



Testimony of Gustavo Torres, Executive Director, CASA
on
Montgomery County Council Bill 35-21:
Prevailing Wage Requirements – Construction Contracts - Amendments

Position: Support With Amendments

Thank you for the opportunity to submit written testimony in support of Bill 35-21: Prevailing Wage Requirements – Construction Contracts - Amendments. My name is Gustavo Torres and I am the Executive Director of CASA.

CASA is the largest grassroots immigrant advocacy organization in the Mid-Atlantic Region. We have more than 115,000 lifetime members, and are committed to blending human services, community organizing and strategic campaigns to serve the full spectrum of needs, dreams and aspirations of our members.

CASA supports Bill 35-21, with some amendments.

CASA supports lowering the county's prevailing wage threshold. We believe the threshold should be \$250,000 or the state's threshold, whichever is lower. A \$250,000 threshold brings Montgomery County in line with the state's new, lower threshold, as well as with the thresholds in Baltimore County (\$300,000) and Anne Arundel County (\$250,000), both of which recently passed prevailing wage ordinances.

CASA supports expanding the types of county-financed construction projects to be covered by the county's current prevailing wage law, including economic development projects (other than affordable housing projects) receiving county subsidies, including projects receiving PILOTs or TIFs in addition to P3s. The Covid-19 pandemic vividly illustrates the adverse impact that systemic racism, including wage discrimination, can have on people of color. Prevailing wage laws establish wage floors for different types of construction work on public projects based on what workers actually earn in a community. As we recover from the pandemic, broadening the county's prevailing wage law to include routine operation, repair, and service contracts for the maintenance of existing structures, buildings, and real property, as well as private projects receiving public subsidies, will lift more construction workers out of poverty, create more pathways to the middle class, and



enable more of the workforce that maintains our public infrastructure to be able to afford to live here.

Economic research shows that these laws also reduce racial income inequality in construction. Prevailing wage laws also help prevent misclassification and wage theft in the construction industry. Misclassification, or the illegal classification of workers as independent contractors, is rampant in the construction industry and disproportionately affects workers of color, including many of CASA's members.

In addition, prevailing wage requirements prevent low-road businesses from undercutting high-road employers committed to paying decent wages and benefits in bid competitions. Providing employers with a clear guideline for what is an acceptable rate of compensation signals to high-road employers that they can compete for and win government contracts. Experience shows that by raising standards for workers, governments can encourage more companies to bid for contracts.

CASA also supports the local hiring component of Bill 35-21, which requires county contractors to use best efforts to fill at least 51% of new jobs required to complete the capital improvement contract or capital project with county residents. We support including "reporting requirements," "violations," and "untimely reporting" sections in Bill 35-21, rather than leaving it to the discretion of the county government to adopt regulations or promulgate policies and guidelines. It is important that taxpayer dollars create taxpayer jobs, and targeted hire provisions can help increase recruitment of women and Black and Latinx workers in the construction industry.

On behalf of all of us at CASA, please vote in favor of Bill 35-21.