

SEAN SCANLON
STATE COMPTROLLER



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Testimony in support of:

SB 268: AN ACT AUTHORIZING THE COMPTROLLER TO WITHHOLD PAYMENT FOR VIOLATIONS OF THE PREVAILING WAGE STATUTES.

Senator Kushner, Representative Sanchez, Senator Sampson, Representative Weir, and other distinguished members of the Labor and Public Employees Committee:

Thank you for the opportunity to testify today in support of adding additional safeguards to ensure workers get paid correctly and on time by their employer.

This bill would simply add greater protection for workers on state-funded projects from prevailing wage violations. Right now, the Department of Labor can investigate cases when contractors cheat employees and even place stop-work orders on public projects until workers have been repaid. However, there is currently no ability for my office to withhold state payments to such contractors, allowing them to still be paid by taxpayer funds even when they are being actively investigated for a prevailing wage violation.

That's wrong, and we shouldn't reward employers who fail to follow the law with taxpayer dollars.

I first brought this concept to the legislature last year (SB 1488). The bill passed this committee, passed the Senate and unfortunately did not come up for a vote in the House before sine die. This year's proposal, while very similar structurally, makes several key changes per collaborative discussions we have had since last session.

Importantly, this bill provides contractors a final notice and window to comply prior to my office withholding funds.

While I have faith in DOL's due process, I also believe strongly that in particularly egregious cases, the state should be able to withhold state payment until the case is resolved. Importantly, the bill's language provides the DOL Commissioner and my Office discretion to determine which cases rise to that level, rather than setting a blanket requirement to halt payments during all investigations. Hopefully this language acts as a deterrent to further violations in the future. Thank you for the opportunity to testify today and I welcome any questions the committee may have.

All the best,

A handwritten signature in black ink, appearing to read "Sean Scanlon". The signature is written in a cursive, flowing style with a large initial 'S'.

Sean Scanlon

State Comptroller