Changing of the Guard

Will the new Democratic majority hinder golf businesses?

By David Frabotta, Senior Editor

As the congressional Democratic majority ushers in new legislative priorities, the Green Industry, like most special interests, is vying for a seat at the table, which has a lot of new faces.

"We have seen that many green industry and agriculture advocates lost the election and won't be back," says lobbyist Carrie Riordan of the Golf Course Superintendent Association of America. "So we'll be forming some new relationships with the Democrats who have taken their place, but we're very optimistic that we'll work very well with this new Congress."

Issues for which the green industry might need advocates range from responsible water use and pesticide regulation to expanding the H-2B visa program and allowing association health plans (AHP) to unite across state lines.

Because the congressional majority appoints committee heads, the face and tone of many influential committees has changed, such as the Senate Environmental Committee now chaired by California's Barbara Boxer.

"They have clearly stated that environmental issues will have more importance than they have under a Republican-controlled Congress," Riordan says. "We look forward to working with this Congress to hopefully bring about things that are priorities for our association as well: clean water, clean air and responsible use of land and natural resources."

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But it was *human* resources that took immediate attention during the new legislature's first 100 hours. The House of Representatives passed a minimum wage increase from $5.15 to $7.25 during the next two years. The Senate version of the bill, which was being considered by the Senate Finance Committee at presstime, is expected to have tax breaks for small businesses to offset the wage hike. If passed, the two versions must be reconciled in a joint committee before it goes to President Bush, who has indicated he will sign it.

Though critics are construing it as anti-small business, the minimum wage hike likely will have little impact in many regions and industries where competition for labor already forces employers to exceed the federal minimum.

Golf facilities fall into that group, so superintendents' shouldn't feel an immediate sting because their employees already make more than the proposed increase. On average, groundskeepers are the lowest paid golf course staff at $8.47, and the horticulturists are the highest paid at $12.56, according to the GCSAA 2005 Compensation and Benefits Report.

But as the wage increases take hold for low-skill workers, it could eventually have a domino effect on higher-paying jobs, too, says Lyne Tumlinson, director of career services for GCSAA.

Many superintendents would be willing to accelerate pay if they could find qualified workers. Finding and retaining employees is the No. 1 professional concern for superintendents, according to the 2006 *Golfdom* state of the profession survey.

It's not likely to get much easier. For another year, the 66,000 cap for H-2B visas has been reached early in the fiscal year, before many golf courses had opportunity to file for their share of seasonal workers, Riordan says. Fortunately, the previous Congress renewed the H-2B exemption, which means that previous H-2B visa workers can return to work in the United States without counting toward the 66,000 cap. That helps the green industries, but it's not enough.

Under Bush's proposal, those who pay their own monthly healthcare premiums will enjoy a standard tax deduction.

"That is a Band-Aid approach," Riordan says. "Comprehensive immigration reform is a goal for everyone, but not everyone agrees with what that should look like or how it should happen. So we're hoping that H-2B will be protected and expanded under new immigration reforms so the golf industry can continue to recruit and employ seasonal workers who are so vital to many golf operations around the United States."

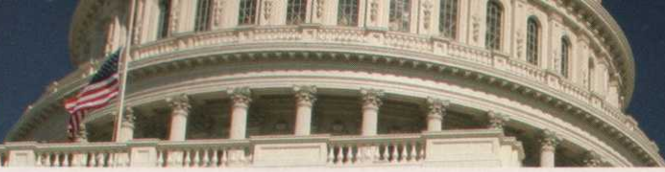
Healthcare

One issue Democrats already have moved to the front burner is healthcare. President Bush appears to be spending some time on the issue, too. In his State of the Union speech, the president proposed a standard income tax deduction for those who pay for their healthcare premiums.

That adjustment would eliminate federal income tax on $15,000 of income for families or $7,500 for single people, which would benefit the majority of superintendents. Currently, 92 percent of employers offer health insurance to superintendents, according to the GCSAA 2005 Compensation and Benefits Report; 88 percent of employers offer assistant superintendents medical benefits.

Of those who receive medical benefits, 46 percent of superintendents enjoy

Continued on page 34



Continued from page 33

employer-paid premiums, and 34 percent of assistant superintendents have no monthly out-of-pocket costs for healthcare.

Under Bush's proposal, that benefit would be taxed as income. But for employees who pay their own premiums or are insured under a private plan, they will enjoy the standard deduction.

Association health plans could lower healthcare premiums as well. Also mentioned in the State of the Union, AHPs would allow professional associations, such as GCSAA, to administer a national health insurance plan. The theory is that more insured lives equals more buying power and subsequent lower costs, kind of like buying in bulk. Currently, professional state association chapters can organize health plans within the state, but national associations cannot cross state lines.

But don't hold your breath. President Bush asked Congress to consider the mechanism in 2005 to no avail, and the past six congresses have discussed AHPs in committee, but it has only made it to the floor for a vote one time. The American Association of Health Plans is lobbying for its defeat, saying that you cannot create a large-group market by combining small groups together.

State watch

Healthcare is hot at the state level, too. Massachusetts passed a universal healthcare mandate last April that requires every business to offer healthcare to employees. If healthcare isn't offered, then the employer must contribute to a state-run fund to pay for healthcare costs of uninsured people in the state.

The New England Golf Course Owners Association failed to return phone calls to comment on how the rule, expected to go into effect in July, might impact golf course operations in Massachusetts.

Meanwhile, California Governor Arnold Schwarzenegger proposed a similar plan for the Golden State.

Jim Husting, chairman of governmental relations for the California GCSA, says he doesn't anticipate it will affect golf course operation too much.

"I get the impression that it's not a big deal," says Husting, the certified superintendent of the Woodbridge Golf & Country Club. "I can't imagine an employer saying: 'Now that we have to pay into this healthcare system, you've got to lay off two employees.' That just doesn't click with me." ■