

WORKING FAMILIES

REPORT CARD:

GRADING THE REPUBLICAN HOUSE ON JOB CREATION AND JOB QUALITY



AUGUST 2011

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GRADING THE REPUBLICAN HOUSE ON JOB CREATION AND JOB QUALITY AUGUST 2011

SUMMARY

Subject	Grade
Job Creation <i>The House has not considered a single jobs bill this year but has passed bills that <u>cut jobs</u> – up to 2 million jobs.</i>	FAIL
Protecting Workers' Paychecks <i>The House Republican majority repeatedly voted to cut workers' pay, especially in the construction industry.</i>	FAIL
Protecting Workers' Rights <i>The House saw an especially ferocious assault on agencies charged with enforcing workers' rights and is moving to gut workers' ability to fight unlawful outsourcing.</i>	FAIL
Protecting Workers' Health Care and Retirement Security <i>The House Republican majority voted to end Medicare with a plan that would cost a 54-year-old \$182,000 in retirement savings and younger workers even more.</i>	FAIL

SUBJECT: JOB CREATION

The House has not considered a single jobs bill this year but has passed bills that cut jobs – up to 2 million jobs.

U.S. unemployment has remained stubbornly high since the financial crisis of 2008. With 14 million unemployed, putting Americans back to work should be Congress's top priority. However, in the first seven months of the 112th Congress, not a single jobs bill was allowed to the floor of the U.S. House of Representatives. Instead, the House passed bills that eliminate jobs. Speaker John Boehner (R-OH) said of job loss caused by the first government funding bill in 2011: "So be it."

Since then, the House Republican majority has voted for bills that, when aggregated, slash up to 2 million jobs from the economy in a year. *That is an average of 10,000 jobs threatened each day by action on the House floor.*

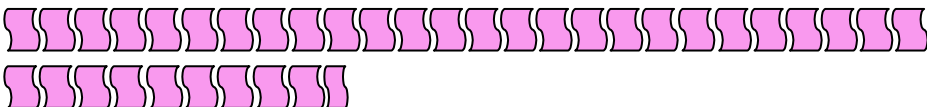
GRADE: FAIL

THE HOUSE FLOOR IN 2011: A PINK SLIP FACTORY

Throughout its first seven months, the 112th Congress saw bills on the House floor that cut jobs, rather than created them. **Each pink slip below represents 50,000 jobs to be cut by a bill** with floor action in the given month.

January 

February 

April 

July 

DETAILS ON HOUSE BILLS TO CUT JOBS:

JANUARY 19, 2011: HEALTH CARE REPEAL BILL CUTS 300,000 JOBS¹

- As one of their first actions, House Republicans passed the Patients' Rights Repeal bill that puts insurance companies back in charge and repeals the Affordable Care Act, thereby threatening more than 300,000 jobs. (H.R. 2, passed 245-189)

FEBRUARY 11, 2011: GOVERNMENT FUNDING BILL CUTS 700,000 U.S. JOBS² AND ELIMINATES JOB TRAINING AND EMPLOYMENT SERVICES³

- The House Republican majority passed a spending bill that economists warned threatened our nation's economic recovery, putting the burden of deficit reduction squarely on the backs of working families, children, and the unemployed. Democrats unanimously opposed this legislation. (H.R. 1, passed 235-189, February 11, 2011)
- The bill would have closed 3,000 One-Stop career centers where Americans looking for work or training can get employment services and would have eliminated summer youth employment programs for up to 7,000 disadvantaged students.
- It promised as many as 10,000 fewer trained young adults by cutting Job Corps.

