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# CONTRACTOR

WISCONSIN

RON JOHNSON:  
MY PRIORITIES IN WASHINGTON

ABC READIES FOR 2017-18  
LEGISLATIVE SESSION

# 2016

## ELECTIONS

AND WHAT  
THEY MEAN TO  
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# 2016

## ELECTIONS

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MERIT SHOP



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FROM OUR PRESIDENT

# The Million-Dollar Bathroom



**WHAT DO MILLER PARK, LAMBEAU FIELD AND THE BATHROOM** at the Henry Vilas Zoo all have in common? The construction of those projects included a project labor agreement.

Recently, Dane County issued an RFB for a bathroom facility at the Henry Vilas Zoo in Madison, WI. Engineering estimates put the project cost at about \$1 million. Just before the bids were due, the county issued an addendum to the RFB mandating a project labor agreement. No kidding.

The “agreement” in project labor agreement is that labor unions agree not to strike or walk off the project in exchange for bid conditions that limit competition from non-union competition.

The potential of union strikes during the construction of Miller Park or Lambeau Field was a legitimate threat. Maybe the owners felt they had no other choice but to capitulate to union demands. But a bathroom? Imagine the consequences

if the work on the bathroom became “backed-up” because the union went out on strike.

The reality is project labor agreements are just backroom deals between labor bosses and their political allies to funnel work to union contractors. That is why we are working with Representative Hutton to pass legislation to prohibit government-mandated project labor agreements.

Fairness and competition are the basic principles of our public bidding laws. Government-mandated project labor agreements are the exact opposite of fair and competitive. This legislation is about making sure the process for procuring public construction is open to competition among all qualified firms. That is how we protect taxpayers from waste, fraud and collusion.

The million-dollar bathroom is just the most absurd example of why this legislation is necessary.

— John Mielke

“  
**GOVERNMENT-  
MANDATED  
PROJECT LABOR  
AGREEMENTS  
ARE THE EXACT  
OPPOSITE  
OF FAIR AND  
COMPETITIVE.”**



By John Schulze — Director of Legal and Government Affairs, ABC of Wisconsin

# TWO-THOUSAND



# AND ITS IMPACT ON ABC

*To say that President-Elect Donald Trump's victory was a surprise is an understatement. Most experts believed Republicans would lose ground at both the state and federal levels, partially due to their recent election successes and partially because of the juggernaut Clinton campaign. But to just call 2016 another wave election misses the deeper meanings that can be learned from the election both nationally and in Wisconsin.*

## **POLITICAL ENVIRONMENT**

Going into the election, the economy was growing slowly but not booming, which gave voters mixed signals. The incumbent party was going for a third term in office, which is traditionally a minus. Conversely, the Republicans had control of Congress, and independent/swing voters generally like divided government. Secretary Clinton had thousands of paid staffers and nearly more money than she knew to do with. Trump did not. Clinton had a relatively easy time getting the Democrat nomination. Trump did not. After her primary victory, Clinton's Democrat opponents united to support her. In contrast, there was a "Never Trump" movement with prominent members both nationally and in Wisconsin. Every national poll showed Clinton easily becoming the next President of the United States, Republicans likely losing the US Senate, and Speaker of the House Paul Ryan having an unmanageably narrow majority. In Wisconsin, the consensus was that legislative Republicans were going to lose a few seats, and U.S.

Sen. Ron Johnson was the underdog in his re-election bid. The prognosticators and pollsters could not have been more wrong.

## **NATIONALLY**

Electoral, Trump's 2016 victory and President Bush's 2004 re-election differed in that Trump carried Colorado, Michigan, Pennsylvania and Wisconsin, but lost Nevada, New Mexico and Virginia. Speaker Ryan returns with a slightly smaller majority, losing a net of six seats, and the U.S. Senate Republicans lost two seats. Down-ballot legislative races in other states were generally mixed, with Republicans winning majorities in the Kentucky House, Iowa Senate, Minnesota Senate and New York Senate, while Democrats took over the New Mexico House, and the Nevada House and Senate. It was still considered a great night for the GOP because going in to this election Republicans were at what most considered their high-water mark. While President Obama remains relatively popular

nationally, Democrats have been devastated at the state level. From 2010-2016, Democrats have lost 958 seats. By comparison, during Bill Clinton's time in office, Democrats lost 524 seats, and during President George W. Bush's terms, Republicans lost 324 seats. Nationally, the GOP currently has control of:

- 33 of 50 Governors
- 31 of 45 Lt. Governors
- 31 of 50 Secretaries of State
- 69 of 99 legislative chambers in the country, including 33 states with both houses, and 25 states have GOP control of both houses and the Governor (including Wisconsin).

### In Wisconsin

Statewide voter turnout was 66 percent, which was below the last two elections. Wisconsinites increasingly voted when it is most convenient to them, with nearly one-third of ballots being absentee.

