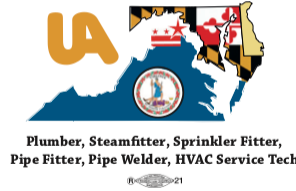


Jason Ascher - SB 35 Testimony copy.pdf

Uploaded by: Ascher, Jason

Position: FAV

Mid Atlantic Pipe Trades Association



Maryland Senate – Finance Committee

TO: Senator Delores Kelley, Chair; Senator Brian Feldman, Vice Chair; and Members of the Committee.

FROM: Jason Ascher, Political Director – Mid-Atlantic Pipe Trades Association

Support SB 35 – Procurement Prevailing Wage Applicability

On behalf of the Mid-Atlantic Pipe Trades Association and its over fourteen thousand members and families from the United Association Locals across the state, I ask that you SUPPORT SB 35.

Prevailing Wage ends the race to the bottom on wages for public construction projects. It ensures that all contractors bidding for public works projects have to pay the same wages and benefits to win the bid. It also gives small and mid-sized contractors the opportunity to bid on public works projects.

At the moment Maryland has one of, if not the highest thresholds for prevailing wage in the country. This extremely high threshold limits the number of projects done under prevailing wage rates. The effect of this is that low-road contractors, whose wage theft practices cost the state and local governments tax dollars each year, to win bids. Lowering the threshold from \$500,000 to \$250,000 of state money as well as dropping the percentage of state money from 50% to 0% would go a long way to keep these bad actors off projects and give small and medium-sized contractors a better chance of winning a bid. This helps locally owned businesses and local workers better their lives and their communities.

For the reasons listed above, I ask that you SUPPORT SB 35 with a favorable report.

Sincerely,
Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association
7050 Oakland Mills Road, Suite 180
Columbia, MD 21046

SB035_MCAMW_Support.pdf

Uploaded by: Bello, Thomas

Position: FAV



Maryland Senate
Senate Bill 035- Procurement Prevailing Wage Applicability
Position: **Support**

The Mechanical Contractors Association of Metropolitan Washington (MCAMW) strongly supports Senate Bill 035, 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 monetary threshold to \$250,000 and eliminating 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 in our industry.

The MCAMW respectfully seeks your full support of Senate Bill 035.

Respectfully,

A handwritten signature in black ink, appearing to read "T. Bello", with a long horizontal line extending to the right.

Thomas L Bello
Executive Vice President



MEMBERS





First Call Plumbing, Inc.



703-354-2471 Alexandria, VA







BOWERS



Binetti (LiUNA BWLDC) Testimony SB35 Support .pdf

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

January 28, 2021

Senate Bill 35 – 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 living in Maryland support Senate Bill 35.

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 enable contractors to more easily investment in training and apprenticeship programs because it is built into the hour wage. This not only helps 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 an extra dime of taxpayer money or grants.

Prevailing wage also helps small and local contractors compete on a level playing field against larger companies because it creates a standard floor for wages. And at the same time makes it more difficult for irresponsible contractors who drive construction worker wages down when building our roads and bridges.

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

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 35. 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

2021 SB 35 Prevailing Wage.pdf

Uploaded by: Brill, Bernard

Position: FAV

Public Hearing
SB - 035 – Prevailing Wage – Procurement Prevailing Wage Applicability
January 28, 2021
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 035**. 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 035.

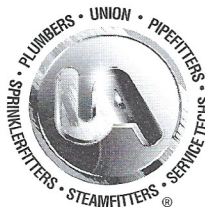
For more information or questions, please contact Bernard Brill, SMACNA Mid-Atlantic Chapter, 7833 Walker Dr., Suite 640, Greenbelt, MD. Ph: 301/446-0002 x 101 or email Bernie@smacnaatl.org.



Broadrick SB 35 Testimony.pdf

Uploaded by: Broadrick, Shawn

Position: FAV



UNITED ASSOCIATION

of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of
the United States and Canada

Founded 1889

SHAWN BROADRICK
International Representative
735 Mashie Court
Arnold, MD 21012
Phone: (713) 542-7648
Fax: (410) 267-0384
e-mail: sbroadrick@uanet.org

General Office File Reference:

RE: Senate Bill 35

Chairwoman Dolores Kelley and Members of Finance Committee,

My name is Shawn Broadrick, International Representative of the United Association of Plumbers, Steamfitters, Sprinkler Fitters & HVAC Service Techs assigned to Maryland representing over 13,000 members in the state.

Construction is a fiercely competitive industry characterized by slim profit margins and many elements that destabilizes the industry and incentivizes a race to the bottom that disadvantages law abiding contractors. The industry is comprised largely of numerous small to medium sized companies that often operate beyond the view of state regulators. It is a lucrative industry for unscrupulous contractors who exploit workers.