APRIL 1, 2011: AIR TRANSPORTATION BILL CUTS 70,000 JOBS⁴

- The House Republican majority passed a measure that jeopardized airplane runway safety and improvements, along with tens of thousands of jobs. (H.R. 658, passed 223-196, April 1, 2011)

APRIL 15, 2011: REPUBLICAN BUDGET BILL SLASHES 1.7 MILLION JOBS BY 2014 - 900,000 JOBS NEXT YEAR⁵

- On a party-line vote, the House passed a budget that would end Medicare while protecting tax breaks for oil companies, millionaires and corporations shipping jobs overseas. It cut key investments for our economic future like education, college aid, life-saving medical research, infrastructure and clean energy. Democrats unanimously opposed this measure. (H. Con. Res. 34, passed 235 – 193, April 15, 2011)

¹ <http://www.whitehouse.gov/blog/2011/01/07/repealing-affordable-care-act-will-hurt-economy>

² <http://www.washingtonpost.com/wp-dyn/content/article/2011/02/28/AR2011022802634.html>

³ <http://democrats.edworkforce.house.gov/newsroom/2011/02/congressman-miller-gop-spendin.shtml>

⁴ <http://www.democraticleader.gov/floor?id=0428>

⁵ http://www.americanprogress.org/issues/2011/04/disinvesting_america.html

JULY 7, 2011: AN UPCOMING HIGHWAY TRANSPORTATION BILL IS SLATED TO ELIMINATE MORE THAN 600,000 CONSTRUCTION JOBS IN 2012.⁶

- House Republicans unveiled a proposal in July that would slash road, bridge and other surface transportation construction programs. (Transportation Reauthorization Proposal, Chairman John Mica (R-FL))

JULY 25, 2011: AN UPCOMING OUTSOURCERS' BILL OF RIGHTS WOULD MAKE IT EASIER TO OUTSOURCE AMERICAN JOBS⁷

- The Committee on Education and the Workforce recently approved the [Job Outsourcers' Bill of Rights](#). This bill, H.R. 2587, would remove the only meaningful remedy available to workers if a company illegally moves operations or eliminates work because workers engaged in protected activities. The legislation would allow jobs to be shipped overseas more easily. Democrats on the Committee unanimously opposed the bill. (H.R. 2587, passed by the Education and the Workforce Committee, pending on the House floor)

JULY – AUGUST 2011: HOUSE FAILURE TO ACT RESULTS IN LAYOFF OF 4,000 AIRPORT WORKERS AND JEOPARDIZES TENS OF THOUSANDS CONSTRUCTION JOBS.⁸

- Before the August recess, the House majority insisted on unrelated rollbacks in airline workers' rights and forced a partial shut down of the Federal Aviation Administration (FAA) by failing to pass a clean authorization extension for the FAA, furloughing thousands of federal employees and stopping hundreds of construction projects. After public outcry, the shutdown was ended until September, when a temporary extension for the FAA is set to expire.

⁶ <http://democrats.transportation.house.gov/press-release/committee-democrats-respond-republican-surface-transportation-proposal>

⁷ <http://democrats.edworkforce.house.gov/blog/2011/07/the-gop-outsourcers-bill-of-ri.shtml>

⁸ <http://democrats.transportation.house.gov/press-release/transportation-committee-democrats-introduce-clean-extension-end-faa-shutdown>

SUBJECT: PROTECTING WORKING AMERICANS' PAYCHECKS

The House Republican majority repeatedly voted to cut workers' pay, especially in the construction industry.

For decades, American workers have seen their real pay stagnate, even as their productivity rose, due in part to an unrelenting assault on the rights of workers to bargain for a better deal. Declining pay is a drag on job creation. Less pay means less purchasing power. Less purchasing power means less demand. Less demand means less economic growth and fewer jobs.

Stubbornly high unemployment in the wake of the 2008 financial crisis has not helped this trend. But workers' earnings have been in a freefall since the beginning of the 112th Congress. Rather than pushing policies that push Americans' pay higher, the House majority has tried to repeal laws that ensure workers a decent wage and have pushed to expand the unemployment lines to drive down existing wages.

GRADE: **FAIL**

THE 2011 FREEFALL IN THE MIDDLE CLASS WAGE: REAL MEDIAN EARNINGS FOR FULL-TIME WORKERS



Source: Jared Bernstein via BLS data

DETAILS ON HOUSE ATTEMPTS TO UNDERCUT WORKERS' PAY:

GOP JOINT ECONOMIC COMMITTEE REPORT SAYS AMERICA'S FAMILIES NEED HIGHER UNEMPLOYMENT AND SMALLER PAYCHECKS⁹

A March 2011 report by the Republican staff of the Joint Economic Committee argued that the key to job creation was more layoffs and therefore smaller paychecks for all families. The report said, "A smaller government workforce increases the available supply of educated, skilled workers for private firms, thus lowering labor costs." In other words, by throwing public sector workers into the unemployment line, an intended goal of the numerous job-cutting bills before the House has been to reduce all workers' wages and salaries.

