

IBEW24_FAV_SB232

Uploaded by: 24, IBEW

Position: FAV

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:
CHOICE Building Trades Council — AFL-CIO
Baltimore Port Council
Baltimore Metro Council — AFL-CIO
Central MD Labor Council — AFL-CIO
Del-Mar-Va Labor Council — AFL-CIO
Maryland State - D.C. — AFL-CIO
National Safety Council



AFL-CIO-CLC

BALTIMORE, MARYLAND 21230

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DAVID W. SPRINGHAM, JR., Recording Secretary
MICHAEL J. McHALE, Financial Secretary
PETER P. DEMCHUK, Business Manager

OFFICE:
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800-348-3721
FAX: 410-536-4338

Written Testimony of

Peter Demchuk, Business Manager, IBEW LOCAL 24

Before the

Senate Finance Committee

SB 232 Procurement - Prevailing Wage – Applicability

Support

February 13, 2020

Chairman Davis and Committee Members,

Thank you for the opportunity to submit my testimony in **support** to Senate Bill 232.

For the record, my name is Peter Demchuk. I am a 40 year member, and the Business Manager, of the International Brotherhood of Electrical Workers 24 located in Baltimore. In addition, I am a lifelong resident of Maryland, residing in District 7 of Baltimore County. I represent approximately 2000 hardworking, Maryland tax paying electricians.

The work we do is not easy; it requires high skills and has a fair amount of risk. We understand this, which is why we provide extensive training and fight for quality wages, pensions, and health care.

Maryland has one of the highest monetary thresholds (\$500,000.00) in the nation for prevailing wage. Add to that amount a 50% State Funding requirement, the threshold now can be in the millions of dollars.

Maryland's Prevailing Wage laws do require, that Maryland Apprentices are employed! (In lieu of employing apprentices, contractors may make payments to the Maryland Apprenticeship Fund). That is what the state needs an opportunity for our youth to have a career without accumulating thousands of dollars of college debt. Construction in our state is struggling with availability of skilled Craftsperson. Building Trades apprenticeship programs are virtually free of charge to the apprentice and the state. These self-funded programs allow an apprentice to earn while they learn a trade.

Research on the effect of prevailing wage law on the cost of public works contract has found inconsistent and unreliable results. If prevailing wage gives an opportunity to our youth for a tax paying career it's a win in my mind. Prevailing wages used for State funded projects provide an influx of money into our communities. These projects should employ Marylanders at stabilized wage rates free of unfair bidding practices and wage competition.

We urge the Committee for a **favorable** report!

Thank you!

Sincerely,



Peter P. Demchuk
Business Manager

PPD:mgs
opeiu #2
AFL-CIO

IUOE 37_FAV_SB232

Uploaded by: 37, IUOE

Position: FAV



INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL 37

AFFILIATED WITH THE AFL-CIO
Chartered May 1, 1900

February 13, 2020

Robert A. Holsey, Jr.
*Business Manager and
Financial Secretary*

Charles E. McGee, Jr.
*President and Training
Director*

Peter A. Elmos
*Vice President and
Business Representative*

Mark F. McQuay
*Recording Secretary and
Business Representative*

Richard A. Fuller, Sr.
*Treasurer and Business
Representative*

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Auditors
Thomas I. Judge
Robert J. Pucci
Michael V. McKew

Conductor
Michael B. Funk

Guard
Jason R. Lewis

To: MD Senate - Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

From: Robert A. Holsey Jr., Business Manager
I.U.O.E. Local 37
3615 North Point Blvd.
Baltimore, MD 21222

Senate Bill 232 - Procurement Prevailing Wage Applicability

Position: Support

Chairman Davis, Honorable Delegates and Committee Members; I am writing today to ask you for a favorable report on Senate Bill 232. As you know Maryland has the highest prevailing wage threshold in the Country, along with a 50% State funding requirement. SB 232 will eliminate the 50% State funding requirement and will create a level playing field for all contractors seeking work issued by the Maryland Board of Public Works.

The International Union of Operating Engineers local 37's signatory contractors are made up of mostly small businesses that employ Maryland residents for their projects. We believe they deserve the opportunity to be competitive on these projects. Let's keep the taxpayer's dollars in the communities where State funded projects are being constructed.

I thank you for taking the time to read this correspondence and again ask you for a favorable report on this vital legislation.

Sincerely,

Robert A. Holsey Jr.
Business Manager
IUOE Local 37

IUPAT 51_FAV_SB232

Uploaded by: 51, Iupat

Position: FAV



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ONE AGENDA

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INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES, AFL-CIO DISTRICT COUNCIL NO. 51

February 13, 2020

Senate Finance Committee:

Delores G. Kelley, Chair
Brian J. Feldman, Vice Chair
Miller Senate Office Building, Room 3E
Annapolis, MD 21401

Dear Honorable Members of the House Economic Matters Committee:

I am Roxana Mejia, Director of Government Affairs of the International Union of Painters and Allied Trades District Council 51 covering the Maryland, Virginia and District of Columbia jurisdictions. I represent over 2,000 members in the finishing trades of the construction industry.