The prevailing wage law is one deterrent to protect against these circumstances because it requires all project bidders to "play on a level playing field" in labor and construction cost. Companies are relieved of the pressure to lower wages or eliminate benefits to gain competitive advantage. The industry is stabilized so that labor costs are removed from the bidding equation and contractors are forced to compete by other means of cost efficiencies with higher skilled and more productive workforce.

Prevailing wage standard protects both the living standards of construction workers and the competitiveness of companies bidding against transient contractors that will migrate into low bid a project. Adequate income is needed in today's consumer economy to buy goods and services the economy produces. Paying prevailing wages can counter economies that stagnate and essentially provide a stimulus for construction workers and their families.

Prevailing wage standards on public works projects help stabilize wage rates in the construction industry and promote recruiting in the industry and training workers thereby maintaining a strong long term supply of skilled labor. Therefore, on behalf of the 13,000 members of the United Association and their families, I **support** Senate Bill 35.

Sincerely,

Shawn Broadrick

International Representative Assigned to Delaware, Maryland, District of Columbia, Virginia and United States for Fire Sprinkler Industry

United Association of Journeymen and Apprentices of the
Plumbing and Pipefitting Industry United States and Canada

Mark McManus
General President

Patrick H. Kellett
General Secretary-Treasurer

Michael A. Pleasant
Assistant General President

IWEA - FHC Procurement - Prevailing Wage MD SB 035

Uploaded by: Coddling, Fred

Position: FAV

Maryland Senate - Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 035 - SUPPORT

Procurement-Prevailing Wage-Applicability

Iron Workers Employers Association

Fred H. Coddington

I am Fred Coddington 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 035.

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 035.

BaltimoreCounty_FAV_SB0035.pdf

Uploaded by: Conner, Charles

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

CHARLES R. CONNER III, ESQ.
Director of Government Affairs

JOEL N. BELLER
Deputy Director of Government Affairs

BILL NO.: **SB 35**

TITLE: Procurement – Prevailing Wage – Applicability

SPONSOR: Senator Feldman

COMMITTEE: Finance

POSITION: **SUPPORT**

DATE: January 28, 2021

Baltimore County **SUPPORTS** Senate Bill 35 – Procurement – Prevailing Wage – Applicability. This legislation would lower the threshold for the application of the Prevailing Wage law for public work contracts from \$500,000 to \$250,000.

From the beginning of his administration, County Executive Olszewski has been a staunch supporter of Prevailing Wage Law. With the pandemic threatening the lives and livelihoods of residents across the state, the fight for increased labor rights has never been more critical. Baltimore County took a significant step to support workers when it passed prevailing wage legislation at the local level last year. Ensuring that workers on contract with local jurisdictions and the State are paid a fair wage sets an example that everyone deserves a wage that promotes comfort and stability.

Currently, only public contracts worth \$500,000 or more come with a prevailing wage requirement. By lowering the threshold for contracts that meet Prevailing Wage Law, this bill expands the number of workers who will fall under its requirements. This will ensure fair pay for workers who carry out crucial public contracts. This is not only important for the workers who would directly benefit, but for the recovery that is needed as the State emerges from the pandemic’s devastating economic effects. Labor legislation that secures fair pay is essential to ensuring more vulnerable communities have the necessary spending power to lift the economy out of its most recent downturn.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 35. For more information, please contact Chuck Conner, Director of Government Affairs, at cconner@baltimorecountymd.gov.

IBEW 24 SB 035 Testimony.pdf

Uploaded by: Demchuk, Pete

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

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

OFFICE:
2701 W. PATAPSCO AVENUE
SUITE 200

Phone: 410-247-5511
800-348-3721
FAX: 410-536-4338

Written Testimony of
Peter Demchuk, Business Manager, IBEW LOCAL 24
Before the
Senate Finance Committee
SB 035 Procurement - Prevailing Wage — Applicability

Support

January 28, 2021

Chairman Kelley and Committee Members,

Thank you for the opportunity to submit my testimony in **support** to Senate Bill 035.

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

SB 35 - Prevailing Wage - Applicability.pdf

Uploaded by: Edwards, Donna

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

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

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 35 – Procurement – Prevailing Wage - Applicability Senate Finance Committee January 28, 2021

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 35 – 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.

SB 35 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 SB 35.

Estime Enterprises Senate Bill 035 - Procurement P

Uploaded by: Estime, Lunique

Position: FAV



Maryland Senate – Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 035 – 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 \$250,000, 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.

