So-Called Right-to-Work Report Released

A long awaited report from WVU’s Bureau of Business and Economic Research was released on November 10.

The report predicts a drastic 20 percent drop in union membership if Right-to-Work becomes law and predicts modest job growth of four tenths of one percent higher than states without Right-to-Work (RTW).

The report was requested by Republican leaders during the last few days of this year’s legislative session.

The main author John Deskins has already weighed in against workers during prevailing wage discussions earlier in the year.

Using a newly created procedure the Senate President and Speaker of the House ordered the report without getting approval from either chamber.

“That Republican leaders hand-picked the person to prepare this report is no surprise,” said Kenny Perdue, President of the WV AFL-CIO. “There is a large body of study showing Right-to-Work does not deliver on its promise of job creation.”

Most studies show workers in states with Right-to-Work laws make significantly less than states that allow free-bargaining. However the WVU report only looked for evidence the RTW increases wages and concluded it could not be found.

“We find it hard to understand how they could acknowledge the drop in union membership but somehow miss the fact that wages will nosedive as well,” said Perdue.

The main author John Deskins has already weighed in against workers during prevailing wage discussions earlier in the year.

He was involved in creating the new methodology for calculating the state prevailing wage rates. During hearings on that topic Deskins spoke in favor of using low wage Bureau of Labor Statistic data rather than conducting a survey as industry leaders expected.

A public legislative hearing on the report was held in Charleston on Sunday, November 15 as part of the interim legislative process. A full evaluation of the report will take place in coming weeks.
Comments on New PW Methodology Filed

While comments came from all sides regarding the new prevailing wage methodology developed by West Virginia WorkForce the overall list of issues is fairly small.

From those who have opposed prevailing wages only five issues were raised. Most issues appear to come from simple misunderstandings. ACT and the WV State Building Trades offered suggestions to improve the data collection process.

Opponents to prevailing wage cite five areas of concern. The first is they cannot find the full report describing the methodology.

The response from WorkForce was simple and to the point; it is on their web site.

Other issues had to do with the amount of time allotted to collect data and the use of sample weeks for data collection.

“...A few points we agree with and think a few simple changes would improve the process,” said Dave Efaw, Secretary-Treasurer of the WV State Building Trades.

The Trades also suggested using more data about apprentices, adding details about benefits, improving the math behind the calculations, and seeking more industry input on the survey process.

The biggest difference among those supporting or opposing prevailing wage appears to be whether or not fringe benefits should be counted at all.

Supporters believe benefits should be included in a survey, opponents want them out.

When the law was first put in place in the 1930’s fringe benefits did not exist. Over the years as health insurance, pension and apprentice-ship training programs were developed the term wages evolved into the hourly package including both paycheck and benefit amounts. Payments required by law such as worker compensation, unemployment and social security have never been included in wages.

While the term ‘prevailing wage’ has evolved to include benefits opponents say wage mean wage alone.

Opponents also point to a House of Delegates Committee meeting where a staff lawyer was asked if the word wage also included benefits. She answered no.

“A lawyer’s opinion is just that, an opinion,” said Efaw. “Before the Senate vote was taken Minority Leader Jeff Kessler clearly asked Majority Leader Mitch Carmichael if benefits would be included and the answer was yes.”

WorkForce responded to complaints about including fringe benefits by pointing to wording in the law asking them to determine the “prevailing rate of wages” as well as the fact that every other state calculating a prevailing wage plus the federal government includes benefit information.

Pipe Trades Display at Tri-State Shale Summit

Fifth year apprentice Matthew McGinnis shows Ohio Lieutenant Governor Mary Taylor the virtual welding training simulator used by Plumbers and Pipefitters Local 152’s apprenticeship program.

McGinnis was manning a display set up at the Tri-State Shale Summit held in Morgantown on Tuesday, October 13.

The Shale Summit was a collaborative effort on behalf of the states of Pennsylvania, West Virginia, and Ohio to bring to light the potential for the future of Marcellus & Utica Shale in the region.

Also manning the display in the background is apprentice Dustin Burdette and to the right LU 152 apprentice coordinator Chad Oleksa.

Both apprentices were available at the display thanks to support from Chapman Corporation based in Washington, PA.

Parkersburg Hospital Recognized for Using Local Workers and Contractors on Project

Bill Hutchinson (from left) of the Parkersburg-Marietta Building Trades and Clint Suggs of the Parkersburg-Marietta Contractors Association present a plaque of appreciation to Dave McClure, President and CEO of Camden Clark Medical Center and Ryan Taylor, President of Pickering Associates.

The Contractors Association teamed up with Trades Council on Friday, October 16 to recognize and celebrate the new 60,900 square foot addition to Camden Clark.

Additions include improving the Emergency Department, additional acute care beds and other ancillary spaces at their 800 Garfield Avenue location.

Grae-Con Construction was the GC and all other contractors involved were signatory with building trades affiliates.

“We wanted to recognize the hospital for their continued support of community, local contractors, and skilled construction trades persons,” said Suggs.
Oklahoma Failure may be WV’s Future
So-Called Right-to-Work Fails to Bring Jobs

A 2011 study of Oklahoma, which passed a Right-to-Work law ten years prior in 2001, showed the prediction of more jobs never materialized. According to the study “Does Right-to-Work Create Jobs?” overwhelming evidence showed “manufacturing employment and relocations into the state reversed their climb and began to fall, precisely the opposite of what right-to-work advocates promised.”

