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HOUSE DEMOCRATIC POLICY COMMITTEE

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House of Representatives
COMMONWEALTH OF PENNSYLVANIA

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING

Topic: Jobs and the Labor Market

IAM Local Lodge 1776 – Essington, PA

October 3, 2019

AGENDA

- 10:00 a.m. Welcome and Opening Remarks
- 10:10 a.m. Bill Gross
Director of the Bureau of Mediation
Pennsylvania Department of Labor & Industry
- 10:20 a.m. *Questions & Answers*
- 10:30 a.m. Panel of Labor Leaders:
- Richard Howell, President, IAM AW Local Lodge 1776
 - Thomas Breslin, Regional Area Manager, Keystone Mountain Lakes Regional Council of Carpenters
 - Tom Tosti, Director, AFSCME District Council 88
 - James Harper, Jr., Business Manager, LIUNA Local Union #413
 - Chad Trainer, Legislative Director, Pennsylvania AFL-CIO
 - Ken Woods, Business Representative, Sheet Metal Workers' Local 19
 - Tom Redden, Business Agent, Steamfitters Local 420
- 11:10 a.m. *Questions & Answers*
- 11:30 a.m. Closing Remarks



Written Testimony of Bill Gross, Director of the Bureau of Mediation

Department of Labor & Industry

Before the House Democratic Policy Committee

October 3, 2019

Good morning Chairman Sturla, Rep. Dellosa, and members of the House Democratic Policy Committee. My name is Bill Gross and I am the Director of the Bureau of Mediation within the Pennsylvania Department of Labor & Industry (L&I). I'm glad to be here today to talk about my work and experiences and the department's role in the public sector collective bargaining process.

As you may know, public sector collective bargaining rights are generally governed by state laws that include: Act 111 of 1968 which covers police and firefighters; the Public Employee Relations Act (PERA or Act 195) which covers other public employees and nonprofit organizations; and Act 88 of 1992 which rests within the Public School Code and refines bargaining rights for public school employees. Collective bargaining by private sector employees is largely reserved for federal oversight under the National Labor Relations Act.

The role of my office, the Bureau of Mediation, is to promote a positive labor/management climate in the commonwealth. This includes a commitment to mediate the negotiations of collective bargaining disputes in order to lessen the impact of work stoppages in both the public and private sectors. Apart from contract negotiations, the Bureau also provides conciliatory services to improve the overall relationship between labor and management. Such services include the organization of labor/management committees; the provision of technical assistance to labor and management organizations; preventive mediation activities; and the mediation of grievances arising in the application and interpretation of collective bargaining agreements.

Additionally, the Bureau seeks to help facilitate cooperative programs in the workplace. Mediators help create and implement cooperative programs across the state to promote economic growth in the Commonwealth through labor/management cooperation. As well, the Bureau maintains a list of arbitrators for grievance arbitration in the public and private sectors. When parties request an arbitration panel, the Bureau provides a list of names from which the parties may choose. The Bureau also works with the Pennsylvania Labor Relations Board and American Arbitration Association by tracking labor disputes and providing recommendations for final offer arbitration options when appropriate.

Although separate from my office, it is important to mention that the Pennsylvania Labor Relations Board (PLRB) also falls within the umbrella of L&I and has an important role in collective bargaining disputes. The Pennsylvania Labor Relations Act created the board in 1937 to encourage the peaceful resolution of strife and unrest between labor and management and to protect employees,

employers, and labor organizations engaged in legal activities. The board is composed of three members who are appointed by the governor and confirmed by the Senate to serve six-year terms. In accordance with the state's collective bargaining laws, the board conducts hearings and adjudicates unfair practice charges and union representation issues, conducts union representation elections, certifies/decertifies collective bargaining representatives, appoints fact-finders, and issues lists of arbitrators.

To provide more information about the laws that guide my work, I have broken out a few key concepts of these acts below.

