



Connecticut Chapter

Testimony by Chris Syrek, President of
Associated Builders & Contractors of Connecticut

Before the Labor and Public Employees Committee February 24, 2015

SB 114 An Act Increasing the Prevailing Wage Thresholds for Municipal Projects

Good afternoon my name is Chris Syrek, President of the Associated Builders and Contractors of Connecticut. We are a trade association representing over 200 members and all of the entire non-union contracting industry here in our state.

I am here to voice CT ABC's position on the numerous prevailing wage bills before the committee. There are too many bills to testify on every single item, so I have provided a broad summary of some minor changes that would make the prevailing wage laws more current.

In general, Connecticut Associated Builders and Contractors support State established minimum wages (prevailing wage) for public construction projects. There are areas, however, of prevailing wage law that we find challenging - both to the employer and the employee - and believe could be changed without diluting the effectiveness of the law.

Currently, prevailing wages are not calculated as the law intended. Surveys are supposed to be done periodically averaging both union and open shop wages. Instead wages are based solely on union contracts. We support surveys to be done annually to establish an accurate and appropriate wage scale.

Also, the state mandates an increase to the prevailing wages annually on every July 1. It is very difficult for contractors to bid public projects as a result as at the bid time the amount each trade union negotiates for a raise is unknown. Non-union firms need a way to estimate the increase at the bid time. One suggestion is to establish a fixed increase instead of relying on the new union contracts to be published.

Another issue that CT ABC has been working on with the Labor Committee for a number of years is that of double jeopardy. If a GC or CM subcontracts for a portion of the work, collects all the certified prevailing wage forms from the subs, but later is notified that the sub falsified his certified prevailing wage forms and never actually paid his employees properly, the GC, even if he paid the sub in full, is still liable to make the employees whole. At the very least, CT ABC would like the DOL to notice the GC/CM when they first become aware of a possible issue with a subcontractor. There also needs to be an established paperwork or audit process, that when followed by a GC/CM, fulfills their obligation to the subcontractor and their employees.

CT ABC recommends changing the thresholds for when prevailing wage rates are in effect. Currently there are two thresholds, one at \$100,000 for project renovations and a second at \$400,000 for new construction projects. The thresholds proposed in SB 114, while perhaps not perfect, are much more reasonable and a step toward the right direction. Prevailing wage thresholds have not been updated in over 20 years, and their time is certainly due.

Another area of concern is employees performing work and paying into benefit funds don't always get the benefit of the funds. This amounts to a great deal of money as currently in 2011 benefits average over \$17.45 for the Hartford, CT area. Those funds need to be protected for the exclusive use of the employee paying into that fund. This can be achieved by requiring that all benefit funds, annuities, health insurance, etc. must be 100% vested for each and every employee, from the first dollar earned, on every prevailing wage project.

Last, we recommend that many classifications that currently exist for prevailing wage need to be broadened to allow for modern methods of blended job descriptions. Gone are the days when a worker performs work in one classification for an entire career. Construction careers currently allow workers to cross-train and broaden their talents and marketability. However, prevailing wages still use the same work classifications from years ago. Broadened classifications would simplify the reporting process and increase compliance as well.

In conclusion, CT ABC is very supportive of prevailing wage requirements, we would simply ask for small adjustments to be made to existing laws.