Trump won Wisconsin 48 percent to 47 percent, with a margin of over 20,000 votes. In comparison, President Obama won reelection in 2012 by seven points and over 200,000 votes. Not only is Trump the first Republican presidential candidate that has won Wisconsin in over 30 years:

- 500 small, rural, blue-collar communities that supported Obama in 2012 voted for Trump in 2016. Most were in northern, western and central Wisconsin.
- While Trump and Romney both lost Green Bay, Kenosha, and Janesville, Trump lost these cities by a much narrower margin.

• In contrast, Trump underperformed in some traditionally very red suburbs of Milwaukee, including Elm Grove (lowest percentage for a GOP presidential candidate in 60 years), and River Hills (Wisconsin's wealthiest community voted Democrat for the first time in 90 years).

• Overall, Trump did better than Romney in nearly 90 percent of Wisconsin's 1,900 municipalities.

• Trump received approximately 800 votes more than Romney. Clinton received nearly a quarter of a million votes fewer than Obama in 2012.

Johnson defeated Russ Feingold 50 percent to 47 percent. Johnson's winning percentage was a slight decrease from his five-point margin in 2010, but he outperformed Trump by nearly 70,000 votes and is the first Republican Senator elected in a presidential year in nearly 40 years. U.S. Marine Mike Gallagher defeated Outagamie County Executive Tom Nelson by a larger margin than his GOP predecessor, Reid Ribble, defeated Democrat challenger Jamie Wall in 2012 (63 percent to 37 percent vs. 55 percent to 44 percent). Wisconsin's Congressional delegation partisan split remains the same at 5-3, in favor of the GOP.

In the Wisconsin legislature, Republicans surprisingly increased their majorities. The GOP had a 19-14 majority in the state senate, with one open seat, and most were expecting that Democrats would pick up at least one seat, especially considering the hundreds of thousands spent by the unions angered about prevailing wage reforms and right-to-work. The GOP retained every seat, and defeated



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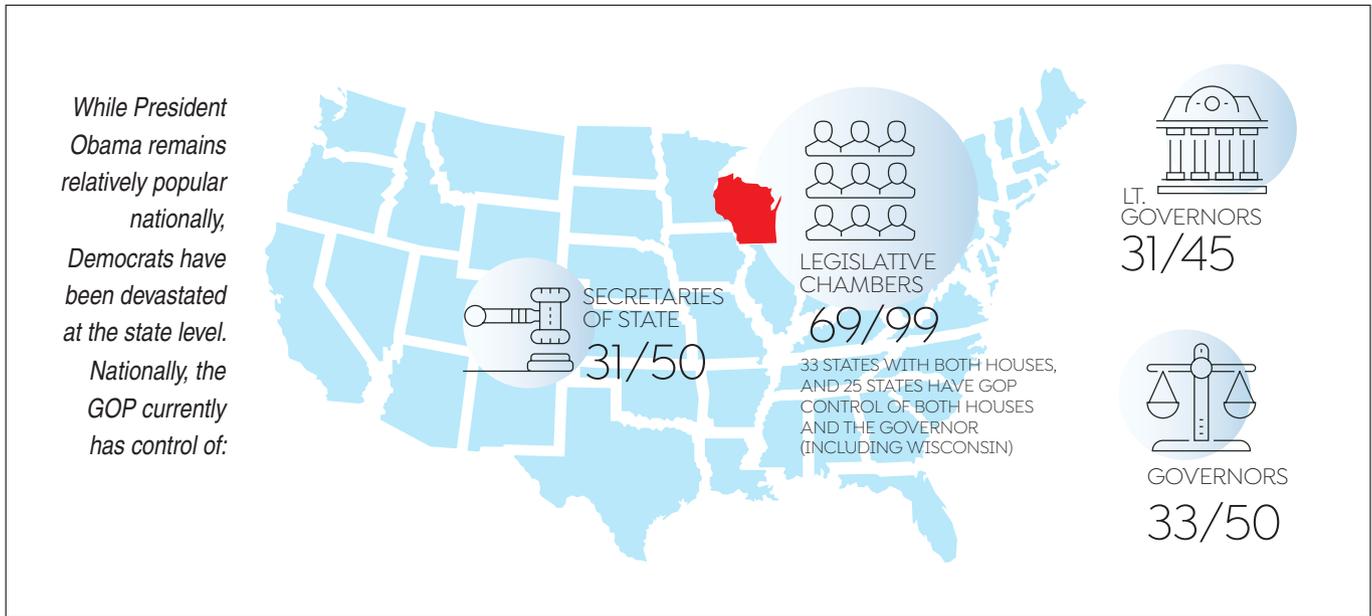
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# NATIONAL GOP CONTROL



a Democrat incumbent Julie Lassa in her central Wisconsin seat to have a 20-13 majority. Senate Democratic leader Jennifer Shilling won her western Wisconsin seat by 61 votes after a recount.

