



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)**

**BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
OPPOSING**

**SB-181, AA REQUIRING THE STANDARD AND PREVAILING WAGE TO BE PAID TO CERTAIN
EMPLOYEES OF EMPLOYERS WHO RECEIVED FINANCIAL ASSISTANCE FROM STATE ECONOMIC
DEVELOPMENT ENTITIES**

**BEFORE THE
LABOR COMMITTEE
FEBRUARY 28, 2012**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut strongly opposes SB-181. This bill would require any business organization receiving financial assistance from a state economic development entity to pay the standard wage to certain employees and require the business organization's contractors to pay the prevailing wage to his or her employees. The unprecedented expansion of these requirements to private projects that have received some form of state economic development assistance would have a chilling effect on private businesses and the free market. In addition, such an expansion would only work to further curtail much needed opportunities for small contractors to bid for certain work on private projects. As it is, the current prevailing wage statute is in need of reform as it is an antiquated law that serves only to increase the cost of state and municipal public building projects by as much as 20 percent. SB-181 would only further increase costs for private projects and private entities, which is also inconsistent with such entity receiving state financial assistance. The prevailing wages rarely resemble local market conditions and such mandated wage scales have overwhelmingly favored large, urban and unionized contractors. Small and minority-owned businesses are discouraged from bidding on projects by the complex and archaic rules set forth by the requirements. The inflated wage scale requirements and significant paperwork burdens shut small employers out of the construction market for these types of projects, and SB-181 would only expand that further to include other industries including food, building, property or equipment services. Thank you for the opportunity to comment, and NFIB/Connecticut urges rejection of the bill.