ASA Connecticut Staffing Symposium

Legal and Legislative Update
Staffing Firms Employed 145,700 Workers in Connecticut

AT A GLANCE: 2017 Connecticut Staffing Statistics

- Average temporary help workers each week: 30,000
- Annual employment: 145,700
- Average annual earnings per job: $44,900
- Total annual sales: $1.3 billion
- Estimated number of offices: 470

Sources: Economic Modeling Specialists Intl. (EMSI), U.S. Census Bureau, and the American Staffing Association
Connecticut Temporary Help Sales by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering, IT, and Scientific</td>
<td>28%</td>
</tr>
<tr>
<td>Health Care</td>
<td>10%</td>
</tr>
<tr>
<td>Industrial</td>
<td>20%</td>
</tr>
<tr>
<td>Office—Clerical and Administrative</td>
<td>19%</td>
</tr>
<tr>
<td>Professional—Managerial</td>
<td>5%</td>
</tr>
<tr>
<td>Uncategorized Sectors</td>
<td>17%</td>
</tr>
</tbody>
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Note: Due to rounding, percentages may not add up to 100%.

Sources: U.S. Census Bureau and the American Staffing Association
Legal and Legislative Issues
Tax Reform

- **Tax Reform: H.R. 1 The Tax Cuts and Jobs Acts**
  - Retention of Work Opportunity Tax Credit Program (WOTC)
    - Program expires on Dec. 31, 2019
  - Elimination of Affordable Care Act Individual Mandate
    - Repeal effective Jan. 1, 2019
  - Section 199(a): New Pass-Through Deduction
    - Hearing on proposed rules scheduled for Oct. 16
    - ASA testifying and submitting comments
Immigration Reform

- Take #1: U.S. Senate
  - 4 bills: All defeated

- Take #2: U.S. House
  - 2 bills: Both defeated

- Take #3: ??????
  - May consider some smaller immigration issues
    - Employment visas (nurses, agricultural guest workers)
    - H-1B and lottery reform
    - E-Verify
Remaining Congressional Issues

- Agricultural Reform Bill
- Higher Education Act
- National Defense Authorization Act
- Federal Aviation Act
- Appropriations Bills
- Executive Branch Appointments
  - Key Openings: Administrator of EPA, Secretary of Veteran Affairs
  - Federal Judicial Nominees
S. 2810: Workplace Democracy Act (Senator Sanders)

Among other things, the bill would:

- Eliminates private voting and secret ballots in union elections;
- Codifies the NLRB’s controversial Browning-Ferris Industries (BFI) joint employment standard;
- Eliminates Right-to-Work protections for workers;
- Interfere with attorney-client confidentiality and make it more difficult for employers to access legal counsel or other expert advice on complex labor and employee relations issues during union organizing drives.
Labor Reform

S. 3064: Workers’ Freedom to Negotiate (Sens. Murray-Schumer)

Among other things, the bill would:

- Codify the NLRB’s controversial Browning-Ferris Industries (BFI) joint employment standard
- Reverses Supreme Court’s *Murphy Oil* decision (permits the use of arbitration agreements)
- Reverses Supreme Court’s *Janus* decision (permits labor unions to collect fees from non-union members)
- Makes officers and director personally liable for violations of workers right
- Allows union to bypass National Labor Relations Board and go directly to court
The Future of Work: Policy Recommendations

- **Key Proposals**
  - Increase Labor Union Participation

- **Supplemental Menu: Ready to Implement**
  - Tie overtime to inflation
  - Workplace Democracy and Workers’ Freedom to Negotiate Acts

- **Supplemental Menu: For Further Exploration**
  - Universal basic income
  - Government as Employer of Last Resort
  - Portable Benefits
Key Federal Agencies

- **Department of Labor**
  - Overtime: Late 2018- likely a modest increase in salary threshold
  - Apprenticeship Program: Apprenticeship Task Force’s recommendations have been forwarded to the President. Staffing industry represented on the task force

- **Occupational Safety and Health Administration (OSHA)**
  - OSHA’s temporary worker safety initiative (TWI) to protect rights, safety, and well-being of temporary workers employed and assigned by staffing firms to clients- likely to continue
Top State Legislative Issues in 2018
Top State Legislative Issues 2018

- Predictive scheduling
- Paid sick leave (including paid family & medical leave)
- Joint Liability with clients regarding wage issues
- Hiring Issues
  - Salary history
  - Ban-the-Box
- Harassment (#MeToo movement)
- Minimum wage
2018 Midterm Elections
2018 Elections: House of Representatives

- **GOP (236 seats, 4 vacant)**
  - Safe Seats: 147
  - Likely Republican: 25
  - Lean Republican: 26
  - Toss-Up: 29
  - Worse: 13
    - Likely Democrat: 3
    - Lean Democrat: 10

- **DEM (193 seats, 2 vacant)**
  - Safe Seats: 182
  - Likely Democrat: 9
  - Lean Democrat: 1
  - Toss-Up: 2
  - Worse: 1
    - Likely GOP: 1
2018 Elections: U.S. Senate

- **GOP (9 Seats Up)**
  - Safe Seats: 3
  - Likely Republican: 2
  - Lean Republican: 0
  - Toss-Up: 4 (AZ, NV, TN, TX)

- **DEM (26 Seats Up)**
  - Safe Seats: 14
  - Likely Democrat: 4
  - Lean Democrat: 4
  - Toss-Up: 4 (FL, IN, MO, ND)
Connecticut Delegation

- Connecticut House: 5 Seats
  - 5 Democratic Seats
    - Safe: 5

- Connecticut Senate: 2 seats (Dem: 2)
  - Sen. Murphy up for re-election in 2018: Solid Democrat

- Connecticut Governor: Open Seat (Toss-Up)
  - Democratic nominee: Ned Lamont
  - Republican nominee: Bob Stefanowski
  - Best Republican pick up opportunity this cycle
Why the GOP Will Dominate the Midterm Elections

- **Economy**
  - GDP: ↑
  - Small Business Optimism: ↑
  - Consumer Confidence: ↑
  - Unemployment: ↓

- **Tax Cuts**

- **Electoral Map: Senate**
Why Democrats Will Dominate in Midterm Elections

- History
  - Incumbent President’s party historically loses seats in midterm elections. Since 1970:
    - House: President’s party lost an average of 22 seats in elections
    - Senate: President’s party lost an average of 3 seats

- Enthusiasm and Recruiting
- Special Elections
- Electoral Map: House
Key 2018 Election Issues

- Money…Money…Money
- Turnout
- History
- Framing the issues
  - Issue Specific Campaigns vs. Donald Trump
- Wildcard: Supreme Court, Immigration, Russia
- House: Open Seats
- Senate: Blue Senators in Red states
2018 Congressional Campaign Cycle Fundraising

![Bar chart showing money raised, spent, and cash on hand for NRSC, DSCC, NRCC, and DCCC.]
Real Clear Politics Polling Data: 2018 Elections

- **Generic Congressional Ballot:** Democrats +7.7%
  - Democrats: 48.6%
  - Republicans: 40.9%

- **President Trump Job Approval:** Disapprove +8.6%
  - Approve: 43.8%
  - Disapprove: 52.4%

- **Pres. Trump Job Approval Economy:** Approve +8%
  - Approve: 51%
  - Disapprove: 43 %
Questions