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NJ STATE SENATOR TROY SINGLETON TESTIMONY IN SUPPORT OF SB001/HB0145 Prevailing Wage – Stop Work Orders FEBRUARY 10, 2022

Senator Kelly and Members of the Senate Finance Committee, thank you for allowing me to submit this testimony in support of legislation that will undoubtedly provide labor protections to many working men and women in Maryland.

My name is Senator Troy Singleton, and I represent the 7th Legislative District in the New Jersey State Senate. I am also a member of the Eastern Atlantic States Regional Council of Carpenters Local #255. So, I come to you this afternoon with the perspective of a fellow policy maker and someone who has seen firsthand what happens when workers are exploited by unscrupulous employers.

I am in strong support of Senate Bill 1/ House Bill 145. I want to thank the sponsors of this proposal for their advocacy and leadership on this issue. As the prime sponsor of similar legislation, which became law in New Jersey in July 2019, I am glad to see Maryland move in the same direction which will ensure employees on prevailing wage projects are paid accordingly and treated fairly.

Senate Bill 001/ House Bill 0145 will provide tools to the Commissioner of Labor and Industry in Maryland to protect workers and hold bad employers accountable. In New Jersey, we have seen instances where employers do not keep payroll records, misclassify workers as independent contractors, and do not provide workers' compensation insurance to employees who qualify. These practices must stop and the best, most effective way is to give the Commissioner the ability to issue stop-work orders when the employer is in violation.

Employee misclassification is a problem because when workers are misclassified as independent contractors by their employers, it not only diminishes their access to labor protections, but it also has real consequences on the State's economy and tax revenues. We acted in New Jersey to address this important issue after a 2018 New Jersey Department of Labor audit found more than 12,300 cases of workers were being misclassified, which resulted in more than \$460 million in underreported wages and \$14 million in lost state unemployment and temporary disability contributions.

This audit, which covered just 1% of businesses, means this is a much more widespread problem that not only cheats workers out of their entitled wages, but also cheats taxpayers and the government out of dollars that would fund workers comp and unemployment benefits. In the construction industry, this practice is even more egregious, harming both workers and law-abiding employers alike.

Before all else, we must protect the rights of the men and women who are working hard each and every day to earn a decent and fair living. We cannot build a stronger and fairer economy without strong workplace protections that ensure fairness for employees. This proposal sets a high standard for how we should treat our workers, and I hope that this body will expeditiously move to protect its workers. I thank the committee for this opportunity to address you and for your consideration of this important legislation. Thank You.