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Road Fund Lock Box is up to Illinois voters in November

Illinois’ transportation systems have been underfunded for far too long. As the transportation hub of the nation, there are nearly 70 public transit providers in Illinois transporting over 400 million rides to workers, families, and tourists on Illinois roads.1 With half of the nation’s freight going through Chicago, the city will not be able to keep up with the demand if transportation funding continues to be pushed aside. Moreover, Chicago is the 2nd largest rail network in the country, with rail freight expected to increase by 24 percent in the next ten years. Congestion costs will push our transportation systems past its limits without further funding.2

In April 2016, proposed Illinois constitutional amendment HBCA 36 (House Joint Resolution Constitutional Amendment 36) passed in the House with a vote 98-4 in favor and in the Senate with nearly unanimous support. This November, Illinois voters will have the opportunity to vote on the constitutional amendment that would revoke the state government’s authority to pillage state transportation funds to allocate them toward other state produced problems. HBCA 36, known as the Safe Roads Amendment, would lock in the revenue generated from the state’s motor fuel tax, tollways, licenses, and vehicle registration fees into a protected fund referred to as a “lockbox.” By voting to pass the “lockbox,” Illinoisans will be assured that this money can only be used to maintain public roads, bridges, mass transit, and airports, among many other transportation needs.

Establishing the lockbox is necessary to maintain Illinois’ transportation systems due to the state continuously diverting money away from the road fund. In 2006, the state issued $3 billion in state bonds for transportation and infrastructure projects, only to later take the money away and put it toward fixing other state problems. Again, in 2013 the state of Illinois’ Office of the Auditor General found that less than half of Illinois’ road fund expenditures went for direct road construction costs in FY11 and FY12. Last year, nearly $500 million was taken away from the Illinois Road Fund to “balance” the state budget. In total, the Transportation for Illinois Coalition estim ates that over $6.4 billion have been diverted from the state’s road fund since 2003.

Maintaining the existing system is important, however the state also needs to improve capacity and invest in modern infrastructure to meet the growing demand. The Metropolitan Planning Council recently estimated that Illinois has a transportation deficit of $43 billion! Illinois needs at least $4.3 billion per year over the next decade to fix and improve existing roads, bridges, and public transit systems that are in poor condition. If no action is taken to raise revenue for infrastructure needs, the state will lose an additional $110 billion over ten years in vehicle repairs and congestion costs. Illinois is in dire need of investments in infrastructure, which in turn will promote business and economic growth. Tell everyone to vote yes on the Safe Roads Amendment.


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Illinois Transportation Funding Crisis

Without a balanced budget in place, Illinois has been on the brink of missing its next construction season. Fortunately, the legislature and Governor Rauner were able to meet a temporary budget compromise on June 30, 2016 that will help continue funding of Illinois infrastructure. As the transportation hub of the Midwest, strengthening our economy rests on maintaining our roads and bridges. The Illinois Department of Transportation currently has more than 800 ongoing projects that will need to be properly funded in order to continue. Without a balanced budget, the impact would have had a detrimental impact not only to our economy, but the communities where these projects are taking place.

Last year, the state narrowly avoided the closure of numerous state projects because the legislature passed a capital appropriation to continue funding. With an ongoing pension crisis and the closure of numerous public schools and universities, we could not continue to hurt our economy by neglecting our transportation needs. Jodi Golden, the head of the Capitol Development Board stated, “the sad truth is, without a balanced budget in place, Illinois has an anxiety. While the temporary budget plan passed in the House 105-4 and passed unanimously in the Senate, the agreement does not solve the full budget impasse. What the budget agreement will do is ensure public schools stay open for a year, provide colleges and social services programs money for six months, and keep road construction projects going.

Illinois’ budget battle will continue again when legislators return to Springfield in November. Bipartisan support will be needed and Illinois will have to come to terms with reality to resolve the budget crisis instead of continuing the cycle of temporary budget plans Illinoisans have become accustomed to.

LEGAL CORNER

SB 2964 Streamlines Prevailing Wage Process

Passed by an overwhelming majority in both the House and Senate with bi-partisan support, Senate Bill 2964 streamlines the process of determining prevailing wage rates under the Illinois Prevailing Wage Act. And a streamlined process saves the State, contractors, and labor organizations significant time and resources, thereby saving taxpayer dollars.