HOUSE EFFORTS TO ELIMINATE PREVAILING WAGE REQUIREMENTS

The House floor has seen a full frontal assault on construction workers' paychecks. The Davis-Bacon Act has long ensured that when the federal government builds public works and other buildings, it pays construction workers a prevailing wage in order to not drive down wages in any local market. In addition to ensuring fair pay for construction workers, Davis-Bacon ensures quality, on-time work for taxpayer investments. As a result, any added labor cost because of prevailing wage requirements is offset by worker productivity.

There have been no fewer than five attempts in seven months to eliminate these prevailing wage requirements. Each of these Republican-sponsored attempts has failed. House Democrats have overwhelmingly provided the votes to defeat these rollbacks in construction workers' wages.

- Amendment to H.R. 1, to strip prevailing wage protections, failed, 189-233.
- Amendment to H.R. 2354, to strip prevailing wage protections from contracts in the Energy and Water Appropriations bill, failed 183-238.
- Amendment to H.R. 2055, to strip prevailing wage protections from military construction projects, failed 178-232.
- Amendment to H.R. 658, to strip prevailing wage protections from FAA construction projects, failed 183-238.
- Amendment to H.R. 2017, to strip prevailing wage protections from Homeland Security Department projects, failed 183-234.

⁹ <http://democrats.edworkforce.house.gov/blog/2011/04/gop-report-americas-families-n.shtml>

OTHER ASSAULTS ON PRIVATE SECTOR CONSTRUCTION WORKER WAGES

The House floor has also seen repeated attempts to prohibit federal agencies from considering “project labor agreements” on major construction projects. These agreements have been used by some of the nation’s top corporations to ensure fair wages, local hiring, workforce development, and high quality, on-time work. Project labor agreements make business sense and protect from a race to the bottom for workers’ wages. The federal government should not be deprived of the opportunity to use these agreements to protect taxpayer investments.

House Republicans have twice attempted to amend bills on the floor to add language prohibiting the use of project labor agreements by the federal government. And one bill brought to the floor already included the language prohibiting project labor agreements, and a floor amendment managed to strip out the rollback language. Again, House Democrats, joined by a small number of Republicans, successfully stopped these restrictions on project labor agreements.

- Amendment to H.R. 1, to prohibit the use of funds supporting a government contract that requires a project labor agreement, failed 210-210.
- Amendment to H.R. 2017, to prevent the Department of Homeland Security from implementing an executive order encouraging the use of project labor agreements on large-scale construction projects, failed 207-213.
- The Military Construction and Veterans Affairs appropriations bill, H.R. 2055, contained language restricting the use of project labor agreements. An amendment on the floor successfully removed the restriction in a close 204-203 vote.

COMMITTEE REPUBLICANS QUESTION OVERTIME PAY PROTECTIONS¹⁰

In an ominous sign about the future direction of this Congress for working families, the Workforce Protections Subcommittee held a hearing to question whether workers’ overtime and minimum wage rights “stand in the way of progress.” Rather than considering ways to raise workers’ pay, thereby increasing demand to support the economy, the hearing considered rollbacks in workers’ basic pay protections like time-and-a-half after 40 hours of work.

¹⁰ <http://democrats.edworkforce.house.gov/blog/2011/07/minimum-wage-overtime-protecti.shtml>

