

ABC SCORECARD RANKS NH and VT COMMERCIAL, INDUSTRIAL CONSTRUCTION CLIMATE

Associated Builders and Contractors (ABC) released its annual “Building America: The Merit Shop Scorecard,” which reviews and ranks

state-specific information significant to the success of the commercial and industrial construction industry. The scorecard website, www.meritshopscorecard.org, identifies states that have created an environment where merit-shop contractors are well positioned to succeed and states where strategic improvements need to be made in order to achieve that.

The Merit Shop Scorecard is a useful tool for lawmakers and industry stakeholders to explain how state policies affect the ability of contractors to conduct business and expand their operations. The scorecard highlights high-performing states that have enacted policies opposing anti-competitive schemes and restrictive, cost-inflating mandates while embracing fairness in the workplace. It also identifies lowperforming states that have failed to foster environments where businesses can thrive, invest and create construction jobs in local communities.

The Merit Shop Scorecard grades the 50 states and the District of Columbia (DC) on project labor agreement (PLA), prevailing wage and right-to-work policies as well as their construction job growth rate, commitment to developing a well-trained workforce, level of flexibility in career and technical education curricula and use of public-private partnerships (P3s). NH ranked 28th and VT ranked 42nd for overall construction business climate.

Summary:

- Project Labor Agreements (PLAs) - NH grade: C, VT grade: C
- Prevailing Wage - NH grade: A, VT grade: D
- Right to Work - NH grade: F, VT grade: F
- Public-Private Partnerships (P3s) – NH grade: C, VT grade: F
- Workforce Development – NH grade: C, VT grade: D
- Career and Technical Education – NH grade: C, VT grade: A
- Job Growth Rate – NH grade: D, VT grade: D

NH Details:

Project Labor Agreements

No state policy and infrequent use at the local level.

Prevailing Wage

No.

Right to Work

No.

Public-Private Partnerships

Statute allows municipalities to issue bonds or notes for economic development (vertical projects), including P3s with certain specifications. Statute neither authorizes nor prohibits government entities from entering into P3s for transportation projects.



ABC SCORECARD RANKS NH and VT COMMERCIAL, INDUSTRIAL CONSTRUCTION CLIMATE Continued...

Workforce Development Incentives

Job Training Fund – Provides grants to employers on a 1:1 cash matching basis for training programs that include, but shall not be limited to: structured, on-site laboratory or classroom training; basic skills; technical skills; quality improvement; safety; management and supervision; and English as a second language. The community college system is intended to be the vendor of first choice, but if a community college does not perform the necessary training or if there is an established relationship with another training program, the community college may provide a waiver.

Career and Technical Education

61% of CTE high school graduates are placed in colleges or careers.

New Hampshire does not recognize NCCER as an approved curriculum for CTE programs.

5-Year Average Job Growth Rate (2011-16)

2.7%.

Vermont Details:

Project Labor Agreements

No state policy and infrequent local use.

Prevailing Wage

Yes; \$100,000 threshold.

Right to Work

No.

Public-Private Partnerships

No statute authorizes or prohibits P3s on public projects.

Workforce Development Incentives

Vermont Training Program - Offers performance-based workforce grants for pre-employment training, training for new hires and incumbent workers. Training can either be on-site or through a training provider/vendor. Grants may cover up to 50% of the training cost. Priority is given to certain targeted industries that exclude construction, though construction is an eligible industry to receive funding.

Career and Technical Education

96% of CTE high school graduates are placed in colleges or careers.

Vermont recognizes NCCER as an approved curriculum for CTE programs.

5-Year Average Job Growth Rate (2011-16)

2%. 2017 LEGISLATIVE SESSION GEARS UP WITH CONSTRUCTION INDUSTRY ISSUES

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A number of statute/regulation/rule related issues impacting our industry are currently taking shape and may be items for 2017 legislative activity. ABC has been preparing for some on-going issues, including:

- Requiring Workers Compensation coverage for all workers on commercial projects.
- Prohibiting PLA's on state funded projects (2016 HB1523 came out of interim study with the recommendation for future legislation, combined with the election results the stars may be aligned to pass this preventative legislation).
- Pending decision being appealed before the NH Supreme Court: Do statutes of limitations bar claims asserted by New Hampshire cities and towns as they would bar claims asserted by private parties? The question in the case pending before the Supreme Court is whether the existing doctrine, exempting the State from statutes of limitations, should be extended to apply to claims by cities and towns. The expanded liability will likely manifest itself in increased insurance and bond premiums, and possibly increased construction costs as contractors try to price their work to reflect this increased exposure.
- NH Department of Safety, Division of Fire Safety, new Building Permit Fees (effective October, 2016) for municipalities that have not elected to enact a local ordinance or adopt procedures for the enforcement of the state building code (use the Department as their building official)

Some request for legislation by state representatives (title only, details pending) as of this newsletter include:

- Establishing a state minimum wage and providing for adjustments to the minimum wage.
- Relative to the administration of building code enforcement.
- Revising the definition of the state building code and ratifying changes to the state building code adopted by the state building code review board.
- Including qualifying donations to career and technical education centers as expenditures for the research and development tax credit against business profits taxes.
- Establishing a tax credit against business profits taxes for donations to career and technical education centers.
- Relative to the mechanical licensing board.

- Relative to the definition of the New Hampshire fire code.
- Exempting certain building plans from the right-to-know law.
- Relative to employer immunity for disclosure of certain worker employment information.
- Relative to high school students participating in New Hampshire's dual and concurrent enrollment program.
- Relative to state construction contracts
- Relative to a statewide property tax exemption for commercial and industrial construction.

PRESIDENT TRUMP, WHAT CAN ABC MEMBERS EXPECT?

OK, when President-elect Trump takes office, what can ABC employers expect? What will be the effect of his presidency on the workplace and workforce? The probabilities and possibilities range from minor to major changes, with both short and long-term effects. Some include:

Supreme Court

The Trump presidency will have long-term, pro-employer effects. Trump will present a conservative nominee to fill the opening to replace Justice Scalia. Justice Anthony Kennedy, who fluctuates between conservative and moderate, will revert to his role as the 5th vote to swing tight cases. Justice Kennedy is 80 years old. Two other liberal justices, Justice Breyer and Justice Bader Ginsburg, are 78 and 83 years old, respectively. There is a real possibility that Trump may make more than one conservative appointments, particularly if he serves two terms.

Construction industry matters will include the following:

- Arbitration agreements
- Wage and hour laws
- Immigration programs
- Union fees
- NLRB and other administrative agency powers

Overtime Rules

On Nov. 22, the U.S. District Court for the Eastern District of Texas issued a preliminary injunction blocking the U.S.

Department of Labor's (DOL) burdensome and costly overtime final rule. The rule would have changed the federal exemptions to overtime pay under the Fair Labor Standards Act for administrative, executive and professional employees, the so-called "white collar" worker classifications that have long been exempt from time-and-one-half pay for working more than 40 hours per week. The Trump presidency may not be able to stem the



eventual implementation of overtime rules, but he will likely carve out exceptions.

He has stated the regulation is very harmful to job creation because it forces companies to rethink whether they're going to hire people.

National Labor Relations Board

The current Board has two (2) pro-union members, and one (1) pro-employer member. A full NLRB has five (5) members. Trump can immediately appoint two (2) pro-employer voices to control the majority.

What would that mean? "Concerted protected activity" interpretations will be scaled back to reality. The "concerted protected activity" doctrine is the gateway by which NLRB has sanctioned both union and non-union employers. Clients of temporary staffing companies and other joint employers can begin to relax because the expansion of "employee status" will be restrained. The current Board has expanded "employee status" to impose collective bargaining obligations on non-union employers with temporary or joint employees. The determination of "supervisory status" for collective bargaining purposes has also been significantly modified. The pro-union Board has narrowed the definition of "supervisor" and thereby expanded collective bargaining units to include supervisors who previously fell outside of the terms of the National Labor Relations Act. A pro-employer Board will revert to the broader, employer-

friendly evaluation of whether supervisors hold collective bargaining rights. The "Blacklisting Rules," which were created by executive order, will be revoked and their requirements on government contractors to publicly disclose the past three (3) years of any violations of 14 federal workplace laws will be eliminated.

Quickie election rules may be curtailed. This would provide a further drop in union participation. However, Trump's success in the election was due, in part, to the votes of union members.

Also, in his private business, he has maintained friendly relationships with unions. It would not be surprising for Trump to provide some beneficial policies to organized labor. Also, keep in mind that these are relatively short-term effects and will remain in place until pro-union NLRB changes them all.