Section 9 of the Prevailing Wage Act (820 ILCS 130/9) requires the Illinois Department of Labor (IDOL) to “investigate and ascertain” the prevailing rate of wages during the month of June. Senate Bill 2964 codifies IDOL’s long-standing practice of employing the prevailing rate for six months, and then permit construction projects to proceed.

For over a decade, IDOL relied on statements from labor organizations and contractor associations which certified rates established by CBAs as the prevailing rate of wages in a particular county. IDOL’s decision to rely on CBAs under both Democratic and Republican administrations was based on a recognition that work on public construction projects throughout the state is overwhelmingly performed by workers employed by contractors that are signatory to CBAs.

A review of prevailing wage statutes across the country further demonstrates that prevailing rates in a particular county is a reasonable practice, and should be codified in Illinois.

INT 1 “DOT Chief: Road Construction at Risk without Stopgap Budget”
INT 1984

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INT 1984
IDOL’s Prevailing Wage Survey raises more questions than answers

Earlier this summer, the Illinois Department of Labor (IDOL) shook up the public construction industry with a notice of an online prevailing wage survey. A June 1, 2016 correspondence from IDOL requested survey responses by June 24, 2016. After considering requests for additional time to submit information, this deadline was later extended to June 30, 2016, and then again to August 1, 2016.

The June 1 notice was surprising for a number of reasons. First, the short timeline for contractors and unions to respond came just as the construction industry was entering its busiest season. In fact, many organizations already submitted certified information prior to the June 1 notice because section 9 of the Prevailing Wage Act requires IDOL to investigate and ascertain the prevailing rate of wages in the month of June. With this in mind, interested parties historically submit information at the end of May or early June for IDOL’s consideration.

However, IDOL informed interested parties that they would need to resubmit via the new online system.

Another troubling component of the survey was IDOL’s adoption of an entirely new classification system based on a federal Standard Occupational Classification (SOC) system used by the US Department of Labor, Bureau of Labor Statistics. This system includes over 840 detailed occupations ranging from computers and social sciences, to healthcare and sales, as well as construction. IDOL selected approximately 44 SOC codes, including “other” for interested parties to submit information.

While it is important to have a standardized system, it is unclear why IDOL abandoned the classifications and descriptions that have been in place for decades and replaced it with the SOC Codes that require interested parties to submit information that does not necessarily reflect the construction practices in Illinois.

While IDOL attended meetings to respond to concerns about the survey, representatives were not able to provide answers to questions about reclassifying trades under the SOC system, or what to do if an existing classification appeared to fall under one or more of the new classifications.

For example, the classifications of Material Tester I and Material Tester II have been part of IDOL’s prevailing wage classifications for nearly a decade. However, because IDOL did not include a similar SOC classification, this appears that this work should be reported under “All Other.”

In other cases, trades like the Operating Engineers were required to submit duplicative entries. For example, the general description of “Operating Engineer and other Construction Equipment Operators” includes operating construction equipment to “pour concrete or other hard surface pavement.” But the “Paving, Surfacing, and Tamping Equipment Operators” also includes “operate equipment used for applying concrete,” as well as “concrete and asphalt paving machine operators.” Because both descriptions could cover operating equipment for paving, it was necessary to submit duplicative entries under each classification.

Another unanticipated change was IDOL’s refusal to accept information from contractor associations. In the past, IDOL allowed contractor associations to submit certified wage information and collective bargaining agreements on behalf of their member contractors. Allowing associations to submit information streamlined the process for thousands of contractors who did not have to worry about this administrative burden during the height of the construction season.

Some have argued that IDOL’s change to how it investigates and ascertains prevailing wage rates constitutes inappropriate rule making, and asked that IDOL consider all information submitted, instead of rejecting materials that were relied on for years to establish prevailing wage rates.

Rulemaking or not, it is certainly disappointing that IDOL ignored requests from interested parties to participate in developing a new classification system that would better reflect the trades performing work on public works projects in Illinois. At a minimum, IDOL should have provided sufficient notice and time for interested parties to raise questions about the SOC codes, and should have provided a response that would clarify the process for everyone involved.