I want to thank the Committee Members for taking the time to read our SUPPORT to SB 232- Procurement Prevailing Wage Applicability.

I write to you today to urge you to vote in support of SB 232. Maryland has the highest prevailing wage threshold in the Nation. Maryland's current monetary threshold of \$500,000.00, the highest prevailing wage threshold of any State and well above the Federal Davis-Bacon threshold of \$2000.00, is then coupled with a 50% of State funding requirement creating a threshold that can be in the millions of dollars. Eliminating the percentage requirement will create a more level playing field and competitive bid process for contractors when requests for proposals are issued by the Maryland Board of Public Works. Majority of our signatory contractors are small businesses and they deserve the opportunity to be competitive on these projects. Prevailing wage requires contractors to increase local hires with registered apprentices and journeyworkers and compensate them with fair wages and fringe benefits. Our signatory Contractors pay this wages and benefits, provide health care and pension for them and their families. In addition, we participate in a helmets to hard hats that trains veterans in our industries to work in local construction projects. They are part of the Joint Apprenticeship Training Council with labor and management funding our apprenticeship programs at no cost to our apprentices and setting the gold standard for apprenticeship programs throughout the State. Prevailing wages used for State funded projects provide an influx of money into local communities and into the more rural parts of MD. Tax payer dollars need to be used to maintain the economic standard in the communities where State funded projects are being constructed. Eliminating the percentage will revitalize our local economy and provide workers and contractors the opportunity to work near their home.

Please vote favorably on bill SB 232.

Thank you

Roxana Mejia
Director of Government Affairs
IUPAT DC 51

LATE - MCA_FAV_SB232

Uploaded by: Bello, Thomas

Position: FAV



Maryland Senate – Senate Finance Committee
Chair: Senator Delores G. Kelley
Vice Chair: Senator Brian J. Feldman
Senate Bill 232- Procurement Prevailing Wage Applicability
Position: Support

The Mechanical Contractors Association of Metropolitan Washington (MCAMW) strongly supports Senate Bill 232, Procurement – Prevailing Wage- Applicability. The MCAMW is comprised of 75 mechanical contracting firms, and additionally represents 125 contractors signatory to Plumbers & Gasfitters Local Union No. 5 and Steamfitters Local Union No. 602. The contractors that embody the MCAMW employ roughly 10,000 union and non-union employees, these careers are inclusive of the skilled journey men/ women and apprentices who build and maintain the major projects and buildings throughout the state of Maryland. Additionally careers provided by the MCAMW contractors include the hired personnel needed in the front offices; project managers, estimators, dispatchers, human resource staff, finance, sales, marketing, etc.

The MCAMW and our union partners take enormous pride in our shared effort and dedication to the skilled trades. Together we train approximately 1,000 apprentices year after year while providing a self-funded training program that prepares these men and women for life long careers in the mechanical industry. Our training program ensures our apprentices are the best trained, highly skilled, knowledgeable and safest workforce in the construction industry. Without hesitation the MCAMW can proudly say that our workforce is compensated a fair wage and benefits package for the work they perform. These fair and consistent wages allow our workforce to have a better standard of living and ability to provide a modest and comfortable lifestyle for themselves and their families.

The current prevailing wage requirements established by the state of Maryland are of the highest (based on percentage funding and dollar threshold) in comparison to all other states across the United States. The high funding limit (50%) and \$500K entry point on new projects prevents the majority of our signatory contractors to even consider bidding on the projects that receive state funding. By lowering the percentage of state funding, this will allow a significant number of contractors to compete within this market space , which will allow for many more employers to provide fair wages and benefits to the skilled workforce Journeymen/women, apprentices and office personnel.

The MCAMW respectfully seeks your full support of Senate Bill 232.

Respectfully,

A handwritten signature in black ink, appearing to read "T. Bello", is written over a white rectangular area.

Thomas L. Bello
Executive Vice President
Attachment



MEMBERS



MECHANICAL
CONSTRUCTION
INC.

9103 HAMPTON OVERLOOK • CAPITOL HEIGHTS, MD 20743
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LIUNA BWLDC_FAV_SB232

Uploaded by: binetti, rick

Position: FAV



Chairwoman Delores Kelley
Vice-Chair Brian Feldman
Members
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

February 13, 2020

Senate Bill 232 – Procurement Prevailing Wage Applicability

Position – Favorable

Dear Chairwoman Kelley and Members of the Finance Committee,

The Baltimore Washington Construction & Public Employees Laborers' District, LiUNA and its 7,000 members support House Bill 582 – Procurement Prevailing Wage Applicability.

Prevailing wage laws ensure that construction workers earn a fair day's pay and benefits for a fair day's work by setting a minimum wage rate for public construction investment. Yet, Maryland's prevailing wage threshold of \$500,000 is the highest of any state in the U.S. and well above the Federal Government's threshold of \$2,000.

Leveraging MD's capital investment through Prevailing Wage strengthens local economies, saves taxpayers, and builds our middle class by ensuring workers earn family-supporting wages, healthcare and pension benefits when building our state's infrastructure.

