensation and benefits. This makes it clear that policy tools like [the U.S. Employment Plan](#) can be used on federally funded projects.

The most substantial updates to the Uniform Grants Guidance since it went into effect 10 years ago will lead to better outcomes for local economies around the nation. As the Invest in America agenda helps to create jobs in communities across the country, these updates will make sure jobs being created with federal funds are good jobs.

Need more information about labor standards for federally assisted projects? Start with these resources:

Local and Targeted Hiring Requirements

- [U.S. Department of Transportation report on creating a local construction workforce](#)
- [U.S. Department of Transportation guide to using local and economically targeted hire to promote good jobs through the Infrastructure Investment and Jobs Act](#)

Project Labor Agreements

- [Project Labor Agreement resource guide](#)
- [The U.S. Department of Transportation's construction program guide for Project Labor Agreements](#)

Other Pre-hire Agreements

- [Project labor, community workforce and community benefits resource guide](#)
- [U.S. Department of Energy Community Benefit Agreement toolkit](#)

First Right of Refusal

- [Final rule to prevent the displacement of skilled and experienced workers in the federal services workforce](#)

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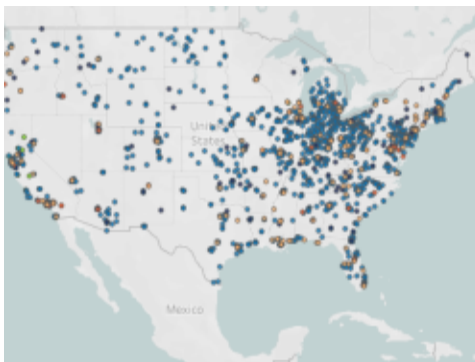
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