



State and Local Labor Policy Working Paper Series

Government Funding for Worker Organizations for Outreach and Education, Enforcement, and/or Delivering Public Benefits or Training

Policy Brief

The Problem

Worker organizations lack adequate and stable funding needed to effectively achieve their missions of organizing workers, advocating for stronger labor protections, and facilitating strong implementation and enforcement of existing laws. Funding sources such as worker dues or contributions are often inadequate and/or difficult to collect, especially from workers struggling in low-wage jobs. Other funding sources such as philanthropic support are often unstable from year to year.

Policy Solution

A number of states and cities have developed grant-making programs under which worker organizations may receive public funding in order to play a role in helping government agencies implement worker protection laws or training programs. These funding programs can be a source of significant and stable funding for worker organizations – and in the process, significantly improve the effectiveness of the state or city’s worker protection or training programs. More states and cities should replicate these programs, which are a key best practice for effective program implementation, and can help give worker justice organizations the capacity and stable funding they need in order to thrive. In addition, states and localities should consider even more ambitious models of partnering with worker organizations to directly deliver benefits and services, especially in areas where worker organizations have expertise and reach through the communities they serve.

Types of Worker Organizations Receiving Government Funding. Because of federal regulation of private sector unions, it can be difficult for them to receive funding from sources other than workers themselves. But there exist a wide range of labor adjacent non-profit organizations that may permissibly receive government funding and have in some states or cities for many years. These include worker centers, non-profit training funds, and even central labor councils.

Examples of Types of Government Funding Programs. There are several different types of state or city funding programs for external non-profit organizations under which worker justice organizations receive grants or contracts. Some examples include:

1. **Grants for worker know-your-rights education** – As part of implementing state or local worker protections, such as wage-and-hour laws, health and safety laws, paid sick days, etc., some states and cities provide grants to worker non-profits for know-your-rights (KYR) education, which plays a key role in ensuring effective implementation. Such funded KYR work includes education targeting specific non-English-language worker populations as well as other workers with limited trust in government.
 - a. Examples: The [California Workplace Outreach Project \(CWOP\)](#) provides about [\\$25 million each year in grants to more than 70 worker centers and labor councils](#) to fund worker rights outreach and education work. The US Department of Labor’s Women’s Bureau created the \$1.4 million [Fostering Access, Rights and Equity \(FARE\) grants](#) in the Biden administration to support community organizations’ efforts to prevent gender-based harassment. [Minnesota](#) has made \$200,000 available to civil society groups to increase workers’ knowledge and understanding of labor standards through outreach, education and technical assistance. [Seattle](#) provides \$3 million over a two-year cycle to a dozen organizations for worker education about the city’s labor rights. [Philadelphia](#) operates a smaller program providing \$80,000 a year to four grantees. [Washington, D.C.](#) also operates a similar program.
2. **Grants for enforcement assistance** – Other state or local grant programs provide funding to non-profit worker organizations to facilitate labor standards enforcement, such as by helping identify potential violations of workplace rights, reporting those violations to relevant enforcement agencies, and working towards prompt resolution of those violations.
 - a. Examples: California’s Strategic Enforcement Partnership, launched through the California Labor Commissioner’s Office, partners with worker justice groups in low-wage, high-violation industries to help bring strategic cases to deter violations. The program includes grants to the groups, although the funding is provided by private philanthropy. A variety of [municipal-level enforcement collaborations](#) (p.8) between city labor offices and worker justice groups operate similarly and [many provide city grant funding to the groups](#).
3. **Grants for benefits navigation assistance** – Another way that worker non-profit play an important role in government program implementation is by being funded to serve as “navigators” to help spread awareness of relevant services and benefits for workers and providing application assistance for those services and benefits, including unemployment benefits, food assistance, health insurance, training opportunities, reemployment supports, energy assistance, mortgage or housing assistance, and tax

filing. Worker organizations have an important role to play through the trusted relationships they hold with communities that may be eligible, but not yet claiming, benefits and services.

- a. Examples: Maine's Peer Workforce Navigators program that funds worker organizations and unions to provide workforce supports to unemployed Mainers. [Washington, D.C.'s Workplace Leave Navigators](#) program provided grants to worker organizations to facilitate implementation of paid family leave and other employment protections.
4. ***Grants to directly administer public benefits and services*** – A final and more ambitious proposal would involve delegating responsibility for administering benefits and services directly to worker organizations. These worker organization-provided services and benefits could leverage the trusted relationships that worker organizations possess as well as their expertise in supporting workers around dealing with unemployment, job training, and job search. In turn, worker organizations could use the opportunity to engage with workers through the provision of these benefits and services to organize more workers. Although these strategies are less common in the United States as compared to other rich democracies, research suggests that it can be a powerful mechanism for supporting worker organizing.
- a. Examples: Workers' compensation – The building trades in Minnesota has [developed](#) a parallel system for processing workers' compensation claims negotiated by unions and employers), and this would be easier than with UI given limited federal oversight of state
 - b. Examples: Unemployment insurance – Under relevant [statutes](#) and [regulations](#), states can designate workforce agencies to administer unemployment benefits so long as they meet program requirements, such as the entitlement to a fair hearing to contest benefit denials and sharing relevant data with the federal government. There are no current examples of a state recognizing a worker organization fund as an administrator for unemployment benefits, but states could experiment with such administration through new legislation.
 - c. Other programs and services that might be ripe for worker organization partnerships include workforce training, paid leave, and child care.

Considerations in Seeking to Replicate Such Programs. Some considerations to keep in mind in seeking to replicate such programs include the following:

- **Work to ensure adequate funding for government agencies as well as worker organizations.** Most labor standards agencies responsible for enforcing worker protection laws are underfunded and underresourced. Any proposal to expand partnerships between these agencies and worker organizations should ensure that partnerships complement and reinforce, rather than undermine, government agency capacity. Addressing this issue could also build greater support for these proposals

among unions representing government agency staff, which might otherwise be understandably skeptical of relying on outside groups to carry out agency work.

- **Seek to identify a stable earmarked source of funding.** A challenge with such programs is ensuring that the funding provided is stable and renewed year to year. Achieving that often requires ongoing political engagement by worker organizations. Examples of possible earmarked funding sources include:
 - California’s leading CWOP grant program is sustained through annual lobbying by the California Coalition for Worker Power – a strong coalition of worker centers and unions, which many states may not have. In addition, a dedicated funding source can play a key role in sustaining stable funding. The CWOP grant program is funded with proceeds from California’s Labor Code Private Attorneys’ General Act – which is intended to be used for labor enforcement.
 - Others have proposed that a specified small increment of public construction project budgets could be earmarked to fund enforcement, including grants to worker organizations.
 - In Seattle, a specified small increment of the city’s business and occupations tax is dedicated to funding labor enforcement. A portion of such an earmarked tax could be used to fund grants to worker organizations.
 - Similarly, a portion of fines from business violations of labor standards could be earmarked for worker organization grants. Or businesses could be charged fees to process certain government form filings, certifications, or applications that could be directed to these programs.
- **Ensure worker organizations can access funds.** A final challenge is ensuring that processes for applying for funding are not so burdensome that worker organizations cannot access them. Applications should be streamlined, and it should be possible for coalitions of worker organizations to apply together to pool resources to meet grant or contract requirements.