



Senate Bill 1068

Procurement – Prevailing Wage – School Construction

MACo Position: **SUPPORT**

Date: March 11, 2014

To: Finance Committee

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** SB 1068. This bill would increase the share of State funding required for a school construction project to be subject to the state prevailing wage law.

SB 1068 seeks to increase the state contribution of funding on a project from 50% to 75% before the prevailing wage law applies. The current state contribution threshold for school construction, 50%, was modified from the original 75% threshold set in 1983. This increase has created additional costs and additional record-keeping and reporting requirements on the private building trades, school boards, and county officials overseeing school construction projects. A return to the 75% threshold would help to reduce those costs and administrative burdens.

SB 1068 is intended to lower local and state expenditures for school construction projects, permitting better use of limited resources. As described in the Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations for Fiscal Year 2015, the escalation in building costs over the past ten years has hampered the State's efforts to bring all public schools up to minimum standards and school construction needs continue to exceed the anticipated level of state funding. Increasing the prevailing wage threshold for school construction purposes would provide for additional utility of limited school construction funds at the state and local level.

MACo believes SB 1068 would assist counties in offsetting additional costs realized by the application of the prevailing wage law, and therefore urges the committee to give it a **FAVORABLE** report.