

# Building Contractors Association of New Jersey NATIONAL LABOR NEWS

June 2011

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## ***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.*

### **Immigration and E-Verify Update**

Since we last reported in March, Georgia, South Carolina and Alabama passed strict illegal immigration bills, and the US Supreme Court upheld an Arizona law that penalizes employers for knowingly hiring illegal workers.

Alabama's law is considered the toughest, not only prohibiting illegal immigrants from working but requiring police to attempt to determine citizenship in the course of an arrest and prohibiting illegal immigrants from receiving state or local public benefits, enrolling in public colleges or renting property. Schools must determine whether K-12 students are illegal immigrants. Employers could be cited for "discriminatory practice" if they fire or decline to hire a legal resident while they have an illegal resident on the payroll. If a resident registers to vote, that resident is subject to a citizenship check. And if an individual enters into a contract with an illegal immigrant, knowing the immigrant is in the state illegally, the contract is invalid. According to the Pew Hispanic Center, Alabama had an estimated 5,000 illegal immigrants in 1990, a number that grew to about 120,000 in 2010.

South Carolina's bill, which also lets police ask for citizenship documentation from anyone they arrest, goes even further, allowing police to hold

a person until citizenship status is determined. The law establishes a special state-police enforcement unit specific to illegal immigration that works in cooperation with local and federal officers. It makes it a crime to travel through the state without proper documentation and punishes employers who hire illegal workers.

Georgia's law mirrors Arizona's, requiring all businesses with more than 10 employees to use E-Verify by July 2013. And legal experts say the US Supreme Court ruling in favor of Arizona's E-Verify provision was a "narrow" ruling made because the state provision mimics federal law.

### **Electronic Filing for Union Elections**

As we reported previously, in January the National Labor Relations Board was seeking public comment on electronic voting systems for the election of union officers. In June, the NLRB proposed allowing electronic filing of election petitions and other union documents, and shortening the time employers would have to produce lists of those eligible to vote in union elections. The NLRB proposal would require both employers and unions to "identify issues" shortly after an election petition was submitted in an effort to "eliminate unnecessary litigation."

Again, the NLRB seeks public comment for 60 days and will hold a public hearing on July 18. The proposed change met dissent from the Board's sole Republican member and protest from Senate Republicans, the US Chamber of Commerce and other business groups, including the Association of Builders and Contractors.

## **Worker Assistance at Fort Monmouth**

Early in June the US Department of Labor announced \$1.5 million in incremental funding, representing the second half of a National Emergency Grant, to assist approximately 1,345 workers affected by the closure of New Jersey's Fort Monmouth. Those workers will be laid off by September of this year, and will receive training and re-employment services for a year.

To date, the New Jersey Department of Labor and Workforce Development has received \$3,803,164 in federal funds for Fort Monmouth base realignment and closure actions; the \$803,164 was an initial grant to develop a strategic plan for the closure.

## **Construction Industry Numbers for May**

### ***Mass Layoffs in Construction Down***

While the construction employment picture hasn't substantially improved, the number of mass layoff events (affecting 50 or more workers from a single employer) in the construction industry in May of this year totaled 137, down 14% from May of 2010. The number of workers who lost their jobs in those 137 events totaled 9,875, down 19% over last May.

### ***New Construction Starts Fall***

New construction starts fell 6% from April to May, after improving somewhat in March and April. In total, nonresidential building starts fell

8% in January through May 2011, affected by a 21% drop in institutional building. But both commercial and manufacturing building starts picked up January through May, 9% and 156% respectively. Biggest gains were in apartment construction, data centers and healthcare.

### ***Materials Costs Still Rising***

We regularly report materials costs in Hot Topics, and have noted the continual price increases that contractors mostly absorb, squeezing profit margins. Following the trend, the Producer Price Index for inputs to construction rose 0.9% in May, marking a 7.5% rise over May of 2010. Even though diesel fuel dropped 3.2% from April to May, it was up 40% over May 2010. Copper and brass mill shapes also dropped month-to-month, down 4.0%, but were up 17% over May 2010. Aluminum mill shapes were up 2.6% on the month, 11.9% on the year; steel mill products were up 1.1% on the month, 10.1% on the year. Gypsum, asphalt and plastic construction products were all up for the month and year. However, the cost of concrete products, lumber and plywood fell. In contrast to all the material cost increases, the PPI for new industrial building construction rose only 0.1% for the month, 1.1% over May 2010. The PPI for offices, warehouses and schools all remained flat for the month, with less than 2% gains for the year.

## **2010 Census Stats for New Jersey**

According to the latest census, New Jersey has the fourth-largest Asian population and seventh-largest Hispanic population. With an overall "minority" population at 40.7%, New Jersey sits well above the national average of 33%. But town-by-town, the diversity doesn't match the overall percentage: 76 out of 566 municipalities have minority populations greater than 50% of the total, while the other 490 have a non-Hispanic white majority.