

BTEA Newsletter

Published by: Building Trades Employers' Association of Boston and Eastern Massachusetts, Inc.

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BTEA NEWSLETTER NO. 9

SEPTEMBER 25, 2014

Construction Manager is One of Fastest Growing Jobs in the Country

A job that provides a stable and livable income is one of the most important elements in life for most working class adults. But with exceptionally high unemployment rates in recent years, such financial security is far from a guarantee. Even traditionally popular professions like teaching and law are increasingly difficult to enter, and many young, educated high school and college graduates find themselves out of work. But there are well-paying jobs in growing fields for those who know where to look.

Number of jobs in 2012: 485,000

Jobs outlook in 2022: 563,200

Percent job growth: 16.1%

Median salary: \$82,790

A construction manager is to a construction site what a producer is to a film. Producers oversee all aspects of a film's creation, from developing the script with a writer, to hiring a director, controlling budget, and overseeing post production. Similarly, a construction manager sees a project from beginning to end, working with architects and engineers in the conceptual stages, to overseeing the physical construction phase with laborers.

Local 103 Elects New Business Manager

The International Brotherhood of Electrical Workers Local 103 members elected John Dumas to become the new business manager. Mr. Dumas replaces Michael P. Monahan, a high-profile leader who vacated the post to take a position with the union at a national level. Dumas has been a member of the local for 37 years and spent the past 18 years as its president. He previously served as a business agent.

BRA Gets New Board Member

Ending weeks of speculation, the Boston City Council voted earlier this month to approve Ted Landmark to the board of directors at the Boston Redevelopment Authority. Mr. Landmark was previously the President of the Boston Architectural College.

State Seeks Developers for Air Rights above MBTA Hynes Station in Back Bay

For the second time in two years, the MA Dept. of Transportation and the MBTA have issued Request for Proposals seeking a development team to design and develop an air rights project at the corner of Boylston St. and Mass. Ave. in Boston's Back Bay. The site, known as Parcel 13, represents 54,500 square feet of air rights over the Massachusetts Turnpike, adjacent to the MBTA's Hynes Convention Center Station on the Green Line. State officials say the site will accommodate up to 320,700 square feet of development that could include a mix of housing, dorms, retail and hotel uses. Development proposals will be due November 7, with the selection process to identify a development team expected to be complete by the end of 2014. Construction is estimated to start in 2017 and last two to three years.

Massachusetts Controlled Insurance Programs (CIPs) on Public Projects

The Massachusetts Legislature recently passed House Bill 2779, Public Entities and Controlled Insurance Programs (CIPs), which allows public entities to now utilize Controlled Insurance Programs, similar to other large "nonpublic" work. These programs were prohibited from being utilized prior to this legislation.

What does it mean to public entities (MWRA, Port Authority, U. Mass. etc.)?

The entities should be wary of the pitfalls and guard against programs that would penalize them if total premium costs in the CIP can exceed ordinary premium charges derived from standard bidding practices. The total insurance costs could be determined in advance using standard bidding practices. However, the CIPs can generate less cost or more costs, depending on the losses.

What does it mean to Sub and Sub-Sub Contractors?

Your insurance broker will not have the benefit of your "exposure" as the payroll/revenue dollars will be in the CIP. That could mean that your base rates for GL may go up because your insurer will have less volume to work with. However, you would avoid third party action over claims against your GL policy.

What does it mean to General Contractors?

You may be expected to provide this option on public/institutional work. Your advice will be heavily considered by the entity. Your options would be to:

1. Offer an Owner Controlled Program (OCIP) for the entity to take the chances.
2. Offer a Contractor Controlled Program (CCIP) where the GC takes all the chances.
3. Offer a partial Controlled Program for just (for example) General Liability (GL).
4. Offer a standard program in which the subcontractors provide their own insurance.

There are many pros and cons to these programs. Each one is different from the last one. For more information, please contact the Association office.

