

Senate Committee on Economic Development, Housing and General Affairs

S.250 Testimony

Larry Moquin

2/18/2020

Good Morning. My name is Larry Moquin and I am a regional organizer in New England with the Laborers' International Union of North America. I am a member of Local 668, which covers Vermont and New Hampshire and the vice president of the Vermont Building Trades. I grew up in Winooski and currently live in Swanton.

My union and Vermont Building Trades council support S.250. We have school infrastructure statewide that is in desperate need of upgrades to ensure that generations to come can flourish academically and become productive members of society. We have the oldest workforce in the country and a younger generation that is exiting our state for better wages in surrounding states. We have couples choosing to not have children because they can't afford childcare. Our population is declining, and we need to find a solution.

S.250 can help with these issues. Blue collar workers make the world go around and the impact prevailing wages make in local economies is very substantial. For every dollar paid in prevailing wage it returns \$1.50 in economic activity. This economic activity in turn creates jobs in other sectors lifting the overall economy in the area where the construction is being performed. Investing in the people that build public infrastructure of any kind is good practice. This practice also will ensure equal pay and benefits for minorities and women and can help attract more young people towards an apprenticeship in the trades.

Construction and maintenance workers amount for 23% of all workplace fatalities in the United States. \$10.98 is the wage that can currently be paid with a greater risk of death than in any other sector. How can we retain or attract young people to our state with these numbers?

As I see it now, contractors can pay \$10.98 per hour with no benefits on school construction. That is well below the VT livable wage which will make these employees eligible for state and federal assistance. That is a bad practice with taxpayers' money to have make them pay twice. S.250 will help reduce state assistance for construction workers by raising wages and requiring a fringe to also be paid.

While raising wages will add a payroll cost, many studies have shown that the wage increases are made up by lowering material costs and upping productivity with a higher skilled workforce. Construction workers in Vermont need to be appreciated for the jobs they do.

States with higher wages are stealing our workforce. For example, a laborer in Clinton County, New York will be paid \$45.13(hourly plus fringe total) on school construction projects. In Berkshire and Franklin Counties in Massachusetts the hourly plus fringe is \$47.00. It is easy for our next generation of tradespeople to relocate to these neighboring counties.

Kevin Duncan, Ph.D. and Professor of Economics at Colorado State University-Pueblo did a report on prevailing wage for New Hampshire in 2016 and in his conclusion Duncan stated, "In a new economy in which lawmakers struggle to find ways to grow the middle class, a prevailing wage law is a proven policy. It is time to take the high road and enact an effective prevailing wage law."

Senate Committee on Economic Development, Housing and General Affairs

S.250 Testimony

Larry Moquin

2/18/2020

I know we have a prevailing wage law, but its application is very limited. It does not cover any highway work in our state and only is attached to a select number of jobs that meet the Capital Construction Act criteria. Please support S.250 and the 15,000 construction workers and their families it would benefit.

I have attached two Davis Bacon wage determinations to supplement my testimony. Clinton County, New York and Berkshire and Franklin, Massachusetts