

## **AGC/VT Concerns About Incentivizing Union-Only or Union-Favored Labor Requirements in Vermont**

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Chair and Members of the Committee,

Thank you for the opportunity to comment on the proposal that creates incentives favoring the use of union labor on construction projects. Union and non-union Contractors both play important roles in Vermont. The issue is whether state policy should tilt the scale toward one business model over another in a small, rural state. When you do that, there are consequences that reach far beyond any one project.

Vermont does not have a large pool of union construction workers. Roughly 90% of our workforce is non-union, and in most counties the percentage is higher. A policy that rewards or pressures contractors to use union workers, even when that workforce is not available, will lead to delays, fewer bidders, and stalled projects.

Reduced competition also means higher costs. When only a fraction of contractors can pursue a job because of labor incentives, the state pays more for the same work. That means fewer roads are repaired, fewer buildings maintained, and fewer dollars reaching our communities.



Small Vermont contractors, many of them family businesses, are placed at a disadvantage. These are the firms that plow roads, repair bridges, and respond in storms. A policy that prefers one labor structure over another effectively tells these local businesses that their model is less valued in their own state.

Incentives of this kind also attract large out-of-state firms that can more easily meet union requirements. When that happens, profits, apprenticeships, and economic activity leave Vermont instead of strengthening our local workforce.

Finally, this type of policy politicizes construction. Our industry is built on quality, safety, and the ability to deliver on time and on budget. When government favors a specific labor model, the conversation shifts away from performance and toward politics, which serves no one workers, taxpayers, or communities.

Vermont's goal should be simple: get the best work at the best price using the full breadth of our workforce. Any policy that restricts participation or favors one type of contractor works against that goal.

Thank you for your time. I am available to discuss this further or answer questions from the Committee