Prevailing wage rates include investment in training and apprenticeship programs which not only provide a career path for workers but also ensure that projects are built to the highest standards of quality. In fact, the Baltimore/DC Building Trades invest more than \$21 million a year in Maryland on apprenticeship training and continuing education. All without a dime of taxpayer money or grants.

Expanding Prevailing Wage makes it more difficult for irresponsible contractors, who pay low wages and benefits when building our roads and bridges, to mismanage and mistakes, creating a workplace environment with more accidents, change orders, and cost overruns.

Construction work is dangerous and it's even more dangerous without a strong prevailing wage law. An analysis of Bureau of Labor Statistics data on worker fatalities in construction bears out that states with weak or non-existent prevailing wage laws have a much higher incidence of fatal workplace incidents.¹

(-over-)

¹ [A Weakened State: The Economic and Social Impacts of Repeal of the Prevailing Wage Law in Illinois. University of Illinois at Urbana-Champaign. https://ler.illinois.edu/wp-content/uploads/2015/01/PWL_policy-brief_spreads041.pdf](https://ler.illinois.edu/wp-content/uploads/2015/01/PWL_policy-brief_spreads041.pdf)

Lowering wages reduces on the job productivity. For example, a study of highway and bridge work in 10 states found that when high wage workers were paid double that of low-wage workers, they built 74.4 more miles of roadbed and 32.8 more miles of bridges for \$557 million less.²

The bottom line is that Prevailing Wages are good for Maryland's communities.

- Prevailing wages strengthen the overall economy by supporting good local jobs and spending from those local jobs at local businesses, such as grocery stores, malls and gas stations.
- Prevailing wages prevent government spending from driving down local wages and living standards.
- Prevailing wages maintain standards for workers from all backgrounds and enable minorities to benefit from training and apprenticeship programs that open doors to opportunity in the
- construction industry.

We urge the Committee for a favorable report on Senate Bill 232. Thank you.

Sincerely,

Rick Binetti
Legislative & Political Director
BWLDC

² [Wages, Productivity and Highway Construction Costs, CLRC, March 2004. http://www.faircontracting.org/PDFs/prevailing_wages/wages_productivity_highway.pdf](http://www.faircontracting.org/PDFs/prevailing_wages/wages_productivity_highway.pdf)

MDDCAFLCIO_FAV_SB232

Uploaded by: Edwards, Donna

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

President
Donna S. Edwards

Secretary-Treasurer
Gerald W. Jackson

SB 232 – Procurement – Prevailing Wage - Applicability
Senate Finance Committee
February 13, 2020

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Madam Chair and members of the Committee thank you for the opportunity to provide testimony in support of SB 232 – Procurement – Prevailing Wage - Applicability. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Of the 26 States that have prevailing wage laws, Maryland has the highest threshold for a public work project to qualify for prevailing wage for its workers¹. Even some “right-to-work” States have a lower threshold for prevailing wages to kick in, with Texas having no threshold, at all. This is not in line with our values in Maryland. We believe that public projects – paid for with public dollars – should value the labor of the men and women doing the work that produce these projects on time and on budget.

SB 232 eliminates the 50% State Funding threshold on all non-State public works, for a project to adhere to prevailing wage law. Prevailing wage would apply to any project over \$500,000 that receives any State funding. It would not affect the current 25% State Funding threshold for public school construction.

This small change to prevailing wage law will have a large impact on the workers, their families, and our economy. According to the Fiscal and Policy Note, it is anticipated that 225 new projects would be subject to prevailing wage law, immediately raising the wages of thousands of workers upon enactment in October of 2020. Furthermore, because these new projects are now subject to prevailing wage law, contractors must pay into the State Apprenticeship Training Fund (SATF) on these new projects, increasing apprenticeship opportunities in the construction industry.

¹ U.S. Department of Labor - www.dol.gov/agencies/whd/state/prevailing-wages

With a higher paid workforce, we can demand a higher skilled workforce. This will redound to the benefit of not only the workers, but also the taxpayers. With a better trained, highly skilled, and well compensated workforce, Maryland will receive higher quality craftsmanship in our public works. This will reduce future maintenance costs, as well as project overruns due to fixing initially shoddy workmanship. And, with a greater influx of revenue into the SATF, we can provide more resources to training the next generation of skilled tradesmen and women.

This law is good for workers, their families, our communities, and the taxpayers.

For these reasons, we ask for a favorable report on SB 232.

LATE - ACI_FAV_SB232

Uploaded by: Kirlin, Timothy

Position: FAV



POSITION: FAVORABLE

HB582 / SB232: Procurement – Prevailing Wage – Applicability

House Economic Matters Committee

Senate Finance Committee

Dear Delegates and Senators:

My name is Timothy J. Kirlin, and I write today as President & CEO American Combustion Industries, Inc. (ACI) to urge your favorable support of HB582 and SB232, eliminating the Prevailing Wage "state funding threshold."

Formed in more than 4 decades ago, ACI is a mechanical service contractor doing service and replacement of mechanical, electrical, and plumbing systems in commercial, residential and industrial facilities throughout the region.


Our workforce is both union and non-union, including 120 employees and 17 hard-working Apprentices.