As a labor-management organization, the III FFC hoped to discuss the survey process on behalf of IUOE Local 150 and its signatory contractors, but to no avail after contacting the Department repeatedly over the past year-and-a-half to discuss the issue.

Anticipating changes, the III FFC supported Senate Bill 2964, which codifies IDOL’s long-standing process of relying on collective bargaining agreements to establish prevailing wage rates. While the fate of Senate Bill 2964 is unknown (discussed in the Legal Corner on page 5), the III FFC is hopeful that IDOL will continue to review the feedback of interested parties including contractor associations, contractors, unions, and fair contracting groups to have a discussion of how the prevailing wage survey process can be streamlined in the future.
Wheel Tax puts Indiana communities on the road to infrastructure repair

A primary focus of the 2016 Indiana legislative session was funding infrastructure and roads. As a result, new road-funding legislation, House Enrolled Act 1001 (HEA 1001), was born. Known to many as a “wheel tax,” the legislation will, among other things, allow local communities to receive approximately $430 million in funding over a three year period beginning in 2017 to fix local roadways. HEA 1001 requires local officials to create a local wheel tax with the state providing a matching grant of up to $1 million to qualifying communities. As many know, simply using the word “tax” sends many residents and local leaders into a frenzy. However, if a municipality does not adopt such a funding policy, it will not be considered for the matching grant monies from the Indiana Department of Transportation. (INDOT)

Indiana Senate President David Long referred to the legislation as having “skin in the game” and stated that “the military has increased focus on promoting skilled apprenticeship programs. Many veterans have stated that transitioning back into their civilian jobs was difficult because it was hard to find employment. Repealing state prevailing wage laws would cost $65,000 veterans their jobs and [force] nearly 8,000 veteran-owned construction businesses to close their doors permanently.”

The need for construction is only going to become more widespread. The Metropolitan Planning Council estimates that Illinois would need to allocate $43 billion in transportation funding over the next ten years to bring the state’s crumbling infrastructure up to safe conditions. Repealing prevailing wage is not the smart move for our country’s sake, nor the sake of our veterans.

Reference:
2. Ibid.
4. Ibid.
Illowa’s IMPACT agreement is a very successful PLA that has been utilized by owners and developers on approximately 400 projects in the Quad Cities area. IMPACT has been used repeatedly by the private and public sectors, as well as non-profit organizations.

The Illowa Construction Labor & Management Council was formed in 1985 by members of the Tri-City Building Trades Council, area contractors, and contractors associations such as Quad Cities Chapter of NECA, Eastern Iowa & Western Illinois Mechanical Contractors Association, and the Quad Cities Painting & Decorating Contractors Association. Illowa currently has a 20 member board of directors comprised of 10 labor and 10 management representatives. Rory Washburn, Director of the Tri-City Building Trades Council, and Steve Tondi, President of the Quad Cities Associated General Contractors, serve as co-chairs.

IMPACT also provides owners the opportunity to employ local workers and contractors on construction projects, thereby helping to stimulate the local economy and keep business investment and tax dollars in the area. Illowa appreciates the Isle of Capri’s commitment to using area contractors and labor for its construction projects.

IMPACT works to ensure the highest quality and productivity is in place for each construction project by providing a pool of highly trained and skilled professional trade members from the Tri-City Building Trades Council. These workers have completed the joint union-contractor apprenticeship training programs and have top-notch training in construction and workplace safety.

IMPACT gives project owners the assurance that their construction project is managed by highly qualified contractors that have years of experience and stellar reputations for delivering quality projects in the community. The IMPACT agreement is very unique from other PLAs because it was co-written by both labor and management working hand in hand, thereby ensuring joint cooperation and avoiding costly delays.

Isle of Capri Casino Bettendorf utilizes IMPACT Agreement for Construction of new casino

Illowa’s IMPACT agreement provides opportunity to employ local workers and contractors on construction projects

Pictured left to right: III FFC’s Michael Siciliano, Illowa Executive Director Jerry Lack and III FFC’s Supervisor, John Freitag.
Because cranes are usually the largest pieces of equipment on job sites, accidents caused by cranes can create the most risk to workers and the general public. According to the Bureau of Labor Statistics’ Census of Fatal Occupational Injuries, an average of 71 fatalities per year result from crane accidents.1 With more than 250,000 crane operators nationally it is paramount that only the most qualified and trained crane operators are running the equipment so the general public is ensured their safety.

