

FOUNDATION FOR FAIR CONTRACTING OF CONNECTICUT, INC.

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Commerce Committee Public Hearing March 19, 2013

Sen. Lebeau, Rep. Perone, Sen. Frantz, Rep. Lavielle, members of the Commerce Committee. My name is Kimberly Glassman. I am the Director of the Foundation for Fair Contracting. I am here to speak in support of SB 1130 "An Act Maximizing Jobs for State Workers by Requiring Plans of Local Hiring by Construction Companies" and SB 1133 "An Act Concerning Preferences for Connecticut Companies in State and Municipal Contracting".

The FFC is a non-profit organization created by labor and management in order to monitor all public works construction projects covered under the Connecticut General Statutes Section 31-53 and the Davis-Bacon Act. We accomplish this by reviewing public documents prepared and/or submitted by the owner and contractor(s). We focus on licensing, proper payment of prevailing wage rates, proper classification of workers and properly administered state apprenticeship standards.

The FFC's membership consists of a number of Building Trades unions and contractor associations, including the International Union of Painters and Allied Trades District Council 11, Sheet Metal Workers Local 38, Sheet Metal Workers Local 40, International Association of Heat and Frost Insulators & Asbestos Workers Local 33, United Union Of Roofers, Waterproofers And Allied Workers Local 9, International Union of Elevator Constructors Local 91, Bricklayers Local 1 Labor-Management Cooperation Trust and the Connecticut Ironworkers Contractors Association.

When my organization visits public projects, what we're seeing is, not a race to the bottom, but a plummet. There are plenty of versions of this scenario – an out-of-state company busses in a workforce, pays them so little that they're forced to sleep 6 or 7 to one hotel room. They receive a paycheck under the guise that they when they go to cash that check, they give a portion of the pay back to the employer. It's called a kick-back. It's a federal crime and extremely difficult to prove, mostly if the worker is too scared to come forward for fear of losing their job.

The Department of Labor's Commissioner, Sharon Palmer, has put together a working group called Chasing Cheaters. The FFC sits on this working group along with a number of other folks in this room. We have been tasked with looking at regulatory changes to help deter some of these egregious crimes from taking place in our State's construction industry. The Director of our Wage and Hour Division actually said that he wishes legislators could visit a prevailing wage job and a non-prevailing wage job to see the difference. Now I know we're not here to talk about prevailing wage, but what he said is critical to understanding the necessity of the passage of SB 1130. He said that what he sees on many construction sites throughout this state constitutes as slave labor. And how else would you describe forcing 6 men to one hotel room together, forcing them to cash their checks only to have to hand a portion of that check back to

their employer? How else would you constitute unsafe working conditions or sleeping in the back of your car on a work site? This constitutes as slave labor.

It is up to this committee to change the direction of our industry. The construction industry is a solid middle class career path, with job training, certifications, access to health insurance and secure retirement – at least that’s what it once was – and that’s what our young people entering apprenticeship programs still believe in.

I understand that our Department of Economic and Community Development has taken a lot of heat this session – some of it warranted some of it not. But there seems to be a knee jerk reaction to push back against any discussion about DECD’s unwillingness to mandate local hire for construction for those businesses that receive economic development monies. There is a knee jerk reaction to push back against any discussion about more transparency or accountability. That concerns me because I would think that DECD would embrace SB 1130. I would think that they would want the largest return on their investment by ensuring that the construction jobs created through the use of grants and tax credits actually go to CT workers who spend their pay checks back into our state’s economy. Further, I would expect DECD to embrace the notion of reporting wages and benefits so that they’re not just touting job creation, but touting family sustaining job creation- with a clear path to independence for so many working people who are still on state assistance. It is common knowledge that the construction industry acts as an indicator for our economy. Wouldn’t it then seem appropriate that DECD would look to our state’s construction industry, to the number of CT workers on sites and to the wages and benefits paid to those workers, as an indicator of how effective DECD’s grants and tax credits are for growing our state’s economy?

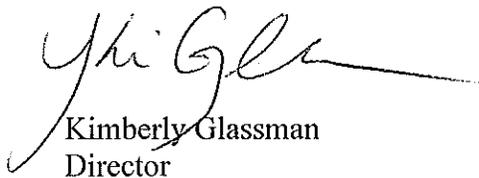
I believe that SB 1130 is good policy and I urge this committee to support this bill with some changes to the proposed language. For instance, I would like to see number 6 of the language flushed out. Proper enforcement is vital to this legislation. We want to make sure that the enforcement mechanism is not overly burdensome to any state agency. We want to make sure that the enforcement mechanism does not trigger any constitutional impediment. And we want to make sure that the enforcement mechanism is strong and specifies penalties for those who violate the law.

Please support SB 1130 “An Act Maximizing Jobs for State Workers by Requiring Plans of Local Hiring by Construction Companies”. With some changes to the language, we have an opportunity with this bill to create a level playing field for our in-state companies in the construction industry, and to create good family-sustaining jobs. Connecticut should not be in the business of subsidizing slave labor.

I also want to speak in support of SB 1133 “An Act Concerning Preferences for Connecticut Companies in State and Municipal Contracting”. This bill would give a preference to in-state companies who bid on work by adding a one half of one percent increase to the non-resident bidder. We all want to help our Connecticut based companies. The problem is everyone is also looking for the lowest, cheapest price. But we can no longer exploit our responsible companies or our Connecticut workers by perpetuating the race to the bottom – or plummet to the bottom. We need to be looking at creative ways of spurring in-state hire. And I applaud the effort of

giving municipalities this better option. The FFC supports this bill. We believe this is good policy for both business and workers. And we urge this committee to support SB 1133.

Thank you,

A handwritten signature in black ink, appearing to read "Kim Glassman", with a long horizontal flourish extending to the right.

Kimberly Glassman
Director