This and That by Dana Oaks, Executive Director

It has been a tough year for construction in Central Illinois. GPCSA has seen its reported hours close to 2014 but still down from several years ago. But on the bright side, we need to remain positive that the economy will be recovering soon.

As an organization GPCSA remains committed to making sure you all have the information and help, you need to make your company successful. Please take the time to participate in our upcoming events. I think the networking with others can only help build success.

I was told early on in my years in this industry that you do business with those you know and trust.

As we conclude another construction season, let us take a look back at what occurred socially for members of GPCSA in 2015.

- GPCSA’s Annual Membership meeting with 71 members attending
- GPCSA’s Annual Golf Outing with 120 members enjoying 18 holes at Mt. Hawley Country Club
- GPCSA’s Membership Sporting Clay Shoot which had 28 shooters
- GPCSA Membership Event – Networking Mixer with Labor and Management at the Ivy club that had 56 attendees
- GPCSA’s 30th Annual Membership Christmas party which had 88 members enjoying the festivities
- OSHA lunch program “OSHA Record Keeping” with 26 attending

GPCSA’s Membership is at 225 as of December 2, 2015.

NOTE: Always keep in mind to invite prospective members to attend a GPCSA event with you. And if you bring in a member, you will receive credit towards your quarterly dues an equal amount of the new member’s quarter dues. Any questions, please contact the GPCSA office for more information.
NEW MEMBERS

REGULAR MEMBERS—IMPACT Strategies, Fairview Heights, IL

ASSOCIATE MEMBERS—VP Littco dba Glass Doctor, Morton, IL

CONTRIBUTINS MEMBERS—Philadelphia Insurance, Naperville, IL
    ABC Supply Co., East Peoria, IL

By The Numbers

Year End Plans received by the Plan Room
2015  379 plans — January 1 — December 21
2014  485 plans
2013  424 plans
2012  496 plans
2011  530 plans
2010  488 plans

Hours worked reported by Carpenters (#237-Zone 1), Ironworkers (#112), Laborers (#165), Cement Finishers (#18-12), Plasterers (#18-12), Operating Engineers (#649), all building contracts, year end 2014.

2015  1,108,394 hours - January 1 — November 30
2014  1,298,258 hours
2013  1,526,823 hours
2012  1,725,817 hours
2011  1,461,909 hours
2010  1,700,346 hours
MARK YOUR CALENDARS

Deadline to Submit Nominations for the Governor’s Award in Safety & Health to be presented at DIOSH Day—January 2, 2016 (nomination form is on DIOSH Day website—www.dioshday.com)

GPCSA’s Board of Directors Meeting — January 12, 2016

GPCSA’s Annual Membership Meeting — January 12, 2016

GPCSA’s Safety Lunch Program—OSHA Presented Information on Confined Space—January 15, 2016

CCICIF Trustees Meeting—March 11, 2016

25th Annual DIOSH Day—March 2, 2016 (brochure and registration on DIOSH Day’s website www.dioshday.com)

GPCSA has started a Facebook Page.
Please drop by and like us.
Facebook - www.facebook.com/GPCSA

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Here you can find pictures of the GPCSA Annual Golf Outing and winners
Along with pictures of the GPCSA Sporting Clay Shoot and winners
MEET SHARON WALTRIP WHO IS GPCSA’S SECRETARY/BOOKKEEPER AND SHE ALSO RUNS THE FRONT DESK

Sharon L. Waltrip was born in California to James K. and Sally L. Stanfield-Waltrip, as the youngest daughter. My family moved to Illinois in 1976, where I grew up in Washington, attended and graduated from Washington Community High School in 1988. I started working for GPCSA the summer of 1986 making copies and collating the new Collective Bargaining Agreements, then in May of 1988 started part-time, and then going full-time in November of 1988. I have two children, Nicole, age 21, and George, age 10, and one very special (and spoiled) 3 year old Black Lab named, RavenJas. In my spare time, I enjoy cooking, reading, taking RavenJas to the park, spending time with friends and family, as well as volunteering for a local animal shelter (TAPS).
MEET CHRISTOPHER BROWN WHO IS GPCSAs – Spec and Plan Scanner, Assists Members in the Plan Room Data Entry of Specs and Plans for the Electronic Plan Room Web Assistance, Works to keep Electronic Devices up and running, and General Maintenance of the Facility