BDCBT SB 035 Testimony.pdf

Uploaded by: Guido, Jeffry

Position: FAV



Maryland Senate - Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 035 – Procurement Prevailing Wage Applicability

Position: Support

Electrical Workers

Insulators

Boilermakers

United Association

Roofers

Cement Masons

Teamsters

Laborers

Bricklayers

Ironworkers

Sheet Metal Workers

Elevator Constructors

Painters

Operating Engineers

Carpenters

The Baltimore DC Metro Building Trades Council supports SB 035. 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. 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. Most of our signatory contractors are small businesses with many being 5 to 10 person shops. They deserve the opportunity to be competitive on these projects. 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. Prevailing wages used for State funded projects provide an influx of money into local communities and into the more rural parts of MD. It provides a means of employment that can keep younger residents from having to leave their homes to find work in D.C., Baltimore or out of state. Tax payer dollars need to be used to maintain the economic standard in the communities where State funded projects are being constructed.

We urge the Committee for a favorable report. Thank you.

Sincerely,

Jeffry Guido

(E) jguido@bdcbt.org (O) 301-909-1071 (C) 240-687-5195

5829 Allentown Rd Camp Spring MD 20746

Value on Display... Everyday.



IUOE 37 Testimony SB 035.pdf

Uploaded by: Holsey, Robert

Position: FAV



INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL 37

AFFILIATED WITH THE AFL-CIO

Chartered May 1, 1900

January 28, 2021

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*

Executive Board
Robert A. Holsey, Jr.
Charles E. McGee Jr.
Peter A. Elmos
Mark F. McQuay
Richard Fuller
Steve J. Rohrman
Thomas M. Boschi
James E. Nunley, Jr.
Teresa M. Owens
Anthony Crandall
Phillip E. Grothe

Trustees
Charles Coleman, Jr.
Kevin L. Randall
Michael C. Wines

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 035 - Procurement Prevailing Wage Applicability

Position: Support

Chairman Kelley, Honorable and Committee Members; I am writing today to ask you for a favorable report on Senate Bill 035. As you know Maryland has the highest prevailing wage threshold in the Country, along with a 50% State funding requirement. SB 035 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 with the monetary threshold of \$250,000.

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

SB 35 - Prevailing Wage - Applicability.pdf

Uploaded by: Jackson, Gerald

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

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President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 35 – Procurement – Prevailing Wage - Applicability Senate Finance Committee January 28, 2021

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 35 – 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.

SB 35 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 SB 35.

2021-01-28 SB 35 (Support).pdf

Uploaded by: Kemerer, Hannibal

Position: FAV

BRIAN E. FROSH
Attorney General



ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.

WRITER'S DIRECT DIAL NO.

410-576-6584

January 28, 2021

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: Hannibal G. Williams II Kemerer, Esq.
Office of the Attorney General

Re: SB0035 – Procurement – Prevailing Wage – Applicability – **Support**

The Office of the Attorney General urges the Finance Committee to favorably report SB 35, Senator Feldman's legislation to lower the threshold of State funding on public works projects triggering the prevailing wage rate from 50 percent to any amount, and to reduce the contract value necessary to trigger the prevailing wage from \$500,000 to \$250,000. So as not to run afoul of federal prevailing wage requirements, the bill wisely retains the federal prevailing wage on contracts for which the federal government provides money "if, as to that part [of the contract], the contractor is required to pay the prevailing wage rate as determined by the United States Secretary of Labor." *See* Sec. 17-202, Art. State Finance and Procurement.

Prevailing wage laws are based on the premise that "government, as a major buyer in the construction sector, should not act to drive down wages."¹ Prevailing wage laws generally require contractors on public works projects to pay their workers at least the locally prevailing wages and fringe benefits paid on similar projects in the area. The benefits of such laws are numerous. They "can enhance state tax revenues, industry income, and non-wage benefits for workers; lower future maintenance and repair costs; reduce occupational injuries and fatalities; and increase the pool of skilled construction workers—to the benefit of both the public and the construction industry."²

In short, prevailing wage laws protect workers and improve the economy. We, therefore, urge a favorable report on SB 35.

cc: Committee Members

¹ Nooshin Mahalia, Prevailing wages and government contracting costs: a review of the research, Economic Policy Institute (Jul. 3, 2008).