- First, Act 111 covers state and local police and firefighters. It is important to note that some public employees with police powers are not covered by this act—that occurs when the employer is not the Commonwealth or a political subdivision. For example, transit police employed by SEPTA or the Port Authority of Allegheny County, as well as police employed by the State System of Higher Education or state related universities, are not covered by Act 111 (instead, their bargaining rights are based on PERA, which is discussed below). Act 111 bargaining units are different from other public employee bargaining units because they are not required to use mediation (but often do), there are few requirements to actually meet and bargain, and there are strict time limits that typically drive the parties into arbitration. Because Act 111 was accompanied by a constitutional amendment, arbitration is fully binding on the parties in these cases.
- Police groups who are not covered by Act 111 are covered by PERA. They have the right to strike, but not to binding arbitration. Additionally, they may not join unions that represent anything other than guards.
- PERA is the main public-sector labor law in the Commonwealth. It defines how bargaining units are organized, what rights they have, who may represent them, and time limits, impasse breaking procedures, and rights for contract negotiations. Under PERA, bargaining units are based on the community of interest under an employer and approved by the PLRB. Impasse breaking procedures under the act are tied to the political subdivision or organization's fiscal year timeline and approval of a budget for the year. If a contract is not reached, parties are required to use the services of the Bureau of Mediation in a contract agreement. Mediation continues until an agreement is reached. Fact-finding and the right to strike follow a similar timeline.
- PERA also covers bargaining units comprised of “guards at prisons or mental hospitals or units of employees directly involved with and necessary to the functioning of the courts of this Commonwealth.” These employees do not have the right to strike, but have the right to binding arbitration.
- Act 88 established additional rights and limitations of the collective bargaining process for public school employees. This act works in conjunction with PERA, but includes the following major differences:

- Strikes are limited to two per year and must ensure that the school can reach 180 instructional days by June 30th. If the first strike affects the ability to reach 180 instructional days by June 15th, the parties are required to enter into non-binding arbitration. Because of these restrictions, parties may see multiple strikes without finding a resolution to the collective bargaining dispute.
- Fact-finding can be requested at any time, outside of the timeline allowed under PERA, and is often used frequently.

I would like to point out that for all the mention of the right to strike, less than 1% of public employee contracts that expire in a given year result in strikes. If an agreement is not reached promptly, negotiations are more likely to extend past the contract expiration date than result in a work stoppage.

Lastly, I can point to a number of basic differences between public sector and private sector bargaining in Pennsylvania, which may aid your review of this topic.

1. Public sector unions and employers are required to utilize the Pennsylvania Bureau of Mediation and have fact-finding and, in some cases, ensure the availability of arbitration as an impasse breaking procedure. Private sector employers and unions are required to notify mediation, but the utilization of a mediator is voluntary; and, they have no fact-finding or arbitration available.
2. Private sector negotiations may result in an impasse without a strike; if they do, the employer is free to implement their last offer. Public sector employers cannot declare an impasse and implement their final offer unless a union strikes.
3. Public sector negotiations are bound by the time limits defined in the act based on budget submission date. Private sector bargaining is based on contract expiration date.
4. Political implications are often more severe in public sector bargaining than in private sector bargaining.

Once again, I thank you for the opportunity to appear before you today to discuss the department's role in the collective bargaining process. At this time, I am glad to take any questions you may have.

Testimony

My name is Tom Tosti and I'm the Director of AFSCME District Council 88; representing over 14,000 members in the Southeast part of Pennsylvania. Our members are mostly Public Sector employees, but we also have members in the private sector. They consist of LPN's, CNA's, Equipment Operators, Correction Officers and Parole Agents, just name a few of the classifications that would fall under AFSCME. If you haven't heard, last June the Supreme Court issued a decision that had significant impact on our Union and other unions in the Public Sector with the ruling of Janus v AFSCME. This ruling allows any potential members of the Public Sector to be part of a union, but they don't have to contribute for representation. This was supposed to have an impact on us, and it did financially. But we have been able to change things to help us to continue to grow. And we will strive to do what we can for our members to make sure that they continue to have a voice in the workplace and at the bargaining table.

