



**TESTIMONY OF
JENN JENNINGS
EXECUTIVE DIRECTOR
CONNECTICUT HEATING & COOLING CONTRACTORS ASSOCIATION (CHCC)
BEFORE THE
LABOR AND PUBLIC EMPLOYEES COMMITTEE
FEBRUARY 28, 2012**

The Connecticut Heating & Cooling Contractors Association (CHCC) **opposes SB-181, which would subject private construction projects to prevailing wage requirements.**

SB-181 will prevent small heating and cooling contractors from competing for work on private construction jobs in Connecticut.

As proposed, the bill would hurt small contractors in the construction industry who are already struggling to recover from a difficult economic period marked by 20% unemployment. The bill turns incentive programs designed to stimulate the economy into punitive measures that will close the door on Connecticut's small contractors.

Merit shop construction companies in Connecticut represent more than 80% of the workforce, yet SB-181 would make it impossible for these companies to compete for private construction projects that receive any type of tax credit or abatement. This bill will undo the bipartisan efforts to focus on adopting a pro-jobs agenda and make a mockery of the state's new economic development incentive programs.

The prevailing wage rate is substantially higher than the market rate. Some studies have estimated these costs to be as much as 30% higher. A 1995 study by the Connecticut Advisory Commission on Intergovernmental Relations (ACIR) concluded that prevailing-wage rates increase construction costs for towns and cities as much as 21% annually. These inflated wage costs in addition to administrative requirements associated with prevailing wage jobs, already shut small contractors out of working on state and municipal construction projects.

SB-181 would shut small contractors out of almost every private construction job in the state resulting in severe job and tax revenue losses. We urge you to oppose this bill.

CHCC is a trade association whose objectives are to strengthen and further trade relations, attract, educate and train necessary manpower, represent members at all levels of government and review and establish quality standards and procedures. The association represents over 125 Heating & Cooling Companies in Connecticut.