The State Assembly had a near historic 63-36 majority with a handful of open seats. Again, most expected the Democrats to win between three to five seats. Not only did the GOP hold all their seats, they defeated incumbent Democrat Chris Danou who represented the area between La Crosse and Eau Claire. Now their majority is the largest since 1956.

### Lessons Learned and What to Expect

ABC of Wisconsin gains while private sector unions continue to lose political clout. For decades, Republican legislators believed that right-to-work and the repeal of prevailing wage was the right thing to do. They did not act because they considered crossing the unions political suicide. Last year, Republicans disregarded their political futures and passed both. The operating engineers, carpenters' union and pipe trade unions threw everything they had at the GOP majority in the state. ABC members knew our champions were going to be under siege, and as a result you directly contributed your hard-earned dollars so pro-merit, pro-free enterprise candidates could communicate their message to the voters.

In the end, every ABC of Wisconsin endorsed candidate (U.S. Sen. Ron Johnson, Congressman Glenn Grothman and Mike Gallagher) will proudly represent Wisconsin in Washington, D.C. In addition, every single legislator on the ballot that supported right-to-work and prevailing wage reform was re-elected easily. Now that legislators realize they can do the right thing on labor and construction issues without political repercussions from the construction unions,

expect any talk of reversing last year's prevailing wage reforms and right-to-work to disappear. The question is not if prevailing wage will be fully repealed in Wisconsin, but when. As you can read elsewhere in this issue, the Chapter is focusing on passing project labor agreement neutrality, which essentially will prevent units of government from requiring projects to be built with union-only labor.

Polarization is real and getting stronger. The days of former Gov. Tommy Thompson and a Democratic U.S. Senator both getting 60 percent in the same election is over. Cross voting continues to decline, and if a Republican or Democrat does not like a certain candidate, they simply did not vote instead of voting for another candidate in another party. Also, conservatives watch Fox News and liberals watch MSNBC, and neither cares or possibly even believes what is said on the opposing network. This is translating into a very liberal litmus test for the Democrat party, where moderates and centrists are being purged at both the state and local level. For example, moderate Democrat Robb Kahl did not run for re-election to his Dane County district because of opposition from the left.

### President Trump and Associated Builders and Contractors' Legislative Priorities

It is still too early to tell where Donald Trump is aligned on core free enterprise construction issues, but most are confident he will be better than Secretary Clinton. One data point is the fact that 22 ABC members worked on his most recently completed construction project, the Old Post Office Pavilion, in Washington, D.C. He has publicly praised this project on numerous occasions during the campaign and highlighted that it was completed ahead of schedule and under budget. 



*By John Schulze  
Director of Legal and Government Affairs, ABC of Wisconsin*

# ABC OF WISCONSIN READIES FOR THE 2017-18 LEGISLATIVE SESSION

## **Looking Back**

The 2015-16 legislative session was by every definition a success for Associated Builders and Contractors of Wisconsin members and all pro-merit, pro-free enterprise construction employers. Some of the small victories were continued funding for the apprentice completion award program; inclusion of the electrical code in the statewide uniform commercial building code; and a two-year freeze on licensing / regulation fee increases. However, those good accomplishments were overshadowed by some big legislative wins:

- Significant prevailing wage reforms which went into effect January 1, 2017.
- Right-to-Work
- Sale tax exemption pass through for construction materials
- Regulation on union-funded groups that target merit contractors
- Streamline commercial plan review for community-based residential facilities and hospices

## **Going Forward**

While Donald Trump's administration is going to bring many new faces to our nation's capital, the same is not expected for the Wisconsin capital. As detailed in another article in this magazine, the down-ballot election results were a surprise, but the result is that large Republican majorities in the legislature will remain. Also, Gov. Scott Walker will be around for at least two more years. Next year's Republican and Democrat leadership looks very familiar to last session's, as do the appointments to

# THE SAME BIG CITY MAYORS AND BIG UNIONS WILL DO WHATEVER THEY CAN TO PREVENT THIS FREE ENTERPRISE REFORM FROM BECOMING LAW IN WISCONSIN.

the powerful Joint Finance Committee. While that is not a surprise on the Republican side due to their November successes, the Democrats decision to stand pat raised eyebrows among some capital insiders. This is especially true for Senate Democrats, who re-elected La Crosse-area Sen. Jennifer Shilling after she was barely re-elected after a recount. The state Senate committee structure has not been formalized, but there are some small, but interesting changes to the Assembly Committees.

- For the first time in decades, not every returning member of the Assembly majority will receive a committee chairmanship. Speaker Robin Vos said that the historic 64-seat GOP majority would make the number of committees unwieldy if that were to have happened.

- The Urban Revitalization Committee will have bipartisan co-chairs, Rep. Bob Gannon (R-Slinger), and Rep. Jason Fields (D-Milwaukee).

- Former ABC of Wisconsin member Rep. Bob Kulp (Stratford) will chair the Assembly Labor Committee.