Let me thank you for allowing Labor to sit here at the table. As you may know, Labor strives to partner with employers, and particularly in their communities. By allowing me to have this opportunity, it gives Labor the chance to partner with our Legislators, but we need your help. There are issues in the Commonwealth that have a direct impact on members of Labor. Prevailing wage is an item that is always on the table. When the Legislators lower the threshold for prevailing wage, it drives down costs which have an impact in the building trades. When salaries are lower, companies make more. We've all heard of the "1%ers" and they make more of a profit when salaries are lower. Not all employers are "1%ers", but you know what I mean. Our Legislators in Harrisburg need to protect our workers in the Commonwealth by supporting prevailing wage because it helps all workers, whether or not they're union. So I would ask that you support the current threshold and fight back against any adjustments to for prevailing wage.

Also, Pennsylvania needs our Legislators to make it easier to organize a workplace. To many times you see workers wanting to organize a union, but the employer will do everything they can to prevent them from having the opportunity; from anti-union literature, to making the

workers listen to anti-union propaganda or even terminating employees for even considering organizing their workplace. If employees do get to a vote, and succeed in getting a union, then they have a hard time with getting the first contract. What we need is a Bill similar to the one in Washington: H.R. 2474 - Protecting the Rights to Organize Act. This Bill will help fix the issues that I just mentioned. It will implement civil penalties by holding employers accountable for violations of the National Labor Relations Act. It would streamline the election process so workers can petition to form a union and get a timely vote, without employer interference. It would enable the parties to reach their first agreement by adding mediation and arbitration and protect Fair Share. This would mean all workers covered by a collective bargaining agreement must contribute a fair share fee towards the cost of bargaining and administering the agreement. Protecting workers who strike prohibits employers from permanently replacing strikers. It would end misclassification of workers as independent contractors. It clarifies the definition of independent contractors and supervisors to extend NLRA protections to more workers. I am an elected official in my Township. Just recently I watched our local hospital work tirelessly to stop PASNAP, the Nurses Union from organizing at the hospital. Workers in the hospital voted to join the union by a 58% margin to accept. The hospital held anti-union meetings. They threw workers off the hospital property and would not let them hold a press conference to talk about the treatment the staff was receiving. At one point, they threw workers off their property for handing out snacks and getting commitments from other workers to vote during the election. The organizer called me about it, and since I'm a local official, I knew what they were doing was illegal. I then called our Police Chief and explained to him what the hospital did, and why we as a township, should not be involved. Our Chief did some research and emailed the hospital and told them that we would not be involved in their campaign. The reason I bring this up is because these workers had someone in a position to help them and make sure they had a fair process to organize and not everywhere is like that. This is why a Bill like H.R. 2474 - Protecting the Rights to Organize Act does. I would implore this body to introduce such legislation, and if it has been introduced, let's work together to have real discussions and have a floor vote on this Bill.

In conclusion, I would like to say that I am a Union man from top to bottom. My life revolves around helping workers and our communities. By attacking unions, we are attacking the middle class of our state and our country. Our country was at its strongest when Unions were at its highest levels. The economy was good, workers were paid well, and communities thrived and were able to prosper. Today, we put more emphasis on how to take Labor out of the picture, instead of looking at us as a partner. Let's work to make it easier to join a union, instead of ways to destroy unions. The money that is being used to destroy us is money we can use to make our State stronger. We want to be at the table and we want what's best for workers. But understand this; we also want what is best for all, including employers, because when we work together, we both prosper together. And I will end with a quote from our International Union President, "when you're not at the table, you are on the menu". Workers deserve better than that and we will work to make sure we are not on the menu. I look forward to working with you on this as partners.

Thank you for allowing me to testify before you and I will take any questions you might have.

TESTIMONY
OF
CHAD TRAINER, LEGISLATIVE DIRECTOR OF
THE PENNSYLVANIA AFL-CIO

ON
JOBS AND THE LABOR MARKET
BEFORE THE HOUSE DEMOCRATIC POLICY
COMMITTEE

OCTOBER 3, 2019

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Good afternoon Chairman Sturla, and members of the House Democratic Policy Committee. My name is Chad Trainer. I am the Legislative Director for the Pennsylvania AFL-CIO, and I am here today on behalf of the affiliated labor organizations representing over 700,000 working women and men.

