

# Where Do We Stand?

As a union carpenter, there are several important issues that you should pay attention to when selecting a candidate. Among them are:

## Davis-Bacon and State Prevailing Wage Laws

Prevailing wage refers to regulations at the state or federal level that mandate a minimum wage and benefit package be paid to workers on publicly funded construction. These laws level the playing field, because whether a contractor is union or non-union, they must pay the set rate for work. This allows a union employer to bid on the strength of their effectiveness in project management and their crews' size and skill, not how low they can push wages.

Davis-Bacon is the federal law that sets wages on federally funded projects throughout the country. In specific funding bills, opponents will sometimes try to exempt projects from Davis-Bacon requirements. But the UBC has built a coalition of Democratic and Republican members of Congress who support Davis-Bacon and have fought off those attempts.

All of the states in our council, with the exception of New Hampshire, also have prevailing wage requirements for state-funded work. Though support for Davis-Bacon has been strong enough to protect it in Washington, it is a frequent target for some conservatives at the state level.

## Payroll Fraud Enforcement

For a long time, payroll fraud has been an issue providing some non-union contractors a significant bidding advantage. By participating in wage theft or treating employees as 1099 employees, cheating contractors cut about 30% of their labor costs. The "savings" come from not providing workers' compensation insurance, not making contributions to Social Security or unemployment insurance, and

not withdrawing state or federal taxes. That 30% doesn't include what they save by not providing health insurance, retirement benefits or decent hourly wages.

It's all illegal, but it continues because of a failure to commit resources to effective enforcement. The level of enforcement varies from state-to-state, even in our council. At the federal level there were some signs of interest and improvement on the issue, but those have been reversed in the last three years. Passing both state and national wage theft legislation is currently the top priority for the UBC.

## Right to Work

The most popular legislation used by anti-union activists on a broad scale is "Right to Work." The laws allow members to "opt out" of paying union dues. With union operations, including collective bargaining, job-site servicing, organizing, contractor relations and more cut to the bone, the predictable result is that union membership plummets. This in turn leads to lower wages, benefits and safety protections for workers. States that have adopted "Right to Work" or other "free rider" provisions consistently have the lowest level of wages throughout their economies.

Though there are no states in our council that currently have "Right to Work" laws, it has been proposed on several occasions in New Hampshire. It is in place in 27 states. While the UBC and our labor union partners have blocked attempts to create a national "Right to Work" legislation, if anti-union groups control enough votes in Congress—or a president gets aggressive with executive branch powers—it could become a national law.

## Pension Reform

For pensions, the UBC supports something of a "protect the old, allow the new" position. While pension funds in our council are secure, there are areas of the country where pension funds are struggling. Currently, our pension system is protected by a government insurance program run by the Pension Benefit Guaranty Corporation (PBGC). Because of other pension fund failures, the PBGC has had to consider significant increases to the "premiums" funds pay. The House of Representatives recently passed a bill to provide additional funding to support the PBGC and protect our pensions, but the Senate has failed to act on the bill.

In addition to supporting increased funding for the PBGC, the UBC strongly supports the GROW Act, which will strengthen and modernize the multi-employer pension system for the future by allowing creation of new composite retirement plans. This bill has passed the House but is also stalled in the Senate.

## Infrastructure Spending

One of the most directly beneficial things elected officials can do for our members is invest in infrastructure. The funding dedicated to building roads, bridges, schools, and other public facilities provides good-paying jobs to working class Americans. The products of that spending allow for new or expanded economic growth within communities and the entire country. Infrastructure spending provides a great return on the initial investment: up to 25% of additional economic growth.