



The Associated Sheet Metal & Roofing Contractors of Connecticut

House Bill 5377, An Act Concerning the Prevailing Wage
Labor and Public Employees Committee
March 8, 2016

The Associated Sheet Metal & Roofing Contractors of Connecticut (ASMRCC) is an association of commercial, industrial and residential sheet metal contractors employing the skilled craftsmen of Locals #40 and #38 of the Sheet Metal, Air, Rail, and Transportation Workers International Union and also Locals #9 and #12 of the United Union of Roofers, Waterproofers, and Allied Workers. ASMRCC seeks to provide services that will enhance members' businesses, markets and profitability in all sectors of the unionized sheet metal and roofing industry in Connecticut and vicinity.

House Bill 5377 would require business organizations that receive financial assistance from the state for construction projects to abide by state prevailing wage requirements and raise the threshold amounts at which public works projects are subject to the prevailing wage requirements. In particular, section 2 of the bill would increase threshold amounts to \$4 million for new construction and \$2 million for renovation or repair.

ASMRCC supports section 1 of the bill but opposes section 2, and urges the committee to delete section 2 of the bill and approve the bill with section 1 only.

Requiring construction companies that receive state assistance to comply with prevailing wage rates would be consistent with state policy.

On the other hand, while cities and towns may claim that the current prevailing wage requirements are a significant cost driver and burden to their local budgets, the committee should reject section 2 of the bill.

Prevailing wage laws generally require workers on public works construction projects to receive the same wage and fringe benefits that are customarily paid for the same work in the town in which the construction or repair project is being undertaken. Thus, if a sheet metal worker on a private-sector job in a particular town customarily receives \$70 an hour in wages and benefits, a prevailing wage law would require a sheet metal worker on a public works construction project in the same town to be paid the same rate. The public policy is to keep government's use of low bid contracting from significantly reducing the market price of labor by establishing a standardized pay rate for these workers.

Connecticut is one of 32 states that have prevailing wage laws. The law only applies when a public works project's contract value meets or exceeds a pre-determined threshold amount. Connecticut's threshold has been \$400,000 for new construction and \$100,000 for remodeling projects since 1991.

The state should retain the current prevailing wage thresholds in order to help cities and towns maintain a capable, well-trained and ready workforce while maintaining fair competition among reputable contractors that can uphold quality workmanship standards and complete public jobs on time and within budget. Workers paid the prevailing rate are better trained in construction safety and regulatory requirements. Many such construction workers are able to have access to health insurance and a secure retirement while providing for their families. Contractors that pay the prevailing wage rate on such projects are more reliable, accountable and safer.

For additional information or any questions, please contact Michael Thompson, Executive Director of ASMRCC, at (860) 413-3188.