Thank you for the opportunity to present testimony regarding “Jobs and the Labor Market.” Prospects for jobs and the labor market depend largely on society’s ability to adapt to unions and unions’ ability to adapt to society. The news is varied in the area of local hiring and job trends. There is bipartisan support for worker training and education. There is bad and good news when it comes to the future of unions.

Wage growth is worse in Pennsylvania than in many other states. The institutions and policies that once provided countervailing power to workers have been significantly weakened not as a result of a “free market” but primarily as a result of conscious policy decisions. The most realistic way to redress these matters is to revive the union movement.

The Keystone Research Center (KRC) reports:

“● Wages for workers throughout most of the Pennsylvania wage distribution *fell* in the 12 months ending in June 2018.

● Over the past decade, wages have also fallen for most of the bottom 60% of Pennsylvania workers.

Meanwhile, top 1% incomes, which took a dive with the stock market crash in and after the Great Recession, are back on the fast track” (Price/Herzenberg 2).

As if the foregoing is not ominous enough, the benefits of the Trump administration’s Tax Cuts and Jobs Act (TCJA) have been “skewed toward families with the highest incomes” (Price/Herzenberg 7). The Economic Policy Institute has compiled a list of the ten worst things in general that Congress and Trump have done to undermine pay growth and erode working conditions for the nation’s workers.¹

Here in Pennsylvania, the Institute on Taxation and Economic Policy (ITEP) estimates the top 5% of Pennsylvania taxpayers, those earning \$225,900 or more, will capture 51% of the benefits of the TCJA this year (Price/Herzenberg 7). Wage growth in Pennsylvania has been worse than in other states except for those “at the very top (90th percentile)” (Price/Herzenberg 9). This needs to change.

It is true that automation has jeopardized many jobs and that the increase in trade with countries paying low wages has contributed to these trends and increased inequality. However, “This collapse of worker power has been overwhelmingly driven by conscious policy decisions that have intentionally undercut institutions and standards that previously bolstered the economic leverage and bargaining power of typical workers; it was not driven simply by apolitical market forces” (Bivens/Shierholz). Much of this has been done in the name of “neoliberalism,” namely, that concept of “fiscal rectitude that rejected higher taxes and instead cut

social programs, froze wages, and privatized public services and assets” (Panitch/Gindin 2013 165). “[M]acroeconomic policy (particularly monetary policy) has prioritized steady and very low inflation over low unemployment in recent decades” (Bivens/Shierholz).²

Furthermore, the Economic Policy Institute reports that “Likely the most important factor behind the collapse in workers’ bargaining power has been the erosion in the share of workers in a union, which fell from 24 percent in 1973 to 10.7 percent in 2017. Research demonstrates that this erosion has had a substantial impact on middle-wage workers, including both union and nonunion workers” (cited in Bivens/Shierholz).

Unions not only raise wages for their members but for workers generally, including those employers that take especially good care of their workers precisely in order to avoid having to deal with a union. The decline of the labor movement also compounds the declining purchasing power of the minimum wage, which is down 28% since 1968. Unions help level the playing field. Since having a job is more important to each individual worker than any individual worker is to an employer, employers have an advantage in that they can be more likely to have things their way than any given employee is to have things his or her way. “Only by acting together, in union, can most of us hope to face the owners of the nation’s vast wealth with anything approaching a level playing field” (Yates 2009 6). By

unionizing, workers, collectively, can be about as important and indispensable to the employers as the employers are to the employees.

To its credit, the state House Democratic Caucus' Plan4PA is interested not so much in accommodating the "wealthy and well-connected" as it is in "putting people first," fighting for "Good Jobs, Affordable Health Care, Quality Schools and A Fair Economy" (<https://www.pahouse.com/Pla4PA/>). We commend the Plan4PA for having as one of its priorities to "Strengthen collective bargaining rights and make sure nurses, teachers, firefighters and other workers have strong unions." Much has been made of a "skills-gap" in Pennsylvania, where trying to fill vacancies is a challenge for employers on account of a lack of educational and/or professional qualifications among job applicants. Of course, the private sector has a significant capacity to foster new ideas. But does that make governmental aid inappropriate? Hardly. The Plan4PA points out, "Tax cuts for the rich do not create jobs or grow the economy – paying workers enough to be customers creates real growth. The middle class is paying their fair share; it's time the rich do, too."

