



MARYLAND STATE & D.C. AFL-CIO

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HB 37 – Procurement – Prevailing Wage - Applicability House Economic Matters Committee January 28, 2021

SUPPORT

**Donna S. Edwards
President
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Chairman Davis and members of the Committee thank you for the opportunity to provide testimony in support of HB 37 – 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 tax-payers’ dollars – should value the labor of the men and women doing the work that produce these projects on time and on budget.

HB 37 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 \$250,000 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 a similar bill last year, it was anticipated that 225 new projects would be subject to prevailing wage law, immediately raising the wages of thousands of workers upon enactment. 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. Moreover, construction workers have been deemed as “essential workers” during the COVID-19 pandemic, and, therefore, deserve the respect and appreciation that we can provide for them through better wages through expanding Prevailing Wage.

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

For these reasons, we ask for a favorable report on HB 37.