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Testimony in Support of

HB 5516: An Act Adjusting the Prevailing Wage Thresholds
HB 6250: An Act Concerning Private Contributions to Public Works Projects and the Prevailing Wage Standard

Labor and Public Employees Committee
February 24, 2015

Senator Winfield, Representative Tercyak, Senator Hwang, Representative Rutigliano, and members of the Committee. Thank you for the opportunity to testify in support of legislation related to the prevailing wage.

Prevailing Wage

Before 1991, Connecticut adjusted its prevailing wage thresholds every six years. In the 24 years since then, however, the state has made no adjustments at all. Municipalities, meanwhile, have seen the cost of every one of their budget line items increase substantially. Because the inability to request bids on the open market has made the cost of certain public works projects prohibitive, many towns have chosen to defer or cancel them, and employment suffers. When projects cannot be postponed, it is taxpayers who must suffer the consequences of higher costs.

HB 5516

This bill would raise the threshold amounts for public works projects that are subject to prevailing wage laws from $400,000 to $1 million for new construction and from $100,000 to $500,000 for renovations and repairs.

HB 6250

Municipal public works projects often benefit from the generosity of private donors, which can reduce construction costs to towns and their taxpayers. Under current law, however, these donations are taken into account in calculating the cost of a project for the purpose of determining the applicability of prevailing wage. In certain cases, a private donation can actually cause a project to become subject to the prevailing wage.

HG 6250 would exempt any funding contributed by a private source from the calculation used to determine if a public works project must abide by prevailing wage laws.

Prevailing wage requirements are unfunded mandates that impose uniform regulations on 169 different towns with unique financial situations, forms of government, and priorities. Our town governments have worked hard during a very long period of economic distress to manage their finances well and to provide essential services to their residents. As a state government, we should be making every endeavor to remove obstacles from their path and to help them succeed. Given the current constraints on the state's finances, we should be particularly concerned about relieving budgetary pressure on towns and cities.