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What business can expect from the new Obama administration

Barack Obama won the U.S. presidency on a promise of change, so what changes can we expect with regard to labor laws and employment regulation?

President-elect Obama is an advocate for changing labor laws to strengthen workers' rights. In fact, he has outlined a number of policy changes on his transition Web site, www.change.gov.

Without being well-versed in labor and employment law, however, the minutia of such legislation can be difficult to wade through. Below is a simplified list of new regulations, rules and repeals that, if passed, could significantly impact businesses and their employees.

• **Employee Free Choice Act:** As a senator, Barack Obama co-sponsored the Employee Free Choice Act, a bipartisan initiative that supports workers' rights to unionize without harassment or intimidation from their employers. If enacted, this legislation would make it easier for unions to organize and would provide more favorable conditions to unions during labor contract negotiations.

• **Re-empowerment of Skilled and Professional Employees and Construction Trade Workers Act:** The RESPECT Act would limit the number of skilled and professional employees employers can designate as supervisors. As a result, new "non-supervisors" may be eligible for union membership.

• **Patriot Employers Act:** The Patriot Employers Act would reward companies that create good jobs for American workers. If passed, this legislation would provide a tax credit to companies that base their corporate headquarters in the United States; maintain or increase the number of full-time workers in America relative to those outside the U.S.; pay competitive wages; provide health benefits; offer retirement benefits; and subsidize salaries and benefits for employees on active duty in the military.

• **Changes to Right to Work Laws:** Twenty-two states, including Texas, currently have in



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place "Right to Work" laws that effectively limit unionization by prohibiting unions and employers from making an employee's membership in a union a condition of employment and by allowing employers, in many instances, to permanently replace striking workers with non-union workers. On his transition Web site, President-elect Obama says he will work to ban the permanent replacement of striking workers. If successful, such a change would likely increase union leverage in negotiations and potentially could promote greater union activity.

• **Minimum Wage Increase:** Because President-elect Obama strongly believes people working full-time should not have to live in poverty, he has promised to increase the minimum wage to \$9.50 an hour by 2011. A minimum wage increase is perceived to be one of the most efficient ways to put money into the hands of middle-class Americans.

• **Fair Pay Act:** The Lilly Ledbetter Fair Pay Act reinforces racial minorities' and women's ability to challenge pay discrimination by ensuring that women, in particular, receive equal pay for equal work. If passed, the Act will expand companies' potential liability for discriminatory pay practices.

• **Family and Medical Leave Expansion Act:** The FMLA is designed to help employees balance their work and family responsibilities by allowing them to take reasonable unpaid leave for specified family or medical reasons. Currently, FMLA only covers employees of companies with more than 50 employees but the Obama administration will attempt to expand FMLA to include any company with 25 employees or more. President-elect Obama also hopes to broaden FMLA to cover more purposes, for example for employees to tend to elder care needs, attend to children's academic activities, or address domestic violence issues.

• **Family Leave Insurance Act:** Under the Family Leave Insurance Act, companies with two or more employees on the payroll for more than 20 workweeks could provide paid FMLA leave for employees through an insurance fund administered by the federal government. Employer and employee payroll taxes would help finance the fund. Em-

ployees would become eligible for the paid leave after six months of employment.

• **Healthy Families Act:** According to President-elect Obama's transition Web site, about half of all private-sector workers have no paid sick days and, in lower-paying jobs, fewer than 25 percent receive paid sick days. Through the Healthy Families Act, Obama will push for employers to provide their employees with seven paid sick days each year.

• **Working Families Flexibility Act:** To further promote better work-life balance among America's working families, the Obama administration will support several initiatives to help educate businesses on the benefits of flexible work schedules and to help business owners establish flexible work environments. Under the Working Families Flexibility Act, businesses would be required to hear and consider flexible work options when requested by an employee. Should the employer elect not to allow flexible work alternatives, he or she would be required to provide an explanation as to why such a request is being denied.

These legislations, by themselves, fill an aggressive agenda for any new administration. But with so many other issues to tackle, what is the likelihood President-elect Obama will be able to devote adequate attention toward work and labor initiatives? It is hard to say, but if he follows the example set by his Democratic predecessor, President Clinton, he is likely to act quickly on such issues.

The first major legislation to come from the Clinton administration was the Family and Medical Leave Act. Interestingly too, Obama's work and labor initiatives are outlined under economic policies on his transition Web site. That seems to suggest that the soon-to-be President believes these labor- and work-related changes have the potential to positively impact a severely sluggish economy.

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