



Independent Electrical Contractors of New England, Inc.



TO: Sen. Edith Prague and Rep. Bruce Zalaski
Members of the Labor Committee

From: Lisa Hutner Stevens, Executive Director

Date: March 10, 2011

Re: **SB-990, An Act Concerning the Prevailing Rate of Wages**

The Independent Electrical Contractors of New England (IEC-NE) supports SB-990 which increases the prevailing wage thresholds to bring them more in line with current construction costs.

Prevailing wage rates, which are significantly higher than the average wages paid to electricians, shut out many small electrical contractors from working on state and local building projects. Here's just one example. The prevailing wage rate for an electrician in Hartford County is \$35.40 plus \$19.51 in fringe benefits per hour. The U.S. Department of Labor's office of Occupational Employment Statistics says that the mean hourly wage for an electrician in Connecticut is \$25.76 per hour. So, on wages alone the official prevailing wage is 37 % higher.

As a result, prevailing wage rates significantly drive up the cost of state and local construction projects. Because of this, many towns put off repairing buildings or initiating new projects. Unfortunately, this hurts everyone. In addition to town residents, who would benefit from upgraded buildings and infrastructure, higher prevailing wage rates hurt the economy by making construction projects too expensive to pursue.

Unfortunately, the survey methodology for determining the prevailing wages is stacked in favor of union wage rates. In addition, compliance with prevailing wage laws also requires significant paperwork and reporting, such as submitting a certified copy of the payroll, tracking time, etc. Many smaller businesses avoid bidding for projects that include prevailing wage requirements because of the added paperwork and reporting requirements.

The prevailing rate is an inaccurate, cumbersome system that adds more red tape and bureaucracy for those merit shop contractors who want to bid on state and local jobs. The prevailing wage laws also prevent the taxpayers from getting the best bargain on state and local construction projects by eliminating true competition from the contracting process.

If we are to help Connecticut move toward economic recovery, we must try to address issues that undermine job creation. SB-990 is certainly a step in the right direction.

We therefore urge your support for SB-990.

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