² *Id.*

BDCBT HB 037 Testimony.pdf

Uploaded by: Kirlin, Timothy

Position: FAV



Maryland House of Delegates - Economic Matters Committee

Chair: Dereck E. Davis

Vice Chair: Kathleen M. Dumais

House Bill 037 – Procurement Prevailing Wage Applicability

Position: Support

Electrical Workers

Insulators

Boilermakers

United Association

Roofers

Cement Masons

Teamsters

Laborers

Bricklayers

Ironworkers

Sheet Metal Workers

Elevator Constructors

Painters

Operating Engineers

Carpenters

The Baltimore DC Metro Building Trades Council supports HB 037. 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. 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. Most of our signatory contractors are small businesses with many being 5 to 10 person shops. They deserve the opportunity to be competitive on these projects. 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. Prevailing wages used for State funded projects provide an influx of money into local communities and into the more rural parts of MD. It provides a means of employment that can keep younger residents from having to leave their homes to find work in D.C., Baltimore or out of state. Tax payer dollars need to be used to maintain the economic standard in the communities where State funded projects are being constructed.

We urge the Committee for a favorable report. Thank you.

Sincerely,

Jeffry Guido

(E) jguido@bdcbt.org (O) 301-909-1071 (C) 240-687-5195

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BDCBT SB 035 Testimony.pdf

Uploaded by: Kirlin, Timothy

Position: FAV



Maryland Senate - Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 035 – Procurement Prevailing Wage Applicability

Position: Support

Electrical Workers

Insulators

Boilermakers

United Association

Roofers

Cement Masons

Teamsters

Laborers

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Ironworkers

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We urge the Committee for a favorable report. Thank you.

Sincerely,

Jeffry Guido

(E) jguido@bdcbt.org (O) 301-909-1071 (C) 240-687-5195

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EASRCC Carpenters Testimony HB37 SB35.pdf

Uploaded by: Manno, Roger

Position: FAV



Eastern Atlantic States REGIONAL COUNCIL OF CARPENTERS

801 West Patapsco Avenue, Baltimore, MD 21230 | Phone: 443-915-0462 | EASCARPENTERS.ORG

POSITION: FAVORABLE HB37 / SB35: Procurement – Prevailing Wage – Applicability

House Economic Matters Committee
Senate Finance Committee

Honorable Delegates and Senators:

On behalf of the Eastern Atlantic Regional Council of Carpenters (EASRCC), please accept this letter in strong support for HB37 / SB35, Procurement-Prevailing Wage-Applicability.

This legislation is a critically important job creating and stimulative measure that is necessary, in light of the COVID-19 pandemic, and the sluggish construction sector. We understand this dynamic better than most workforce teams, as we represent over 41,000 of the most skilled construction workers in the nation, including some 3,000 carpenters right here in the State of Maryland.

When structured properly, state Prevailing Wage programs enable us to rigorously train young local apprentices for outstanding workforce and career opportunities that include good wages and benefits. These also afford our local apprentices with career training and mobility opportunities, as they ascend into Journeymen positions, compete for projects across the region, and advance the strongest standards of construction excellence.

At its best, the program is an outstanding stimulative tool for local and regional economies. However, when not structured properly, the program is unable to unleash the full economic power of the workforce. That's where Maryland lags behind. With the nation's highest dollar threshold of \$500,000, and its burdensome 50 percent state funding threshold, taken together, these hurdles present challenges for our small and medium size contractor teams, who are simply unable to meet Maryland's high thresholds. This also presents challenges in our ability to train and hire our local apprentices, which creates longer term workforce development challenges.

For these reasons, we implore the General Assembly to improve the Prevailing Wage program by passing HB37 / SB35, and we respectfully ask for a favorable committee report on this important legislation.

HB37 SB35 Roger Manno testimony FAV.pdf

Uploaded by: Manno, Roger

Position: FAV

Testimony of Roger Manno

on Behalf of

UA Steamfitters Local 602, Metro Washington Mechanical Contractors Association (MCAMW), and
Eastern Atlantic Regional Council of Carpenters (EASRCC)

In support of

HB37 / SB35, Procurement - Prevailing Wage - Applicability

Honorable Senators and Delegates:

On behalf of the UA Steamfitters Local 602, Metro Washington Mechanical Contractors Association (MCAMW), and Eastern Atlantic Regional Council of Carpenters (EASRCC), we'd like to thank to thank Delegate Valderrama and Senator Feldman for introducing HB37 / SB35, addressing the Prevailing Wage state funding thresholds.

We are here in strong support of this legislation because we know how important the Prevailing Wage program is throughout the states in building outstanding infrastructure, jobs, and pathways to strong community-based careers.

Our work and market strength speaks for itself. The MCAMW represents 75 mechanical contracting firms, an additional 125 firms who are signatory to UA Steamfitters Local 602 and UA Plumbers Local 5, some 10,000 workers, an economic footprint of some \$2 BILLION in annual revenue, and some \$500 MILLION in federal, state and local taxes. The UA Steamfitters Local 602 represents some 4,900 Journeymen, 1100 skilled Apprentices, and 205 signatory contractors, while the EASRCC represents some 41,000 skilled workers, and some 3,000 right here in Maryland. If there ever was a coalition that understands the importance of infrastructure investments and the dividends that they yield to local economies, this is that coalition.

