

BILL: Senate Bill 232
TITLE: Procurement - Prevailing Wage - Applicability
DATE: February 27, 2014
POSITION: OPPOSE
COMMITTEE: Finance Committee
CONTACT: John R. Woolums, Esq.

The Maryland Association of Boards of Education (MABE), representing all of the state's twenty-four local boards of education, opposes Senate Bill 232.

This bill would dramatically increase the number of local public works projects, including school construction projects that would be required to comply with prevailing wage rate requirements, by requiring that all school construction projects that receive any state funds pay prevailing wages to contractors.

Maryland has a longstanding tradition requiring the application of prevailing wage law to construction projects funded in large part with state dollars. Until 2000, the threshold percentage of state funding that triggered the prevailing wage requirement was 75 percent. In 2000, this threshold was lowered to 50 percent. Since 2000, the 50 percent threshold has resulted in increased project costs and unnecessarily diluted the benefit of the State and local investment in public school construction during these years.

Following passage of the amendment in 2000, several local boards of education began to bid construction projects both as prevailing wage and non-prevailing wage projects. This process provided convincing evidence of cost savings under the non-prevailing wage rates. In light of such significant potential cost savings, MABE supports returning to the 75 percent threshold to achieve cost savings and maximize the value of all available school construction funds.

Maryland's local boards of education, local governments, and state public school construction program are striving to provide adequate school facilities for all students in each of the twenty-four school systems. MABE does not believe the law should bar the consideration of a non-prevailing wage bid that meets the high standards of our state school construction program, the project specifications of the local school system, and is less expensive for state and local taxpayers.

For these reasons, MABE requests an unfavorable report on Senate Bill 232.