We understand the importance of Prevailing Wages from the perspective of both an employer and incubator for the next generation of highly-skilled Journeymen through our world-class Apprenticeship Training program. Our work includes service and replacement of mechanical, electrical, plumbing and control projects for a number of regional government facilities, institutions, and military complexes, including National Institute of Health, St Mary's College, Johns Hopkins, University of Maryland, Army Research Lab, and a number of hotels and other commercial facilities.

Maryland's Prevailing Wage program is important because it incentivizes greater participation of Apprentices, increased wages, and overall higher construction standards and outcomes. This legislation improves the program by eliminating the "state funding threshold," which has been problematic because it is a barrier to contractors, like ACI. By eliminating the "state funding threshold," contractors like ACI are better able to bid on projects that would otherwise be prohibitive, which would increase the number of world-class Journeymen and Apprentices. In addition, down the road, we also hope that the legislature would consider lowering or eliminating the arbitrary \$500,000 threshold, which would expand opportunities to service contractors like ACI, who specialize in service and replacement projects that are often below the \$500,000 threshold. This would greatly expand the number of Journeymen and Apprentices that companies like ACI, who pay full medical and pension benefits to our people, can hire.

Thank you for your consideration. We appreciate your work, and we ask for a favorable committee report.

Sincerely,



Timothy J. Kirlin
President & CEO

LATE - JourneymenPipeFitters_FAV_SB232

Uploaded by: Loveless, Daniel

Position: FAV

Journeyman Pipe Fitters and Apprentices



Local Union No. 602

8700 ASHWOOD DRIVE • 2ND FLOOR • CAPITOL HEIGHTS, MD 20743

TELEPHONE: (301) 333-2356 • FAX: (301) 333-1730

AFFILIATED WITH AFL-CIO

POSITION: FAVORABLE

HB582 / SB232: Procurement – Prevailing Wage – Applicability

House Economic Matters Committee

Senate Finance Committee

Dear esteemed Delegates and Senators:

As Business Manager/Financial Secretary Treasurer of UA Local 602, please accept this letter in strong support of HB582 / SB232, Procurement-Prevailing Wage-Applicability, which eliminates the extremely onerous Prevailing Wage state funding threshold.

The UA Local 602 represents some 4,500 Journeymen, 1100 Apprentices, and 205 signatory Mechanical Construction and Service Contractors in the Heating, Air Conditioning, Refrigeration and Process Piping Industry throughout the Washington, DC Metropolitan area. We have an enormous economic and workforce footprint, including having performed some 7,200,000 work hours in 2019 alone. We understand how to make Maryland work, because we do it all day, each and every day.

As much as anyone, we understand the importance of the federal Davis-Bacon and state Prevailing Wage programs, which are critical to the training and development of skilled Apprentices, Journeymen, and the standards of construction excellence in building world-class infrastructure and economic growth. To those ends, this legislation is critically important.

Among states that participate in the Prevailing Wage programs, Maryland has the single highest dollar threshold at \$500,000, and the additional trigger of precluding Prevailing Wages if state funding is utilized. These two criteria challenge our small and medium size signatory contractors, which in turn, limits our participation in these projects and the participation and growth of our world-class Apprenticeship programs. As a necessary first step in improving and expanding participation in these workforce opportunities, UA Local 602 strongly supports this legislation, addressing one of these two challenges: the state funding threshold. Doing so will expand the number of highly-trained Apprentices, and increase the overall economic footprint of our small and medium size contractors.

For these reasons, we ask for a favorable committee report.

Thank you for your consideration, and for your support for the working men and women of UA Local 602.

Respectfully yours,

Daniel W Loveless, Business Manager/
Financial Security Treasurer

DANIEL W. LOVELESS
BUSINESS MANAGER
FINANCIAL SECRETARY TREASURER

CHRISTOPHER M. MADELLO
ASSISTANT
BUSINESS MANAGER

SEAN T. STRASER
BUSINESS AGENT

GREGORY L. DAVIS
BUSINESS AGENT

SIDNEY O. BONILLA
BUSINESS AGENT

TIMOTHY L. BIGGS
BUSINESS AGENT

ASASP_FAV_SB232

Uploaded by: MD, ASASP

Position: FAV



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Testimony of
Association of Supervisory and Administrative
School Personnel
In
Support of HB 232
Procurement Prevailing Wage Applicability
Before The
Finance Committee

Chair : Delores G. Kelley
Vice Chair: Brian J. Feldman
February 13, 2020

Position: Support

PRESIDENT
Jeffery J. Parker
EXECUTIVE DIRECTOR
Doris A. Reed
ASST. EXECUTIVE DIRECTOR
Hugh M. Weathers



AFL-CIO, Local 109



Mr. Chairman and Members of the Committee, this testimony is being submitted on behalf of the Association of Supervisory and Administrative School Personnel (ASASP) expressing our support for SB Bill 232- Procurement Prevailing Wage Applicability.

As an organization that advocates for worker's rights, better jobs, better wages, and better contracts. We firmly support this legislative initiative that would attempt to improve a process that would provide more opportunities for small business contractors. This initiative is essential if the state of Maryland expects more local small business participation in their procurement process. Smaller businesses/contractors have a right to participate in a fair process and the State should have the responsibility to ensure that a fair process is created.

