

Testimony Submitted By Suzanne Bates, Policy Director for the Yankee Institute for Public Policy to the Labor and Public Employees Committee in support of SB 114, SB 181, SB 182, HB 5073, HB 5074, HB 5076, HB 5079, HB 5516, HB 5613, and HB 6250

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The Yankee Institute for Public Policy is a Connecticut think tank that develops and advances policy solutions to promote a smart, limited government; fairness for taxpayers; and an open road to opportunity for all the people of our state.

I am here today to address several bills, all of which would change our state's current prevailing wage laws. We at the Yankee Institute believe any bill that would increase the thresholds that would trigger prevailing wage laws, or which would place a moratorium or eliminate prevailing wage laws, would be beneficial to the taxpayers of Connecticut.

I want to thank the committee for holding this public hearing, and to thank the lawmakers who introduced these bills, who clearly are listening to their constituents and to municipal leaders who struggle under all of the state mandates that are placed on them, which drive up our property taxes.

Connecticut residents pay enormously high property taxes. These taxes hurt our young families who are trying to get into homes, our seniors who are trying to stay in their homes, and everybody in between.

One of the questions we're asked at the Yankee Institute is why our taxes are so high, but our towns and state still seem unable to pay for necessary projects, like improving our roads and schools. What we tell them is that the state makes everything more expensive for itself by passing laws – like the prevailing wage laws – which put more pressure on taxpayers.

Other states have revamped their prevailing wage laws and have had some success at bringing down costs related to construction. For example, according to an Ohio Legislative Commission report, after the state exempted school construction costs from prevailing wage laws, the state saved \$487.9 million in school construction costs, or 10 percent of its overall spending. The report also states that the quality of the school construction was maintained after the exemption was enacted, and wages for workers were stable.

One of the reasons the state was able to save money on projects, while workers still received salaries similar to what they would have under prevailing wage laws, is that these state laws require onerous and burdensome paperwork and other increased costs related to compliance and oversight.

What we should be doing is spending all of our construction dollars on actual construction, not on compliance and paperwork costs.

We encourage you to pass HB 5076, which would place a three year moratorium on prevailing wage requirements for school or transportation projects. We ask you to pass HB 5073, which would increase the thresholds for prevailing wage projects to \$1 million and would index the threshold moving forward to inflation.

Our state is struggling to pay its bills. This year our debt service payments went up ten percent. As we bond for future projects, whether they be school construction projects or to fix our roads, we ask the members of this committee to keep taxpayers in mind as you decide whether to move these bills forward.

Our residents need tax relief, and these bills will help achieve that goal.