

APRIL 2010

Last year brought an unprecedented number of serious challenges to the workplace from state and federal lawmakers. While the momentum has slowed and priorities shifted, this will be another year of challenges. Here's a list of serious threats that remain real and our best advice on preparing for each:

The Employee Free Choice Act (aka Card Check)

This controversial bill to make labor union organizing much easier, count mere signatures on cards just like votes and require arbitration of a first union contract is in trouble (more detail at www.capital.org/efca). Business groups at every level united against the bill and it was sidetracked by Spring 2009 when several Senate Blue Dogs balked. A small group of senators wrote a compromise proposal last summer, but never revealed the details when health insurance reform took all the oxygen out of the room. The January election of Scott Brown (R-MA) means the Democratic caucus won't have the 60 votes needed for a straight party-line fight on EFCA.

Lawmakers are in a "Mandatory" Mood

Watch for bills requiring you to provide uniform policies and benefits lawmakers think you should offer. Both the US Congress and NC General Assembly have members who truly believe all employers should provide certain minimum benefits despite the financial impact on the business or the fact other good benefits are offered instead. Things like mandatory paid sick days, mandatory flexible work arrangements, adding more weeks/months to facility closing notices, required paid sick days under the Family and Medical Leave Act, public employee bargaining (police/fire/EMT) and more are under active review.

Watch for Eye-Opening Changes to your Unemployment Insurance Tax Rate:

Unemployment Insurance (UI) is 100% paid for by employers through payroll taxes, at least that's how it was designed. Huge unemployment rolls and extended UI benefit periods (up to 99 weeks now vs. 26 weeks) have made each state a debtor to the Feds: NC will owe nearly TWO BILLION DOLLARS to the federal government by the end of this recession. The state's Trust Fund is broke despite a tax rate already at its statutory maximum. Over thirty states have already raised their tax rates by an average of 50%.

Contact me directly if I can be of help to you or your team.

Bruce

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8	MY PREDICTION:	!	HOW TO PREPARE:
	The unions paid far too much in campaign dollars to simply accept this defeat and become good foot soldiers for other priorities. I believe we will see three things:		EFCA is about eliminating the TIME you need to respond to union attempts. If you are serious about remaining union-free as the best way to grow your business and provide job-security for the people that make that happen, your communication cannot be reactive and time-dependent. Now is the time to know where you stand in employee perception and what you plan to do to improve those perceptions.
	<ol style="list-style-type: none"> 1) a much more targeted piece of labor law reform legislation with lesser goals, 2) an aggressive regulatory agenda at the US Department of Labor and 3) Presidential appointments to key workplace agencies that can enact EFCA-like reforms quietly and with less opposition. 		

8	MY PREDICTION:	!	HOW TO PREPARE:
	As Health Insurance Reform takes less of the spotlight, and EFCA fades, space and time open up for a dozen or more "mandatories" to surface and become real threats.		Watch for alerts from CAI and other business groups. Be ready to make that phone call (NOT just robo-emails) to the right lawmakers. These under-the-radar issues can cause real problems.
	April watchlist: HR 413: Public Safety Employee Union Bill HR 12: Pay Check Fairness Act		Join our Alert! list by emailing jennifer.edwards@capital.org

8	MY PREDICTION:	!	HOW TO PREPARE:
	There may be an attempt to quietly raise the maximum tax rate and begin to repay that debt during the "short session" of our General Assembly this year. If deferred to 2011, the problem gets even bigger.		CAI and its Employers Coalition (ECNC) partners will focus on assuring a reasonable tax approach and on reversing some of the practices at NCESC which unnecessarily provide benefits to unqualified applicants. We will call on you!



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Executive Scan provides a quick monthly update on legislative and external threats to your workplace with timely advice on ways to respond. It is provided to members and friends of CAI.

Executive Scan is written by CAI's CEO, Bruce Clarke, JD.

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