

TESTIMONY – LABOR COMMITTEE MARCH 10, 2011

SB 990 – AAC THE PREVAILING RATE OF WAGES

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Plumbers & Pipefitters Local 777

The Mechanical Contractors Association of CT and Local 777 **strongly oppose SB990** and any changes to the prevailing wage law unless the **committee will consider eliminating the existing thresholds in their entirety**. That action will also eliminate the finagling that currently goes on with numerous public works contracts to avoid compliance with the state prevailing wage law and result in simplification of the system overall. However, since that action is not on the table, I would like to speak about the law itself.

**THE PREVAILING WAGE LAW BENEFITS BOTH UNION AND NON-UNION
WORKERS AND PROMOTES:**

**A QUALITY STANDARD OF LIVING WITH HEALTH AND PENSION BENEFITS FOR
CONSTRUCTION WORKERS AND THEIR FAMILIES**

**FAIR AND COST-EFFECTIVE STATE AND MUNICIPAL CONTRACTING WITH
ADHERENCE TO FREE MARKET PRINCIPLES**

**PRODUCTIVITY IN THE CONSTRUCTION INDUSTRY – A SKILLED CONSTRUCTION
LABOR FORCE RESULTING IN SAFER WORK SITES AND QUALITY
INFRASTRUCTURE AND OPPORTUNITY FOR A CAREER IN THIS VOLATILE
INDUSTRY**

QUALITY APPRENTICESHIP TRAINING PROGRAMS

**OVERALL ECONOMIC BENEFITS FOR FAMILIES, THEIR COMMUNITIES AND THE
STATE**

Many talk about prevailing wages as though they are the evil of all evils and they alone drive up the cost of all public construction projects. However, these laws, both federal and state, have raised the standards of the construction industry considerably which have reduced overall costs of construction in the long run. **Prior to enactment of prevailing wage laws, construction was an industry plagued with an unskilled-transient workforce** subjected to injury and death throughout history on construction of many of the highways, bridges, dams, and public building across this country.

Most contracts for public works projects are competitively bid and a contract is awarded to the lowest, responsible, qualified bidder. **Without mandatory prevailing wages, competitive bids would depress the wages of the workforce and in turn discourage the workforce efficiency, productivity, skill and imagination** that we have today in the construction industry. More

qualified people (both union and non-union) are attracted to this high-risk, safety-sensitive industry today, mainly due to the prevailing wage laws. The industry offers well-paying jobs and good benefits for the physically demanding and high-skilled jobs in today's world. Construction today is not the "pick and shovel industry" of yesteryear.

Higher thresholds in the prevailing wage law are certain to **attract more out of state contractors** who can underbid most resident contractors on these smaller, short-term jobs. Lower wages attract an inexperienced, transient workforce which could result in lesser quality work and more injuries on the job.

Opponents talk of **cost savings of up to 30%** on construction projects that would result if the law were changed or reformed. **That information is absolutely incorrect.** Based on recent statistics, labor costs for construction in the state are anywhere from 25 to 30% of project cost, so the only way you can **save 30% of the cost is to eliminate all or most of the labor.** Any cost savings on projects from reduced wages would be minimal.

In addition, most construction workers do not have the privilege of working 52 weeks a year. Any reduction to construction sector income would cause hardship for many, would reduce demand for local products and services in workers' communities and reduce state income in taxes paid by those workers. A reduction and/or elimination of health and pension benefits will increase costs to the state and municipalities in the long term.

Connecticut currently has the **second highest thresholds of the 32 states** that have prevailing wage laws. SB990 puts CT in first place to the detriment of the construction workers who may or may not be on these projects. **Remember, these workers are your neighbors and friends who will be at risk for losing jobs to out of state workers or receiving pay cuts.**

**WE ASK FOR YOUR CONTINUED SUPPORT FOR CONNECTICUT'S
PREVAILING WAGE LAW!!!!**

**REJECT SB 990 AND ANY OTHER ATTEMPTS TO TAKE THE BREAD AND BUTTER
FROM CONNECTICUT'S CONSTRUCTION WORKERS.**

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