

**Testimony on Senate Bill 571 before the House Labor Committee on behalf of the  
International Brotherhood of Electrical Workers – Michigan State Conference  
June 13, 2024**

Good morning Chairman Haadsma and members of the committee. My name is Ryan Charney, and I am the chair of the IBEW Michigan State Conference. I am also the business manager of IBEW Local 692 in Bay City. I am joined by Aaron Pangborn, the business manager for IBEW Local 665 here in Lansing. Thank you for giving us the opportunity to testify in favor of Senate Bill 571 today.

The Michigan Prevailing Wage Law is an important tool that ensures that highly trained construction workers can continue to earn competitive wages and experience a high quality of life living here in Michigan. Our law is modeled on the federal Davis-Bacon Act which was enacted to ensure that construction workers living in higher wage areas could compete fairly with contractors who imported lower-wage workers from lower-wage regions. Hiring lower-wage and often lower-skilled workers should not be the basis for a competitive advantage in the construction industry. At a time when we are seeing an incredible demand for highly skilled electricians and other construction mechanics in Michigan, it is vital that we enable high-quality contractors that employ highly-skilled and well-paid workers to compete based on efficiency and quality as well as cost.

Moreover, several studies have shown that final construction costs are not impacted by Prevailing Wage laws. A study by Dr. Peter Phillips, a professor of economics at the University of Utah, studied Michigan construction costs in years where the Prevailing Wage was in effect and compared it to years it was not in effect. The study found that there was no statistically significant difference in the final construction costs of a prevailing wage project versus a non-prevailing wage project.

I will have my colleague, Aaron Pangborn, describe our specific support for Senate Bill 571.

While the law has been on Michigan's books for most of the last 60 years, enforcement has been largely lacking. Senate Bill 571 would, for the first time, empower the Michigan Department of Labor and Economic Opportunity to register contractors, review their certified payroll, and ensure that the commitments being made in regard to wages are honored. A law without enforcement is meaningless, and SB 571 would address that issue.

Another key provision in Senate Bill 571 is the extension of Prevailing Wage requirements to renewable energy developers. Legislation passed in 2023 will create tremendous opportunities for the construction of new, clean energy facilities around Michigan. Renewable energy providers who supported the 2023 legislative package agreed to abide by Prevailing Wage laws so that Michigan residents can be assured that the construction jobs being provided are for good wages and benefits. Senate Bill 571 will codify those commitments.

The IBEW – Michigan State Conference strongly supports passage of Senate Bill 571 and asks this committee to support the bill. Thank you again for the opportunity to testify this morning. We are happy to answer any questions you may have.