Even though the faces may remain the same, five of the last six elections still were wave elections. Voters will vote out politicians when they feel that they are not getting results. In addition, Gov. Walker is up for re-election after the next legislative session, so state elected officials will be expected to continue to make government work for the voters. Walker is expected to introduce his budget sometime in February, and the Joint Finance Committee will deliberate on the budget in May, with the plan for it to be signed by the July 1 deadline. Here are the big issues that will be on state government's front burner for the next two years.

**Project Labor Agreement (PLA) Neutrality.** Rep. Hutton details the initiative in his column in this issue of Merit Shop Contractor. The chapter's number one legislative priority is to make sure that all construction companies can compete for public projects regardless of labor affiliation. This reform would prohibit Wisconsin state and local governments from requirements on their requests for bids that a company needs to agree

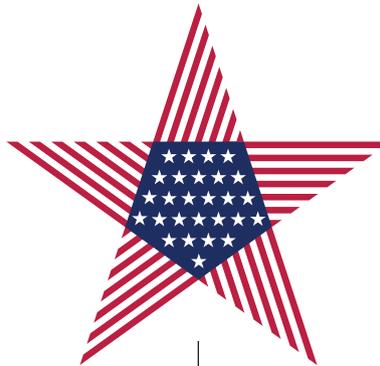
to enter into a PLA if they want to be considered for a project. Currently 22 states have PLA neutrality. Candidly, the battle to get this done will be as difficult as the fight for prevailing wage reforms last year. The same big city mayors and big unions will do whatever they can to prevent this free enterprise reform from becoming law in Wisconsin.

**Addressing the Skills Gap.** Fortunately, Wisconsin public officials understand there are not enough skilled workers for available, high-demand, good-paying jobs. As the labor shortage gets worse, construction is trailing demand, which is dampening the overall economy and increasing building costs. Associated Builders and Contractors is currently working on several initiatives to bridge the skills gap:

- **Second Chance / Second Start:** Every year, thousands of students drop out of the UW-System. The reasons vary, but the fact is a four-year degree is not the best fit for every high school graduate. Oftentimes these former UW students end up completing a construction apprenticeship program, but usually after several rudderless years. Under this initiative, state-approved apprenticeship programs would be able to reach out to individuals who are no longer enrolled in the UW-system. The goal is to get those who are interested through the apprenticeship program earlier, so they can begin their careers in their 20s, not their 30s. Last session, this legislation passed the out of a State Senate Committee, but stalled. This session, Sen. Devin LeMahieu and Rep. Scott Krug are committed to getting this to become law.

- **Income tax deduction for apprenticeship tuition.** Currently, four-year and technical college tuition can be deducted from individuals' state income taxes, while apprenticeship tuition cannot. We are working on a tax law change to allow apprentice tuition to be treated like other post-high school education.

- **Advanced placement for adult apprenticeship and associate degrees.** We are still working on details, but the goal is two-fold. First, to allow high school students to begin taking adult apprenticeship courses during their senior year, allowing them to complete the program earlier. Second, high school students would be allowed to take their associate degree general studies courses



# THE STATE IS HEADING INTO ITS NEXT BUDGET WITH NEARLY \$1 BILLION LESS FOR TRANSPORTATION PROJECTS THAN IT IS CURRENTLY SPENDING.

before they graduate, so they will automatically have an associate's degree when they complete the apprenticeship program.

**Transportation funding.** This is one of those issues where all sides agree on the situation. The state is heading into its next budget with nearly \$1 billion less for transportation projects than it is currently spending. The current way Wisconsin funds transportation is unsustainable. Neither the gas tax nor the registration fee is indexed to inflation, cars are becoming more fuel efficient and there are more hybrids and electric cars on the road every day. Big transportation projects like Verona Road, I-39/90 from Madison to the Illinois State-line and I-94 through Racine County will be delayed unless more revenue is used to fund transportation. There are essentially three ways to respond: Borrow more, raise the state's gas tax and other sources of revenue or delay projects and find ways to save money.

While it is still early, the battle lines have been drawn between Republicans. Gov. Walker has publicly and repeatedly committed to no major fee or tax hikes without an offsetting tax cut, and has already introduced a revenue-neutral transportation budget. He is joined by several conservative Republican state senators who are

also vowing to oppose any transportation revenue increase. Leaders in the Assembly, including Speaker Robin Vos, Majority Leader Jim Steineke, Joint Finance Co-Chair John Nygren and Transportation Chair Keith Ripp want to keep all options open, and will consider repealing prevailing wage, raising the gas tax, increasing registration fees and instituting toll roads. Many Democrats have voiced their support for increased transportation funding, but they are going to let the Republicans fight among themselves for a solution.

At this point, it is unknown whether a compromise will be reached. Local voters in several communities have indicated their support for increased transportation funding by approving advisory referendums, and 13 local officials have passed wheel taxes in the past couple of years, bringing the total to around 16. There is also a question as to whether President Trump will introduce an infrastructure investment package that will include significant transportation funding.

