

ALONZO T. WASHINGTON
Legislative District 22
Prince George's County

Finance Committee



James Senate Office Building
11 Bladen Street, Room 314
Annapolis, Maryland 21401
410-841-3155 · 301-858-3155
800-492-7122 Ext. 3155
Fax 410-841-3699 · 301-858-3699
Alonzo.Washington@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 11, 2026

The Honorable Pamela Beidle, Chair
Finance Committee
Maryland State Senate
Annapolis, Maryland

Re: SB 675 - State Finance and Procurement - Prevailing Wage Rate - Calculation

Position: Favorable

Dear Chair Beidle, Vice Chair Hayes, and Members of the Committee:

I respectfully submit this letter to you today in strong support of Senate Bill 675, legislation that provides necessary statutory clarity to prevent the disruption of utility infrastructure projects across Maryland and protects our constituents from unnecessary rate increases.

For decades, the direct employees of investor-owned utilities have traditionally been excluded from Maryland's prevailing wage programs, a precedent that recognized the unique, specialized, and long-term nature of utility operations. During the 2021 Special Session, the General Assembly passed legislation to expand prevailing wage requirements to include the contractors and subcontractors working on certain underground gas and electric infrastructure projects.

This legislation is a necessary corrective measure that directly addresses an issue stemming from the administrative implementation of that 2021 law. To establish these new contractor rates, the Department of Labor recently initiated a Targeted Prevailing Wage Survey. However, the methodology of this current survey presents significant operational challenges and fundamentally strays from our original legislative intent.

Specifically, the Department has expanded the survey to include the wage data of the utilities' own internal, direct employees. Mixing internal utility employee data—which operates under distinct compensation, collective bargaining, and retention models—with private contractor data artificially skews the calculation. It creates a rate that does not reflect the actual private-sector contractor market.

Senate Bill 675 provides clear, necessary statutory guidance. It preserves fair market data by explicitly prohibiting the Commissioner from using the wage data of direct utility employees to calculate prevailing wage rates for outside contractors. It ensures that the expansion of prevailing

wage remains fair, predictable, and grounded in the actual construction market as the General Assembly originally intended.

For these reasons, I respectfully request a favorable report on Senate Bill 675.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alonzo T. Washington', written in a cursive style.

Alonzo T. Washington
Maryland State Senator
District 22