My name is Christopher Brown. I was born in Peoria, IL and grew up in Lake of the Ozarks, MO. Out of high school I went to a specialty school for Marine Techs (boat mechanics) and after graduating I was hired on at Mercury Marine HQ in Fond du Lac, WI. All together I spent about 4 years in the boat industry.

I made the switch to GPCSA at the end of 2003 and started full time January 1, 2004. I was hired on to help start and maintain their online and digital plan room services while also maintaining the onsite facility.

My wife and I have settled down in Eureka and are excited to be raising our family of 5 kids in such a great small community. I look forward to continuing my work with our members and also providing them with new services moving forward.
A Couple of Pictures from the GPCSA Membership Christmas Party — If you missed it this year, mark your calendars and plan to attend next year!!
Magician Jonny Rovatti
Needed an Assistant!!
PREVAILING WAGE
written by Chris Stevens

Prevailing wage protects people, particularly the contractors who operate a legitimate ongoing enterprise.

Taxpayers, both individuals and businesses, foot the bill for state-funded construction and demolition projects. A highly skilled, well-trained, workforce, which Prevailing Wage supports, brings the best value for all taxpayers, whether individuals, companies or corporations.

The state of Illinois passed a Prevailing Wage law in 1941. The intent? Guarantee tax dollars will be used to hire those trained to perform at a professional level while delivering tangible value to taxpayers.

Training remains the hallmark of union-affiliated contractors, whether a large ‘general’ or a small subcontractor. A verifiable record of completing projects On Time and In Budget coupled with high quality craftsmanship, generates customer satisfaction, which in turn generates repeat business.

Wage and benefits were originally determined by the local State’s Attorney for each county. The general assembly subsequently changed the law in 1952. Now, for each county the Illinois Department of Labor (IDOL) sets the wage/benefit rate for all the various trades/crafts. IDOL issues the rates annually in June with an effective date of July 1.

In 2009, the Illinois General Assembly expanded the Prevailing Wage Act. The law now applies to all projects within an Enterprise Zone (no sales tax on building materials) or a Tax Increment Financing (TIF) district (property taxes rebated to the developer who builds in a blighted area).

The political battle currently underway in Springfield includes a claim by the governor that Prevailing Wage raises the cost of construction by 20 percent and raises school construction costs by $160 million annually.

The Illinois Economic Policy Institute (IEPI – http://illinoisepi.org) calculates wages in the state equal 20 – 25 percent of construction costs. Unless the contractor can negotiate a remarkable discount on materials, in order to reduce the cost of building a school by 20 percent, workers would have to earn almost nothing.

Several exhaustive studies, including one by Nooshin Mahalia of the Economic Policy Institute (EPI – epi.org), have found that reducing wages by eliminating or adjusting Prevailing Wage rates had no effect on construction costs.
Two lengthy studies support the use of Prevailing Wage. One, by Peter Philips Ph.D., *A Comparison of Public School Construction Costs in Three Midwestern States That have Changed Their Prevailing Wage Laws in the 1990s*, "... found that the use of prevailing wages raised school construction costs by less than one percent, a statistically insignificant result".

Another study by Mark J. Prus, Ph.D., *Prevailing Wage Laws and School Construction Costs: An Analysis of Public School Construction costs in Maryland and the Mid Atlantic states*, found "... that the slight increase in costs for states with prevailing wages was statistically insignificant. Further, future savings in maintenance costs because of higher quality construction produced additional savings for the states".