SUBJECT: PROTECTING WORKERS' RIGHTS

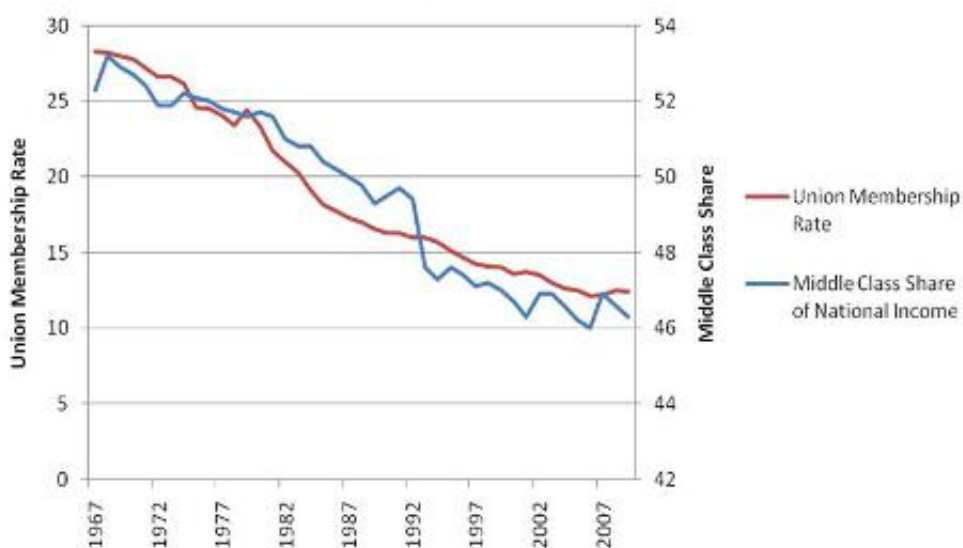
The House saw an especially ferocious assault on agencies charged with enforcing workers' rights and is moving to gut workers' ability to fight unlawful outsourcing.

By exercising their rights to organize and collectively bargain, American workers helped build a strong middle class, the backbone of the U.S. economy. Union workers earn higher wages and have greater access to benefits like health care coverage and pensions than do their non-union counterparts. Yet all workers have benefited from the gains achieved by unions, ranging from the minimum wage, the 40-hour work week, and health and safety laws.

Although the right to organize has been under assault for decades, the first seven months of the 112th Congress saw that assault waged with unprecedented ferocity, mirroring similar anti-union campaigns in several states this year. The small federal agency tasked with enforcing workers' rights was threatened with closure. Congressional oversight requests threatened to interfere with the agency's ongoing enforcement cases. A bill currently moving to the House floor threatens to gut workers' right to organize and make it easier to outsource American jobs.

GRADE: **FAIL**

As union membership decreases, middle class income shrinks



Source: [ThinkProgress](#)

DETAILS ON THE ASSAULT ON WORKERS' RIGHTS:

HOUSE ATTEMPTS TO SHUT DOWN THE NATIONAL LABOR RELATIONS BOARD (NLRB).

The NLRB is a relatively small, independent federal agency charged with enforcing the National Labor Relations Act for both employees and employers. For example, when a worker is unlawfully fired for trying to organize a union, it is the NLRB's job to investigate the firing and, if warranted, pursue a complaint against the employer and have the worker reinstated to her job.

The House's first government funding bill cut \$50 million from the NLRB's budget. This cut would have forced the NLRB to furlough all staffers for half of the remainder of the year. But the assault did not stop there. A majority of House Republicans also voted to defund the NLRB completely. In other words, had the amendment been adopted into law, the NLRB would have been closed for business. A worker unlawfully fired for exercising her rights would have nowhere to turn to win her job back.

HOUSE VOTES TO OVERTURN FAIR ELECTION RULES FOR AIRLINE AND RAILROAD WORKERS.

A House bill reauthorizing the Federal Aviation Administration included a provision to overturn fair election rules issued by the National Mediation Board (NMB). The NMB rules put union elections in the airline and railroad industries on par with other democratic elections. According to these common-sense rules, to win an election, a union would have to obtain a majority of the votes cast.

Under the old rules, any voter who failed to vote would count as a vote against the union. In other words, the NMB used to uncast ballots as having voted 'no,' rather than counting 'yes' votes as 'yes' votes, 'no' votes as 'no' votes, and uncast ballots as not any vote at all. Members of Congress are not elected under such rules. Yet the House FAA bill would return to those old rules and stuff the ballot boxes with non-existent votes against unions. The Senate has refused to accept this House provision.

Before the 2011 August recess, House Republicans forced thousands of layoffs at the FAA and shut down airport construction projects for nearly two weeks as a ploy to force the Senate to accept this rollback of workers' rights. The ploy failed, but the issue may return when the latest extension of the FAA expires on September 16.

