

Building Contractors Association of New Jersey

NATIONAL LABOR NEWS

March 2011

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.

States Progress, Retract on Immigration Laws

In February, the Pew Hispanic Center reported approximately 11.2 million illegal immigrants were living in the US in 2010, about the same as the Center reported in 2009, despite record-high numbers of deportations during both years (totaling 800,000). Approximately 8 million illegal immigrants are in the US workforce, representing 5% of all workers, a number also unchanged from the previous year and apparently unaffected by high unemployment rates.

Following Arizona's lead, states continue to pursue immigration reform bills. About 1,500 immigration-related bills were introduced in state legislatures in 2010. This year, Georgia's House and Senate have each approved separate and conflicting bills, Oklahoma, Missouri and Mississippi are preparing tough laws, Florida's Senate is debating requirements in a proposed bill, and South Carolina, whose new governor campaigned with a tough immigration stance, approved mandatory use of e-Verify to confirm worker eligibility. Georgia, Texas and Virginia are also expected to pass mandatory e-Verify use in 2011.

In a bit of political irony, the Arizona Senate – with its Republican majority – defeated five bills targeting illegal immigrants this month, a sharp contrast from the Republican position a year ago.

While Congress remains stalled on comprehensive immigration reform, the feds are cracking down on businesses suspected of hiring illegal immigrants. In February, the Department of Homeland Security issued demands to 1,000 companies – with a focus on regional fast-food chains – to turn over employment records, primarily I-9 forms, for inspection. And in January, Immigration and Customs Enforcement conducted an audit sweep of firms in the public safety and national security arena.

The US Department of Labor did publish a proposed rule in the Federal Register this month on the H-2B temporary foreign worker program. The revised rule is intended to better protect American workers, wages and access to American jobs while still treating foreign workers fairly. Deadline for comment on the rule is May 17, 2011. Comments may be posted online at www.regulations.gov.

Multiemployer Pension Fund Update

The Segal Company reported that, nationally, more than half the multiemployer pension plans were in the green zone for 2010, up dramatically from the 38% in 2009, while 18% were in the yellow zone, down from 32% in 2009. Plans in the red zone, however, remained basically unchanged at 29% in 2010 and 30% in 2009.

This month, BCANJ and AGC of NJ jointly hosted a panel discussion for members to hear

the most recent funding status of some pension funds to which they contribute. We will make available information from that discussion in the near future.

Unions, Feds and Voting

Four states and the federal government are threatening to sue each other over how workers vote in union elections. Here's how it started: Back in November, Arizona, South Carolina, South Dakota and Utah voted in changes to their state constitutions that guarantee workers the right to secret ballots when determining whether to unionize. In response, the National Labor Relations Board threatened to sue the four states, saying the constitutional amendments conflict with federal law, which allows employers the *option* of recognizing a union if a majority of the workers sign cards supporting unionizing – the so-called “card check” method – rather than through secret balloting. Now the states are threatening a countersuit, or at least “vigorous defense” of “the will of the voters.”

In other union matters, the US Department of Labor published a request for information in January seeking public comment as the department attempts to shape guidelines and standards for electronic voting systems in the election of union officers. Title IV of the Labor-Management Reporting and Disclosure Act of 1959 requires democratic standards in the voting procedures but doesn't specify methods. The DOL wants to ensure that electronic voting systems comply with those democratic standards.

Monthly Jumps in Construction Materials Prices

Prices of construction materials continue to rise in 2011. In February, diesel fuel was up 7.1% for the month, 40% over 12 months; copper and brass mill shapes rose 4.5%, up 20% over 12 months; steel mill products rose 4.7%, up 13%

over 12 months; aluminum mill shapes rose 0.5%, up 8.7% over 12 months; and insulation materials rose 3.5%, up 6% over 12 months.

AGC of America Chief Economist Ken Simonson reports these materials “are made from globally traded raw materials...that have risen in price because of growth in developing countries, exchange rate movements or fears of supply disruptions.” Prices for US-made goods used only in US construction have remained stable, including brick and clay tile, gypsum and concrete products.

At the same time, prices for new nonresidential construction remained stagnant and nonresidential building construction starts fell 5%, squeezing contractors even more. “With construction spending hovering near a 10-year low, contractors are holding bids steady even while being hit with staggering price increases for key inputs,” Simonson commented. “With margins continuing to shrink, few contractors are likely to benefit even if construction demand picks up this year.”

72% of States Lost Construction Jobs in 2010

Nationally, the construction industry lost 93,000 jobs in 2010, spread over 36 states. With a slight gain in construction employment in February, the national unemployment rate for the industry stands at 21.8%.

In a four-year period from January 2007 through January 2011, New Jersey lost 46,000, a 29% drop. The hardest-hit metro areas in the state are Edison/New Brunswick, which lost 14,400 jobs in the same four-year span (down 32%), Newark/Union, which lost 12,300 jobs in four years (down 29%), and Atlantic City/Hammonton, which lost 2,600 jobs, a whopping 39%. For more state and metro area construction employment statistics, visit www.agc.org.