



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



On February 9-10, CBG hosted its Winter Conference at the Kalahari Resort in the Wisconsin Dells. We had the good fortune to have WisDOT Secretary Dave Ross give the keynote address to kick off the conference just one day after the Governor's budget address. Secretary Ross was generous with his time and took over 30 minutes of questions and comments after his prepared remarks.

Secretary Ross was refreshingly honest about the transportation funding crisis. At least twice he told the conference attendees that "WE ARE NOT THE PROBLEM". In other words, transportation contractors and the men and women who build our critical infrastructure are not making too much money, should not have to take pay cuts and are not to blame for the transportation budget shortfall. Secretary Ross spoke with disdain about the "example" used by Senator Duey Stroebel and others of a flagger supposedly making \$100,000 a year. He knows that such examples are untrue and are only meant to inflame the public and politicize the issue.

Another highlight from the conference was the legislative panel that closed out the seminar. Joint Finance Co-Chair John Nygren and Congressman Sean Duffy were two of the panelists. Representative Nygren explained how deeply committed he, Speaker Robin Vos and many members of the Assembly are to finding a long-term solution for transportation funding. He is a fiscal conservative and expressed his opinion that bonding and other borrowing are not real solutions and will only burden the next generation. Unfortunately, it appears the Assembly's biggest impediments to finding a funding solution are the Senate and the Governor.

Congressman Duffy is on President Trump's transition team. He explained that President Trump's infrastructure funding plans cross all sectors, including highways, airports, vertical construction, broadband and energy projects. He also explained that while many changes to the Affordable Care Act will occur quickly, such as repeal of tax penalties, a full repeal and replace would take significantly longer to implement due to the complexity of the health care industry. Too much disruption to the health care industry too fast could cause many to lose insurance and hurt businesses.

While I have given a few highlights from the conference, the full lineup of speakers was impressive. We had over 100 attendees representing a wide cross mix of labor, contractors, and associations, and the attendees asked engaging questions of the speakers. I would like to personally thank the speakers and all of the attendees who gave their time. The conference would not have been a success without you.

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March-April Planned Career Outreach

CBG has a busy few months planned as we continue the efforts to promote construction careers to Wisconsin's students, parents, and educators. Here are a few of conferences/events we are attending:

Wisconsin Technical Educators Association (Mar 2-3)
ConEXPO (Mar 6-9)
WIAA Boys Basketball Tournament (Mar 16-18)
Skills USA State Conference (April 25-26)

If you are attending any of these events, or know an educator that is, please stop by and visit! We will have a simulator from the training center and information on the exciting Pre-Apprenticeship Program through Destinations Career Academy.

[Click here for a fact sheet on the Operating Engineers Pre-Apprenticeship Program.](#)

Industry News and Updates

From the News Stand

Trump's Infrastructure Proposal Will Soon Head to Congress

Senate Majority Leader Mitch McConnell said the Trump administration could soon offer recommendations for an infrastructure bill, which would need to be written by several legislative committees. Trump's original plan relied primarily on private investment to fund \$1 trillion worth of infrastructure projects, but it's unclear what form the recommendations will take. [Read More](#)

US Unemployment Numbers Beat Forecast

Initial February unemployment claims in the US increased 5,000, to 239,000, under the 245,000 economists polled by Reuters had estimated. Claims have been below 300,000, seen as indicating a healthy labor market, for 102 weeks.

Wisconsin Ranks 17th in Deficient Bridges

The American Road & Transportation Builders Assn. (ARTBA) released its annual bridge report - ranking Wisconsin 17th nationally with 1,232 structurally deficient bridges. The analysis of 2016 National Bridge Inventory data found that vehicles cross the nation's 55,710 structurally deficient bridges 185 million times daily.

"America's highway network is woefully underperforming. It is outdated, overused, underfunded and in desperate need of modernization," said ARTBA Chief Economist Alison Black.

The most heavily traveled deficient bridges in Wisconsin included the I-94 bridge in St. Croix County, STH 29 bridge over the Wisconsin River in Marathon County, the I-94 bridge over STH 11 in Racine County and the Blatnik Bridge (I-535) connecting Superior and Duluth, MN.

