

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: SB-137
AN ACT CONCERNING GAS, ELECTRIC, SEWER AND WATER DELIVERY
Title: WORK.
Vote Date: 3/19/2024
Vote Action: Joint Favorable Substitute
PH Date: 2/22/2024
File No.:

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SPONSORS OF BILL:

Labor & Public Employees Committee

REASONS FOR BILL:

This bill requires that contractors who work on public utilities offer apprenticeship/pre-apprenticeship programs and pay prevailing wages. This bill addresses concerns many CT contractors have about out of state companies using low paid workers to work on public utilities undercutting contractors who pay prevailing wage rates. Adding mandatory apprenticeship programs is intended to help create and train skilled workers that will be able to safely and effectively work on our public utilities. Expanding prevailing wage protections is intended to ensure that workers are being paid a living wage while making sure the contractors who pay this wage and utilize safe industry practices aren't being undercut by contractors who are not.

The substitute language specifies that the bill is effective October 1st, 2024. The substitute language also applies the minimum cap for projects that fall under this bill. This was done after hearing concerns from small municipalities who will have difficulty meeting cost requirements and find contractors willing to adhere to prevailing wage standards on contracts that fall under the cap amount. This will also bring the bill better in line with existing prevailing wage protections that already adhere to the cap.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Provided

NATURE AND SOURCES OF SUPPORT:

Kristin Abrahamson, Executive Vice President, Mechanical Contractors Association:

Abrahamson voices her support of the bill citing a belief that it will help create a workforce for future industry needs. If contractors and subcontractors are enrolled in these programs the quality of infrastructure will increase with the skills that workers learn. Abrahamson believes that this bill will create jobs and make sure that all contractors are competing on a level playing field while making our infrastructure safer.

Nate Brown, President, International Union of Operation Engineers Local 478:

Brown voices his support of the bill citing the benefit to infrastructure and construction workers. Brown points out that this bill applies to utility workers whose job is to work on our utilities, which is of vital importance to the public interest. These utilities despite being privately owned are public utilities and thus should fall under prevailing wage. Additionally, Brown believes that this bill is interest of public safety where skilled workers are a necessity to ensure the reliability of utilities. Studies have shown that paying these construction workers a higher wage attracts more skilled labor and grows the labor pool. Brown believes that using prevailing wage will end the race to the bottom by ensuring that projects go to legitimate contractors who have "registered apprenticeship programs, don't misclassify workers, and provide other benefits like health insurance and retirement saving to their workers." Brown finally notes that there is unlikely to be any meaningful change in utility prices due to these changes.

Kimberly Glassman, Director, Foundation for Fair Contracts:

Glassman voices her strong support of the bill believing that expanding both apprenticeship opportunities and prevailing wage protections is beneficial for CT. Glassman adds that extending these protections to is important as the safety and quality of utility work is vital to the public interest. Glassman finally mentions the cost benefits of expanding protections where other states like Maryland and New York who enacted similar legislation found no fiscal downsides and how often having higher quality workers is more cost-effective.

Don Scoopo, Business Manager, International Association of Heat and Frost Insulators

Local 33: Scoopo voices his support of the bill citing the need for apprenticeship programs and the benefits of expanding prevailing wage protections. Scoopo believes that this bill will ensure utility workers receive a living wage while also keeping high skilled labor around important infrastructure.

Joseph P. Toner, Executive Director, Connecticut State Building Trades Council:

Toner voices his support of the bill citing the importance of developing our future work force and the benefits expanding the prevailing wage protections will have for workers.

Keith R Brothers, Business Manager, LiUNA:

Brothers voices his support of the bill citing the importance of apprenticeship programs and expanding prevailing wage protections for CT's workforce. Brothers believes we should follow suit with the other states that have already enacted these protections such as: New York, Maryland, and New Jersey.

