Connecticut Association of Boards of Education, Inc.

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Testimony regarding Raised Bill #990
An Act Concerning the Prevailing Rate of Wages

I am Cal Heminway, chairman of the Granby Board of Education. I am also a member of the CREC governing Council, member of the Connecticut Municipal Coalition for Fiscal Responsibility, and Immediate Past President of CABE. I would like to offer brief remarks regarding some aspects of the proposed legislation as it applies to local communities in our 2011 fiscal situation.

It should come as no surprise to you as members of the Legislature that most of your actions impact us at the local level, most often resulting in increased regulation and expense for local government and ultimately the taxpayer. Current proposals to balance the upcoming biennial budget with greatly increased taxes are translating into voter concerns and more than usual resistance to local proposals to increase property taxes. Unlike state government, Connecticut cities and towns have been living with constrained budgets for at least the past three years.

Mandated prevailing wage projects increase the cost of public sector projects across the state. The actual impact is the topic of partisan debate. However, the 1996 Program Review and Investigations Committee study estimated the cost to be between 4 and 7 percent of project cost, at the low end of estimates. Capital cost especially in today's fiscal environment, are of significant concern. In addition, many small businesses whose owners live and pay taxes in Connecticut often do not bid on projects subject to prevailing wage provisions as the paperwork and reporting requirements are beyond their capabilities, making their business cases difficult to support. Prevailing Wage threshold levels have not been adjusted for inflation since the early 1990s.

The proposed modifications to the prevailing wage statute, while modest, will help to reduce expense and bonded debt loads locally and at the state level. We enthusiastically support its passage. However, we frankly cannot understand the differentiation made between new construction and renovation projects in the statute and would ask the committee to investigate setting a single threshold at $800,000.

We were reassured by the Governor's pledge to maintain ECS funding at the 2009 F/Y level. However, this does little to address Connecticut's systemic issues with rapidly increasing government expense. Reducing Prevailing Wage's impact would help.

As elected local officials, we have a fiduciary duty to our constituents to get the most value as possible from each capital and operating tax dollar entrusted to us. As state and local officials, we have a duty to our constituents, school students, staff, and taxpayers to provide them with the very best in capital projects with the dollars made available from a strained local property tax.

Cal Heminway, BOE Chair, Granby
March 10, 2011