A later meta analysis of studies by Philips and Prus determined labor costs to equal up to 30 percent and concluded, “Exhaustive studies have found that reducing wages by eliminating or adjusting Prevailing Wage rates had no effect on construction costs. Little empirical evidence has been presented to support the claims of cost savings... from what we know of the role of labor costs in the total costs of construction... in the United States, construction worker labor costs, including wages, benefits, and payroll taxes, as a percentage of total construction costs including materials and labor but excluding land purchases and architect fees, was 30 percent... It is unlikely that the total cost of construction would fall from a regulatory change that was hypothesized to affect primarily a cost component that accounted for 30 percent of total cost”.

Frank Manzo of the Illinois Economic Policy Institute (IEPI - www.iepi.org) has calculated the loss of Prevailing Wage brings a wage reduction between eight and 13 percent. However, the Manzo study also found productivity decreased by 11 – 14 percent, thus ‘saving money backwards’.

The way to truly save money ‘forward’? TRAINING. The study by Mahalia of the EPI also found "Prevailing Wage laws have been shown to have generally positive effects on the construction industry by expanding the pool of construction workers trained through apprenticeship programs".

Highly trained workers, such as the members of the union building trades who undergo a rigorous multi-year apprenticeship paid for by the contractors, provide far greater productivity.

While taxpayers in Illinois may applaud the governor’s objective to save money, empirical data suggests no such savings will occur. Rather, wherever Prevailing Wage is eliminated, unionization rates decline.

Along with lower unionization comes lack of safety training. All the union building trades require apprentices successfully complete the OSHA 10-hour, and with many projects now calling for specialized certifications, e.g. Steamfitters who work in nuclear power plants, or Plumbers who install med gas in hospitals, require additional safety training.
Thus, the lack of a Prevailing Wage law endangers workers. The study by Mahalia of the EPI found construction-related fatality rates 25 percent lower in states with a Prevailing Wage law. The study also found the safety rates are even better in states that vigorously enforce their Prevailing Wage law.

A study conducted by Belman and Voos (for the Arizona District Council of Carpenters) determined that the losses in income and state revenue from repeal of the Prevailing Wage law would far outweigh potential cost savings from the lower wages. The two researchers later authored a report on the direct economic effects of a potential repeal of Prevailing Wage in neighboring Wisconsin. The findings include: a loss of net state revenue of $6.8 million annually; and an estimated 100,000 construction workers and their families would be expected to lose about $123 million across the state in income, which will reduce sales tax revenue that cities and other government entities rely on to fund operations.

Missouri repealed its Prevailing Wage law. A later study by Kelsey et al. calculated the potential economic losses between $318 and $384 million with $294 to $356 million in lost income and $5.7 to $6.9 million in lost sales taxes, plus $17 to $21 million in lost income taxes.

Another exhaustive study referenced the Dodge reports and used a database of 150,000 construction projects during the period 2003 – 2010 and compared the eight Midwestern states with a Prevailing Wage law to the four without a law. The study found: costs per-square foot to be either equal or even lower in a state with a Prevailing Wage law. (http://www.prwatch.org)

The EPI studied Utah which repealed its Prevailing Wage law in 1981 and found in the decade after repeal cost overruns tripled as a result of a low-skilled workforce and lower productivity.

Locally, several government entities have adopted the use of Prevailing Wage as a means to bolster the local economy. At a statewide meeting of the Illinois Prevailing Wage Council, State Senator David Koehler of Peoria, who sits on the Labor Committee in the senate, exclaimed “...how proud I am of the Peoria County Board and how they set an example (inserts a Prevailing Wage clause into its construction contracts) of working together”.

Workers relish the protection of Prevailing Wage. Illinois’ Attorney General Lisa Madigan, a staunch supporter of the law and top legal officer for the state, has commented, “It’s important to ensure working men and women can earn enough to live with dignity”.

