

TESTIMONY ON BEHALF OF THE
CONNECTICUT COALITION OF PROPERTY OWNERS
GREATER DANBURY CHAMBER OF COMMERCE
LUMBER DEALERS' ASSOCIATION OF CONNECTICUT
MILFORD CHAMBER OF COMMERCE
NORTHWEST CONNECTICUT CHAMBER OF COMMERCE
QUINNIPIAC CHAMBER OF COMMERCE

BEFORE THE LEGISLATURE'S
LABOR & PUBLIC EMPLOYEES COMMITTEE
THURSDAY, MARCH 16, 2006
9:00 AM, ROOM 2B
LEGISLATIVE OFFICE BUILDING
HARTFORD, CONNECTICUT

Good morning. My name is Marshall Collins. I am the Counsel for Government Relations for the above referenced organizations and I am here this morning to testify on their behalf. Together, these organizations represent nearly 4,500 employers. Collectively they employ more than 100,000 men and women in Connecticut.

The Organizations strongly support HB 5741 AAC The Prevailing Wage Thresholds.

HB 5741 would increase prevailing wage project thresholds from \$100,000 to \$500,000 for repair or renovation projects, and from \$400,000 to \$1,000,000 for new projects. An increase in the project thresholds is long overdue.

Previous legislatures understood that sound public policy requires that the prevailing wage project thresholds need to be adjusted approximately every six years. Consider the history of Section 31-53(g):

1979 – P.A. 79-325 set project thresholds at \$10,000 and \$50,000;
1985 – P.A. 85-355 increased thresholds to \$50,000 and \$200,000;
1991 – P.A. 91-74 increased thresholds to \$100,000 and \$400,000.

This debate is not about the merits of prevailing wage law. This is about recognizing that it has been 15 years since the thresholds have been increased. If the legislature was to keep to its practice of increasing the thresholds every 6 years, upward adjustments would have been made in 1997, 2003 and again in 2009.

The "prevailing wage" itself is annually adjusted upward by the Department of Labor. Shouldn't the thresholds also be adjusted to reflect the economic realities of inflation? From the inception of prevailing wage law, it was never the intention of the legislature that the prevailing wage be applied to virtually all public works projects.

It is important to note that, only last year, the Legislature tied the amount of public financing of political campaigns to the CPI. The organizations support increasing the prevailing wage project thresholds and indexing the new limit on the same basis that was done for public financing of political campaigns.

Taxpayers bear the ever increasing burden of a higher prevailing wage. Shouldn't they also benefit from periodic adjustments and indexing? In 2003, before Operation A.C.E., the Organizations joined with the Connecticut Conference of Municipalities, the Council of Small Towns and numerous other groups to call for prevailing wage reform. Increasing and indexing the project thresholds are modest common sense proposals that are in the public interest.

The Organizations respectfully request that you favorably report HB 5761. This completes my testimony. Thank you for your consideration.