



# CONSTRUCTION BUSINESS GROUP

*Building Wisconsin Together*



## *Skilled Construction Trades and Respected Contractors Building Wisconsin Together®*

Welcome to Construction Business Group's Industry Updates. This monthly e-newsletter will help us communicate the important initiatives that we have underway and relevant updates on issues that impact Wisconsin's construction industry.

### **Message from Executive Director Robb Kahl**



The construction industry faced significant challenges in 2015-2016 due to the political climate in Wisconsin, and it looks like 2017-2018 will be equally as challenging. However, CBG is ready to face these challenges.

CBG staff has developed a database collecting information on projects funded with federal money subject to Federal Davis Bacon prevailing wage. CBG's six investigators have expanded their investigations to include review for compliance with: competitive bid laws; independent contractor laws; misclassification standards; insurance and bonding requirements; drug testing requirements; apprenticeship program and ratio regulations; OSHA and other safety requirements; and many other fair contracting laws. These efforts help ensure that contractors awarded public projects are playing by the rules.

But, CBG does much more than fair contracting compliance. CBG promotes the construction industry as well through youth outreach, veteran support and recruitment, television shows and community outreach. CBG assisted with the development of the Destinations Career Academy of Wisconsin, an online public school that features exclusive pre-apprenticeship Operating Engineers curriculum for high school students statewide, and I now sit on the Four Lakes Education Board which oversees this program. CBG also assisted with the creation of the first of its kind Operating Engineers-only American Legion post. These youth and veteran outreach efforts will continue into 2017.

CBG also educates contractors, governmental officials and others about our industry and our labor-management partnership. Annually, CBG's investigators visit signatory contractors and local municipal clerks to provide informational packets highlighting the information necessary for them to ensure they remain in compliance with the myriad of fair contracting laws. CBG's investigators are beginning their annual visits now and the visits will continue into the early part of 2017. On February 9-10, 2017, CBG will be hosting a two-day seminar in the Wisconsin Dells featuring many high-profile speakers on topics, such as use of public-private partnerships to fund infrastructure projects and human trafficking of undocumented workers on construction projects.

At CBG, everything we do is intended to protect and promote your industry. Have a safe and happy holiday season.

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## Racine Unified School District Pilots the Operating Engineers Exploration Course

Mike Ervin, Local 139 Organizer, and Laura Cataldo, Consultant to CBG, met with Racine Case High School to share details on the new Operating Engineers Pre-Apprenticeship program through DCA. The high school is in the process of becoming a wall-to-wall academy program, focused on preparing students for a career pathway. The new online curriculum fits well with their model and Racine Case is offering the exploratory course as part of an afterschool program. Mike is working with area contractors to supplement the online curriculum and expose students to the exciting opportunities available in their community.



## Industry News and Updates

### From the News Stand

#### Fitch Ratings Sees Modest Growth for Transportation Infrastructure in US

Low gas prices could fuel modest growth for transportation infrastructure in the US, according to a report by Fitch Ratings. Even though President-elect Donald Trump's plans lack clarity, Fitch says the outlook is stable for highways and ports.

#### Elaine Chao Named Transportation Secretary

President-elect Donald Trump this week named Elaine Chao to be his Transportation Secretary. Chao, 63, wife of Senate Majority Leader Mitch McConnell, headed the Labor Department for all 8 years of the George W. Bush administration and was Deputy Transportation Secretary in his father's administration.

#### Petition Your Lawmakers to Stop Kicking the Can

More than 700 people have signed the Just Fix It campaign's petition to state elected officials urging them to stop kicking the transportation funding can down the road and come up with a long-term, sustainable solution. Join them by [clicking here](#).

#### Vehicle Miles Traveled in Wisconsin Hits Record High in 2015

Last year, drivers traveled 62.1 billion miles on Wisconsin roadways - an increase of nearly 2.1 billion miles over 2014 data and the largest annual percentage jump in Wisconsin Vehicle Miles Traveled (VMT) in 17 years. The Wisconsin Department of Transportation attributes the increase in VMT to several factors including a strengthening economy, growing population, lower gas prices and continued growth in commercial motor vehicle traffic.

## Upcoming Events

### Jan 26-27: Contractor-Engineer Conference

Brochures were mailed to all WTBA members regarding the 2017 Contractor-Engineer Conference -- to be held Jan. 26-27 at the Madison Marriott West. [C-E Brochure](#)

### Feb 9-10 CBG Winter Conference

Construction Business Group will be hosting a Winter Conference on February 9th and 10th at the Kalahari Resort in Wisconsin Dells. Click [here](#) for more information on the Conference.

## Labor Updates

### DWD Launches Online Form to Report Worker's Compensation Fraud

The Wisconsin Department of Workforce Development (DWD) has launched a new online complaint [form](#) for the public to submit tips and potential instances of abuse of the Worker's Compensation system by workers, employers, insurers and providers.

If, upon investigation the evidence provides a reasonable basis that Worker's Compensation fraud occurred, DWD will refer the case to the Wisconsin Department of Justice (DOJ) for possible prosecution.

## Legislative Alerts

### Judge Halts Implementation of Federal Overtime Pay Regulations

The United States District Court for the Eastern District of Texas recently issued a nationwide preliminary injunction of the United States Department of Labor (DOL) Salaried Basis Rules - often referred to as the "Overtime Pay" Regulations. The principal changes are to minimum salary requirements for employees exempt from overtime pay under the executive, administrative and professional exemptions. More specifically:

1. The Minimum salary threshold is raised from \$455/week to \$913/week (\$47,476 for full year worker).
2. The minimum salary for the highly compensated employees exemption will be raised from \$100,000 to \$134,004. These are employees who are not required to meet the duties test for the managerial, administrative or professional exemptions and are exempt based solely on compensation.
3. Non-discretionary bonuses, incentive pay, and commissions can be counted as salary (up to 10%) providing the payments are made on at least a quarterly basis. (Previously not counted.)
4. Salary levels will automatically be updated every three years commencing January 1, 2020. Minimum salary is to be set at the 40th percentile of full-time salaried workers in the lowest wage census region and 90th percentile for highly compensated employees.

**Litigation over the Final Rule changes may well continue for another year or two. In the meantime, the December 1, 2016 implementation date is no longer in effect.**

### Legislative Leaders for the 2017-2018 Legislative Session

The transition from one legislative session to the next begins with the selection of legislative leaders by the majority and minority parties in the State Senate and State Assembly.

For the 2017-2018 Legislative Session, the four "Caucus" leaders are:

Assembly Speaker: Robin Vos (R-Rochester)      Senate Majority Leader: Scott Fitzgerald (R-Juneau)  
Assembly Minority Leader: Peter Barca (D-Kenosha)      Senate Minority Leader: Jennifer Shilling (R-La Crosse)

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