**Personal property tax:** This is another issue where everyone agrees that there is a problem. Wisconsin is one of the few states that taxes some kinds of businesses' personal property. The problem is that it falls on a few industries, including construction. It is onerous, difficult to collect and the rules are inconsistent and confusing. Two examples:

- If a pneumatic tube used by a bank or a pharmacy is built above ground, it is taxed as personal property. If it is built below ground, it is taxed as real property.
- Manufacturing equipment is exempt in many cases from being taxed as personal property, some is not. If a forklift is used partly to transport components but then later to move finished products, a manufacturer has to somehow determine what percentage of the equipment's value should be subject to the tax.

However, the tax generates nearly \$300 million annually for local governments, which will leave a huge gap in their budgets that will either be filled by cutting services or increasing property taxes on residential homes.

**State Treasurer's Office:** Matt Adamczyk was elected on the unusual platform of getting rid of his own job, and he's one step closer to achieving his campaign promise. Both houses of the state legislature signed off on a constitutional amendment that would eliminate the office of the State Treasurer in 2019, completing the first step in the process. Both houses of the Legislature will need to approve the amendment again during the 2017-18 legislative session before it could go to voters for a referendum, the final step.

*The Chapter continues to finalize its 2017-18 legislative agenda. If you have some thoughts, please contact John Schulze at 608-244-5883 or [jschulze@abcwi.org](mailto:jschulze@abcwi.org).*

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# OBAMA'S RULES STALLED IN COURTS

By Tyler Wilkinson and Danielle Baudhuin — Axley Law Firm

*The Obama Administration issued three major rules in 2016 that could have major effects on the construction industry. These rules were related to increased overtime pay, limitations on employer-employee dispute resolution procedures, and required disclosures in union campaigns. All three rules were blocked by federal trial courts, but are currently on appeal.*

Over the last six months, the Department of Labor (DOL) has clashed with states and contractor associations as it has tried to implement certain labor-related rules issued by the Obama Administration. States and contractor associations challenged three controversial rules related to overtime pay, employer-employee disputes and union campaign disclosures in federal trial courts shortly before they were set to be implemented. The federal trial courts agreed to block, at least temporarily, implementation of these three rules.

These three rules would dramatically impact employers and employees alike in the construction industry. This article provides a brief summary of each proposed rule as well as the status of the legal challenges to each rule.

## Overtime Rule

In May 2016, the Obama Administration issued a new rule that would expand the impact of federal overtime regulations (the "Overtime Rule"). The Overtime Rule would:

- Allow for fewer employees to be exempt from overtime rules as it would increase the minimum salary level for exempt employees from

## THE OVERTIME RULE WOULD:

*INCREASE THE MINIMUM SALARY LEVEL FOR EXEMPT EMPLOYEES FROM \$455 PER WEEK (\$23,660 ANNUALLY) TO \$921 PER WEEK (\$47,892 ANNUALLY)*

\$455 per week (\$23,660 annually) to \$921 per week (\$47,892 annually); and would

- Automatically adjust the minimum salary level every three years thereafter.

The Overtime Rule was set to take effect on December 1, 2016. In September 2016, more than 20 states filed a lawsuit in a Texas federal trial court arguing that the Overtime Rule was unconstitutional and unenforceable. The States also filed an Emergency Motion to block the Overtime Rule before the lawsuit was concluded. The States argued that the federal Overtime Rule violated the Constitution by forcing them to adopt wage policies that affected the States' budgets and fiscal independence.

The trial court granted the States' Emergency Motion on November 22, 2016, which

prevented the Overtime Rule from being implemented on December 1. The trial court's ruling is currently on appeal in the federal court of appeals.

## "Blacklisting" Rule

In August 2016, the DOL issued its final rule on "Fair Pay and Safe



Workplaces.” Despite the name, this rule has been dubbed the “blacklisting” rule because it requires contractors to report workplace violations as part of bidding for government contracts. Critics of the rule warn that the government could effectively “blacklist” contractors with numerous workplace violations. The rule has three important provisions:

- It requires bidding contractors to disclose all labor law violations from the previous three years as part of its bid package for government contracts valued at greater than \$500,000;
- It requires contractors to provide detailed information and disclosures to workers on their paychecks about their classification as an employee or independent contractor and their overtime exempt or non-exempt status; and
- It limits the use of arbitration clauses in employment agreements on covered government contracts.

The rule was scheduled to take effect on October 25, 2016. Associated Builders and Contractors of Southeast Texas, Associated Builders and Contractors, Inc. (ABC National), and others challenged

the rule in a Texas federal trial court in early October. The associations argued that the rule exceeded the DOL’s power and was in conflict with other federal laws.

