



California State of the Masonry Industry Report

October 2016

I. STATE MASONRY ORGANIZATIONS

At least, 4 masonry industry organizations. Others include signatory bargaining groups like the Northern California Mason Contractors Association (NCMCA) and the Mason Contractors Exchange of Southern California (MCEC).

- **MCAC** (Mason Contractors Assn of California) = Legislative and regulatory advocate and information resource for mason contractors and suppliers with an open membership. LEGISLATIVE/REGULATORY ADVOCATE AND “411” CENTER
- **CMACN** (Concrete Masonry Assn of California and Nevada) = Publisher and promoter of masonry features and benefits to the construction customer community with a manufacturer membership. MARKETING/PROMOTION
- **MIA** (Masonry Institute of America) = Provider of technical information and developer of masonry codes and standards with a predominantly signatory contractor membership. BUILDING CODES AND STANDARDS
- **MITA** (Masonry Industry Training Assn) = Implementer of education programs and trainer of future masons with an open membership. PRE-APPRENTICE AND APPRENTICE TRAINING/WORKFORCE DEVELOPMENT

II. BIDDING / ECONOMIC CONDITIONS

Things are brightening on the bidding side and contribution hours are steady and rising.

California added the most construction jobs in the country (29,300 jobs, 4.0 percent) between August 2015 and August 2016, according to [AGC's 9/20/16 construction employment report](#).

Demand for certain types of projects, especially public sector projects, is slowing and firms remain more worried about the lack of available workers than the lack of available work.

III. LEGISLATIVE / REGULATORY

- **Public Works / Prevailing Wage**
 - i. **Ready-Mix Hauler Prevailing Wage on Public Projects Eff. 7/1/16 UPDATE! U.S. District Court Grants Preliminary Injunction Against the Law in Order dated 10/18/16. (AB 219 and SB 836)**
 1. Requires prevailing wages for hauler to job site.

- a. Wage based on batch-plant location (not where project is).
- b. The applicable prevailing wage rate is for the classification of "Driver - Mixer Trucks."
- 2. Requires ready-mix companies to register as Public Works Contractors through state online system and pay annual registration fee.
- 3. Requires contract between ready-mix hauler and the party who engages the ready-mixed concrete delivery.
- 4. Requires ready-mix hauler to supply certified payroll reports to general contractor and the party that engaged the company within 5 days after employee is paid.
- 5. Does not apply to federal (Davis Bacon) projects unless joint fed + state funding or fed \$\$ being administered by state agency.
- 6. Does not apply to projects advertised for bid or awarded before 7/1/16.

KEY POINT!

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- a. Effective date triggered by actions of *awarding body*. For example, if the prime contract was awarded to the GC prior to July 1 but subcontracts are not executed until after July 1, the ready mix hauling requirements would not apply.
- 7. Exempts the following from certified payroll reporting requirement:
 - a. California Department of Transportation (Caltrans)
 - b. City of Los Angeles
 - c. Los Angeles Unified School District
 - d. County of Sacramento
 - e. Projects covered by a qualifying project labor agreement.

ii. eCPR Reporting Enforcement Back Online Eff. 8/1/16

- 1. SB 854 enacted 2014 incl Public Works Contractor Registration
- 2. January 2016 ran into system problems and temporarily suspended eCPR enforcement

iii. Skilled Workforce Requirements

- 1. It started with legislation in 2013 for construction of refineries and petrochemical manufacturing facilities and has now spread to more types of projects.
- 2. The basic premise is to have increasing percentages of journeymen that have graduated from an approved apprenticeship program on job sites.
- 3. Several bills have passed between 2013 and 2015 with the requirements going into effect for most of those bills January 1, 2016.

4. For most projects, the percentage of skilled journeymen starts at 20% in 2016 and increases each year thereafter until a 60% threshold is attained in the year 2020.
5. Projects falling under these requirements include:
 - a. Design-Build projects for cities, counties, transit districts, General Services, Corrections & Rehabilitation Departments >\$1M
 - b. Design-Build schools >\$1M
 - c. LA Unified School District projects >\$1M
 - d. Lease-Leaseback School District Projects >\$1M

