



Chairman Dereck Davis  
Vice-Chair Dumais  
Members  
House Economic Matters Committee  
241 House Office Building  
Annapolis, MD 21401

February 4, 2021

**House Bill 20 – MD Stadium Authority - Applicability of Prevailing Wage**

**Position – Favorable**

Dear Chairman Davis and Members of the Economic Matters Committee,

The Baltimore Washington Construction & Public Employees Laborers' District, LiUNA and its 7,000 members living in Maryland support House Bill 40.

Prevailing wage are tools that government can use to help incentivize construction companies awarded infrastructure construction contracts to pay local workers family sustaining wages, provide family sustaining health insurance, and partner in quality apprenticeship training programs. Moreover, legislative tools like prevailing wage ensure capital investments have a direct, positive impact on the state and county economies alike.

Prevailing wage is a proven and effective tool in construction workforce development in the United States throughout cities, counties and at least 20 states, including Maryland. It does the same on all federally funded construction projects. Local jurisdictions like Baltimore City, Montgomery, Prince Georges, Allegany and Charles Counties already utilize prevailing wage to help the construction sector invest in apprenticeship training across all the building trades.

Recently, Baltimore County has even seen the wisdom of these policies, passing its own version of prevailing wage that is estimated to help create approximately 850 jobs and \$65 million in additional income throughout the County's construction and local economies, bringing in at least \$6 million in additional tax revenue over the next five fiscal years.

Yet, Maryland has set up multiple ways to get around the state's clear policy decision, enabling the use of state capital funds without having to pay prevailing wage. Using the Maryland Stadium Authority to oversee state-funded construction projects is one of them. This is on top of having the highest prevailing wage threshold of any state in the U.S., including percentage thresholds for the use of state funds on local projects.

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.<sup>1</sup>

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<sup>1</sup> 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.<sup>2</sup>

The bottom line is that prevailing wage is beneficial to both workers and contractors, because on public projects, it removes downward pressure on wages by requiring all contractors to pay the same rate of pay to create meaningful employment and careers – with the wages and healthcare resources a worker can raise a family on – not just a job.

**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 incentivize state and local contractors to participate in state and federally approved apprenticeship training programs, promoting the concept of “earn while you learn” for thousands of Marylanders who will not go to college.
- 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 House Bill 20. Thank you.

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<sup>2</sup> <sup>2</sup> 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)