HOUSE REPUBLICANS MOVE TO GUT THE NATIONAL LABOR RELATIONS ACT.

The National Labor Relations Act (NLRA) guarantees private sector workers the right to organize and collectively bargain. Employers may not retaliate against workers for exercising those rights.

Over the years, anti-union employers have attempted to stamp out organizing drives by eliminating the work of employees trying to form a union or to bust existing unions by outsourcing or subcontracting workers' jobs. The NLRB remedies these violations by ordering the employer to restore the outsourced work and reinstate the laid off workers.

Under a Republican-sponsored [Job Outsourcers Bill of Rights](#), H.R. 2587, the NLRB would no longer have the authority to order an employer to restore work that was unlawfully outsourced. Enactment would mean open season on workers exercising their rights. It would chill union activity.

While it would still be unlawful for an employer to retaliate against an organizing drive by shipping jobs to Mexico or China, under this bill, no one could do anything to bring those jobs back. For example, in 2000, the NLRB ordered an employer to bring equipment and jobs back from Mexico after it closed a portion of its California plant and moved the jobs to Tijuana after the U.S. workers successfully organized a union. Under the Republican bill, this order to bring work back to the U.S. would no longer be available.

The bill simultaneously eliminates a critical remedy for workers' rights violations and makes it easier than ever to ship jobs overseas. It passed out of the House Education and the Workforce Committee in July, with all Democrats on the Committee opposing, and is slated for the House floor in Fall 2011.

WORKERS' RIGHT TO HEALTH AND SAFETY ON THE JOB IS ALSO AT RISK.

Workers' right to health and safety on the job has also been at risk in the 112th Congress. An appropriations bill (H.R. 1) passed by the House aimed to cut the budget for the Occupational Safety and Health Administration by nearly 20 percent. Since cuts would come in the middle of the fiscal year, it would have crippled OSHA's enforcement program, forced layoffs of its whistleblower investigators, slashed funding for state OSHA plans, and even forced OSHA to shut down its web site. These cuts would have driven OSHA to 1974 staffing levels, according to the U.S. Labor Department.

Despite repeated requests from the Obama administration and House Democrats to plug the loopholes in the Federal Mine Safety and Health Act of 1977 that had been laid bare following the Upper Big Branch mine explosion in April 2010, Republicans have thus far declined to consider legislative mine safety reforms needed to protect miners from irresponsible mine operators like Massey Energy.

SUBJECT: PROTECTING WORKERS' HEALTH CARE AND RETIREMENT SECURITY

The House Republican majority voted to end Medicare with a plan that would cost a 54-year-old \$182,000 in retirement savings and younger workers even more.

Access to quality health care and a decent retirement plan is a cornerstone of the American middle class. Programs like Medicare and Social Security have simultaneously lifted seniors out of poverty and made our nation healthier. And new protections contained in the Affordable Care Act, the historic health care reform law enacted in 2010, are already starting to put families and their doctors, not insurance company bureaucrats, in charge of care.

However, the new House majority has passed measures that would not only take away patient protections, but end Medicare and harm Americans' retirement security in the process.

GRADE: **FAIL**

THE HOUSE REPUBLICAN BUDGET PLAN ENDS THE MEDICARE GUARANTEE AND COSTS EACH AMERICAN UNDER AGE 55 HUNDREDS OF THOUSANDS OF DOLLARS

Your Age (Under)	Additional Retirement \$ Needed to Pay for GOP Medicare Plan
55	\$182,000
50	\$231,900
45	\$286,700
40	\$343,800
35	\$404,500
30	\$471,200
25	\$544,500
20	\$624,400
15	\$711,500

Source: Center for Economic and Policy Research calculations

DETAILS ON HOUSE-PASSED MEASURES THAT END MEDICARE, TAKE AWAY PATIENT PROTECTIONS, AND HARM AMERICANS' RETIREMENT SECURITY

THE PLAN TO END MEDICARE

The House Republican budget bill, which passed the House in April, would end Medicare and force seniors to find private insurance using a voucher, for all Americans under age 55. Since the voucher's value relative to health costs would decrease over time, seniors would face much higher out-of-pocket health costs. According to the Congressional Budget Office (CBO), seniors' health costs would be more than \$6,000 higher in 2022 under the GOP plan than under traditional Medicare. (H. Con. Res. 34, passed 235 – 193, April 15, 2011)

REPEAL OF MEDICARE JEOPARDIZES AMERICANS' RETIREMENT SECURITY

To pay for health care under the above House Republican plan, Americans under 55 will have to save hundreds of thousands of dollars over and above what they should already be saving.

