

# Labor and Public Employees Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-350

**Title:** AN ACT CODIFYING PREVAILING WAGE CONTRACT RATES.

**Vote Date:** 3/10/2020

**Vote Action:** Joint Favorable

**PH Date:** 3/5/2020

**File No.:**

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### **SPONSORS OF BILL:**

Labor and Public Employees Committee

### **REASONS FOR BILL:**

To prevent fluctuating wages from adversely impacting CT construction and trade workers on public projects due to federal wage determination and processes

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

Kurt Westby, Commissioner of the Department of Labor, states that it is essential to protect the integrity of our state's prevailing wage law and that DOL supports the bill that would ensure that workers are paid the appropriate prevailing wage. Further, DOL believes that there should be adequate protections in place if there were to be changes at the federal level in determining the Davis Bacon rates.

### **NATURE AND SOURCES OF SUPPORT:**

The Associated Sheet Metal & Roofing Contractors of Connecticut (ASMRCC) supports Senate Bill 350 which would protect the construction industry from any mismanagement in U.S. DOL or any attempt to artificially drive down wages. This bill will protect CT's prevailing wage law to accept the collective bargaining agreement rates when determining prevailing rates and not be at risk of administrative delays by relying on US DOL wage postings which can be inefficient, time-consuming and prone to error.

Keith R. Brothers, Business Manager/Secretary Treasurer - CT Laborers District Council, Secretary/Treasurer - CT State Building Trades, & President - New London/Norwich Building and Construction Trades Council, represents 6,000 members and families of Laborers statewide who urge the members of this Committee support SB 350. Mr. Brothers reminds

the committee that Building Trades only get paid when the work and that they do not receive sick, vacation or personal days. Prevailing wage is the bedrock of protection for trades workers and CT has the distinction of having the highest threshold in the nation. He hopes that CT will adopt and seek more efficient ways to determine and apply prevailing wages.

Carvalho, Edward, President-MJ Daly, LLC, represents an organization that employs over 180 long-term, multi-generational employees and they support codifying prevailing wages as protections for workers. Many trades workers are leaving the state because of wages being artificially driven down, which causes families to struggle to make ends meet and causes a shortage in available trades workers. SB350 will protect our state's construction industry from mismanagement within the U.S. DOL and from any attempts to artificially drive down wages.

Champlin, Cameron - Plumbers and Pipefitters Union 777 has been involved in the construction industry for 56 years. During that time the wages and benefits included in the prevailing wage rates in Connecticut have always been the same as the collective bargaining agreement rates for construction workers. Mr. Champlin states that it makes no sense to have to conduct a survey at the taxpayers' expense when the outcome is already evident.

Davidson, Butch, Business Manager – Roofers Local 12 represents about 300 members and they strongly support SB 350 and suggest some language changes to avoid untimely or reliable wage determinations set by the US DOL. They believe that SB 350 helps keep a level playing field for all contractors bidding on covered projects.

Ferrucci, Frank, Vice President-F-F Mechanical is a mechanical contractor who employs approximately 150 plumber/pipefitters, sheet metal workers and operating engineers who supports SB 350. The current methodology for determining the prevailing wage rates for work within the State of Connecticut is inefficient and cumbersome due to the US DOL processes. This bill would eliminate the lengthy, cumbersome, inefficient steps from the process, simply by removing the intermediary. This would allow the associations and bargaining units to work directly with the Connecticut Department of Labor in a very efficient and effective way.

Robert Files is a CT resident and plumber/pipefitter who has worked in the industry for 17 years. His primary source of construction is Davis Bacon projects which allows him to make a comfortable income to provide for his family. He strongly supports SB 350.

Hunt, David, President and CEO - Berlin Steel Construction Company employs 140 CT residents and they strongly support SB 350. Untimely or reliable updates from US DOL in their wage determinations has led to administrative delays within the CT DOL and to unnecessary confusion for contractors. While the Davis-Bacon law enjoys strong bipartisan support in Congress, they are still concerned about potential changes to the methodology of how rates are determined. With massive unemployment in construction and not enough young people seeking jobs in construction industry, they are concerned of the risk of a departure from the market rates at this time.