Aziz Dehkan, Executive Director, CT Roundtable on Climate and Jobs:

Dehkan on behalf of CRCJ voices his support of the bill citing the benefits of expanding wage protections

and workforce development. The CRCJ emphasizes the importance of making sure that workers receive industry standard wages preventing contractors from undercutting each other with the use of underpaid and potential unskilled workers, hurting the industry and workers. CRCJ also looks at workforce development as an important way to ensure that the state has access to skilled workers who can complete quality work on utility projects, benefitting the resident and economy of CT.

Bill Finch, Director, CTLMCC: Finch voices his support of the bill citing benefits to workers, businesses, and taxpayers. Finch believes that the bill gives workers an important baseline of living while also creating a skilled workforce. Additionally, requiring a baseline wage puts small businesses on a level playing field, preventing them from being undercut by shady business practices. Finally, Finch emphasizes the benefit to taxpayers when jobs are completed by skilled workers safely and with high quality. Finch points out that similar legislation has had bi-partisan support throughout history and urges CT to continue this trend.

Michael Rosario, Business Manager, UA Local 777 Plumber & Pipefitters: Rosario voices his support of the bill citing the benefits of apprenticeship programs and the importance of expanding prevailing wage protections to public utility projects.

Michel Thomas, Executive Director, SMACNA CT: Thomas on behalf of SMACBA voices his support of the bill to ensure that CT workforce is adequately prepared to meeting growing demand and are fairly compensated.

The following people voice their support over the bill to prevent a race to the bottom with out of state companies and a belief that it will benefit construction workers:

Thomas Buzzi, President, Computaro & Son Excavating
Vincent Federico, President, C.J. Fucci, Inc.
Eric Brennan, President, Brennan Construction
Michael Gaudette, President, GPL Construction
Douglas King, Vice President, Paganelli Construction Corp.
Cory Brulotte, Superintendent, Mather Corporation
Evan Gerber, President, Gerber Construction Inc.

NATURE AND SOURCES OF OPPOSITION:

Betsy Gara, Executive Director, Connecticut Council of Small Towns: Gara on behalf of COST voices her opposition to the bill citing concerns on the cost that it places on small communities. Gara believes that rather than expanding prevailing wages requirements COST should increase the threshold that make prevailing wage apply so municipalities can stretch limited funds across town projects. Gara points out that the prevailing wage is one of the costliest unfunded mandated, artificially inflating the price of town projects increasing the cost as much as 21% annually. Gara believes that the threshold needs to be raised as it has not been adjusted for inflation and emphasizes the difficulty small towns have on doing things like maintenance and renovation as in-state contractors find them to small and small contractors find prevailing wage jobs cumbersome. COST believes that the prevailing wage is an unreasonable mandate on small towns and the laws should be adjusted to exclude them from the mandate.

Elizabeth Gara, Executive Director, Connecticut Water Work Association: Gara on behalf of the CWWA voices her opposition to the bill citing concerns over increased costs and logistics to meet the requirements. The CWWA specifically is concerned over the broad definition of public utility, subjecting contractors to fines for not offering apprenticeship programs even if though programs are unavailable, not apply the cap that is present on other types of jobs, and the term contractor being defined too broadly.

Zachary McKeown, Advocacy Manager, CCM: McKeown on behalf of the CCM opposes expanding the prevailing wage over concerns about failing to increase the current prevailing wage cap and the cost it will have on small municipal projects.

Eric Anderson, Town Administrator, Town of Andover: Anderson voices his opposition to the bill over concerns of the cost the unfunded mandate will have on municipalities. Anderson suggests the following changes to lower the burden on municipalities: Increasing the threshold for renovation projects to 500,000 and codify a more realistic definition of renovation. Anderson emphasizes the goal of municipalities to deliver goods and services to their residents in a cost-effective manner, prevailing wage has already created obstacles for construction for municipalities and Anderson is concerned that placing the cost of things like apprenticeship programs on municipalities will only make the situation worse.

Reported by: Noah Gulla

Date: 3/26/2024