[More information.](#)

State Highway Program Audit Shows Room for Improvement

Recently, the Wisconsin State Legislature directed the non-partisan Legislative Audit Bureau (LAB) to conduct a comprehensive evaluation of the management of the State Highway Program (SHP) by the Wisconsin Department of Transportation (DOT).

By way of background, the SHP is Wisconsin's largest and most expensive transportation program. The SHP funds the construction, repair and maintenance of Wisconsin's 11,800 miles of interstate and major state highways and bridges.

To conduct its evaluation, the LAB analyzed:

- a) trends in program expenditures and state highway conditions;
- b) DOT management of the planning, engineering, and construction phases of state highway projects, as well as its maintenance of state highways; and
- c) DOT use of performance measures to help manage and improve its operations.

The LAB released their [evaluation](#) of the SHP and the key findings were:

Road Condition - the proportion of state highways rated in good condition decreased steadily from 53.5% in 2010 to 41% percent in 2015.

Click [here](#) to read more.

Upcoming Events

2017 ARTBA Federal Issues Program & Transportation Construction Coalition Fly-In

May 16-18; Hyatt Regency Washington Hotel

For more information, click [here](#).

Labor Updates

Union Representation in Construction Up 0.6% from Last Year; Weekly Earnings Up 4.8%

Union representation in the construction industry (covering all occupations) rose from 14.0% in 2015 to 14.6% in 2016, according to an annual report issued by the Bureau of Labor Statistics ("BLS") January 26. The number of union-represented employees in the industry also rose over the year, from 992,000 to 1,095,000, while the total number of workers in the industry rose from 7,109,000 to 7,488,000. Union membership in the industry similarly increased, from 13.2% to 13.9%.

Among workers in construction and extraction occupations, whether employed in the construction industry or another industry, union representation and membership increased by an even greater margin in 2016. Representation rose from 18.3% to 19.4%, and membership rose from 17.2% to 18.4%. The total number of workers in such occupations increased from 6,193,000 to 6,387,000.

Click [here](#) to read more.

Legislative Alerts

Governor's Transportation Budget

Revenue/Bonding

- The proposal includes no new revenue in the current biennium, nor does it put forward a plan to provide a solution to Wisconsin's long-term transportation challenge.
- The governor proposes the use of \$500 million in bonding, down from \$850 million in the current biennium.
- \$24 million a year will be transferred from the petroleum inspection fund. This amount is consistent with the current budget.
- Beginning in fiscal year 2019-20, approximately \$100 million a biennium in excess revenues from the existing petroleum inspection fee will be deposited into the transportation fund.

Program Details

Local Transportation Aids & Assistance: \$77 million increase over the current biennium

State Highway Program: \$334 million reduction compared to the current biennium

Click [here](#) to read more.

Governor Pivots on Additional Funding

Gov. Walker said recently he would no longer support raising taxes or fees for additional transportation investment, reversing a previous position that he would consider it if offsetting tax reductions were included elsewhere in the budget. His proposal includes nearly \$600 million in income, property and sales tax cuts.

"Why in the world would we want to raise taxes?" Walker said recently in Milwaukee. "I do not support a gas tax, particularly at a time when we have such a high amount of (other) revenues coming in. ... If (GOP lawmakers) want to rearrange priorities, mix some things up, certainly we'll be attentive to what their proposals are."

[Read more in this week's transportation news.](#)

Indiana House Passes 10-Cent Fuel Tax Hike

The Republican-dominated Indiana House of Representatives recently voted 61-36 to increase the state gas tax by 10 cents a gallon -- from 18 cpg to 28 cpg -- as part of a \$1.2 billion annual road funding package. While the measure's future in the Senate is uncertain, what's significant is that 18 of the Republicans who voted for the bill had previously signed a no-tax increase pledge.

"Many signed the pledge many years ago and did not understand it was a lifetime blood oath," House Speaker Brian Bosma said. "Most of the members of this chamber have voted to cut taxes numerous times. In fact, the cuts that have been voted on in just the last two years have far outweighed any increase in the tax gas here." Over the past five years, Republican-led cuts to taxes on corporations, banks, inheritance and personal income have wiped out more than \$600 million a year in state revenue.

[Read more.](#)

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