The State of Maryland has the highest prevailing wage threshold in the Nation and with a requirement of 50% State funding, it can become very costly and most likely impossible for the average small business owner/contractor to participate in the Maryland Board of Public Works request for proposal process. The lack of our local small business participation has a ripple effect on our local communities and economy.

- If local contractors cannot afford to bid for the contracts that causes less job opportunities for the men and women who live in these communities.
- If fewer jobs are being created in the community then less revenue is being generated and our local economy suffers.
- If our local economy is not doing well that negatively impacts everything.

The only way we can expect small businesses to be able to prosper in today's society is by leveling the playing field and providing some assurances. By eliminating the percentage requirement, you will help to remove a potential roadblock for small business owners /contractors and potentially provide many communities the opportunity to thrive.

The Association of Supervisory and Administrative School Personnel adamantly urges the committee to support Senate Bill 232.

Thank you.

Estime Enterprises_FAV_SB232

Uploaded by: MD, ESTIME

Position: FAV



Maryland Senate – Finance Committee
Chair: Delores G. Kelley
Vice Chair: Brian J. Feldman

Senate Bill 232 – Procurement Prevailing Wage Applicability

Position: Support

Estime Enterprises, Inc is a certified MBE formed in 1996. We are located in Lanham, MD, and we are a Signatory Contractor to the local Carpenter’s Union. As a MBE based in the state of Maryland, the Carpenters Union provides me with the skilled workers that I need to complete large and small projects. As a business owner, I have dozens of things to manage on a day to day basis. Finding skilled workers is not one of the concerns I have as a business owner. With a simply telephone call I can have dozens of skilled workers at a job site in a day. Access to a pool of skilled employees puts me on a level playing field with larger companies.

Lowering the prevailing wage threshold to \$500,000, would allow us the ability to competitively compete for many state funded projects that we currently would not pursue because we would not be competitive. Often, we notice some projects in our county that would be a great fit for us, but we don’t pursue them because that lack the prevailing wage requirement. To find state funded prevailing wage projects, we often have to travel to long distances away from our office. This puts us at a disadvantage to because of the added travel cost. If we are able to pursue more projects that are closer to our office we would be more competitive and hire more local residents.

In areas of the state that have higher cost of living such as Prince George’s County, we could provide more apprenticeship opportunities to young men and women. Thereby, increasing the number of skilled workers in our county.

In closing, I We urge the Committee for a favorable report. Thank you.

IWEA_FAV_SB232

Uploaded by: MD, IWIA

Position: FAV

Maryland Senate - Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 232 - SUPPORT

Procurement - Prevailing Wage -Applicability

Iron Workers Employers Association

Fred H. Coddling

I am Fred Coddling and I represent the Iron Workers Employers Association whose Membership includes companies that perform work throughout Maryland. These companies have offices and projects throughout Maryland and employ substantial numbers of Maryland residents.

They strongly support SB 232.

Members of the Iron Workers Employers Association supply and install reinforcing steel, structural steel, window wall, curtainwall and related products on their projects throughout Maryland. Further, these companies provide major financial support for training residents to become skilled tradesmen. These training programs lead to great careers for Maryland youth. These companies also provide management representatives to serve as Trustees on apprentice and other programs. Those representatives donate their time for their service as Trustees.

We ask for your support of SB 232.

MCA MD_FAV_SB232

Uploaded by: md, mca

Position: FAV



February 13, 2020

Maryland Senate - Finance Committee
Chair: Delores G. Kelley
Vice Chair: Brian J. Feldman

Reference: **Senate Bill 232 – Procurement Prevailing Wage Applicability**

Position: Support

Established in 1927, the Mechanical Contractors Association of Maryland (MCA-MD) is the premier local trade association for responsible, law-abiding contractors in the plumbing, HVAC and steam-fitting industry fields. MCA-MD supports SB 232.

Maryland's current prevailing wage monetary threshold of \$500,000 is the highest in the Nation, and substantially above the Federal Davis-Bacon threshold. When combined with a 50% of State funding requirement, it can effectively create a threshold well into the millions of dollars. By reducing or eliminating the percentage requirement the bid process will eventually become more robust, which would enhance the return on value to the hardworking taxpayers of our community as requests for proposals are issued by the Board of Public Works.

Although MCA-MD has multinational and middle market contractors as members, the heart and soul of our organization and membership are small businesses. These hardworking small business women and men- the fabric of our community and local economy- should be afforded the opportunity to compete for these projects. In prevailing wage projects, contractors must employ registered apprentices and journeypersons that receive fair wages with defined pensions and no pre-existing condition health insurance coverage. Additionally, these small business owners are part of and help underwrite the Joint Apprenticeship Training Council (JATC), which provides world-class, high-skilled training to apprentices across the state at no cost to the apprentices or taxpayers.

State-funded prevailing wages bolster the economic vibrancy of communities across Maryland, and afford working families the opportunity to be employed in their neighborhoods rather than commute great distances for a paycheck.

