

EDWARD S. OSIENSKI
STATE REPRESENTATIVE
24th District



HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Labor, Chair
Public Safety &
Homeland Security, Vice-Chair
Transportation, Land Use &
Infrastructure, Vice-Chair
Capital Improvement
Capital Infrastructure
Education

House Labor Committee Meeting Minutes
6.7.22

This committee meeting has been recorded and may be accessed via legis.delaware.gov

Chair Osienski called the meeting to order at 12.09 p.m. and took a roll call of the committee members. Members present included Vice-Chair Williams, Reps. Bentz, Bolden, Cooke, Lambert, Morrison, and Smith. Also present was Geoff Christ, Director of the Division of Professional Regulation; Cerron Cade, Director of the Office of Management and Budget; Karryl Hubbard, Secretary of the Department of Labor; and Nicole Majeski, Secretary of the Department of Transportation. For a list of guests present, please see the attendance list below.

Chair Osienski introduced **HB 449, AN ACT TO AMEND TITLE 24 AND TITLE 29 OF THE DELAWARE CODE RELATING TO ELEVATOR MECHANICS**. Chair Osienski explained that the bill would create an individual Board for elevator mechanics.

Chair Osienski opened the floor for comments from the committee.

Hearing none, Chair Osienski opened the floor for public comment.

Joe Williams, Business Manager for the International Union of Elevator Constructors (IUEC) Local 5, showed support for the bill.

Ellie Webb, representing Delaware Elevator, expressed support for the bill.

Dane Eisele, representing Delaware Elevator, mirrored Mrs. Webb's comments and showed support for the bill.

Hearing no more public comment, a motion was made by Vice Chair Williams and seconded by Rep. Smith to release HB 449 from committee; motion carried. Yes = 7 (Osienski, Williams, Bentz, Bolden, Lambert, Morrison, Smith); No = 0; Absent = 4 (Reps. Moore, Cooke, Matthews, Smyk). The bill was released from committee with a F=3, M=4, U=0 vote.

Chair Osienski introduced **HB 435, AN ACT TO AMEND TITLE 19 OF THE DELAWARE CODE RELATING TO THE COMMUNITY WORKFORCE AGREEMENT ACT**. Chair Osienski invited Rep. Lambert to present the bill.

Rep. Lambert explained the concept of a Project Labor Agreement (PLA), also known as, Community Workforce Agreement (CWA) and listed examples of its success in several U.S. cities. Furthermore, he stated that the bill intends to connect communities with opportunities for economic development. Rep. Lambert asserted that the bill does not place union workers and non-union workers against each other. Moreover, Rep. Lambert explained that the racial and gender breakdown of Delaware does not match the respective breakdowns of Delaware's construction workers. He indicated the number of minority and women workers are shrinking. Rep. Lambert explained that upon the establishment of a state-funded project of \$3,000,000.00 or more, a PLA would be established. Lastly, he asserted that the bill would help everyone, but especially black-owned contractors and workers.

Chair Osienski opened the floor for comments from the committee.

Rep. Smith asked how the bill would create jobs for Delawareans and if Rep. Lambert could provide statistics specific to Delaware.

Rep. Lambert answered that all of his data was Delaware specific. He also stated that there was approximately \$1,000,000,000.00 of federal investments coming to Delaware for infrastructure.

Rep. Smith questioned whether a limit on which workers can bid for opportunities would create or eliminate job opportunities.

Rep. Lambert reiterated that the federal investments would be an economic opportunity for communities.

With permission from the Chair, Rep. Lambert introduced Ray Heineman, .Esq, representing the Delaware Building and Construction Trades Council.

Mr. Heineman explained that he represents local unions and local building trades councils throughout the Midatlantic region and Puerto Rico, specializing in developing local labor forces. He went on to answer Rep. Smith's question by stating that the bill is specific in opening opportunities to both union and non-union contractors; therefore, union and non-union workers. In addition, the bill reserves ten percent of the project's workforce for contractors whether they are union or not, and the other 90 percent for workers from referral systems, also union or non-union. Mr. Heineman explained that the open referrals in the bill were what provided access in communities. Lastly, he stated that the bill would allow more control locally for recruiting the best workers.

Rep. Smith asked how the bill would affect the quality and cost of the projects as well as for any statistics on the Delaware workforce.

Mr. Heineman answered that the CWA unifies terms, conditions, and work rules which increases productivity and decreases cost. Additionally, it reduces misclassification and payroll fraud. Lastly, Mr. Heineman stated that the bill would allow Delaware's wage laws to be enforced.

Rep. Smith asked for quality control measures or statistics from other states.

Mr. Heineman answered that he did not have hard numbers, but several U.S. cities have continued to use CWAs, with New Jersey choosing to expand its CWAs to include infrastructure projects. Moreover, he explained that the original idea of a PLA/CWA started in the private sector but are now being used in the public sector.