The Governor has created the Keystone Economic Development and Workforce Command Center in the belief that it is imperative that we better align educational investments with workforce needs.³ Experts predict that an estimated three-hundred thousand science, technology, engineering, and mathematics (STEM) jobs will be available in Pennsylvania by 2026. With this projected

demand in mind, Governor Wolf has advocated for funding for PAsmart, a new workforce development initiative that helps connect Pennsylvanians with resources for working and training in Pennsylvania.

The prospective need for STEM jobs is certainly important, and we applaud the Governor's initiatives here. But it is also important to appreciate Building Trades apprenticeships as an outstanding avenue to workforce development, especially with the lack of student debt involved and the demand for such skills in our economy. Governor Wolf's Middle Class Task Force established the point that a four-year degree is not for everyone and a one-size fits-all approach will not work. This is important because of the ways words like "higher education" and "skill" are used. We have to be mindful of how we define "skill." Many people enjoy working with their hands, which can also include working with the mind. Education and skills are prevalent features of the Building Trades, and they are renowned for their apprenticeship programs.⁴

We must recall that for every dollar the federal government spent on the GI bill, the return on investment was \$6.90 in additional tax revenues. Moreover, Wall Street was happy to have governmental support at its disposal in the wake of its collapse. So, just as the middle class was there to bail out Wall Street in the wake of the Financial Crisis, it is high time that the government be there in the meantime to help the middle class, and we heartily support the Plan4PA.

As far as the future of unions goes, there is bad and good news. On the federal level, organized labor suffered a significant setback last year with the U.S. Supreme Court's *Janus v. AFSCME* decision in which nonmembers of public sector unions were absolved from having to pay any agency shop fees. Indeed, the current makeup of the Court does not bode well for unions. As far as Congress is concerned, labor unions have been setting their sights on the Protecting the Right to Organize Act (H.R. 2474), which is a step in the direction of restoring workers' long-eroded rights to organize in this nation. In addition to updating federal labor law, this legislation will close many of the all too exploitable loopholes.

On the subject of international trade, initially, reports that the North American Free Trade Agreement (NAFTA) would be renegotiated raised workers' hopes. To this day, such hopes remain dashed. The business community is all too content to ramrod its successor, the United States-Mexico-Canada Agreement (USMCA), through Congress without due input from labor. So presently without changes to create enforceable labor & environmental standards, and reduce medicine costs, the AFL-CIO will have no choice but to try to defeat USMCA, much as we did with the Trans-Pacific Partnership.

That the choice is simply between corporate-dominated trade rules and xenophobic economic isolation is what logicians call a false disjunction.

Provisions for trade rules lifting wages and treating all countries fairly are certainly feasible. The AFL-CIO's priorities are threefold:

First of all, a truly robust economy is one accommodating the living standards and well-being of citizens generally. The defenders of corporate-dominated trade rules all too often portray trade as an end in itself. But far from being something to be valued on its own account, trade is merely a *means*, not an end. By that criterion, NAFTA was a catastrophe, resulting in the outsourcing of many quality jobs.

Second, you cannot fault countries for making their own national interests a priority. USMCA hardly improves much upon NAFTA in stemming the flow of U.S. jobs to Mexico across all sectors, including aerospace, electronics, appliances, food processing, heating, ventilation and air conditioning (HVAC) products, paint finishing systems and booths, and other manufacturing.

Third, it is not reasonable to blame the public in any country for its concern that powerful private interests will be intent on their own narrow gains at the expense of those of the citizens generally. Since NAFTA's inception a quarter of a century ago, workers in all three NAFTA countries have witnessed a race to the bottom, finding it more challenging to form unions. Income inequality continues to grow. Monopolies become ever more formidable, and the United States is

confronting a growing trade deficit contrary to this Administration's assurances otherwise.

In addition to stipulations providing for trade rules lifting wages and treating all countries fairly, it is crucial that USMCA include upfront guarantees of sufficient resources for enforcement, mandatory monitoring and reporting, and assuring prompt action should violations occur. This entails a guaranteed funding stream. Workers must also have the means to intervene in those circumstances where governments take no initiative to do so. USMCA is devoid of all these requirements, and so we have no confidence that there will be any real changes in the terms of trade.