According to the Center for Economic and Policy Research, a 54-year-old today would need to put away \$182,000 more by the time they retire just to pay for the additional health care costs imposed by the Republican plan. That's about \$250 every week for the next 11 years on top of what they already should be saving for retirement.¹¹

For those younger than 54, the added cost grows exponentially greater – over half a million dollars for a 24-year-old. Half of all Americans have no retirement savings whatsoever, let alone the financial capability of saving another \$250 per week for the rest of their lives.

HOUSE VOTES TO REPEAL PATIENTS' BILL OF RIGHTS

One of the first orders of business of the 112th Congress was to pass a bill eliminate new health care rights and benefits that are helping people today – rights that will be so important to families, seniors and businesses across the country for years to come. Repeal would put insurance companies back in charge of health care and increase the deficit. (H.R. 2, passed 245-189, January 19, 2011)

¹¹ <http://democrats.edworkforce.house.gov/blog/2011/05/gop-plan-to-end-medicare-pray.shtml>

PROSPECTS FOR THE FALL SEMESTER

Fall prospects for House action to create jobs, or at least to stop eliminating jobs, will likely depend on the outcome of a number of upcoming legislative flashpoints.

CONTINUED FALLOUT FROM THE DEBT LIMIT BRINKSMANSHIP. The House Republicans pushed the country to the brink of default on its debts before leaving for the August recess, literally putting the full faith and credit of the United States into doubt. The brinksmanship created a high level of uncertainty in the economy. Businesses halted hiring plans as they built up cash reserves in the event of a default. While Speaker Boehner has said he obtained “98%” of what he wanted, the fallout from the debt ceiling debacle continues, with Standard and Poor’s downgrading U.S. credit from its long-held AAA status and ongoing concern that ideological demands for government cuts from within the Republican caucus will drown out the advice of experts on how to actually stimulate economic growth and job creation.

HIGHWAY TRANSPORTATION BILL: CONSTRUCTION JOBS AT RISK. The highway transportation bill proposed by Republican Chairman John Mica in July is the most likely vehicle for action on the House floor for basic construction jobs in the fall. Unfortunately, that bill is expected to cut 600,000 construction jobs that Americans had been counting on. Whether this proposal will be revised to protect and create jobs remains to be seen. If action is not taken by September 30, roughly \$1 billion in construction funding will be withdrawn from the economy every week, along with the jobs that funding sustains.

FAA REAUTHORIZATION: AIRPORT JOBS AT RISK (AGAIN). A temporary extension of certain FAA operations put nearly 4,000 furloughed FAA employees back to work for the time being and restored tens of thousands of construction jobs. That extension ends September 16. Whether a full reauthorization of the agency can be completed in September will depend on whether House Republicans abandon their demands on unrelated provisions, namely those to strip airline and railway workers of fair union election rules.

UNEMPLOYMENT BENEFITS EXTENSION. Emergency Unemployment Compensation and Extended Benefits are slated to expire in December. Unemployment benefits are stimulative. The benefits are desperately needed by millions of struggling families and are therefore spent in the local economy. According to a recent analysis by the Economic Policy Institute, failing to extend those benefits for people unemployed for up to 99 weeks will eliminate such economic activity, resulting in the loss of approximately 528,000 jobs.

MAKE IT IN AMERICA AGENDA. House Democrats have made a number of job creation proposals under their “Make It in America” Agenda, particularly focused on revitalizing American manufacturing, bringing jobs back to the United States, creating good-paying jobs by modernizing our nation’s infrastructure, providing assistance to small business, and making the nation more globally competitive and energy independent. With Republican control of the House, any prospect for House consideration of these Democratic bills is very limited.