Thermal Energy Bill Signed into Law on Beacon Hill

Last month, Gov. Patrick signed S 2214, An Act Relative to Credit for Thermal Energy Generated with Renewable Fuels. The legislation will promote the use of clean renewable fuels and technologies to heat and cool buildings by providing financial incentives for use of thermal technologies like heat pumps, solar, bio-fuels or renewables. The financial incentives will be based on alternative energy credits purchased by retail electricity suppliers.

Solar Map Heats up Roof Potential

Mapdwell, a company spun out of MIT, has invented a new online mapping system that allows Boston residential and commercial property owners to assess the solar potential of their roofs and cost estimates to install photovoltaic systems. The company has mapped all 127,000 Hub buildings to create the Solar System Boston application (mapdwell.com/boston). Users can type in an address to find the estimated costs to install a solar system, incentives and rebates, electricity bill savings, payback period, carbon offset, and the number of panels needed and annual output. Mapdwell's analysis found that Boston, which now has 12-plus megawatts of solar photovoltaic installed, has the potential for 2.2 gigawatts in total. To go along with that, Massachusetts has among the nation's best solar incentives, including income tax credits of up to \$1,000; credit for excess electricity fed back to utilities; and renewable energy certificates that can be sold.

Lowering Wages of Workers on Affordable Housing Projects in New York

The Building and Construction Trades Council of Greater New York and a group of developers have begun discussions on a council proposal to provide a lower-wage labor force for all new affordable housing projects in New York. The council has proposed training nonunion construction workers and workers just entering the industry to perform work on an estimated 80,000 new housing units while earning wages that are 40 percent lower than the union rate. The proposal follows New York Mayor Bill de Blasio's announcement of his plan to build and preserve 200,000 affordable housing units in New York over the next decade. The workers would not be current union journeymen, but they would have the opportunity for union membership and career advancement. The New York State Association for Affordable Housing commended the building trades' efforts to lower labor costs on future housing projects, but said it was unsure how much of an impact the wage reduction would have due to the high costs of the union's supplemental benefits, which can be equal to the wage rate.



U.S. DOL Awards Grants to MA and RI for Studies on Expanding Paid Family and Medical Leave

This week, the U.S. Dept. of Labor's Women's Bureau and Employment and Training Administration awarded \$500,000 to assist the District of Columbia, Massachusetts, Montana and Rhode Island in funding feasibility studies on paid leave. The studies will inform the development or implementation of paid family and medical leave programs at the state level. The Massachusetts DOL will receive \$117,651 to conduct research and develop a micro simulation model that will help the state estimate eligibility, take-up and benefit costs of a variety of proposed paid family and medical leave programs. The Rhode Island DOL will receive \$161,417 to determine the effectiveness of the Rhode Island Temporary Caregiver Insurance Program and its benefits for Rhode Islanders, as well as the public's awareness of the program. Employers should also note that this law is likely coming down the road soon. California and Connecticut have already passed state-wide paid sick leave laws and 14 other U.S. cities have also passed similar legislation. Paid Sick Leave will also be on the ballot for Massachusetts in November.

Fall Protection and Hazard Communication Repeat as OSHA's Most Frequently Cited Standards

OSHA recently unveiled its preliminary list of the top 10 most frequently cited workplace safety standards for fiscal year 2014:

1. Fall protection – 6,143 violations
2. Hazard communication – 5,161
3. Scaffolding – 4,029
4. Respiratory protection – 3,223
5. Lockout/tagout – 2,704
6. Powered industrial trucks – 2,662
7. Electrical, wiring methods – 2,490
8. Ladders – 2,448
9. Machine guarding – 2,200
10. Electrical, general requirements – 2,056

OSHA Announces New Requirements for Reporting Fatalities and Severe Injuries

OSHA has announced a final rule requiring employers to notify OSHA when an employee is killed on the job or suffers a work-related hospitalization, amputation or loss of an eye. The rule, will take effect January 1, 2015, for workplaces under federal OSHA jurisdiction. Under the revised rule, employers will be required to notify OSHA of work-related fatalities within eight hours and work-related in-patient hospitalizations, amputations or losses of an eye within 24 hours. Under the old standard, employers only had to report work-related fatalities and in-patient hospitalizations of three or more employees.

