



LOCAL 478 • CONNECTICUT

INTERNATIONAL UNION OF OPERATING ENGINEERS

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Testimony of Nate Brown

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For the Labor and Public Employees Committee

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Good afternoon, Senator Gomes, Representative Tercyak and distinguished 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

The following testimony of the Operating Engineers Local 478 on behalf of HB 5377 **AN ACT CONCERNING THE PREVAILING WAGE.**

Connecticut annually gives millions to businesses to retain or attract them to our state. The intent is to create job opportunities for Connecticut residents. Hopefully the DECD is looking to create at least living wage jobs, with health care and pensions, for we feel that creating jobs with livable wages and benefits should be the reason for economic development, not a byproduct of a process that subsidizes some of the country's wealthiest, most profitable corporations in their quest for a fatter bottom line. I think that this point is sometimes missed. A number of these companies do the right thing and use local workers and pay area standard wages. Many do not.

Prevailing wage is the instrument by which the over 80,000 Connecticut citizens that work in construction sustain and grow the standard of living for themselves, their families, and their communities. It puts money in the pockets of all Connecticut construction workers, union and non-union. It does that by discouraging predatory contractors from importing and exploiting low wage workers from other regions to benefit from Connecticut taxpayer dollars spent on public construction remodeling. Prevailing wage makes a critical contribution to the economy of our state and its municipalities. It allows taxpaying construction workers to work just one job, allows them to have the time to coach their children in Little League, allows them to afford health care, and at the end of their working career, to retire with dignity. Their wages represent mortgage and tuition payments, purchases at local supermarkets and hardware stores, and to donate their time and money to churches, schools, and charities and other good works. These wages help drive the state's economy and add to the state and local tax base, which ensures that future state and local construction projects will continue to be built. At a time when many corporations that build in the state are importing workers at wages our local residents cannot afford to work for, the law helps to secure local construction jobs for the residents of our communities in Connecticut. The

current failure to apply the prevailing wage to DECD projects invites corporations to bring in low cost out of state contractors to build facilities subsidized by Connecticut taxes. These contractors travel from state to state with their own workforce, providing little or no benefit to the Connecticut residents whose taxes fund these grants and loans. We feel that this is shortsighted and bad policy. Business says that prevailing wage adds cost to a project. There is also a cost imposed on the residents of the state by not having the requirements

Times change so do the needs of the economic realities of our state. However, the benefits of local construction being done by local taxpayers making area standard wages remains a continuing source of strength for the state of Connecticut, our municipalities, and the other hardworking, taxpaying residents that call Connecticut home. At a time when the economies and quality of life for communities across the state are being challenged, we urge you to expand a source of economic stability and quality of life for our citizens, our communities and our state- the well-paying jobs that local contractors provide to local residents. We urge you to require high paid CEO's and their corporations asking for state aid to be good citizens, not just use the state to enlarge their bottom line, We urge you to act favorably on HB 5377 first section of this particular bill in today's public hearing by adhering the prevailing wage section of this where the state or any agency of the state providing financial assistance pursuant to section 1 of this act be required to pay prevailing wage.

As for the second piece of the language in front of us today requiring the thresholds to climb to one million and two million as written the Operating Engineers oppose this piece of legislation. The claim by opponents that repeal of the prevailing wage laws would save up to 30 percent on public projects is factually contradicted in study after study, across the United States.

Weakening the prevailing wage law invites the growth of employers who offer neither medical coverage, nor pension benefits, thereby exacerbating the Connecticut's growing uninsured worker and retirement savings challenges. Undermining the prevailing wage law also jeopardizes the future of training and apprentice programs, which are critical to contractors seeking skilled workers who have the experience to complete a quality job, on time and on budget.

Opponents of prevailing wage won't tell you that changing the law will result in cutthroat competitiveness in contracting; increased workforce turnover; and the entry into our local markets of large of out-of-state contractors bringing in a low paid, lower skilled workforce.

Indeed, states that have chosen to eliminate their prevailing wage law have seen lower construction wages – along with a tripling of cost overruns on public works projects, an increase in construction injuries, and a larger decline in minority apprenticeship training. Those impacts are all part of the true cost equation of the State's prevailing wage law.

Times change and so do the needs and economic realities of our state. However, the far reaching benefits the prevailing wage remains on continuing source of strength for the state of Connecticut, our municipalities, and the hardworking residents who call Connecticut home.

At a time when the economies and quality of life for communities across the state are being challenged, we urge you to resist attempts to compromise one of the key sources of economic stability and quality of life for our citizens, our communities and our state – the prevailing wage law. We urge you to carefully examine the true cost equations of the state’s prevailing wage law. I want to thank you all for your time once again on this and look forward to working with on this very important issue.