iv. Silica

- Federal Standard Adopted by Cal/OSHA to be Eff. 6/23/17:
 1. No dry cutting without testing and monitoring
 2. PEL 50 micrograms/m³
 - i. from 250 micrograms/m³ – federal
 - ii. from 100 micrograms/m³ - California
 3. Written Exposure Plan
 4. Competent Person on Each Job Site
- MCAC part of construction coalition requesting changes to silica standard:
 1. Allow use of dry cutting saws with dust collection systems
 2. Increase PEL (permissible exposure limit) from the proposed 50 mg/m³
 3. Modify medical surveillance
 4. Add mortar mixing to Table 1 – MCAA is also asking for this as part of the federal lawsuit.
- Action to Date / Next Steps
 1. Joel Guth of iQ Power Tools has submitted dry cutting with vacuum system testing data to Cal/OSHA. Data shows silica below proposed 50 mg/m³ PEL with vacuum systems on a variety of materials, durations, operator & surrounding environment exposures, etc.
 2. 1st Cal/OSHA Advisory Committee Meeting tentatively scheduled for December 2016 in Sacramento, CA. MCAC will attend.
 3. We have less than 9 months to work with stakeholders to enact desired changes.
- Mortar Mixing Air Sampling
 1. Required by Whiting Turner on Kaiser job
- **Employment Issues**
 1. Federal Minimum Wage Eff. 12/1/16 – **UPDATE!** [Possible Extension to 6/1/17.](#)
 - House passed 6/1/17 extension on 10/5/16.

KEY POINT!

- Senate took the issue under consideration 10/6/16. Nat'l Federation of Independent Business (NFIB) expects Senate to pass.
 - NEW Federal Minimum Wage to qualify for exempt status = \$47,476 .
 - California Minimum Wage to qualify for exempt status = \$43,680 as of 1/1/17.
 - **To claim the exemption, make certain that the employee has met the federal salary threshold or the California salary threshold – whichever is higher.**
 - Employer Options:
 - Raise salaries to \$47,476 **or**
 - Reclassify exempt employees to non-exempt
2. SB 1234 California Secure Choice Savings Retirement Act – Eff. 1/1/17:
- **UPDATE!** [Signed by Governor Jerry Brown 9/29/16](#)
 - Under the new law, workers who do not have a workplace retirement plan will automatically contribute 3 percent of wages to a new retirement account.
 - The legislation prohibits the state or employers from incurring any liabilities associated with the new program.
 - Excludes Public and Union employers subject to labor agreements that incl an eligible pension mechanism.
 - Applies to Private employers with 5 or more employees.
 - Employers must have open enrollment, at least, once every 2 years at which time previously opted-out employees will be enrolled unless they again opt-out.
 - Employers may use an employer-sponsored plan (401k, IRA payroll deduction, etc.) to satisfy the requirements of the law.

IV. MARKETING

- The Concrete Masonry Association of Calif. and Nev. (CMACN) continues to reward exceptional masonry projects every odd-numbered year (2013, 2015, 2017, etc.) at their Concrete Masonry Design Awards Dinner held in September.
 - i. CMACN also has a multi-platform marketing campaign, “WHY MASONRY”, promoting the use of CMU via website, publication ads, and brochures.
 - ii. CMACN distributes 15,000 copies quarterly of “Profiles in Masonry” featuring award winning projects to architects and other design professionals in CA and NV.

iii. CMACN distributes over 5,900 copies of “Masonry Chronicles” featuring technical notes and building code updates to engineers statewide.

- The Masonry Institute of America (MIA) distributes about 7,000 promotional flyers showing a vast assortment of outstanding masonry projects to architects state wide on a regular basis as well continuing to update and upgrade its publications used by designers, contractors and educators across the US.

V. **COMPETITION**

- Wood Looking to go to New Heights
 - i. Report by the National Fire Protection Association (NFPA) shows a requested increase in height of certain new “heavy timber” construction from the traditional 4-5 stories to 9 stories.

VI. **WORKFORCE DEVELOPMENT**

- **209 CA total bricklayer apprentices**
 - i. **164 bricklayer union apprentices**
 1. 105 apprentices So Cal.
 2. 59 apprentices Nor Cal. 170 inclusive of all four trades (bricklayer, terrazzo, marble, pointer/cleaners/caulkers)
- **45 bricklayer open shop apprentices**
- **11 other industry supported high school and adult apprentice programs**
 - i. **8 high school training programs**
 - ii. **3 adult apprentice programs**
run by Masonry Industry Training Association (MITA)