



National Association of Security Companies

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NASCO Testimony in Support of HB 74
Hearing before the House Committee on Government, Labor and Elections
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The National Association of Security Companies (NASCO), the nation's largest contract private security association. In the State of Maryland, NASCO companies employ over 6,000 licensed and trained security officers who are performing security services throughout the State including at facilities and locations pursuant to State of Maryland procurement contracts.

Private security officers play an important public safety role in Maryland. They are seen by the public as persons of trust, and often they are the first to respond to a criminal incident or emergency situation and they provide support to law enforcement. Through Maryland governmental procurement contracts licensed security officers of licensed Maryland security companies are protecting and safeguarding government employees, visitors, and others governmental facilities.

Experience and training are crucial elements in a security officer's performance capabilities and for security companies to recruit and maintain an experienced and well-trained security force it requires providing officers with sufficient and fair compensation and benefits. In multi-year state procurement contracts for security services, or any services, when the contract is entered into, it is impossible for service companies to predict or even know of future employee compensation and benefit requirements that will increase their employee costs on the contracts. Accordingly, in many other states, and in federal service contracts (under the Service Contract Act), when a collective bargaining agreement (CBA) is negotiated and results in increased wages or benefits for employees on a contract, the contractor can obtain a price adjustment to their contract to reflect these higher costs. Price adjustments are also made when new federal or state laws are enacted during the contract period that require the contractor to increase employee benefits and compensations. This is also commonplace in private sector security services contracts.

Conversely, if modifications to procurement contracts cannot be made as a result of a CBA or statutory changes that increase employee compensation and benefits during the contract period, companies are forced to try to minimize such increases and find other ways to cut contract related expenses to stay within the payment terms of the contract. While this is understandable, it is not good for employees, the company, or the State. As mentioned, for security companies, having

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experienced well-trained employees equates to better security services, which is better for the State, and the best way to maintain such an employee workforce is to provide fair and sufficient compensation and benefits. This goes for other types of services and in the construction industry. Maryland has a long history of supporting employees on compensation and benefits issues, and the passage of HB 74 is necessary to ensure that service workers and construction workers on state procurement contracts receive such support.

NASCO strongly urges the Committee to pass HB 74.

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