We've seen how transformational Prevailing Wages can be for injecting stimulus into local economies. When properly implemented, Prevailing Wages help control construction costs through the use of skilled local workers, increase opportunities for small and medium size contractors, and expand workforce and training opportunities for the Apprentices who assist in that work. When thoughtfully designed, it's a great program. However, as we have seen in all other states that utilize Prevailing Wages, Maryland can further unleash the potential of small and growing contractors and Apprenticeship training programs by improving the formulas that trigger onerous funding thresholds.

Specifically, Maryland's Prevailing Wage dollar threshold is the single highest threshold of any state in America. That's a treacherous hill to climb for a small contractor with limited bonding authority, trying to create good paying jobs. In addition, the law also contains a second hurdle, which precludes Prevailing Wages on all projects in which less than fifty percent of that funding is state funding, as opposed to county or municipal funding. This legislation fixes those loopholes, and in doing so, brings Maryland into line with other states utilizing this important program.

This committee has the power to make a good program even better, at a time when we need new infrastructure, skills training, and good-paying local jobs, more than ever.

For these reasons, we thank you for your time and consideration, and we respectfully ask for a favorable committee report.

HB37 SB35 UA Steamfitters 602 FAV.pdf

Uploaded by: Manno, Roger

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

HB37 / SB35: Procurement Prevailing Wage Applicability

House Economic Matters Committee
Senate Finance Committee

Dear esteemed Delegates and Senators:

As Business Manager/Financial Secretary Treasurer of UA Steamfitters Local 602, please accept this letter in strong support of HB37 / SB35, Procurement-Prevailing Wage-Applicability, which reduces the extremely onerous Prevailing Wage state funding thresholds.

The UA Steamfitters Local 602 represents some 4,900 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. Our economic and workforce footprint is enormous, including having performed some 7,231,500 work hours in 2020 alone. We understand how to make Maryland work, because it's what we do, each and every day.

Our work is a business-labor partnership, and our contractor affiliates, represented by the Mechanical Contractors Association of Metro Washington (MCAMW), is a powerful driver of local economies throughout the region, generating some \$2 BILLION in annual revenue, and some \$500 MILLION in state, federal and local taxes each and every year.

As much as anyone, we understand the importance of the federal Davis-Bacon and state Prevailing Wage programs, which are critical in our training and preparing the next generation of skilled Apprentices and Journeymen who will drive the standards of construction excellence in building world-class infrastructure and economic growth. But we can and must do much better. That's why this legislating is critical.

Among states that participate in the Prevailing Wage programs, Maryland has the single highest dollar threshold at \$500,000, made only more onerous by the percentage of state funding trigger for Prevailing Wages to be applied to projects. These two criteria challenge our small and medium size signatory contractors, which in turn, limit our participation in these projects and the participation and growth of our world-class Apprenticeship programs. In a time when our economy and jobs are stagnating, and recession is rising, one solution is clear: Prevailing Wages can help to train and employ local workers, and fire up the economic base, if we unleash the full power of the program. We can do it, and we must.

DANIEL W. LOVELESS
BUSINESS MANAGER
FINANCIAL SECRETARY TREASURER

CHRISTOPHER M. MADELLO
ASSISTANT
BUSINESS MANAGER

SEAN T. STRASER
BUSINESS AGENT

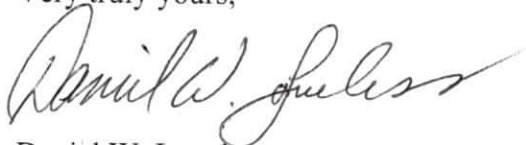
GREGORY L. DAVIS
BUSINESS AGENT

SIDNEY O. BONILLA
BUSINESS AGENT

TIMOTHY L. BIGGS
BUSINESS AGENT

For these reasons, we ask for a favorable committee report on this important legislation.
Thank you for your consideration, and for your support for the working men and women of UA Steamfitters
Local 602.

Very truly yours,



Daniel W. Loveless
Business Manager / Financial Secretary Treasurer

DANIEL W. LOVELESS
BUSINESS MANAGER
FINANCIAL SECRETARY TREASURER

CHRISTOPHER M. MADELO
ASSISTANT
BUSINESS MANAGER

SEAN T. STRASER
BUSINESS AGENT

GREGORY L. DAVIS
BUSINESS AGENT

SIDNEY O. BONILLA
BUSINESS AGENT

TIMOTHY L. BIGGS
BUSINESS AGENT

Prevailing wage MD SB 035 2021.pdf

Uploaded by: Mejia, Roxana

Position: FAV



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

January 28, 2021

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 Senate Finance Committee:

My name is Brian Courtien and I am the Business Manager of the International Union of Painters and Allied Trades, District Council 51 covering the Maryland, Virginia, and District of Columbia jurisdictions. We represent over 1,500 members in the finishing trades of the construction industry.

