



LOCAL 478 • CONNECTICUT

INTERNATIONAL UNION OF OPERATING ENGINEERS

1965 Dixwell Avenue • Hamden, Connecticut 06514

Testimony of Nate Brown

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For the Labor and Public Employees Committee

February 24, 2015

In OPPOSITION to SB 113 An Act Exempting Certain Municipal Projects from Prevailing Wage, SB 114 An Act Increasing the Prevailing Wage Threshold for Municipal Projects, SB 182 An Act Repealing Prevailing Wage Laws, HB 5441 An Act Concerning Inflation and the Prevailing Wage; and in opposition to all bills on the February 24 Public Hearing Agenda that would in any way diminish the applicability of prevailing wage laws in Connecticut

Good Evening, Senator Winfield, Representative Tercyak and members of the Labor and Public Employees Committee. My name is Nate Brown and I am the Referral Manager and Political Director for the International Union of Operating Engineers Local 478, a labor organization that represents over 3,000 members and their families in Connecticut.

I am here this evening to testify in opposition to all proposed bills that seek to place a moratorium, modify or increase the thresholds of prevailing wage here in Connecticut. Prevailing Wage is a complex issue. The Connecticut Statute, CGS 31-53, was originally passed in 1937 to promote several public purposes:

- 1) To prevent public construction projects from destabilizing local construction markets by protecting local contractors and the resident labor force from imported contractors and/or labor, thus preserving the local wage structure.
- 2) To assure that a skilled labor force of local residents will exist to provide quality craftsmanship for local projects.
- 3) To provide employment stability in the notoriously cyclical construction industry.

Many of the proposed bills before you tonight would either eliminate prevailing wage laws, increase the thresholds that trigger applicability of prevailing wage, or place a two or three year moratorium on the use of prevailing wage. Some towns and cities claim that it inflates construction costs by up to thirty percent. That claim is false and unsupported. Some have even claimed that construction workers would benefit from its elimination because there would be more work. Again, that statement is patently false.

Who do you know that would benefit from having their wages and benefits cut?

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Workers' salaries, on most jobs, account for about 24 percent of the cost. It would be impossible to save 30 percent of a projects cost even if the workers work for free. Factors that have also not been figured into this equation are the loss to the state of income taxes on the lower pay, of sales tax from workers buying less because they make less, loss to businesses in sales from lower paid help, and increases in uncompensated medical care costs that result from people losing health benefits.

In times of economic stress, it is easy to look at eliminating programs and laws that are thought to raise costs in an effort to save money. There is a real cost in doing that, however, that is paid by real people and society in general. Changing prevailing wage laws result in increased workforce turnover, a decline in the skill base of the construction labor market, and the entry into the local market of large out of state contractors bringing in their own low paid workforce. It would also result in all construction workers in Connecticut being paid less for their labor, and put them at risk of loss of their health benefits and pensions.

In closing I speak tonight as a Connecticut construction Union representative. What that means to me is that I, like you, represent real people who are working for a better life for themselves and their families in the State of Connecticut. I was not raised to believe that the United States stood only for the ability to purchase goods and services at the lowest possible price, regardless of the cost to people and society. I was raised to believe that the United States stands for the opportunity to better yourself and your family. That the government should work for the greater good, not the bottom line. This is not the first time that the prevailing wage debate has come before your committee and the legislature, and I am sure that this will not be the last time either. Prevailing wage accomplishes what it was meant to, and always has. What has been proposed by the anti-prevailing wage folks has a very real cost for the government, the construction industry, and most of all, for the Connecticut residents both union and non-union who build these projects. Thank You.