



ABC's 2017 Legislative
Session Report

★ Introduction

The Merit Shop Philosophy encourages open competition and a free-enterprise approach that awards contracts based solely on merit, regardless of labor affiliation. Merit shop is not union vs. non-union. It is simply a way of doing business, built on free enterprise.

It is no secret that merit-shop contractors face unique and persistent challenges in Washington when it comes to bidding, apprenticeship, prevailing wage, union-organizing, and state-mandated regulations. An increasingly critical service ABC Western Washington provides for our members is a voice in the legislative process to make certain their interests are heard, and more importantly, considered.

During the 2017 legislative session in Olympia, ABC kept a watchful eye on potential legislation and rulemaking that could have an impact on *your* company, *your* employees, and *your* bottom line. Below is a summary of legislative action we consider the good, the bad, or the ugly as it relates to the Washington State construction industry.

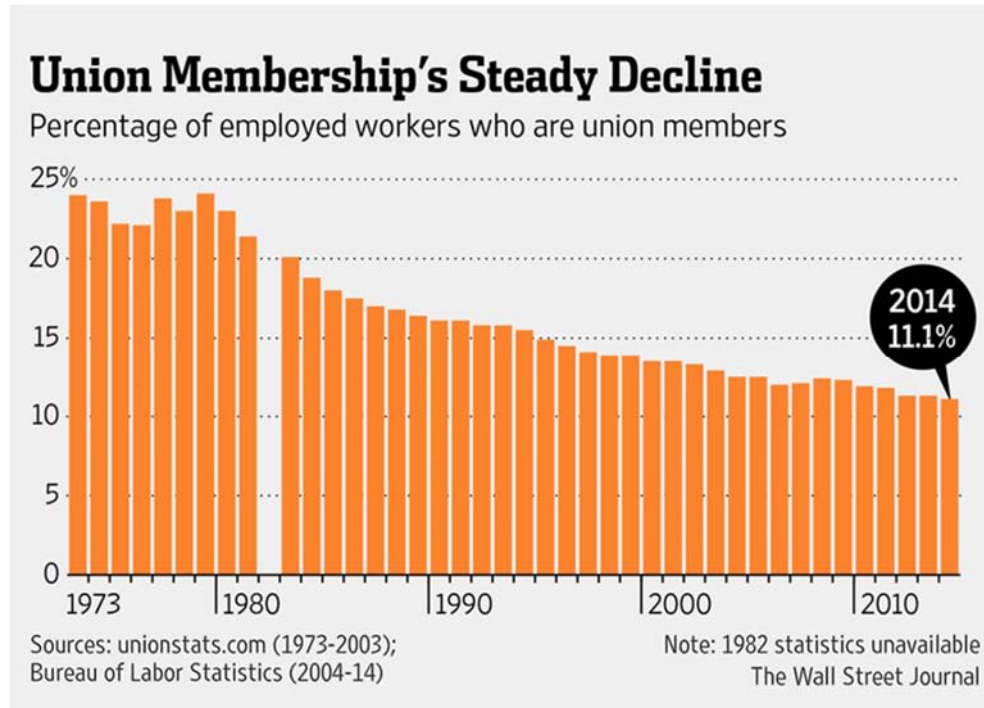
★ The Good

“Through perseverance many people win success out of what seemed destined to be certain failure.” – Benjamin Disraeli



The benefit of a State Legislature with each party controlling one chamber (Republicans control the Senate; Democrats control the House of Representatives) is that it forces compromise in order to pass productive legislation. In addition, bills that are introduced that lack a balanced perspective almost certainly fail to pass out of both chambers. That doesn't prevent both friend and foe from at least introducing bills they know will not pass, purely to make a statement or shed light on a particular issue.

Friends of the merit-shop in the House and Senate did a great job introducing bills that had business owners and non-union contractors in mind. The three bills listed below are a few of the proposals that had good intentions but failed to pass. We at ABC are grateful for our friends in the House and Senate who consistently bring awareness to our issues. We look forward to the time when their perseverance pays off.

★ The Bad



Since the early 1980s, union membership has experienced a precipitous decline. As a result, the coin in union piggy banks has also steadily declined. In an attempt to salvage the power and influence they still maintain in Washington State, several bills are introduced every legislative session that aim to strengthen laws that put non-union contractors at a competitive disadvantage. The legislators that are responsible for the bill introductions consistently receive maximum campaign contributions from unions and their supporting organizations. The quid pro quo reveals blatant union favoritism while disregarding the 86% of the non-union contractors in the state.

TITLE	BILL #	SPONSOR	RESULT
An act relating to damages for wage violations	HB—1302	Rep. Frame (D-36 LD, Ballard)	 Public hearing in the House Committee on Labor and Workplace Standards on Jan. 23, 2017. Executive action taken on Jan. 31, 2017 and voted out of committee (4-3). Did not pass out of House
DESCRIPTION: Increases the penalty for certain wage violations. Increases from double the amount of wages owed to triple if the employer is found to have willfully and intentionally deprived an employee of wages. Creates new causes of action for employees to sue employers.			
Creating the Washington Wage Recovery Act.	HB—1486	Rep. Gregerson (D—33rd LD, Des Moines)	 Public hearing in the House Committee on Labor & Workplace Standards on Jan. 23, 2017. Executive action taken on Jan. 31, 2017 and voted out of committee (4-3). Did not pass out of House.
DESCRIPTION: Creates a statutory wage lien on real and personal property for claims on unpaid wages.			

