

# GENERAL CONTRACTORS ASSOCIATION OF PENNSYLVANIA

A VOICE FOR UNION CONSTRUCTION

**Written Testimony of Terrence M. McDonough  
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Chairman Miller, Chairman Keller and Members of the House Labor and Industry Committee:

On behalf of the General Contractors Association of Pennsylvania (GCAP), thank you for the opportunity to provide written testimony regarding House Bills 1367 and 1685.

Incorporated in October 1953, GCAP represents the member interests of the Master Builders Association of Western PA (MBA), the Keystone Contractors Association (KCA) and the General Building Contractors Association (GBCA). As such, it is the statewide voice for more than 500 union-affiliated general and specialty contractors and their affiliates throughout the Commonwealth. GCAP contractors are well-respected members of Pennsylvania's construction industry, and they have a proud history of paying their workforce appropriate and competitive wages whether the project be public or private.

When it comes to Prevailing Wage, GCAP recognizes the importance of these regulations for public construction. However, we know this is a priority issue for the Committee and understand that during difficult economic times the General Assembly must take a close look at a wide array of long-standing public policy decisions to examine the fiscal impact they have on the Commonwealth, including the effects they have on local governments and school districts. That is why GCAP has long advocated for eliminating archaic state mandates such as the Pennsylvania Separations Act.

It is our understanding that the Committee will be holding a series of public hearings on the Prevailing Wage issue to look at multiple aspects of this law. House Bills 1367 and 1685 focus on what the wage rate for each county should be and how the scope of a craft or classification of workers should be determined on a prevailing wage project. More specifically, HB 1367 would set the prevailing wage rate for each county by utilizing data from the Center for Workforce and Analysis, and HB 1685 would enable the Department of Labor and Industry to dictate the scope of a craft or classification of workers based on the most recent version of the Federal occupational classifications.

While the two bills before the Committee today seek to change separate components of Commonwealth's Prevailing Wage statute, they share a common thread in that they propose using prescribed standards and definitions to change the law. Again, we recognize the strains any state mandate can place on local decision makers and their communities, but any attempts to lessen those burdens must be balanced in their approach and fair to the skilled workers who are a key part of Pennsylvania's construction industry.

GCAP appreciates why the General Assembly would want to utilize more standardized data to determine prevailing wage rates for each county. However, we are concerned that the figures generated by the Center for Workforce Analysis may not necessarily capture what the true rate for an electrician or a carpenter or any other trade should really be. GCAP contractors engage a workforce that has undergone extensive training in programs that are unrivaled, and they invest heavily to ensure these craftsmen remain at the very top of their game. Generally speaking, that is why we believe the current wage rates more accurately reflect the investments made to ensure that the work done by our members is performed by the very best in each trade.

With regard to the standardization of job classifications, GCAP appreciates the intent of HB 1685 and understands why clarity of definition is being sought. However, we also believe that contractors on a job site must have the discretion to determine what trade should do what work when multiple trades have the required skills to complete certain specifications of a project. Again, we understand the potential efficiencies of using federal standards in some situations, but we would like to work with the General Assembly on this legislation to ensure that implementing this approach will not have the opposite effect of what is desired when there is crossover between trades.

Before closing, we want to emphasize again that we recognize that Prevailing Wage is a priority issue for this Committee, and we know that you will be looking at the issue from a variety of perspectives. As we suggested above, we do believe that the current rates best reflect what prevailing wage rates should be. However, we are available and interested in providing input regarding the process by which prevailing wage rates are determined and any other changes to the statute that legislature may decide to pursue.

Whether it be Prevailing Wage, the Separations Act or any other matter impacting public construction in the Commonwealth, we look forward to working with you and the House Labor and Industry Committee to further build Pennsylvania's construction industry.

Thank you again for the opportunity to share our thoughts on these two very important pieces of legislation.