The associations also filed an Emergency Motion to prevent the rule from being implemented on the effective date. On the day before the effective date, the trial court granted the motion and ruled that required reporting of labor law violations and limitations on arbitration clauses for certain types of claims exceeded the DOL’s power. The court ruled that there was no federal statute that allowed the DOL to impose the restrictions and penalties that the Blacklisting rule would create.

The regulations on paycheck transparency were not affected by the trial court’s order and were implemented on the effective date. The trial court’s decision has not yet been appealed.

### **Persuader Rule**

The DOL issued a final rule that required employers and all labor relation consultants, including attorneys, to report to the DOL all agreements where a consultant for an employer engages in any acts to directly or indirectly persuade employees with respect to their rights to organize or collective bargaining. According to the DOL, this “Persuader Rule” “requires that employers and the consultants they hire file reports not only for direct persuader activities – consultants talking to workers – but also for indirect persuader activities – consultants scripting what



# FOR NOW, THE PERSUADER RULE IS PERMANENTLY STALLED AND CANNOT BE IMPLEMENTED.

managers and supervisors say to workers.” The DOL argues that the Persuader Rule “simply ensures that employees are given more information about the source of [union organizing] campaign material, which helps them make a more informed choice in exercising their rights.”

Ten states, including Wisconsin, and other associations challenged the Persuader Rule in a Texas federal trial court. They argued that the DOL did not have the power to enact the Persuader Rule, and that the Rule would interfere with the employer’s right to obtain confidential legal advice or otherwise communicate with their employees about union and workforce issues.

In June, 2016, the trial court prevented the DOL from implementing any part of the Persuader Rule, and later completely struck down the Persuader Rule as unlawful. The DOL has appealed some, but not all of the trial court’s decision. For now, the Persuader Rule is permanently stalled and cannot be implemented.

## The Bottom Line

Texas federal trial courts have stalled the implementation of these three rules. Now the disputes move to the federal courts of appeals and, perhaps, the United States Supreme Court. President-Elect Trump may also take action to limit or otherwise vacate the rules. There is a chance that these rules will never be implemented or will be ruled unlawful. For now, however, these controversial rules remain stalled in the courts and are not hanging over contractors’ heads.

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# RON JOHNSON: MY PRIORITIES IN WASHINGTON

By U.S. Sen Ron Johnson



As a former manufacturer, here is how I would prioritize the problems that must be addressed.

1). Debt and deficits. The former chairman of the Joint Chiefs, Adm. Mike Mullen, said, "The greatest threat to our national security is our debt and deficit." I agree. Politicians talk about this "unsustainable path,"

but few understand the numbers behind the rhetoric. Here's the bad news.

According to the Congressional Budget Office, the projected accumulated deficit over the next 30 years is \$103 trillion. The entire net private asset base of America today totals \$116 trillion. Now you know what is meant by "unsustainable."

The \$103 trillion projected deficit has three primary components: Social Security, \$14 trillion; Medicare, \$34 trillion; and interest on the debt, \$54 trillion. If we want to avoid paying all that interest, we need to address the deficits in Social Security and Medicare.

During a White House meeting in August 2013, I asked President Obama to tell America the truth about the depth of our debt and deficits. He replied, "Ron, we can't show the American people numbers that big. If we do, they'll get scared and give up hope. Besides, we can't do all the work. We have to leave some work for future presidents and future Congresses."

This looming crisis hangs over my evaluation of every other problem. It should be at the forefront of every campaign. Unfortunately, as President Obama's comment illustrates, it is being ignored — as are these other realities:

2) The War on Poverty not only failed, it produced serious and destructive unintended consequences — the foremost being a dramatic weakening of America's family structure. The resulting social pathologies grow and wreak havoc on society.

3). We are not winning the War on Drugs. America's insatiable demand for drugs funds evil cartels and fuels crime. The result is broken lives, broken families, a completely insecure border and weakened national security.

4). Our electrical grid is vulnerable. Medium- to long-term loss of significant sections of our power grid would be catastrophic.

5). The long-term goals and consequences of Islamic terrorism are not fully understood. This generational war will only end if we remain relentlessly committed to victory.

6). Overregulation is the silent killer of economic growth and opportunity, and overtaxation starves innovation, crushes aspirations, and funds the beast that overregulates.

7). Cyberattacks threaten critical infrastructure and, according to a former NSA director, cybercrime "represents the greatest transfer of wealth in human history."

8). Government policies designed to artificially increase the cost of power dramatically reduce our competitiveness.

9). Obamacare was a massive consumer fraud designed to lead to a single-payer system, like VA health care. Contrary to President Obama's repeated promises, millions lost their health plans and access to doctors they trusted. Instead of families paying \$2,500 less per year, premiums have skyrocketed.

10). Our military is being hollowed out, and our ability to project American values and leadership weakened. Obama's strategy of "peace through withdrawal" has been a miserable failure. We must rebuild our economy and military to achieve peace through strength.

Each of these realities, together with dozens of other significant problems, need to be acknowledged and addressed. These are my priorities in the upcoming Congress.

