

Testimony

Good morning esteemed members of the committee. For those who don't know me, my name is Alex Potvin. I'm a 20-year member and officer of Local Union 693 Vermont Plumbers and Pipefitters. I'm here to offer some testimony in support of labor bill 25-0652 paragraph (G) or S.125. More specifically, I wanted to address some of the concerns we heard from various department heads in opposition to this bill last Thursday.

A point was raised about "additional strain" on contractors. All contractors who participate in Federal Davis Bacon work are already compelled to abide by these requirements for certified payroll. These records are already maintained by the contractors so it would be business as usual for them. I will also be submitting letters of support for this draft from contractors whom are in support of these amendments. They also believe that it would not be a burden but also a benefit to the state to ensure the integrity and responsible spending of these tax payer dollars.

As to the point made about adding additional costs to the contractors for the bidding process, yes bidding is expensive. But it is expensive whether you are bidding private construction projects or state prevailing wage jobs. The one additional task of maintaining and submitting certified payroll would hardly be a financial hardship to these contractors. As I've already stated, these are steps they are all familiar with already. If a contractor is deterred from bidding because of having to follow rules to ensure the proper classification and appropriate wage allocation, then we need to ask ourselves, "Is this the type of contractor we should be giving taxpayer dollars to?"

A point was made that the state would not begin to know how to maintain these records. To this I would say that that could be easily rectified by conversing with neighboring states to see their process for it. As this is not a unique circumstance to have to follow. Better yet, the state could look within at its own AOT's office to see their process for maintaining records as they currently follow this practice for maintaining certified payroll for all highway construction work.

A question was asked, "What do we hope to accomplish with this?". "This" being draft 25-0652 paragraph (G) and now called S.125. Our intended purpose of this would be to ensure the proper classification of all trade workers in a much more immediate nature than when these workers file their taxes at the end of the year. As well as making sure that these workers are being paid the wage that would correspond to their classification. A point was raised last week that the most common misclassification that is seen is a worker being classified as a 1099

employee rather than a W2. I can speak first hand, as I stated in the first testimony, I gave on Feb. 27 that this is not the only cause for concern. A worker being taken advantage of on a construction project right in our own states DOL office to the tune of \$2400 over the course of a month would be the example I give you. This was a different type of misclassification than what is typically handled by the DOL but from my experience, is not unique to this individual and also not the first time this contractor has been in violation. Classifying someone as a “helper” instead of a “journeyperson” as well as not paying them the required fringe benefit addition in order to pay them a lower wage, is wage theft at its lowest form. To not have any of these situations arise, is what we hope to accomplish.

Respectfully submitted,

Alex Potvin