

TESTIMONY OF ROGER P. MANNO, ESQ.
SB259, PROCUREMENT - PREVAILING WAGE – APPLICABILITY
SUPPORT

Honorable Members of the Senate Finance Committee:

Please accept this testimony in strong support of SB259, legislation to expand prevailing wages to mechanical systems service contracts.

This legislation resolves confusion in the Maryland code as to whether “service contracts” are subject to prevailing wages. In doing so, the legislation significantly limits the scope of these prevailing wage service contracts to “mechanical service contracts” (including HVAC, plumbing, refrigeration, steam and gas work, and elevators), while tying the dollar threshold for such prevailing wage contracts to the parallel federal law, the McNamar-O’Hara Service Contracts Act of 1965.

By expanding the scope of prevailing wages to mechanical systems service contracts, this legislation is a timely and powerful wage, local hiring, and economic driver, at a time when our state needs it most.

I was privileged to serve in the Maryland House of Delegates from 2007-2011, and the Maryland Senate from 2011-2019. During that time, I authored a number of bills, laws and an Executive Order to advance prevailing wages and exceptional workforce training through certified apprenticeship training programs. Testimony and studies introduced in those legislative hearings illuminated the powerful impact of prevailing wage programs in advancing local job creation through rigorous skills-training programs, funded directly by those wages. In fact, the Senate Taskforce on Prevailing Wage in Maryland reviewed data compiled by the State Department of Labor, Licensing and Regulation between 2012 and 2013, which revealed that a staggering 76.34% of all jobs created by prevailing wage contracts went directly to Maryland workers.


In addition, as detailed in the policy brief in your packet by national construction policy expert, attorney Gerard M. Waites of O’Donoghue & O’Donoghue LLP, some 39 studies on prevailing wages overwhelmingly indicate that prevailing wage programs increase local skills training programs, stabilize wage rates, increase productivity and jobsite safety, provide necessary stimulus in the form of local tax revenues, and do not increase overall construction project costs.

Distinct from construction work, service work is performed through very small contracts, averaging \$3,000-\$5,000 per contract, which is far lower than the current prevailing wage threshold for construction (\$250,000). By recognizing the unique size and scope of service work, SB259 builds on the precedents set by federal government (McNamara-O’Hara Service Contract Act of 1965), and local legislation just passed in Montgomery County, and pending in the counties of Charles, Prince Georges, Anne Arundel, Baltimore City, and Baltimore County.

In all, SB250 harmonizes our regional prevailing wage rates for mechanical systems service contracts, while incentivizing good jobs and outstanding workforce training for local residents.

For the forgoing reasons, I respectfully ask for your support of SB259, and a favorable committee report.

Sincerely at your service,



Roger Manno