★ The Ugly

“In August [2017], the peak construction month of a record construction boom, members of Teamsters Local 174 abandoned concrete trucks and left construction equipment running and unattended. The surprise walk-out delayed re-surfacing work on Interstate 90 at Snoqualmie Pass, ensuring a traffic nightmare on one of the busiest weekends of the year.

“The Teamsters make over \$30 an hour on average, and union executives had already rejected a 12 percent pay raise. Union executives profit from strikes because each percentage increase in pay results in more dues money going to union bank accounts. Ironically, taxpayers ended up paying the union for the inconvenience of sitting in traffic, as strikes and delays increase road project costs.

“How a union strike left vacationing families stuck in Labor Day traffic”

<https://www.washingtonpolicy.org/publications>

Sometimes bills are not only bad, they are downright ugly. Currently, Washington state public employee unions negotiate wages and benefits directly with the governor behind closed doors. These meetings are not subject to the state’s public disclosure laws, so there is no way of knowing what is actually said, or if the governor is negotiating with the taxpayer’s best interest in mind—as he should.

Every year, Democratic leaders in the Legislature introduce a bill that would require prevailing wage to be established based on collective bargaining. Union representatives would meet with Labor & Industry representatives to negotiate the state prevailing wage. The proposal is lopsided considering L&I routinely represent unions when investigating prevailing wage violations based on certified payroll requests.

TITLE	BILL #	SPONSOR	RESULT
Establishing the pre- valing rate of wage- based, collective bargaining	HB-1674	Rep. Ormsby (D-3rd LD, Spokane)	Public hearing in the House Committee on Labor and Workplace Standards on Feb. 2, 2017. Executive action taken on Feb. 13, 2017 and voted out of committee (4-3). Voted out of House (50-48). Failed to get voted out of Senate Committee.
DESCRIPTION: Requires the industrial statistician to establish the prevailing rate of wage by adopting the hourly wage, usual benefits, and overtime pay established in collective bargaining agreements for those trades and occupations that have collective bargaining agreements.			

★ Conclusion

As contractors, skilled workers, and business owners, ABC members have a lot to offer when it comes to labor policy. ABC Western Washington members have a dedicated team of government and labor affairs advocates monitoring legislation, testifying on behalf of merit shop and free enterprise, and lobbying our state legislators. However, we can always use more voices and more stories. A strong ABC presence in Olympia helps deliver winning results.

It's easy to simply observe what happens at the state capital, way off in Olympia; but we risk paying a hefty price when we observe without participating in the process. If you're tired of dealing with the consequences of bad decisions made by elected officials who have never swung a hammer, worn a hard hat, or had to deal with payroll, then contact **Wendy Novak** or **Nathan Fitzgerald** to get involved.

Wendy@ABCWestWa.org

Nathan@ABCWestWa.org

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★ What is FEA and Why Donate?

The Free Enterprise Alliance (FEA) is the issue advocacy arm of ABC. Its mission is to educate our members, their employees, elected officials and the general public about the issues important to open competition in America. Since its formation in 2001, the Free Enterprise Alliance has financed and supported a number of initiatives, including:

- Executed/Supported advocacy campaigns in 25 states (36 chapters) since 2008.
- Responsible for ABC members and staff appearing on 200+ radio and cable news programs promoting free enterprise and open competition.
- The HaltTheAssault.com campaign which focuses on jobs, the economy and how intrusive government regulations stymie growth.
- Significant support of the Right to Work, PLA, prevailing wage and other sweeping labor reforms in key Midwestern swing states.
- ABC National Open Competition Committee (OCC) which fights federal government-mandated project labor agreements.
- The FreeEnterpriseAlliance.com educational campaign to educate Americans on how free enterprise and limited government are responsible for their jobs and their prosperity.

Our public officials and voters are constantly making decisions that impact your company's ability to do business. It is imperative they be informed about the effect their choices have on jobs, the local economy, and our industry. Your support allows the Free Enterprise Alliance to continue responding quickly to issues critical to ABC and our industry. For more information visit www.freeenterprisealliance.org.



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Protecting Small Businesses, Entrepreneurs
and Limited Government

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★ The Trimmer Foundation

What is the Trimmer Foundation?

The Trimmer Construction Education Fund (TCEF) funds efforts to train and retain the construction industry workforce. TCEF provides direct support to training initiatives, programs and training facilities that promote careers within the construction industry. The fund also supports the future leaders of our industry by providing scholarships to aspiring craft professionals and ABC student chapter members pursuing a degree in construction management as well as honoring the best and the brightest by sponsoring annual competitions and awards. For more information visit trimmerfund.org.

GRANTS
TCEF provides direct support to training initiatives, programs and training facilities that promote careers within the construction industry.

SCHOLARSHIPS
TCEF supports the future leaders of our industry by providing scholarships to aspiring craft professionals and ABC Student Chapter members pursuing a degree in construction management.

HONORING THE BEST
TCEF honors the best and the brightest by sponsoring annual competitions and awards.

The Trimmer Construction Education Fund (TCEF) funds efforts to train and retain the construction industry workforce.

TCEF AT WORK

Make a donation to TCEF today and help fund these important causes: contact Lisa Nardone, nardone@abc.org or (202) 595-1789.

Visit trimmerfund.org to find out more.

