



February 5, 2025

The Honorable Guy Guzzone, Chair
The Honorable Jim Rosapepe, Vice Chair
Senate Budget and Tax Committee
101 James Senate Office Building
Annapolis, MD 21401

**Testimony of Ray Baker, Maryland Director, Baltimore-DC Building Trades
on SB 403: State Procurement Construction and Services - Contract Modification
Position: FAVORABLE**

Thank you, Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Tax Committee for the opportunity to offer testimony on SB 403.

My name is Ray Baker. I am the Maryland Director of the Baltimore-DC Building Trades (BDCBT). The BDCBT's 28 affiliates represent more than 30,000 union construction workers across Maryland, Virginia, and the District of Columbia.

BDCBT strongly supports SB 403. It would mandate that state construction and service contracts include clauses requiring cost modifications to address increases in wages and benefits due to collective bargaining or statutory adjustments.

SB 403 ensures workers are treated fairly and that they receive the wage increases they deserve. Change orders are common when the cost of materials increase; worker wages should be treated no differently.

SB 403 also benefits government contractors because it protects contractors from absorbing increased wage costs that can hurt their bottom line. SB 403 takes away the discretion of how contracting officers can address increased labor costs, particularly the use of a "no-adjustment" clause. A "no-adjustment" clause takes the approach of informing the contractor that no adjustment of prices will be awarded unless strictly provided elsewhere in the contract.

The BDCBT urges the committee to issue a favorable report on SB 403.

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