The EPI has conducted several lengthy studies of Prevailing Wage and issued a report which includes, “An overwhelming preponderance of literature shows that prevailing wage regulations have no effect one way or the other on the cost... as studies of the question become more and more sophisticated, this finding becomes stronger, and is
reinforced with evidence that prevailing wage laws also help to reduce occupational injuries and fatalities, increase the pool of skilled construction workers, and actually enhance state revenues”.

Contractors, who employ workers and pay taxes, welcome Prevailing Wage and recognize the law ensures a level playing field for all who submit a bid on a project. As successful business people, contractors agree with the EPI as they understand the negligible cost increase of a Prevailing Wage law protects their business from unscrupulous fly-by-night contractors who attempt to undercut legitimate bids. And as taxpayers, contractors of all sizes welcome the best value for their tax dollars which the state gets by hiring the union-affiliated professional contractors and members of the union building trades affiliated with the Greater Peoria Contractors and Suppliers Association, Inc.

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PAPERWORK REQUIREMENTS of Prevailing Wage

A contractor must keep records for three years from the last payment made on the project. The records have to include: a record of all laborers, mechanics and other workers employed on the project; these records must include each worker’s name, address, telephone number when available and Social Security number; the classification or classifications of each worker; the worker’s gross and net wages; the number of hours worked each day by the worker; the worker’s start and end time of work each day; the worker’s hourly wage rate; the worker’s hourly overtime rate; the worker’s hourly fringe benefit rate; the name and address of each fringe benefit fund; the plan sponsor of each fringe benefit; and the plan administrator of each fringe benefit.

PENALTY for VIOLATION of Prevailing Wage

If a contractor fails to provide or maintain the required records they are subject to a Notice of Violation. If a contractor receives two notices of violation within a five-year period they will be debarred from bidding government projects.

The IDOL policy for violations: “The contractor/sub contractor is liable for the difference between what was paid to the employees and the prevailing wage for all hours worked and owes the Department of Labor a 20 percent penalty of the underpayment.” Plus, workers are owed two percent of the amount of any such penalty for each month during which underpayments remain unpaid. For a second violation, the contractors must pay the Department of Labor a 50 percent penalty and the penalty owed the worker increases from two to five percent.

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Projects subject to Prevailing Wage include:
All fixed works constructed by any public body or paid in whole or part with public funds, including all projects funded or financed in whole or in part with bonds, grants, loans or other funding made available by or through the state or any of its political subdivisions, or undertaken by an institution supported in whole or part by public funds. Landscape or modifications to real estate are included within the definition of fixed work. A project does not have to be for public use to be covered.

A project financed by a sales tax rebate is NOT covered by Prevailing Wage.

Apprentice pay rates. Only persons who are enrolled in a U.S. Department of Labor (DOL) certified apprenticeship program may be paid an apprenticeship rate. The rate is determined by the DOL program, and a contractor may not establish different subcategories of apprentices and pay them a different rate. Plus, a contractor must pay the same fringe benefits for an apprentice as required for a trades person.

Failure of a public body to notify a contractor of the Prevailing Wage requirement does not relieve a contractor from the responsibility to pay Prevailing Wage rates. Failing to pay the proper rate will subject the contractor to pay the difference in the amount paid and the Prevailing Wage rate. A public body has an obligation of notification, so if they fail to do this the public body and not the contractor must pay any interest, penalties or fines assessed by IDOL. If a general contractor fails to notify a subcontractor of the requirement to pay Prevailing Wage, the subcontractor is required to pay the difference, but the general contractor will be liable for the interest, penalties, or fines.

Failure by a contractor or subcontractor to submit a certified record of payroll is subject to a Notice of Violation if they fail to file certified payroll by the due date, or if they willfully file a false certified payroll, they are guilty of a class A misdemeanor and if found guilty are subject to an immediate four-year debarment and no hearing.