The AFL-CIO is more than willing to be at the table with the Administration and Congress to improve trade for working people. However, our support for any final deal is conditional upon our confidence that the eventual pact will sufficiently accommodate working families and the American economy generally. At present, the labor movement is united in its judgment that USMCA does not sufficiently improve upon NAFTA.

To bring things a little closer to home, in Pennsylvania's General Assembly, even though neither chamber has a typically pro-labor majority, a bill to require public sector employers to regularly inform its unionized members of their *Janus-*

created right not to pay any money to the union has stalled in the House for lack of sufficient votes so far.

I see the topics of prevailing wages and misclassification listed among the topics of today's hearing, and I wanted to speak very briefly about them. Although several bills are introduced each session to repeal or further restrict Prevailing Wage,⁵ I see no signs of such bills actually moving through the process this session. As far as misclassification is concerned, HB 716 would curb this abuse by creating a joint agency task force on employee misclassification. The House passed this bill unanimously on June 17, and it was reported from the Senate Labor & Industry Committee on June 24 by an 8 to 3 vote. I fully expect it to get floor action in the Senate soon and to be signed by the Governor.⁶

Should pro-labor majorities result in the Pennsylvania legislature after the next election, unions could have a good opportunity to pass the Workplace Freedom Act (currently HB 1178). Instead of requiring the lengthy two-tiered election process, the Workplace Freedom Act makes the decision of whether to form a union easier by allowing a simple card check where expressing majority support would be sufficient. This legislation also ensures new employees' access to certified unions in order for them to explain the benefits of union membership.

As far as the long-term, or big picture, with American workers is concerned, with the specter of automation displacing many people from good jobs, the earlier

we can arrange for “just transitions,” the better. By a “just transition,” I mean a set of general principles encompassing the idea that if society’s environmental or technological developments jeopardize jobs and facilities, the resulting harm to workers and the host communities should be checked. Just transitions are provided for in the Paris Climate Agreement’s preamble. Workforce transition plans can be developed to ensure that affected workers receive wages and benefits while seeking new jobs and/or training in a new career with protections comparable to their previous one.

The research shows that “the wage-suppressing effect of labor market concentration is lessened when union coverage is strong. So if labor market concentration has been relatively constant, but the countervailing force imposed by unionization has eroded, this combination could well have led to significant compensation losses” (Bivens/Shierholz). What’s more is that “the steady erosion of union coverage is not the natural evolution of a modern economy, as is often claimed. Instead, it is the result of a sustained policy assault on workers’ right to effectively organize” (Bivens/Shierholz). Fully “Sixty-two percent of Americans approve of labor unions today....” (<https://news.gallup.com/poll/241679/labor-union-approval-steady-year-high.aspx>).

Former labor reporter for the *New York Times*, Steven Greenhouse, attributes the current UAW strike partially to the widespread public support the strikes of the

public school teachers' unions in the red states enjoyed a while ago. He sees a possibly new trend for unions here. Indeed, unions are more popular with millennials than generation Xers, and income inequality keeps increasing. I think the historical record bears out that labor unions can be very effective at reining in income inequality and creating/restoring a middle class.

I thank you for this opportunity to appear before you.

¹ According to the Economic Policy Institute, the ten worst things Congress and Trump have done to undermine pay growth and erode working conditions for the nation's workers are:

- Enacting tax cuts that overwhelmingly favor the wealthy over the average worker;
- Taking billions out of workers' pockets by weakening or abandoning regulations that protect their pay;
- Blocking workers from access to the courts by allowing mandatory arbitration clauses in employment contracts;
- Pushing immigration policies that hurt all workers;
- Rolling back regulations that protect worker pay and safety;
- Stacking the Federal Reserve Board with candidates friendlier to Wall Street than to working families;
- Ensuring Wall Street can pocket more of workers' retirement savings;
- Stacking the Supreme Court against workers by appointing Neil Gorsuch;
- Trying to take affordable health care away from millions of working people; and
- Undercutting key worker protection agencies by nominating anti-worker leaders