The study’s authors Lafer and Allegretto also concluded “states looking beyond traditional or low wage manufacturing jobs – whether to higher tech manufacturing, to ‘knowledge’ sector jobs, or to service industries dependent on consumer spending in the local economy – there is reason to believe that right-to-work laws may actually harm a state’s economic prospects.”

So-called ‘Right-to-Work’ is advanced as a strategy to attract business to a state. It has been around since 1947 and 25 states, mostly in the South and Southwest, have adopted it.

The law is intended to force trade unions to provide free services to workers who are not members. The effect is to put unions out of business and lower wages and benefits for all workers, those in unions and even those who are not.

Indiana and Michigan passed a Right-to-Work law in 2012 and Wisconsin enacted it earlier this year.

Supporters of the so-called Right-to-Work law claim the measure will attract businesses to the state and point to states with RTW that saw rapid as evidence of its success.

But there are equal examples of states with RTW which fared poorly.

The past decade saw big differences in the performance of states with RTW laws. For example, while RTW Arizona saw employment grow by almost 19% from 2000-09, RTW Alabama saw its employment shrink by more than 5%.

Examples of non-RTW states outperforming those with RTW also exist.

Employment growth over the decade was 8.2% in non-RTW New Mexico, more than triple the rate of its RTW neighbor, Oklahoma.

In West Virginia, legislative leaders have said they will introduce a RTW measure the first day of the session, January 13, 2016.

When supporters of RTW are pressed to identify names of businesses that will come if the law is passed silence usually results.

“Right-to-Work is a political issue not an economic one,” said Bill Hutchinson, President of the WV State Building Trades and Business Manager of the Parkersburg-Marietta Building Trades. “It comes from big-business think tanks run by far away billionaires who want to silence the voices of working families.”

So-Called Right-to-Work Fails to Bring Jobs

In a bizarre twist of logic a group opposed to the state prevailing wage law is claiming great savings were achieved during a recent period when schools were bid without the requirement.

The group points to a project near Huntington that did not have a prevailing wage requirement as evidence of great savings.

The project is a new school in Wayne County called Ceredo-Kenova (C-K) Elementary School.

However, even without the legal requirement to pay prevailing wage the contractors on the project will pay union wages and benefits already agreed to, which in some cases are higher than the previously posted prevailing wage rates.

Neighborgall Construction was the low bidder at $12.4 million, beating out a number of bidders including two who testified they could build schools for 40 percent cheaper without prevailing wage.

Neighborgall is a third generation, locally owned and operated construction company based in Huntington.

They and their subcontractors all use local union craft labor.

“How can you say money was saved without prevailing wages when the contractors on the job will in effect be paying them?” asked Steve White, ACT Director.

Using bad math and uncertain data the anti-union group Associated Builders and Contractors of WV claim that somehow the bids came in lower because there was no prevailing wage requirement for bidders.

“They really should be answering why their contractors did not deliver the promised 40 percent savings on C-K”, said White.

The ABC claim is based on a very limited square foot cost comparison with a few schools.

However a detailed analysis shows they have used the wrong numbers.

“The ABC claimed the square footage costs were lower on the C-K project because prevailing wage was not required,” said White. “But the costs were in line with similar projects, they used the wrong numbers.”

White explains that the square footage cost at C-K is within two dollars a square foot of a project used by the ABC as comparison.

“They said a new school in Gilmer with a prevailing wage requirement cost $224.50 per square foot but the correct number is $186,” said White. “They have made the same ‘mistake’ before, adding in architect, site and other costs to inflate numbers.”

White also explains there are a number of reasons why the square footage cost would be different including the total square footage of a project, time of year the project was bid, how remote the project location is, and the design and material to be used in a project.

“The future without a prevailing wage law is not hard to predict, just look at states without the law.”
Atlantic Coast Pipeline Needs Approval

Final approval is all that is needed for the 564 mile natural gas pipeline project called the Atlantic Coast Pipeline to start construction.

In West Virginia and Virginia, the pipeline would be 42 inches in diameter; in North Carolina, 36 inches.

The capacity of the pipeline is projected to be about 1.5 million dekatherms (equivalent to about 1.5 billion cubic feet per day.)

FERC approval is expected next year but is not guaranteed. Public support for the project will help ensure its approval.

To help round up public support a group called EnergySure has been formed.

At their website more information about the project can be found as well as ways to communicate support for the project.

For more information go to energysure.com.

The Federal Energy Regulatory Commission (FERC) is the group making the decision after an extensive application and review process.

The $5 billion project will bring dry-gas from the Marcellus and Utica region in West Virginia and Ohio to Virginia and North Carolina.

In West Virginia the project will mean over a thousand jobs for construction workers for almost two years as well as $9.4 million in annual local property tax revenue once the project is complete.

Dominion, Duke Energy, Piedmont Natural Gas and AGL Resources have formed the Atlantic Coast Pipeline, LLC to develop, own, construct and operate the pipeline.

The group has committed to use the National Pipeline Agreement for the construction of the project ensuring good paying local construction jobs.

You can show support

Atlantic Coast Pipeline Needs Approval

Support $5 Billion ACP
Goto: energysure.com
Send FERC a comment

New Boone Memorial Hospital Project

(From left) Representatives from Boone Memorial Hospital Mark Lingle, COO and Virgil Underwood, CEO along with Paul Breedlove, Business Manager of the Charleston Building Trades and C.R. Neighborgall IV President of Neighborgall Construction stand beside a rendering of the new 77,000 square foot hospital under construction in Madison.

The new $26 million hospital will replace a much smaller and older one. The hospital hosted a luncheon on November 5 to thank the local crafts and contractors who were building the project.

The project is around two-thirds complete and should be done by next summer.

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