Over the last four years, Texas, California, Florida, and Louisiana took the lead in the most fatalities due to crane injuries. Last year, New York had a fatal crane accident when an air conditioning unit plunged nearly 30 stories and fatalities due to crane injuries. Last year, New York had a fatal crane accident when an air conditioning unit plunged nearly 30 stories and injured ten people from falling debris.2 While those injured recovered from the accident, all necessary precautions should be made to bring the statistics of crane accidents to zero.

The City of Chicago recently took the initiative on protecting the general public from construction accidents by passing a new crane ordinance. The ordinance was passed by the City of Chicago Council in November 2013, but became fully effective this past March. Under the guidelines of the old ordinance, crane operators were required to obtain licenses for “any crane equipment with a rated lifting/hoisting capacity of over 10,000 pounds.” The newly implemented ordinance requires any person operating a crane to obtain a Chicago Crane Operator License with a rated lifting capacity of over 2,000 pounds.3

Such an initiative helps bring Chicago into the forefront of crane operation safety. The resulting ordinance protects workers and the general public, as well as ensures taxpayer dollars are being spent most efficiently.

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A lifetime in the Construction Industry

Michael R. Harn

Michael has worked in and around the construction industry throughout his life. For upgrade for a minimum of 25 years. While keeping the cost of the plant within budget and keeping change orders under 10 percent, the project was a win for the taxpayers.

In 1985, Michael joined the Ogle County Sheriff’s Office. He performed a variety of positions for the office throughout his 29 year career. In November of 2010, Michael was elected Ogle County Sheriff and held that position until November of 2014, when he retired.

In March of 2015, Michael began a new journey working for the III FFC. Michael knows that his vast knowledge in construction and dealing with projects regarding certified payrolls, lien waivers, public bid openings and FOIA requests complement the work he does for the III FFC monitoring projects throughout Kane and DuPage counties. Michael has been married to his wife, Sara for 18 years and has 4 children. Adam is a Civil Engineer in the Chicago area. Andrew serves as an Airman in the United States Air Force and is currently stationed in South Carolina. Isabelle is a high junior this fall and Emma will be in 7th grade.

A steady increase in population has made it necessary for the Will County Board to plan various infrastructure and facility improvements to handle the growth within the County. The goal for the County courthouse is to be finished by the end of 2019. Also in the plans for the County is a satellite courthouse. These projects will require large expenditures of public tax dollars.

The III FFC has been a proponent of responsible bidder ordinances (RBOs) when it comes to the use of public tax dollars for public construction. We believe that every public body should have objective criteria that they use to evaluate bidders on public construction projects. One of the key components that we recommend is participation in an applicable United States Department of Labor Apprenticeship and Training approved apprenticeship programs. In the III FFC’s opinion, these programs provide the necessary skills and safety training that should be mandatory on public construction projects.

In December 2008, the Will County Board approved changes to the Will County Purchasing Ordinance that included objective criteria for determining responsible contractors which included participation in USDOL approved apprenticeship programs. The Will County Board was one of the first County Boards in Illinois to approve such requirements.

In June of 2016, the Will County Board unanimously approved the “Management Labor Agreement for Will County Projects.” This agreement is a step beyond the existing RBO. It originates with the Three Rivers Construction Alliance’s “Blueprint For Success – A Project Labor Management Agreement.” The agreement specifically applies to the new sheriff’s building, courthouse, and the new health department building.

The parties to this agreement include the County, any contractors involved on the various projects, and applicable building trades. Key components of this agreement include: elimination of any work stoppages due to labor disputes that could delay construction, and the use of skilled union craftsmen. Such an agreement helps to ensure safe construction, superior craftsmanship, and high-end value for the County.


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Successful projects
Are built with teamwork.

It's really quite simple. Successful projects happen when Labor and Management share the same priorities. And when the highest priority is having a team of safe, well-trained workers on the job site, those projects are completed on time and on budget.

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