



PEDRO E. SEGARRA
MAYOR

**Testimony by Mayor Pedro E. Segarra
City of Hartford
Senate Bill 181**

**AA Requiring the Standard and Prevailing Wage Be Paid to Certain Employees of Employers Who Received Financial Assistance from State Economic Development Entities
February 28, 2012, 2:00PM in Hearing Room 1B**

Chairmen Prague and Zaleski, Ranking Members Guglielmo and Rigby, Vice-Chairmen Gomes and Santiago and Members of the Labor & Public Employees Committee:

Thank you for the opportunity to submit written testimony in support of Senate Bill 181, which would require the state's prevailing and standard wage provisions be applied to all construction and service-related projects that receive state funding from the Department of Economic and Community Development, the Connecticut Development Authority or Connecticut Innovations.

This effort would, quite simply, ensure that taxpayer dollars are not used to undercut wage and benefit standards and guarantee a sufficient return on investment to workers who diligently serve to improve and provide important services to the residents of Connecticut. Under no circumstances should a company that receives state funding be able to undercut wages and benefits and reap a windfall at the expense of hard working and committed residents of, in particular, Connecticut's Capital City, or for that matter, from any other of the 168 cities and towns across Connecticut.

Sadly, and despite good intentions, a serious unintended consequence of the "low bid" contracting system is that it has created a result that is completely dependent on price – the mechanisms or calculations used to develop a proposal are irrelevant; it is simply about the last, best and final offer. These proposals do not account for quality or company location and the award criterion is in many ways dismissive or devoid of logic and common-sense thinking; it is, instead, often granted to the lowest bidder. Knowing this, it would be unfortunate to think, for example, that state projects being undertaken in the City of Hartford are unintentionally furthering systematic poverty by not paying a fair wage with good benefits and, moreover, benefiting companies that are not based in Connecticut and hiring locally.

I want to thank committee leadership for raising such a courageous bill and for taking the necessary time to hear and review testimony on this very important issue. I do hope that the Labor & Public Employees Committee will seriously consider a favorable vote on Senate Bill 151.

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