We respectfully urge this Committee to issue a favorable report.

Thank you.

Charles Daniel,
Executive Vice President

SMACNA_FAV_SB232

Uploaded by: MD, SMACNA

Position: FAV

Public Hearing
SB 232 – Prevailing Wage – Procurement Prevailing Wage Applicability
February 13, 2020
Bernard D. Brill

Sheet Metal and Air Conditioning Contractors' Association Mid-Atlantic Chapter
Greenbelt, Maryland

The Sheet Metal and Air Conditioning Contractors Association – Mid-Atlantic Chapter (SMACNA) located in Greenbelt, Maryland supports SB 232. Our organization represent some 60 firms representing more than 2, 000 workers who do work in all parts of the state and are responsible for helping to build much of Maryland's infrastructure.

Prevailing Wage is key to maintaining a highly educated trained and skilled workforce in Maryland. Prevailing Wage also provides tangible benefits to every Maryland community in the form of employment opportunities, a strong tax base, and making the state an attractive place to live and work. Business owners need to know that they can take on work that will allow them to fairly compensate their workers, cover their overhead, pay taxes, and yes, make a profit.

In eliminating the percentage requirement, it will create a more level and competitive bid process for contractors when requests for proposals are issued by the Maryland Board of Public Works. The majority of our contractors are small businesses with many being five to 10 person shops.

By offering good wages and benefits, employers are able to attract workers, establish and maintain apprenticeship programs, employ effective safety programs, and in the end save the state money.

The prevailing wage program ensures that workers will receive the training necessary to perform the tasks needed to safely and successfully build hospitals, sports arenas, museums, colleges and universities.

Prevailing wage requires contractors to employ registered apprentices and journeypersons that are compensated with fair wages and fringe benefits that include defined pensions and health insurance for themselves and their families with no pre-existing conditions. They are also part of the Joint Apprenticeship Training Council with labor and management funding our apprenticeship programs at no cost to our apprentices and setting the gold standard for apprenticeship programs throughout the State.

No time has it been more important for our state to re-invest in our infrastructure by repairing and rebuilding our airports, roads, bridges, railroads, and other key facilities needed to maintain the important services we all depend upon. Without the contractors and skilled workers supported by Prevailing Wage Laws who will do this work?

The Sheet Metal and Air Conditioning Contractors Mid-Atlantic Chapter encourages the committee to issue a favorable vote on Senate Bill 232.

For more information or questions, please contact Bernard Brill, SMACNA Mid-Atlantic Chapter, 7833 Walker Dr., Suite 640, Greenbelt, MD. Ph: 301/446-0002 x 101 or email Bernie@smacnaatl.org.



MCAMW_FAV_SB232

Uploaded by: MW, MCA

Position: FAV



of Metropolitan Washington

Maryland Senate - Finance Committee
Chair: Delores G. Kelley
Vice Chair: Brian J. Feldman
Senate Bill 232- Procurement Prevailing Wage Applicability
Position: Support

The Mechanical Contractors Association of Metropolitan Washington (MCAMW) strongly supports Senate Bill 232, Procurement – Prevailing Wage- Applicability. The MCAMW is comprised of 75 mechanical contracting firms, and additionally represents 125 contractors signatory to Plumbers & Gasfitters Local Union No. 5 and Steamfitters Local Union No. 602. The contractors that embody the MCAMW employ roughly 10,000 union and non-union employees, these careers are inclusive of the skilled journey men/ women and apprentices who build and maintain the major projects and buildings throughout the state of Maryland. Additionally careers provided by the MCAMW contractors include the hired personnel needed in the front offices; project managers, estimators, dispatchers, human resource staff, finance, sales, marketing, etc.

The MCAMW and our union partners take enormous pride in our shared effort and dedication to the skilled trades. Together we train approximately 1,000 apprentices year after year while providing a self-funded training program that prepares these men and women for life long careers in the mechanical industry. Our training program ensures our apprentices are the best trained, highly skilled, knowledgeable and safest workforce in the construction industry. Without hesitation the MCAMW can proudly say that our workforce is compensated a fair wage and benefits package for the work they perform. These fair and consistent wages allow our workforce to have a better standard of living and ability to provide a modest and comfortable lifestyle for themselves and their families.

The current prevailing wage requirements established by the state of Maryland are of the highest (based on percentage funding and dollar threshold) in comparison to all other states across the United States. The high funding limit (50%) and \$500K entry point on new projects prevents the majority of our signatory contractors to even consider bidding on the projects that receive state funding. By lowering the percentage of state funding, this will allow a significant number of contractors to compete within this market space , which will allow for many more employers to provide fair wages and benefits to the skilled workforce Journeymen/women, apprentices and office personnel.

The MCAMW respectfully seeks your full support of Senate Bill 232.

Respectfully,

A handwritten signature in black ink, appearing to read "T. Bello", is written over a horizontal line.

Thomas L. Bello
Executive Vice President
Attachment

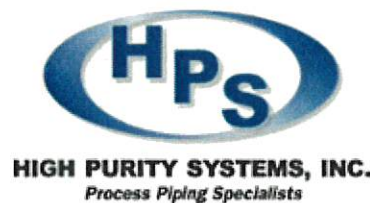


MEMBERS





First Call Plumbing, Inc.









