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FY17 Budget Supports Accountability, Training; Fails to Capitalize on Construction Opportunities

Washington, DC; February 9, 2016 – The Construction Employers of America today reviewed President Obama’s fiscal year 2017 budget proposal, which would fund important jobs, employment accountability, and workforce training initiatives. CEA members will work with Congress and the Administration to ensure construction projects are fully funded and that policies are implemented that support the country’s specialty construction employers and highly-skilled construction labor force.

The President’s budget includes significant reductions in capital construction for federal buildings and infrastructure projects compared to fiscal year 2016. The 2016 omnibus appropriations bill provided much-needed investments in the country’s aging transportation, energy, and water infrastructure projects and federal buildings. “Now is not the time to backslide on those investments,” said Jack Jacobson, spokesperson for the Construction Employers of America.

CEA is concerned that the President’s 2017 budget is a missed opportunity to build on the construction and infrastructure investments made last year. The construction industry is finally rebounding to pre-recession levels, and now is not the time to stymie the advances that have been made for the economy, construction employees, and the construction industry as a whole.

The President’s budget includes funds to investigate illegal classification of employees as independent contractors, including \$10 million “for activities to address the misclassification of workers.” Misclassification is a form of payroll fraud that puts lawful companies that appropriately classify their employees at a competitive disadvantage in the marketplace and unfairly penalizes hard-working Americans who are deprived pay and benefits. “When employees are wrongly classified as independent contractors, the companies that employ them fail to pay appropriate employment taxes, starving jurisdictions of vital revenue and forcing taxpayers and honest companies to make up the difference,” added Jacobson.

The budget includes \$90 million for apprenticeship programs, “a proven pathway to the middle class” and “a proven strategy for preparing workers for careers,” according to the President’s budget. This funding would support grants and related funding for apprenticeship programs registered under the National Apprenticeship Act.

The budget would also establish a \$2 billion Apprenticeship Training Fund, funded at \$400 million per year over five years. The Fund would assist employers who provide apprenticeship training and would support historically underrepresented groups with apprenticeships. The Apprenticeship Training Fund would support the President's goal of doubling the number of U.S. apprentices, a priority for the Construction Employers of America, whose members make significant investments in workforce training and apprenticeships.

Construction Employers of America is a joint initiative to coordinate action on labor, workforce, and construction issues facing our industries. CEA will work to strengthen the construction industry and provide opportunities for top-quality construction workers to learn and maintain the skills they need to deliver highly productive, quality workmanship that provides the best value to project owners while earning high-value compensation and benefits for themselves, their families, and their communities. Information about the CEA can be found online at www.constructionemployersofamerica.com.

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