Hunt, David, President - CT Ironworker Employers Association (CIEA) represents dozens of companies in the steel and ironworker industry in the State. CIEA supports this bill for the primary reason that it removes several inefficient and time-consuming requirements that add no value to the current process of posting the prevailing rates.

Sal Luciano, President Connecticut AFL-CIO, states that it is critically important to protect the integrity of our state's prevailing wage law. Codifying the CBA does expand prevailing wage protections into other areas or raise wages. It simply protects current practices. SB 350 will protect our state's construction industry from mismanagement within the U.S. DOL and from any attempts to artificially drive down wages. We urge the Committee to support this bill.

Mason Contractors Association of America (MCAC) employs skilled bricklayers and craftworkers and represents over 50 contractors in the state and they support Senate Bill 350 to codify in state statute what is already in practice in CT. This bill will protect the integrity of Ct prevailing wage law.

Metz, Craig-Local 478 states strong support of SB 350 which removes inefficient and time-consuming requirements that provide no added value to the current prevailing wage rates. This bill would allow the association and bargaining unit to work directly with CT DOL, which protects members and contractors.

National Electrical Contractors Association (NECA) represents electrical construction firms throughout the state who employ members of the International Brotherhood of Electrical Workers and they state support for SB 350, which will result in more efficient administration of the prevailing wage statute and reduce unnecessary confusion that arises under the existing process.

Shubert, Don - CT Construction Industries Association (CCIA) represents various sectors of the commercial construction industry in the state and they support SB 350 because it removes several inefficient and time-consuming requirements that add no value to the current process of posting the prevailing rates.

White, Jerome of Local Union 488 testifies in strong support of SB 350 because of concern about federal decisions on wage determinations and how they can affect CT's construction industry. He agrees that the proposed changes will create a more efficient method to wage rates on public projects that fall within the prevailing wage thresholds.

Various other testimonies from individuals

## **NATURE AND SOURCES OF OPPOSITION:**

Louise DiCocco, Director of Public Policy and Isabel Blank, Senior Manager, External Affairs provides testimony in opposition of SB 350 because they believe this bill reduces transparency and could drive up the cost of infrastructure construction in Connecticut which would lead to few projects and reduce the wages of workers. They are concerned with the language that will eliminate public hearings when the Department of Labor sets prevailing wage rates and the potential effects of setting prevailing wage rates based on collective bargaining agreements between two private parties. Instead of driving up the costs of public projects, they recommend repealing the prevailing wage in order to decrease costs while also increasing the amount of work available for workers. Finally, they find prevailing wage to be rooted in racist origins, specifically the Davis Bacon Act of 1931, and believe that prevailing wages is discriminatory in its effects.

Betsy Gara Executive Director Connecticut Council of Small Towns (COST) opposed SB-350 because she represents that US DOL prevailing wage rates are less expensive and maintains conformity with the prevailing wage rates on federally-funded projects in the state. Ms. Gara feels that this bill "sidesteps" this process and mandates the use of a "Union Dominance Rate" in determining prevailing wage rates. Under this proposal, prevailing wage rates are dictated by union contracts, which will significantly increase costs for state and municipal projects. Due to current economic conditions, COST urges lawmakers to increase the project thresholds that trigger prevailing wage requirements to help municipalities to stretch capital budgets for local infrastructure and construction projects.

Connecticut Conference of Municipalities (CCM) has serious concerns with SB 350 and is unaware of any current problems with prevailing wages. Their position is that this bill will drive up costs rather than reduce them. CCM asks for a detailed fiscal analysis on how this bill would affect towns and cities before passage and will continue to examine its impacts on towns and cities.

**Reported by: Sonya Jelks**

**March 25, 2020**