I want to thank the Committee Members for taking the time to read of SUPPORT of SB 035 – Procurement Prevailing Wage Applicability.

I write to you today to urge you to vote in support of SB 035. 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 \$2,000.00, 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 journey workers and compensate them with fair wages and fringe benefits. Our signatory contractors pay these wages and benefits, provide health care and pension for them and their families.

In addition, we participate in a helmets and hard hats that train 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 a 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 Maryland. Taxpayer dollars need to be used to maintain the economic standard of the communities where State funded projects are being constructed. Eliminating the percentage will revitalize our local economy and provides workers and contractors the opportunity to work near their home.

Please vote favorably on bill SB 35.

Thank you,

Brian Courtien
Business Manager/Secretary Treasurer
IUPAT DC 51

PJC Testimony in Support of SB 35- Prevailing Wage

Uploaded by: Rodwin, David

Position: FAV



Sally Dworak-Fisher, Attorney
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-355-9409, ext. 273
dworak-fishers@publicjustice.org

SB 35 -Procurement – Prevailing Wages
Hearing before the Senate Finance Committee, January 28, 2021
Position: SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization that seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project aims to ensure that our state's low-wage workers receive fair and full payment for their labor and other basic protections. The PJC **supports SB 35**.

SB 35 Will Better Ensure that Publicly Funded Construction Promotes Good Jobs and Economic Development and Reduces Income Inequality. Maryland's current monetary threshold of \$500,000 is the highest in the country and coupled with a requirement that at least 50% of the funding come from the state, its reach is unduly limited. Yet in limiting the prevailing wage law's reach, Maryland is missing an opportunity to promote good jobs, reduce poverty, and spur local economic development. Research shows that blue-collar construction workers in states with strong prevailing wage laws earn more, are less reliant on public benefits, contribute to the local economy, and contribute more in taxes.¹ Moreover, "[b]y substantially improving the incomes of blue-collar construction workers . . . [payment of a] prevailing wage helps reduce income inequality in the construction industry."² In short, expanding the reach of Maryland's prevailing wage law is good policy.

Prevailing Wages Do Not Increase Construction Costs. The vast majority of peer-reviewed research has shown that prevailing wages do not increase costs for a variety of reasons.³ Some 80% of peer reviewed research shows no increase for school construction projects, while 75% show no increase when all types of projects are considered. Thus, increasing costs is not a reason to reject SB 35.

Because SB 35 represents an opportunity to provide more good jobs and reduce income inequality, the Public Justice Center **SUPPORTS SB 35** and requests a **FAVORABLE** report.

¹ See Frank Manzo, IV et al., *The Economic, Fiscal, and Social Impacts of State Prevailing Wage Laws: Choosing Between the High Road and the Low Road in the Construction Industry*, 18 (Ill. Econ. Policy Inst., Feb. 9, 2016), <https://illinoispi.files.wordpress.com/2017/03/pw-national-impact-study-final2-9-16.pdf>.

² *Id.*

³ *Id.*

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

cln supports sb 035.pdf

Uploaded by: Sinyai, Clayton

Position: FAV

The CATHOLIC LABOR NETWORK

Maryland Senate – Finance Committee

Chair: Delores G. Kelley

Vice Chair: Brian J. Feldman

Senate Bill 035 – Procurement Prevailing Wage Applicability

Position: Support

The Catholic Labor Network supports SB 035.

The Catholic Labor Network, a national organization with members in Maryland and across the United States, exists to advance Catholic Social Teaching on labor and work.

In 1891, Pope Leo XIII laid out the premises of the Catholic Church's teaching on work and wages in his Encyclical Letter *Rerum Novarum*. "Let the working man and the employer make free agreements, and in particular let them agree freely as to the wages; **nevertheless, there underlies a dictate of natural justice more imperious and ancient than any bargain between man and man, namely, that wages ought not to be insufficient to support a frugal and well-behaved wage-earner.**" That is, every worker has a right to a living wage – and if the labor market does not provide for this naturally society must intervene.

Public contracts should serve as a model for the rest of society, including in wage policy. In public construction, prevailing wage requirements help guarantee that construction workers earn a living wage – and that construction contractors who pay a living wage are rewarded with a fair opportunity to win public contracts. For that reason, the Catholic Labor Network supports efforts to extend prevailing wage requirements to cover more public contracts.