² Not only is "low- and middle-wage workers' pay...much more responsive to unemployment than the pay of highly paid workers" (Bivens/Shierholz), but even in a low unemployment economy, wage growth is insufficient. In a normal market process when the unemployment rate is coming down, the pool of people from which employers can hire is smaller than otherwise, and a consequence is that it becomes easier to hire people if the employer starts offering higher wages, thereby contributing to wage growth. But, for all the lip service the business community pays to competition, their actual support for it is very selective. This is clear from the variety of practices employers pursue, such as "requiring workers to sign mandatory arbitration agreements with class and collective action waivers as a condition of employment, misclassifying workers as independent contractors, and not providing workers with predictable schedules" (Bivens/Shierholz). Such practices hinder wage growth even in a low unemployment economy.

³ The departments of Community and Economic Development, Labor & Industry, State and others will partner with external leaders to find solutions that will strengthen our workforce. The Command Center will have a first-of-its-kind Employer Fund, which will be a public-private partnership empowering businesses to address this skills gap and propose ideas and practices. The Command Center is being led by the secretaries of the departments of Community and Economic Development, Labor and Industry, and State, the three agencies that have the largest impact on Pennsylvania's workforce and business development. As was the case with the Middle Class Task Force, Gene Barr and Rick Bloomingdale are co-chairs.

⁴ The Keystone Research Center reports that "the roughly 3,000 individuals completing Pennsylvania construction trade apprenticeships in the last several years remains low compared to the annual number of job openings projected in construction occupations (5,406). This underscores the importance of expanding enrollment in construction apprenticeship programs as older workers retire at high rates" (Herzenberg/Polson/Price 2). "Over the 2000 to 2016 period, 85 percent of construction apprentices in Pennsylvania participated in joint labor-management programs and 15 percent in non-union, management-only, programs....Starting wages for union apprentices are 36% higher than for non-union apprentices. Upon completion (or 'exit'), the union apprentice pay premium compared to non-union apprentices climbs to 60%" (Herzenberg/Polson/Price 2). So we must "[e]nsure that high-quality unionized

apprenticeships qualify for state subsidies as part of any expansion of state support for post-secondary education, such as ‘The Pennsylvania Promise’” (Herzenberg/Polson/Price 2

To quote the Keystone Research Center again:

Joint construction apprenticeship is sometimes referred to as the ‘best kept secret’ within Pennsylvania’s education and training infrastructure. At a time when apprenticeship in general is garnering well-deserved—in fact, overdue—support from bipartisan state and national policymakers, joint construction apprenticeship should no longer remain a secret....[J]oint construction apprenticeship is the jewel of existing apprenticeship in Pennsylvania. Relying almost entirely on private sector resources, joint construction apprenticeships train thousands of people a year for good-paying jobs....This highly successful approach to training a skilled trades workforce generates significant benefits for employers, individuals, and the state’s economy. Any future public investment in construction skills training in Pennsylvania should build on the strong foundation laid by joint apprenticeship programs (Herzenberg/Polson/Price 2).

⁵ This session, HB 104 amends the Prevailing Wage Act (Act 442 of 1961) to require that at least 51% of a construction/renovation/repair project be paid for by public monies before it is covered by the act. HB 319 requires that at least 51% of a construction/ renovation/repair project be paid for by public monies before it is covered by the act. HB 323 amends the state Prevailing Wage Act to exempt political subdivisions and their authorities, agencies, or instrumentalities from the Act’s coverage. HB 560 raised the prevailing wage threshold from \$25,000 to \$150,000 on any projects not already covered in the Act 89 of 2013 transportation bill. HB 581 will raise the current threshold of \$25,000 to \$207,000.

⁶ Other bills pertaining to misclassification that have been introduced this session:

- eliminate the summary offense grading of some illegal acts, and increase the grading of others, such as second offenses (HB 173);
- further specify that a worker would only be considered an independent contractor if the written contract is project-specific and time-specific (HB 715);
- increase the penalties for misclassifying employees to a level that will effectively deter employers from doing so (HB 717); and
- address misclassification by requiring the Department of Labor and Industry to confirm the receipt of misclassification complaints within 15 days (HB 718)

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