LATE - BaltimoreCounty_FAV_SB232

Uploaded by: Olszewski, Jr., John

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

CHARLES R. CONNER III, ESQ.
Chief Legislative Officer

KIMBERLY S. ROUTSON
Deputy Legislative Officer

JOEL N. BELLER
Assistant Legislative Officer

BILL NO.: **SB 232**
TITLE: Procurement – Prevailing Wage -Applicability
SPONSOR: Senator Benson
COMMITTEE: Finance
POSITION: **SUPPORT**
DATE: February 13, 2020

Baltimore County **SUPPORTS** Senate Bill 232 – Procurement – Prevailing Wage - Applicability. This proposed legislation repeals a limitation on the applicability of the Prevailing Wage Law to the construction of a public work by revising certain definitions in the current law.

A strong organized labor force is the cornerstone of a strong state. County Executive Olszewski is acutely aware of labor's importance in Baltimore County. He, like many other Marylanders, grew up in the shadow of the Bethlehem Steel Mill and was embedded in a community that thrived because of strong unions. Now, as many Baltimore County neighborhoods are growing economically, it is essential to ensure our laborers receive a fair wage and fair treatment.

To create new communities and revitalize old ones in Baltimore County, it is essential to protect the jobs created in the construction of public works. SB 232 is an investment in the hardworking people that form the backbone of strong communities.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 232. For more information, please contact Chuck Conner, Chief Legislative Officer, at 443-900-6582.

Senator Joanne Benson_FAV_SB232

Uploaded by: Senator Benson, Senator Benson

Position: FAV

JOANNE C. BENSON
Legislative District 24
Prince George's County

Finance Committee
Chair, Rules Committee

Joint Committees

Children, Youth, and Families
Ending Homelessness
Fair Practices and State Personnel Oversight
Management of Public Funds

Chair, Prince George's County
Senate Delegation



James Senate Office Building
11 Bladen Street, Room 214
Annapolis, Maryland 21401
301-858-3148 · 410-841-3148
800-492-7122 Ext. 3148
Fax 301-858-3149 · 410-841-3149
Joanne.Benson@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Joanne C. Benson
SB 232 Procurement- Prevailing Wage-Applicability**

Good afternoon Madame Chair and esteemed Members of the Finance Committee. SB 232: Procurement-Prevailing Wage-Applicability seeks to alter how we determine when a public works project is covered by the prevailing wage law. Maryland's prevailing wage law regulates the hours of labor, rates of pay, conditions of employment, obligations of employers and duties of certain public officials under contracts and subcontracts for public works in Maryland. This law ensures that the local wages are stabilized in an effort to prevent unfair bidding practices and wage competition. Currently, the prevailing wage law applies to a public work project valued at \$500,000 or more if either:

- The State or an instrumentality of the State is the contracting body and there is any State funding for the project; or
- The contracting public body is a county, municipal, agency, person and the State funds 50% or more of the project; or
- A political subdivision is the contracting for the construction of an elementary or secondary school and 25% or more of the money is used is State money.

According to the U.S. Department of Labor, Maryland has one of the highest thresholds for prevailing wage laws. Only Connecticut surpasses our threshold. In fact, there are currently 24 states that pay the prevailing wage for projects valued at less than \$300,000. Some states like New York and Massachusetts don't have a dollar amount threshold at all while California for example, only has a \$1,000 threshold. Thus, in an effort to establish a uniform threshold for prevailing wage laws in Maryland SB 232 would eliminate the 50% of state funds requirement. Privately funded projects and school buildings would be excluded in this bill.

Maryland first adopted a prevailing wage law in 1945 however it only applied to road projects in Western Maryland. In 1969, the law was amended to include State public work contracts of \$500,000 or more. The prevailing wage law has consistently been revised since its inception. Several years ago, a similar bill sponsored by then Delegate Olzsewski Jr., now the County Executive of Baltimore County, passed the Economic Matters Committee and the House.

Maryland's Prevailing Wage Law is important as it incentivizes greater participation of apprentices, increases wages for workers, and establishes higher construction standards. However, the 50% state funding threshold presents numerous barriers to contractors including limiting the number of contractors who can bid and forces highly skilled workers to seek better opportunities in D.C. and other surrounding states that have lower thresholds.

By eliminating the state funding threshold, SB 232 will grant small contractors a better opportunity to be able to bid for public work projects, expand the number of apprenticeships within the State, and return revenue back into the community.

Thus, I urge the committee for a favorable report for SB 232.

MACo_UNF_SB232

Uploaded by: Jabin, Drew

Position: UNF



Senate Bill 232

Procurement – Prevailing Wage - Applicability

MACo Position: **OPPOSE**

To: Finance Committee

Date: February 13, 2020

From: Drew Jabin

The Maryland Association of Counties (MACo) **OPPOSES** SB 232. This bill would extend the application of the State’s prevailing wage law to projects where any amount, even the smallest share, of funds are from the State. Imposing such a mandate could prove costly and burdensome, and ignores regional market variations.

