

**Testimony  
John Elsesser  
Town Manager  
Town of Coventry  
Before the Labor & Public Employees Committee  
March 8, 2016**

**Re: HB-5377, An Act Concerning the Prevailing Wage**

Senator Gomes, Rep. Tercyak, Sen. Hwang, Rep. Rutigliano and Members of the Labor Committee:

Thank you for the opportunity to comment in support of the provisions in HB-5377 which increase the prevailing wage thresholds to exclude small projects. We certainly appreciate the efforts of lawmakers to address this issue.

Adjusting the prevailing wage thresholds to bring them in line with increased costs associated with municipal projects will help our community stretch its capital budget further.

We appreciate the efforts of Governor Malloy and lawmakers to preserve municipal aid. Despite these efforts, however, local budgets are stretch thin and increases in the cost of providing municipal services is putting considerable strain on our local budgets and on our property taxpayers. In fact, recent data confirms that Connecticut is more dependent on property taxes than any other state in the nation.

Connecticut must provide towns with relief from unfunded mandates that drive up local costs and property tax levels. Each year, towns throughout Connecticut indicate that the prevailing wage laws are one of the biggest municipal cost drivers. The added costs associated with prevailing wage laws make it difficult to move forward with capital projects that would benefit the community and local economy. Additionally small local businesses have difficulty completing the complicated paperwork.

Unfortunately, the prevailing wage thresholds have not been adjusted since 1991 even though construction costs have increased significantly in this timeframe. As a result, the cost of small municipal projects and building maintenance are artificially inflated. The thresholds should be adjusted to reflect market realities. This will help launch more projects and ensure that needed maintenance projects are not deferred.

I am concerned, however, about the impact of the provisions in the bill which extend the prevailing wage requirements to private companies that receive state financial assistance. Given the ongoing fiscal changes facing our state and municipalities, we must refrain from adopting laws and regulations that impose costly compliance burdens on business and undermine job creation.

Thank you for the opportunity to comment in support of adjusting the prevailing wage thresholds.