All employers covered by the Occupational Safety and Health Act, even those exempt from maintaining injury and illness records, are required to comply with OSHA's new severe injury and illness reporting requirements.

OSHA also has updated the list of industries that are exempt from the requirement. The old list of exempt industries was based on the old Standard Industrial Classification system, and the new rule uses the North American Industry Classification System to classify establishments by industry. At all times, companies with 10 or fewer employees, during the previous calendar year are exempt from the rule, regardless of their industry classification, from the requirement to routinely keep records of worker injuries and illnesses.

Tax Bill Introduced in Congress; Aimed at Employers and Apprenticeship Programs

Last week, Rep. Rodney Davis (R, IL) introduced legislation in Congress, "Leveraging and Energizing America's Apprenticeship Programs (LEAP) Act," HR 5579. The bill is aimed at amending the Internal Revenue Code of 1986 to allow employers a credit against income tax for employees who participate in qualified apprenticeship programs. The bill was referred to the House Oversight and Government Reform Committee for more consideration by legislators. The Association will monitor this closely.

Rule to Improve Pay Transparency for Employees of Federal Contractors Proposed by the DOL

The U.S. Department of Labor's Office of Federal Contract Compliance Programs announced a proposed rule earlier this month that would prohibit federal contractors from maintaining pay secrecy policies. Under the terms of the proposal, federal contractors and subcontractors may not fire or otherwise discriminate against any employee or applicant for discussing, disclosing or inquiring about their compensation or that of another employee or applicant.

Did You Know...?

- Harvard endowment ended their fiscal year at \$36.4 billion.
- The University of Massachusetts endowment grew to \$757 million in 2014.
- Massachusetts has launched a program that seeks to recruit the brightest tech minds to work on making Beacon Hill more efficient through technology.
- Last week, President Obama signed into law the short-term continuing resolution needed to prevent a government shutdown at the end of the fiscal year (Sept. 30). Enactment of the legislation will ensure federal funds continue to flow at current rates through Dec. 11.
- During the first 10 months of the year, OSHA conducted 30,679 inspections and cited 55,163 violations. The target for the entire year is about 38,000 inspections. For 2013, the agency opened 39,228 inspections and found 78,196 violations. In 2012, 40,961 inspections yielded 78,727 violations.
- Just about 50 percent of the 2014 inspections OSHA conducted involved construction companies, compared with 52 percent in 2013 and 55 percent in 2012.
- Real weekly earnings of most private sector workers increased 0.6 percent in August, up from a 0.1 percent gain in the prior month and the most since March, the Labor Department reported.
- The cost of living unexpectedly dropped in August for the first time in more than a year, indicating that annual inflation still is falling short of the Federal Reserve's goal.
- Data compiled by Bloomberg BNA through Sept. 15 for all settlements in the country showed that the average first-year wage increase was 2 percent.
- Legislation is pending in California, regarding temporary workers. A.B. 1897, Protecting Workers in the New Subcontracted Economy, which passed the CA Senate and Assembly, would hold employers legally responsible for any labor violations committed by the staffing agencies they contract with. Currently, the bill's backers say, employers are able to wrongfully keep full-time workers trapped in temporary status as well as intimidate workers into keeping quiet about hazardous working conditions, for fear the employer will cut ties with the staffing agency.
- The U.S. DOL has awarded \$10.2 million to 19 states to implement or improve worker misclassification detection and enforcement initiatives in unemployment insurance programs. The DOL has also awarded \$87 million in grants to improve state unemployment insurance programs to implement or expand reemployment and eligibility assessment programs.
- Beginning in 2015, businesses with 100 or more employees must offer healthcare coverage to their employees, per the Affordable Care Act. Employers should also note, that they must offer coverage to 95 percent of eligible employees beginning in 2016, but only 70 percent in 2015.