The bill requires county work projects that are funded using **any** State funds to pay workers the prevailing wage. Currently, the State’s sensible rule is that the “majority partner” of a project applies such rules. Therefore, projects are subject to the prevailing wage rate when at least 50% of the money used for construction is State money.

Applying the statewide prevailing wage laws applies one standard, regardless of the region of the state, and its own conditions. Since the state’s prevailing wage does not adjust for regional cost of living differences, this would result in a Baltimore-centered analysis applying in rural areas where actual market costs are far less. Locally-adopted prevailing wage programs in multiple jurisdictions, tailored to community needs, would be discarded by SB 232 at the first hint of any state support.

While various studies contest the exact differential, project costs rise under prevailing wage – especially when the statewide system is enforced. Jurisdictions requesting parallel bids on borderline projects where the state law’s application was unclear have demonstrated a meaningful differential – frequently 10-20%. The SB 232 fiscal note advises that there has been a dramatic rise in projects subject to prevailing wage over recent years, with over 1,100 projects in Fiscal Year 2019.

SB 232 would significantly increase total project costs for counties across Maryland and potentially result in fewer local projects being funded each year. For these reasons, MACo urges the committee to issue an **UNFAVORABLE** report on SB 232.

MarylandAsphalt_UNF_SB232

Uploaded by: Klinefelter, Marshall

Position: UNF

CHAIRMAN:
Rob Scrivener
VICE CHAIRMAN
Brian Russell

MARYLAND ASPHALT ASSOCIATION



SECRETARY:
David Slaughter
TREASURER:
Jeff Graf
PRESIDENT:
G. Marshall Klinefelter

February 13, 2020

Senator Delores G. Kelley, Chair
Finance Committee
3 East Miller Office Building
11 Bladen Street
Annapolis, Maryland 21401

OPPOSE

Re: **SENATE BILL 232 – PROCUREMENT – PREVAILING WAGE – APPLICABILITY.**

Dear Chairwoman Kelley and Committee Members:

The Maryland Asphalt Association is comprised of 18 producer members representing more than 47 production facilities, 21 contractor members, 24 consulting engineer firms and 39 other associate members. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

SB 232 would change the applicability of the Prevailing Wage Law for construction jobs from 50% or more to "in whole or in part." This would effectively require every construction project funded by the State to use a prevailing wage. Labor costs account for near one-third of all construction costs. As a result of this bill, a project's overall costs would increase significantly, as would project delays due to the paperwork that is required under the Law. Furthermore, contractors do not have the resources to audit the smaller companies to see the wages they are paying. This legislation would have a negative impact on the State and in turn, our businesses and the citizens of Maryland who have to foot these additional expenses.

We appreciate you taking the time to address this important issue and we respectfully urge an unfavorable report on Senate Bill 232.

Thank you,

A handwritten signature in black ink that reads "Marshall Klinefelter".

Marshall Klinefelter
President
Maryland Asphalt Association

Prevailing Wage Applicability - SB232 (2020)

Uploaded by: O'HALLORAN, MIKE

Position: UNF



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: February 13, 2020

RE: **OPPOSE SENATE BILL 232** – Procurement – Prevailing Wage - Applicability

On behalf of Maryland’s small businesses, NFIB-Maryland opposes Senate Bill 232 – legislation that would require non-State public work projects, other than public schools, that are funded with any State dollars to pay workers the prevailing wage.

Our members, specifically those in the trades are concerned about how such a change could impact their ability to bid on public works contracts. The current prevailing wage law allows some room for small contractors and subcontractors to compete.

The State’s prevailing wage requirements are cumbersome and costly. What’s more, the penalty provisions can be devastating to a small contractor who may innocently misclassify an employee for example.

It is those ancillary costs which would now apply to many more projects under SB232 are the reason **NFIB must oppose SB232** and requests an unfavorable report.

MTBMA_UNF_SB232

Uploaded by: Sakata, Michael

Position: UNF



MTBMA
MARYLAND TRANSPORTATION BUILDERS
AND MATERIALS ASSOCIATION

February 13, 2020

Senator Delores G. Kelley, Chair
Finance Committee
3 East Miller Office Building
11 Bladen Street
Annapolis, Maryland 21401

OPPOSE

Re: **SENATE BILL 232 – PROCUREMENT – PREVAILING WAGE –
APPLICABILITY.**

Dear Chairwoman Kelley and Committee Members:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials.

SB 232 would change the applicability of the Prevailing Wage Law for construction jobs from 50% or more to “in whole or in part.” This would effectively require every construction project funded by the State to use a prevailing wage. Labor costs account for near one-third of all construction costs. As a result of this bill, a project’s overall costs would increase significantly, as would project delays due to the paperwork that is required under the Law. Furthermore, contractors do not have the resources to audit the smaller companies to see the wages they are paying. This legislation would have a negative impact on the State and in turn, our businesses and the citizens of Maryland who have to foot these additional expenses.

We appreciate you taking the time to address this important issue and we respectfully urge an unfavorable report on Senate Bill 232.

Thank you,

Michael A Sakata

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association