



# FOUNDATION FOR FAIR CONTRACTING OF CONNECTICUT, INC.

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## SB 181 Testimony:

Senator Prague, Rep Zalaski and members of the committee thank you so much for holding a hearing on Senate Bill 181.

My name is Kimberly Glassman and I'm the Director of the Foundation for Fair Contracting of Connecticut.

The Foundation for Fair Contracting is a not-for-profit labor management organization, meaning we represent both contractors and workers. We monitor public construction projects to make sure that the contractors and workers are in compliance with Connecticut's labor laws. We pull certified payrolls to check for misclassifications, licensing issues and wage violations. And I'm going to be honest; on a public construction prevailing rate job, you have to really use a microscope to find many of those violations. The state of Connecticut makes it difficult for contractors to break the law. We do see it, unfortunately. Unscrupulous contractors have gotten pretty creative at cheating the system and flubbing their payrolls. But what's most frustrating are the hundreds upon hundreds of projects we can't see. Increasingly, public projects are being considered private. Besides schools and police stations, many big dollar projects that are funded by taxpayer dollars are deemed private. A growing number of companies and institutions are seeking funding for capital improvement projects through our quasi-public state agencies.

But on a prevailing wage project or in a standard wage facility you have transparency, not only from the open bidding process for our Connecticut contractors, but you also have transparency through the maintaining and filing of certified payrolls. And when you are talking about millions upon millions of taxpayer dollars, our state agencies, our municipalities and our residents should be able to track how that money is being spent.

Look, the prevailing wage law and the standard wage law are two great, effective laws. We are not out to reinvent the wheel. We are all in this room because our economy is hurting. I can't speak to the service industry but I would bet their unemployment numbers rival the construction industry's. The building

trades are suffering from unemployment levels of 40-50%. Now more than ever before we need to disincentive the acts of underbidding, cutting corners and cutting wages.

There is no silver bullet; the only silver bullet I know is we close our borders but unfortunately that is unconstitutional. What we can do, however, is make these laws stronger. We want responsible Connecticut contractors to be awarded more bids. And let's not forget these responsible contractors are our Connecticut employers. They Will hire Connecticut workers. It's our tax payers who are investing in our infrastructure. They want to see these jobs go to Connecticut companies and employ Connecticut workers. And when you employ a Connecticut worker, you're getting another Connecticut consumer. Ultimately we're ensuring economic stimulus. We're ensuring that those dollars remain in state.

What I think we often forget is that though the prevailing wage law and standard wage law provide family sustaining wages for men and women, they also provide a more level playing field for our job creators. Without setting standards we are opening the floodgates for out of state contractors to come in and take the work from Connecticut's small business owners.

The construction industry, the service industry are not poverty industries. These are middle class workers and right now is not the time to further weaken our middle class.

The truth is, in cases where the prevailing wage and standard wage do not apply, workers are generally paid the minimum wage, or close to it. Specific to the Construction industry, our skilled workers have been through three or four year apprenticeship programs. We are going to have a pretty tough time enrolling people into apprenticeship programs when we are turning the construction industry into poverty level, minimum wage jobs. I cannot stress enough that when the prevailing wage does not apply, the minimum wage does apply, and when standard wage does not apply, the minimum wage does apply.

Therefore, I am asking you to vote YES on both Senate Bill 181 and House Bill 5291.

Thank you so much for your time. I'm happy to answer any questions.