OSHA

Trump promised to remove regulations which impede business. OSHA's electronic reporting rule, which takes effect on July 1, 2017, is an unnecessary burden on employers since they already track injury and illness information on OSHA 300 logs. The electronic reporting rule is a bureaucratic imposition on employers to post injury and illness information for public viewing. It seems like the exact type of regulation Trump will reject. Likewise, the OSHA penalty increases are immediate, onerous, and will continue to rise. The OSHA maximum penalty requirements will also be a target.

Paid and Unpaid Leave

Trump promised six weeks of paid maternity leave for new mothers. Also, during the first presidential debate, Trump agreed with Hillary Clinton's proposed expansion of the Family and Medical Leave Act (FMLA). However, with the dramatic increase in local government activism regarding leave, the expansion of leave rights on a federal level is not a battle Trump would need or want. Vice President Pence has repeatedly voted against Democrat efforts to expand FMLA. GOP lawmakers have historically opposed expanded leave as restrictive on business and an improper expansion of government. It is unlikely that a bill to expand leave will be presented to Trump.

Workforce Enforcement of Immigration Laws

This is not about a wall. Trump supports the mandatory nationwide use of E-Verify by all employers. E-Verify is an employment eligibility verification system authorized by Congress that is used by state and local employers, as well as many private employers. Congress will likely present Trump with a bill to impose mandatory E-Verify program requirements on employers.



DO NOT OVERLOOK ABC COST SAVING OPPORTUNITIES

Go to "Member Discounts" for more information about the cost savings opportunities. During 2016 NH/VT members saved over \$500,000 by participating in various cost savings programs. Some highlighted programs that are of interest and being taken advantage of by many members include:

Phone and Data Service Discount (Verizon) - ABC has signed an agreement to offer ABC contractor member firms up to a 22 percent discount on monthly cell phone calling plans and data services. Family members of corporate subscribers that sign on to the ABC plan also will be eligible for discounts of 15 percent on their personal lines. The ABC program applies to both existing and new subscribers.

Vehicle Discounts – ABC members can take advantage of the discounts on General Motors vehicles offered through ABC. ABC members are eligible for discounts of between \$500 - \$1000 on cars, SUVs, trucks and vans. It's important to note that these discounts are over and above the best price from your favorite local dealer, including on top of any other GM incentive already in place.

Ford fleet customers who are ABC members can enjoy between \$500 to \$3500 savings in addition to their fleet program pricing.

Chrysler ABC members and their employees that use their vehicle for day-to-day business use can combine this stackable cash allowance with current retail incentives and choose an ON THE JOB™ program allowance. That can make this offer worth up to \$1,500 or more.

FedEx – Save up to 29% on overnight envelopes, packages and shipments.

Workers Compensation Group Trust - The ABC Workers' Comp Trust was formed in 1994 in response to the rapidly rising cost and unpredictability of workers' compensation insurance. Fund year 2015 was the Groups safest year to date! Over \$3.5 Million in dividends were paid or are currently payable to Group members. The Trust provides coverage to members representing more than \$60 million of payroll. Call ABC 603 226 4789.

Dental Insurance – Over 60% of ABC employers provide dental insurance and contribute on average 50% of the employee's premium. The ABC Dental program is comprehensive and the pricing is competitive.

Call ABC 603-226-4789 to save!

Please contact ABC with any questions concerning the cost savings opportunities.



2017 Annual Meeting

Mark your Calendars!

The First ABC NH/VT Chapter Event for 2017

Join us at the ABC NH/VT's 32nd Annual Meeting at the Manchester Country Club. Catch up with industry peers and thank out-going Board Chair, Mark Hodsdon of Palmer and Sicard, Inc. and welcome incoming Board Chair, Mike Dion owner and President of Metro Walls, Inc. and the 2017 ABC NH/VT Board of Directors. This is also your opportunity to show your appreciation for the time and effort of our Officers, Directors and all our chapter leaders.

Join us, become an Event Sponsor, or better yet get your name out there and become a Premier Sponsor.

2017 Premium Sponsor Opportunities Available

Be sure to get your sponsorship early.

ACT NOW!!! THIS WONT LAST LONG!!!!

For more information, please contact the ABC NH/VT Chapter office:

603-226-4789

or

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