*Sen. Johnson was recently reelected to a second term in the U.S. Senate, defeating former U.S. Sen. Russ Feingold.*

# TIME FOR WISCONSIN TO ELIMINATE PLAs

By Rep. Rob Hutton



Since being elected to the Assembly in 2012, it has been my goal to evaluate the role our government plays in our lives. That is why I have looked for ways to remove barriers created by government that restrict both personal and economic growth.

Last session, thanks to an effort by Gov. Scott Walker, fellow legislators and concerned citizens, we made major reforms

to the prevailing wage law, which helped remove artificial, unscientific formulas that reduced competition and inflated construction costs. To continue our focus on good government this session, Sen. Leah Vukmir and I will be introducing legislation to reform Wisconsin's project labor agreement (PLA) laws.

The intent of the legislation is not to outright ban PLAs. Every builder and project owner has the right to use a PLA if they would like to. Our bill would prohibit the state or local governments from requiring a bidder to enter into a PLA in order to win a bid or be considered for the bid. In simpler terms, we would require government to stay neutral on the use of a PLA on any publicly-funded construction projects.

Like eliminating prevailing wage requirements, this will allow for more contractors to have the opportunity to bid on projects and provide the best rate for their completion. Unfortunately, PLAs often limit competition by imposing undue regulations or circumstances that would put merit shop contractors at a disadvantage.

Some common restrictions include: only hiring employees from the local union hall, paying into union pension

funds when their employees may never receive a union pension benefit, recognizing unions as the representative of their employees on that job and obeying union apprenticeship and other work rules.

These restrictions put merit shop contractors at a disadvantage from the beginning. With stipulations that would require them to maintain double the workforce and pay double the retirement benefits, most merit shop contractors decline to even submit a bid.

This decrease in competition leads to fewer companies competing for the contract, which leads to inflated prices. Ironically, PLAs ultimately prevent some of the very taxpayers funding government projects from using their skills to build them.

This legislation is already moving forward in the state capitol. We sent out a memo educating other legislators on the benefits of the PLA neutrality bill, and asked them to sign onto the legislation.

With the new session starting, we are reaching out to offices addressing their questions and asking for their support so we can move quickly. It is our hope that this simple legislation, which promotes government neutrality on public projects that we all pay for, will garner strong support and move to Gov. Walker's desk early in the session.

By targeting this reform early in the session, we can ensure all vertical and horizontal public construction projects have a fair and open bid process that puts taxpayers first.

*Hutton was recently elected to a third term representing the 13th Assembly District, which includes parts of Waukesha and Milwaukee Counties. He will serve as chair of the Government Accountability and Oversight Committee in the 2017-19 Legislative Session.*

