HOME BUILDERS & REMODELERS ASSOCIATION OF CONNECTICUT, INC.
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Your Home Is Our Business

March 11, 2014

To: Senator Gary A. Holder-Winfield, Co-Chairman
Representative Peter A. Tercyak, Co-Chairman
Members of the Labor and Public Employees Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Raised Bill 5454, AAC Apprenticeship Ratios**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. Our members build between 70% and 80% of all new homes and apartments in the state each year and perform countless home improvements.

The HBRA of Connecticut strongly supports HB 5454. Many of our associate members are in the licensed trades and our builder and remodeler members routinely hire the licensed trades to help construct new homes and renovate existing homes. All of these licensed trade employers require apprentices to grow their workforce.

Current Law: CT's licensed trade hiring restrictions arbitrarily limit the growth of small companies. Under current law, after the first two journeyman and two apprentices (i.e., a 1:1 ratio), the future ratio of journeymen to apprentice hires is 3:1. That means if you have a 4 person shop (2 journeyman and 2 apprentices), you have to hire 3 journeyman before you can hire a third apprentice. This hiring restriction does not affect the work site ratio, which remains 1:1 in all cases. That is, all licensed trade work must be done by a licensed journeyman who can have, at most, one apprentice assisting the journeyman. The ratio HB 5454 addresses affects ONLY who you can hire for your company, not who can work on a job.

Problem with Current Law: In summary, the current 3:1 hiring ratio that kicks in after the first two pairs of hires increases project costs by forcing the nonunion licensed contractor to hire extra journeymen before hiring a third apprentice. If the first two pairs of journeymen and apprentices are engaged on a job, the next pair must both be journeymen even though the work site rules allow a 1:1 ratio. **This makes no sense.** In addition to raising costs, current law also contributes to manpower shortages and denies younger persons additional opportunities to learn the trades.

If you change the hiring ratio to 1:1 for the first five journeymen and five apprentices, public safety would be maintained because, again, the current work site 1:1 ratio would not be affected. We would argue that the hiring ratio should be 1:1 for all hires, but recognize HB 5454 as a compromise to allow the more cost effective and

reasonable 1:1 ratio for the first five pairs of hires. A policy that requires anything more than a 1:1 hiring ratio of journeyman to apprentice severely limits the ability of nonunion trade businesses to hire apprentices. Union shops are not affected by this restrictive hiring ratio because the union-sponsored apprentice is indentured to the union hall and not to an individual employer. The arbitrary hiring restriction directly and adversely impacts the ability of homebuilders and remodelers to engage nonunion licensed contractors on a timely basis, adversely impacts the cost of these services and, thereby, increases the cost of home building and remodeling construction projects. HB 5454 will support young workers trying to learn a trade by offering them more apprenticeship opportunities and will help to provide critically needed workers to the residential construction industry.

There is no justifiable argument for maintaining the current 3:1 hiring ratio. With respect, arguments made in the past by the Dept of Labor that it would not be able to ensure a work site 1:1 ratio if the hiring ratio is changed have no merit. The argument that, under a 1:1 hiring ratio, an apprentice cannot work if a journeyman is out sick also has no merit since apprentices are also undertaking and studying coursework and may perform other duties in the shop or elsewhere that do not require the 1:1 work site ratio for the brief time a journeyman might be out sick. Also, DOL could ensure the integrity of apprenticeship training under a 1:1 hiring ratio by simply making certain that reporting and paper trails are maintained if an apprentice moves to another sponsoring employer. That is, follow the apprentice wherever they're employed to ensure they're working under a licensed journeyman.

Throughout the residential construction industry, including both the licensed and non-licensed trades, there have been periodic shortages of skilled workers to supply the industry's needs. These shortages have a direct impact on our industry's ability to supply the housing CT desperately needs. The lack of housing supply in this state is a direct cause of our high housing prices and hampers both the willingness and ability of people to come here or stay here and, consequently, the ability of businesses to grow. The current hiring ratio restrictions are a contributing factor to our periodic workforce shortages in the licensed trades.

In conclusion, please help the licensed trade portion of the residential construction industry grow its workforce and give younger people trying to enter the licensed trades greater options to obtain quality work. We urge the state to slightly expand the practice of allowing a 1 to 1 hiring ratio of journeyman to apprentice by passing this bill. This important change will maintain current workplace safety rules and the current work site 1 journeyman to 1 apprentice ratio. It will remove a nonsensical barrier to trade contractors' ability to grow their companies or offer competitive bids on jobs. And it will help reduce the costs faced by home builders and remodelers.

Thank you for the opportunity to comment on this legislation.