



## **Senate Bill 667**

### *Procurement – Prevailing Wage – School Construction*

MACo Position: **SUPPORT**

To: Finance Committee

Date: February 21, 2013

From: Robin Clark

The Maryland Association of Counties (MACo) **SUPPORTS** SB 667. This bill would lower the number of school construction projects mandated to comply with the State's prevailing wage law. MACo believes the bill will assist counties in offsetting additional costs realized by the application of the prevailing wage law.

SB 667 seeks to increase the State contribution of funding on a project from 50% to 75% before the prevailing wage law applies. The current threshold State contribution for school construction, 50%, was modified from the original 75% threshold set in 1983. This increase has created additional costs and record-keeping and reporting requirements on the private building trades, school boards, and county officials overseeing school construction projects. A return to the 50% threshold would help to reduce those costs and administrative burdens.

SB 667 is intended to lower local and State expenditures for school construction projects, permitting better use of limited resources. As described in the fiscal and policy note, many counties already fall outside of the application of the current prevailing wage law for school construction. Enactment of SB 667 could help reduce contract costs in eleven jurisdictions, most of which are among the most needy according to the State's education funding formula. MACo has supported the provision of Qualified Zone Academy Bonds to counties for school construction needs and MACo supports this legislation which will provide additional utility of limited school construction funds.

Accordingly, due to the significant cost savings to school construction projects, MACo **SUPPORTS** SB 667 and urges a **FAVORABLE** report.