We urge the Committee for a favorable report.

Very Truly Yours,



Clayton Sinyai – Executive Director

Catholic Labor Network

clayton@catholiclabor.org

Support testimony - SB 35 – Procurement – Prevaili

Uploaded by: Stephen, David

Position: FAV



Metropolitan Washington Council, AFL-CIO

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SB 35 – Procurement – Prevailing Wage - Applicability

Senate Finance Committee

January 28, 2021

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George Farenthold (OPEIU 277)

Dan Fields (SEIU 722)

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Tom Kileen (SMART 100)

Roxie Mejia (Painters DC 51)

Wanda Shelton-Martin (NUHCE
1199DC)

Michael Spiller (OPEIU 2)

Gina Walton (AFGE 1975)

Trustees

Djawa Hall (1199 SEIU)

Robert Hollingsworth (AFSCME
2776)

Dave Richardson (AFGE 12)

SUPPORT

Madam Chair and members of the Committee,

Thank you for the opportunity to provide written testimony in support of Senate Bill 35 – Procurement – Prevailing Wage - Applicability. On behalf of our 150,000 union members affiliated with the Council throughout metropolitan Washington D.C., we enthusiastically support this bill for its benefit to the State of Maryland and this region.

The hard-working construction workers in the State of Maryland, who are now classified as “essential workers,” deserve the dignity of good pay for the important work that they do, not only at this challenging time, but also into the future. The federal government, many other states, and Washington D.C. all have prevailing wage regulation in place that have shown a positive impact on state finances by increasing state tax revenue and providing other economic and societal benefits to the state, according to the Center for American Progress¹. Their research also shows that prevailing wages yield increased productivity of the better-paid and better-trained workforce and prevent contractors from undermining higher standards that workers get through collective bargaining.

Many of the skilled trade contractors associated with our skilled trade union affiliates are small businesses with 5-10 person shops. They, too, deserve the opportunity to be competitive on these projects. Prevailing wage requires contractors to employ registered apprentices and journey persons that are compensated with fair wages and benefits that include defined pensions and health insurance for themselves and their families. There are many benefits to this law that are good for the people and the economy of Maryland. It is our responsibility to use tax dollars to maintain a good economic standard in the state and pay workers fairly. This bill makes small changes to ensure that continues to happen.

For these reasons, we ask for a favorable report on SB 35.

In Solidarity,
Dyana Forester

¹ <https://www.americanprogress.org/issues/economy/reports/2020/12/22/494144/prevailing-wages-frequently-asked-questions/>

SB35 - Procurement-Prevailing Wage-Applicability -

Uploaded by: Tulkin, Josh

Position: FAV



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Finance

Testimony on: SB35 – “Procurement – Prevailing Wage – Applicability”

Position: Support

Hearing Date: January 28, 2021

The Maryland Sierra Club urges a favorable report on SB35. This legislation would better ensure that individuals who work on our important public work projects are compensated fairly. Specifically, the bill would increase the types of public work projects which are covered by existing law regarding prevailing wage payments. This bill is one of several introduced this session which would expand prevailing wage provisions and which the Sierra Club supports, including SB95 which also is being heard by this Committee on this date.

The Sierra Club, nationally and in Maryland, is committed to the principles of equity, justice, and inclusion, and supports placing these principles at the center of environmental initiatives. These principles include respecting and supporting the rights of workers, which includes their ability to have good jobs, earn a decent living, and enjoy occupational health and safety protections.

This commitment is reflected in our priority legislation this session (SB148) to transition Maryland off its reliance on coal-burning power plants. A critical component of the bill is the establishment of a Fossil Fuel Community Transition Fund to support impacted workers and communities. The fund would support paid worker retraining; financial compensation for impacted workers; investment in climate action projects in impacted communities; site deactivation, reuse, and remediation projects that hire from the high-quality workforce now employed at the coal plants; and compensation for a portion of lost local property tax revenues.

Two years ago, the Maryland Sierra Club prioritized passage of the Clean Energy Jobs Act, to support significant increases in wind and solar energy in Maryland, and, as well, training programs for growing our clean energy workforce.

The Sierra Club urges a favorable report on this bill.