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# NEW MEMBERS

For membership information contact **Bill Stranberg**,

Membership Director – Associated Builders & Contractors of WI – 608-244-5883

## NOVEMBER 2016 NEW MEMBERS

### • All Testing Specialists

*Mark Sweeting*

515 W33950 Oconomowoc, WI 53066

**Phone:** (262) 695-4942

**Description:** Construction Materials Testing

**Sponsor:** Lyn Marsh, Wolf Paving

Beam Club Members-to-date: 1

### • Ashcroft Electric Inc.

*Steve Ashcroft*

15105 High Knoll LN,

Brookfield, WI 53005

**Phone:** (414) 807-2516

**Description:** Subcontractor – Residential, commercial, Industrial

**Sponsor:** Jon Stueck, Nordic Plumbing

Beam Club Members-to-date: 1

### • Campbell Construction JD, Inc.

*Jay Campbell*

810 Swan Drive, Unit A

Mukwonago, WI 53149

**Phone:** (262) 436-4760

**Description:** Carpentry/General Contractor

**Sponsor:** Dan Zignego, Zignego Co.

Beam Club Members-to-date: 13

### • CMJ Electric, LLC

*Jose Reyes*

933 W Somers St., Milwaukee, WI 53205

**Phone:** (414) 388-0742

**Description:** Commercial & Residential Electric Work

**Sponsor:** Joe Petkus, Action Heating & Cooling

Beam Club Members-to-date: 2

### • Spectrum Insurance Group

*Darrel Zaleski*

4233 Southtowne Dr., Eau Claire, WI 54701

**Phone:** (715) 858-9865

**Description:** Business Insurance for Contractors

**Sponsor:** Roger Kaland

Beam Club Members-to-date: 1

### • Zimbrick Chevrolet

*Chuck Ebbs*

1877 W. Main St, Sun Prairie, WI 53590

**Phone:** (608) 437-959

**Description:** New & Used Car Sales, Service/Body Shop

**Sponsor:** Ross Kraemer, Kraemer Brothers

Beam Club Members-to-date: 5

## DECEMBER 2016 NEW MEMBERS

### • Associated Benefits & Risk Consulting

*Tom Boudreau*

N16 W23250 Stone Bridge Dr. Ste 5

Waukesha, WI 53188

**Phone:** (262) 542-9750

**Description:** Business Insurance, Benefits & Risk Consulting

**Sponsor:** Tom Pesch, Milwaukee General

Construction

Beam Club Members-to-date: 1

### • Conney Safety Products

*Jackie Johnson*

3202 Latham Drive, Madison, WI 53713

**Phone:** (608) 271-3300

**Description:** Wholesale Distributor of Safety Products and Services

**Sponsor:** Joe Daniels, Joe Daniels Construction

Beam Club Members-to-date: 10

### • E & H Electrical Co.

*Joseph Zganjar*

17915 W. Westward Dr.

New Berlin, WI 53146

**Phone:** (414) 916-5111

**Description:** Electrical Services

**Sponsor:** Billy Shimek, A.C.E. Building Service

Beam Club Members-to-date: 5.5

### Hallmark Building Supplies, Inc.

*Shannon Gauthier*

2120 Pewaukee Rd Ste. 100

Waukesha, WI 53188

**Phone:** (262) 408-4225

**Description:** Building Material Supplier

**Sponsor:** John Boettcher, Pioneer Roofing

Beam Club Members-to-date: 5

### • Long Life Roofing Co.

*Dick Preissel*

PO Box 657

Wisconsin Dells, WI 53965

**Phone:** (608) 254-7948

**Description:** Roofing Contractor

**Sponsor:** Tammy Meyers, Altmann Construction Co., Inc.

Beam Club Members-to-date: 10

### • Staab Construction Corp.

*Ben Lee*

1800 Laemle Ave.

Marshfield, WI 54449

**Phone:** (715) 387-8429

**Description:** Staab Construction Corp is an employee-owned general and mechanical contractor serving the water and wastewater industry in the Upper Midwest.

**Sponsor:** Jay Zahn, R & R Insurance

Beam Club Members-to-date: 27

### • The Horton Group

*Sean Coykendall*

N19 W24101 N Riverwood Dr.

Waukesha, WI 53188

**Phone:** (262) 347-2608

**Description:** Insurance, Risk Advisory, Employee Benefits

**Sponsor:** Denita Schreier, W.D.S. Construction

Beam Club Members-to-date: 1

### • Vine CM, LLC

*Geoffrey Vine*

105 4th St.

Waukesha, WI 53597

**Phone:** (608) 444-0605

**Description:** Construction Management & Business Consulting

**Sponsor:** Megan Decker, Mega Rentals, Inc.

Beam Club Members-to-date: 1

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# EVENTS

### Electrical Code Class: 1 & 2 Family Dwellings

Madison  
January 5 & 12, 2017  
5 pm – 8 pm

### 30 Hr. OSHA Construction Training

Madison  
January 5-6 & February 16-17, 2017  
7 am – 4 pm

### Meet the Generals

Madison  
January 12, 2017  
5 pm – 7:30 pm

### Skill Competition

West Bend  
January 13, 2017  
7 am – 8:30 pm

### Construction Communication Skills

West Bend  
January 13, 2017  
1 pm – 4 pm

### Crane Operator Certification

Sun Prairie  
January 16, 2017  
7 am – 4:30 pm

### Residential Wiring Part 2

Madison  
January 18 & March 15, 2017  
5 pm – 8 pm

### Lobby Day

Madison  
January 18, 2017  
2:30 pm

### Residential Wiring Part 2

Milwaukee  
January 19 & March 16, 2017  
5 pm – 8 pm

### Crane Operator Certification

Sun Prairie  
February 6-10, 2017  
7 am – 4:30 pm

### Supervisory Training -all day

WI Dells  
February 8, 2017  
7:45 am – 4:10 pm

### Competent Person for Excavation

WI Dells  
February 8, 2017  
7:45 - 4:10

### Tech & Marketing Forum

WI Dells  
February 8, 2017  
7:45 am – 4:10 pm

### SuperCon - Safety Workers Conference

WI Dells  
February 9, 2017  
7 am – 3:35 pm

### SuperCon - Management Conference

WI Dells  
February 9, 2017  
7 am – 3:35 pm

### Projects of Distinction Banquet

WI Dells  
February 9, 2017  
5:30 pm – 8:30 pm

### Crane Operator Certification

Sun Prairie  
February 27 – March 3, 2017  
7 am – 4:30 pm

### Meet the Generals

Pewaukee  
March 15, 2017  
5 pm – 7:30 pm

### Electrical Code: Conductor Installations

Madison  
March 9 & 16, 2017  
5 pm – 8 pm

### ACI Concrete Flatwork Certification

Menomonee Falls  
March 18, 2017  
8 am – 5 pm

### Electricity for the HVAC Technicians

Madison  
March 22, 29, April 5, 2017  
5 pm – 8 pm

### Networking Social

Wausau  
March 29, 2017  
5 pm – 6:30 pm

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