Foundation for Fair Contracting of Connecticut Testimony
Public HRG January 31, 2013 at 2pm in front of Labor Committee Rm. 1D

The Foundation for Fair Contracting of Connecticut (FFC) asks that the labor committee support S.B. 387, H.B. 5713 and H.B. 5756

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.

The Prevailing Wage is only applicable to public works projects, those projects that are funded by state bonding or municipal dollars. State grants, loan guarantees and tax credits do not apply. What this means is a public school renovation project is covered under our Prevailing Wage law. However, when Pfizer receives a multi-million dollar grant from the Department of Economic and Community Development (DECD) to build a new structure on their campus, that project is deemed a private project and the Prevailing Wage law does not apply.

The Standard Wage law applies only to state buildings. The cafeteria, janitorial and security staff working in our state capitol or courthouses are being paid a Standard Wage. However, when a bioscience firm receives a grant from the Connecticut Development Authority to build a laboratory, the service workers (ie the janitorial staff who keep the facility clean and the security staff who keep the facility safe) are not entitled to a Standard Wage.

What we find more often than not is, when these laws do not apply, the construction workers and service workers may only be paid the minimum wage, with no access to health insurance or secure retirement. The state and quasi-public agencies that are trying to lure companies here to create jobs are essentially perpetuating the cycle of poverty.

If there are taxpayer dollars in a project or tax payer dollars being spent to create jobs, then we believe those jobs should go to Connecticut workers, and that those workers should be paid a family sustaining wage, those workers should have access to health insurance and to a secure retirement. When business assistance dollars create a minimum wage job, we are paying twice. What we are doing is giving hedge funds like Bridgewater a $115 million tax subsidy while our state's Medicaid system is inundated and overwhelmed. We hear over and over from workers and management alike that they don't want to see their tax dollars used to subsidize companies if

the construction workers or janitors they contract with are paid so little that they end up on our state's burdened Medicaid system. There is a lot of debate nationwide over whether the act of state competing with one another through tax credits actually creates stronger local economies. It's a discussion we need to continue to have everywhere in this country, particularly here in Connecticut.

H.B. 5756 "An Act Requiring The Standard Wage Be Paid To Certain Employees Of Employers Who Received Financial Assistance From State Economic Development Entities," is about holding the companies that choose to take state assistance dollars accountable. This bill is about creating more transparency. This bill is about creating good jobs and fair wages and recreating our middle class in Connecticut. We only ask that this bill go further. We need to include more reporting mechanisms for the companies that the entities that receive business assistance contract with. We need to include claw backs so that when these companies don't contract with companies that create family sustaining jobs, the State can recoup those taxes, grant money and loans. And ultimately, we would like to see this bill go further to set wage standards on ALL jobs created from the help of economic development monies. For instance, let's look at CT Gen. Statute § 32-453, which was passed into law in 1994 and set guidelines for our Economic Development authorities so that they give money to High Performance Work Organizations (HPWO). We don't need to recreate the wheel. There are some good guidelines already in place. Those guidelines should be mandated, however, and should include wage standards and reporting mechanisms.

The reasons stated above are why we also urge you to support S.B. 387, "An Act Increasing The Minimum Fair Wage". Again, in the absence of wage standards, we see a rampant race to the bottom. We see substandard conditions that, according to our Department of Labor, mirror sweat shops. The cost of living in Connecticut is high. And our state's minimum wage does not accurately represent the cost of living here at home. At the current minimum wage of $8.25 per hour, a minimum wage worker earns just $17,160 if they work full time, 52 weeks a year – not nearly enough to support even a single person let alone any children in Connecticut, with one of the nation's highest costs of living. In fact, Connecticut's minimum wage would be $10.55 if it had been updated each year based on the Consumer Price Index since 1968. Now is the time to raise our minimum wage. We applaud this committee for taking on this critically important issue and hope that you pass this bill.

The FFC also asks that you support H.B. 5713, "An Act Concerning The Inclusion Of Labor History In The Public School Curriculum". We are proud to represent a number of the Building Trades unions and signatory contractors. However, Labor's role in history textbooks and labor's important accomplishments, which changed American life forever, are sadly misrepresented, downplayed and simply ignored. Undeniably, labor played a key role in the development of American democracy. Child labor laws, Social Security, Medicare, Medicaid, the Occupational Safety and Health Administration, Environmental Protection Agency, the 8-hour workday, weekends and sick leave… We are entitled to these. Labor has historically gone to battle, not only for their members, but for the greater good of their communities as well. This is a piece of our history that we should continually be proud of and should want to share with generations to come, with our future leaders. We must know where we came from in order to know where we're headed. The FFC urges this committee to vote in support of H.B. 5713.

Thank you.

Sincerely,

Kimberly Glassman
Director