Mark Posner
Legislative Chair
Mark.Posner@MDSierra.org

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

David Smedick
Senior Campaign
Representative

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

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Uploaded by: Yancey, Heath

Position: FAV

Yancey Roofing and Waterproofing
8011 Hubble Drive Lanham, MD 20706
Office: 301-379-0306 Cell: 301-704-4308
Email: hvancey00@verizon.net
Web: www.districtheightsroofing.com

Senate Finance Committee

Chair: Delores G. Kelley; Vice Chair: Brian J. Feldman

Senate Bill 035 - Procurement Prevailing Wage Applicability

Position: SUPPORT

SB035 should be law in the State of Maryland. This bill is for the youth that are coming out of high school, so they could live a productive life, and future. If this bill becomes a law in the State of Maryland it would keep surety bond law, so small business can get a chance to bid in the construction field, because some kids just do not want to go to college. Apprenticeship programs, small businesses, and our youth is how our economy grows in the state of Maryland.

Apprenticeship programs teaches about numerous of construction trades. All trades have a certain amount of school they have to attend. The good thing about apprenticeship programs is a person works while they go to school, so they earn money. At the end of each apprenticeship program upon graduation he or she becomes a journeyman which is the top of the field that they have chosen.

I am a small business owner that represents roofer local 301. The name of my company is called Yancey roofing and waterproofing LLC, my certifications are MBE, SBE, DBE, ACDBE, and SDVOSB which is Service Disabled Veteran Owned Small Business. I also use apprentices, but I have to win bids to keep the youth in school and working.

Small business play a big role in the economy. Our youth today need to learn a trade, or go to college, all people are not college bound. They probably have a problem with finances, or they just rather work. Let's give youth a chance to decide.

I approve of SB 035. The surety bonds to stay small, so small businesses like myself can have a fighting chance to win bids and keep apprenticeships programs going on. The big companies should not dominate the workforce or trades.

MTBMA & MAA Testimony_SB 35_Oppose.pdf

Uploaded by: Clark, Rachel

Position: UNF



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

OPPOSE

January 28, 2021

RE: SB 35 – OPPOSE – Procurement – Prevailing Wage – Applicability

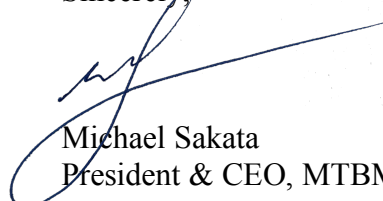
Dear Chairman Kelley and Members of the Senate Finance Committee:


The Maryland Transportation Builders and Materials Association (“MTBMA”) and the Maryland Asphalt Association (“MAA”) collectively represent tens of thousands of Marylanders who operate in the areas of transportation construction, production and engineering. Together, for nearly 100 years, these organizations have served as the voice of the transportation construction industry. The mission of both MTBMA and MAA is to encourage, develop, and protect the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry, and also advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

SB 35 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 35.

Sincerely,


Michael Sakata
President & CEO, MTBMA


Marshall Klinefelter
President, MAA

SB0035 Howard Co BOE Testimony 012821 for FIN - Pr

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Position: UNF



**Board of Education of Howard County
Testimony Submitted to the Maryland Senate,
Finance Committee
January 28, 2021**

**Board of Education
of Howard County**

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**SB0035: UNFAVORABLE
Procurement - Prevailing Wage – Applicability**

The Board of Education of Howard County (the Board) opposes **Procurement - Prevailing Wage – Applicability** as an unfunded mandate on school system purchasing practices.

SB0035/HB0037 could negatively impact the Howard County Public School System (HCPSS) by limiting the instances where capital and maintenance projects can be awarded at non-prevailing wage rates. Currently, in order to receive the maximum eligible State funding, projects with a construction cost over \$500,000 and with 25% or greater State funding are awarded using prevailing wage rates. Under this bill, the threshold to exempt projects is lowered to \$250,000. This would limit the number of projects local school systems could award non-prevailing wage, thereby increasing costs by requiring the award of more projects with prevailing wage rates or risk the reduction of eligible State funding.

Additionally, projects awarded with prevailing wage create added burdens on HCPSS staff, as the State requires additional actions/monitoring of wage contracts.

In 2014, the Maryland General Assembly reduced the percentage of State funding of a capital project that triggers the payment of prevailing wages from 50 to the current 25 percent (SB0232). That change made nearly all projects in Howard County subject to prevailing wages, thus increasing the cost of capital construction by approximately 10 percent. As a legislative platform, the Board specifically opposes similar “legislation that limits local flexibility in the use of prevailing wages for school construction projects.”

For these reasons, we urge an UNFAVORABLE report of SB0035 from this Committee.

SB0035-FIN_MACo_OPP.pdf

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Senate Bill 35

Procurement – Prevailing Wage - Applicability

MACo Position: **OPPOSE**

To: Finance Committee

Date: January 28, 2021

From: Drew Jabin

The Maryland Association of Counties (MACo) **OPPOSES** SB 35. 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 35 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%.

SB 35 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 35.