

Building Contractors Association of New Jersey

NATIONAL LABOR NEWS

March 2009

BCANJ's Quarterly Labor Update

*Building Contractors Association of New Jersey publishes the **National Labor News** quarterly as an insert in our monthly Update in March, June, September and December. We will continue to focus on local and state issues via our monthly Update and regular bulletins. We welcome your comments.*

February Marked 20th Consecutive Monthly Decline in Construction Employment

Since the beginning of 2007, construction has lost 1.1 million jobs – 20 straight months of decline. Nationally, construction accounts for 1 in 20 jobs (5%), but one-fifth (20%) of all jobs cuts have hit the construction sector. Construction spending for 2008 declined a record 5.1% from 2007. In New Jersey, according to a report recently released by Ken Simonson, Chief Economist for AGC of America, the construction industry lost a total of 20,400 jobs from February 2008 to February 2009, with a 3,300 job loss in one month, January 2009 to February 2009.

Worker Privacy Protected on Davis-Bacon Payroll Records

Beginning January 19, 2009, employees gained a little more protection against identity theft in Davis-Bacon certified payroll records. Rather than including full addresses and Social Security numbers, each employee will have only an “individually identifying number” to distinguish employees with similar last names.

That identifying number may be the last four digits of the employee’s SSN. However, in the final rule, the US Department of Labor clarified that prime contractors could continue to require complete information on employees from their subcontractors, without submitting it to the federal government.

In more Davis-Bacon news, the federal recovery package signed into law in February includes expanded application of Davis-Bacon rules, mandating that contractors on federally funded projects must pay workers at least the local prevailing wage.

E-Verify and I-9 Form Postponed ...Again

The E-Verify contractor rule has been postponed for the second time, from January 19 to May 21, 2009. This second delay was requested by President Obama’s administration, which asked for more time to review the rule. Similarly, changes to the I-9 employment verification form were originally scheduled to take effect February 2, but were pushed back to April 3, 2009, for further administration review. In the meantime, a speaker at the Society for Human Resource Management conference on March 10

encouraged employers to consider using E-Verify and to prepare for the I-9 form changes, because both new rules will most likely be implemented in the near future. Participation in E-Verify remains optional for employers in all states and provinces except Arizona, Mississippi and South Carolina, where state mandates require it. Some states, such as Indiana, require use of E-Verify for only state agencies and government contractors. And Illinois, diverging from the norm, passed a law prohibiting employers from using E-Verify. In March, however, a federal court in Illinois declared that law in conflict with federal law, which preempted it.

Solis Is Official: Job Training and Enforcement Are Priorities

On March 13, 2009, Hilda L. Solis was officially sworn in as the nation's 25th Secretary of Labor. "I've talked to and listened not just to those who work in offices during the day, but those who clean those offices at night," Solis said in her remarks during the ceremony. She said she would make job training a priority, and that the DOL "must ensure that workers are paid what they deserve, are treated fairly, and have safe workplaces...We will accomplish this through tough enforcement, transparency, cooperation and balance."

Social Security Strains As Unemployment Rises

A March 31, 2009, article in the Washington Post reports the Social Security fund is dropping as unemployment rises and payroll deductions that supply the fund decrease. And, as people at or near retirement age lose their jobs, they tend to apply for their Social Security benefits,

further depleting the fund. But the biggest hit to the funds is the handout to the federal government, which has long borrowed from Social Security's surplus to help balance the budget. Last August, the Congressional Budget Office predicted the surplus would reach \$80 billion. But the economic crisis has dropped that projection to \$16 billion this year, and only \$3 billion in 2010. Retiree benefits are not expected to be affected, but the government won't have nearly the resources to help supplement the budget.

Chances for Employee Free Choice Act Passage Fade

The Employee Free Choice Act, also known as the "card-check" bill, provoked intense rhetoric between business owners and workers, Republicans and Democrats, when it was re-introduced to the US Senate on March 10. But on March 24, the sole Republican supporter, Sen. Arlen Specter of Pennsylvania, announced he would oppose the bill. According to Sen. Specter, his position will effectively ensure the bill will not garner enough votes to proceed.

In response, the president of the National Association of Manufacturers, John Engler, commented, "We are commending Sen. Specter for putting American jobs first and opposing card check legislation." By contrast, AFL-CIO President John Sweeney declared Specter's position "frankly, a disappointment and a rebuke to working people," but said it would not "derail the Employee Free Choice Act or the dreams of workers."