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**STATEMENT OF GLENN MARSHALL
REPRESENTATIVE
NEW ENGLAND REGIONAL COUNCIL OF CARPENTERS
IN SUPPORT OF RAISED BILL 1130, AN ACT MAXIMIZING JOBS FOR
STATE WORKERS BY REQUIRING PLANS OF LOCAL HIRING BY
CONSTRUCTION COMPANIES**

Senator LeBeau, Representative Perone, and members of the Commerce committee. My name is Glenn Marshall, and I am a representative of the New England Regional Council of Carpenters, and I am here today to testify in support of Raised Bill 1130, An Act Maximizing Jobs for State Workers by Requiring Plans of Local Hiring by Construction Companies.

I want to thank the chairs for raising this important issue.

Connecticut's overall unemployment rate remains stubbornly high at 8.1 %, well above the national rate of 7.7%. For the construction industry the situation is much worse. The Bureau of Labor Statistics estimates that Connecticut has lost nearly 22,000 construction jobs since 2007, roughly 30% of the industry's entire workforce. Unemployment in the construction industry reached well over 20% at the depths of the great recession and still remains in double digits for our industry.

The personal toll on Connecticut construction workers and their families has been devastating.

Prolonged unemployment in the construction industry has strained Connecticut taxpayers and businesses as well. For instance, the state's Unemployment Compensation Fund has been insolvent since 2009 due to the recession and is currently underfunded by \$630 million dollars. Companies that have survived the recession will pay assessments for another two to three years just to pay off the principal and interest on this borrowed money from the federal government. Medicaid enrollees in Connecticut have increased from a little over 530,000 in 2007 to over 712,000 in 2010. Unemployment in the construction industry doesn't account for all of this increase but it's a major contributor. Connecticut spends millions of dollars on workforce training, but we need jobs to place the people who are trained. Connecticut needs to get a better return on its investments.

Connecticut awards hundreds of millions of dollars of tax credits, tax abatements, grants, payments, loans and other forms of economic assistance each year to keep and attract businesses to our state. We need transparency. We need to make sure we maximize the return to our state economy. We need a more direct linkage between the construction jobs that are created by economic development assistance using taxpayer dollars and jobs for those same taxpayers that are footing the bill. The local hiring plan required by this legislation will bring some transparency and additional accountability for hiring Connecticut construction workers.

That is why we strongly support the intent of this legislation but suggest the following changes:

- As the bill is currently drafted, the reporting requirement applies to all state-funded projects. We recommend that it **only** apply to private businesses who are applying for state economic assistance, such as tax credits, property tax abatements, grants, payments, loans or other forms of economic assistance , totaling \$5 million or more and result in the major renovation or new construction to their facilities;
- Other areas of the country have implemented similar plans that include local hiring requirements and/or responsible employer language.

We understand that Comptroller Lembo has introduced a more comprehensive economic development transparency bill, Raised Bill 6566, An Act Concerning Transparency in Economic Assistance. Over the past eight years, the Connecticut legislature has implemented results-based accountability (RBA) in order to insure the public reaps the best return for their investment on certain initiatives, likewise, this Bill is intended to create a transparent mechanism to assess if businesses undertaking development projects using public monetary incentives are delivering the best job returns for Connecticut construction workers and the taxpaying public.