Rep. Smith debated that by giving everyone equal opportunity, the market is being changed. He also stated that he wanted hard numbers to make a more informed decision.

Mr. Heineman reiterated that he does not have hard numbers, but other states have seen improvements in larger, more complex projects.

Rep. Smith asked if they also increased jobs.

Mr. Heineman answered that instead of increased jobs, the states experienced increased careers.

Chair Osienski opened the floor for public comment.

Cerron Cade, Director of the Office of Management and Budget (OMB), did not support the bill, stating that the bill would slow the completion of projects. He explained that the bill would allow the state to directly negotiate with labor organizations and would allow labor organizations to negotiate directly with contractors, without limits on how long those negotiations may take. Furthermore, Mr. Cade expressed concern over the division of the workforce. He stated that Delaware may not have the workforce numbers within organized labor groups to fill the 90 percent requirement and that would result in workers being brought in from other states. Lastly, Mr. Cade stated he does not believe the bill would necessarily improve diversity in the workforce.

Karryl Hubbard, Secretary of the Department of Labor (DOL), expressed support for diversifying the labor force, but did not support the bill in its current state. Ms. Hubbard asked that a fiscal note be added to address reporting requirements needed and staff persons needed to manage the implementation of the bill.

Nicole Majeski, Secretary of the Department of Transportation (DelDOT), supported the intent of the bill but had several concerns. Ms. Majeski explained that nearly all of DELDOT's projects would be included in the bill as they are state-funded and would cost over \$3,000,000.00 or more. Additionally she reiterated points made by Mr. Cade and Mrs. Hubbard.

Chair Osienski invited Rep. Lambert to respond to the cabinet members.

Rep. Lambert thanked the cabinet members for their work and stated that he was open to negotiating to meet the cabinet members concerns.

Chair Osienski continued public comment.

James Maravellas, President of Delaware's American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and the Building Trades Council (DBTC), expressed support for the bill. Mr. Maravellas stated that the bill would be good for minority and women workers in Delaware.

Karl Stomberg, representing the Working Families Party, expressed support for the bill. Mr. Stromberg asserted that the bill would provide equitable opportunities for all Delaware workers.

Michael Hackendorn, Vice President of (DBTC), expressed support for the bill.

Albert Green, Business Manager with Local 451, offered support for the bill.

Sherdonald Gude, representing Local 451, indicated support for the bill.

Chris Muntz, Business Agent of Local 74, expressed support for the bill.

Jeromy Newton, representing Nickel Elect with Associated Builders and Contractors (ABC), did not support the bill. Mr. Newton expressed concerns about being forced to unionize.

Chris Baker, representing George & Lynch with ABC, did not support the bill. Mr. Baker expressed concerns about out-of-state workers getting jobs before Delawareans.

Kevin Fasic, representing Offit Kurman with ABC, did not support the bill.

Angelo Mariono, President of P&C Roofing with ABC, opposed bill.

Matt Degli Obizzi, representing Degli Obizzi & Sons with ABC, expressed opposition for the bill.

Michele Rich-Ianieri, representing RC Fabricators with ABC, did not support the bill.

Robert Field, representing Drive Delaware Forward, opposed the legislation.

Ken Grimmett, representing Eastern Highway Specialist with ABC, did not support the bill.

David Wilson, representing L. Wilson Masonry Inc. with ABC, expressed opposition for the legislation.

Clayton Joyce, representing Local 55, offered support for the bill.

Sam Noel, representing Local 255, expressed support for the bill. Mr. Noel stated that the bill would allow for more apprenticeships.

Brian Hawthorne, representing Local 19, expressed support for the bill. Mr. Hawthorne stated that he has experience working under a CWA in New York and it allowed him to take care of his family.

Brandon McCallough, representing Local 19, expressed support for the bill. Mr. McCallough stated that he has experienced being able to work in his own community thanks to CWAs.

Kyle Spence Sr., representing Local 74, expressed support for the bill.

Martin Willis, offered support for the bill.

Mario Corea, expressed support for the bill. Mr. Corea urged non-union workers to read the bill and asserted that it helps all workers.

Richard Lank, representing Degli Obizzi & Sons with ABC, did not support the bill.

Ken Woods, New Castle County Councilman representing Local 19, expressed support for the bill. Mr. Woods indicated that the bill intends to support all workers.

Terrence Hickson, representing Local 451, expressed support for the bill. Mr. Hickson stated the bill would create careers.

Deja Green, representing Local 451, expressed support for the bill. Mr. Green stated the bill would be good for younger tradespersons entering the workforce.

Michael Stewart, representing Local 30, offered support for the bill.

Joe Fitzgerald, representing the New Castle County Chamber of Commerce, opposed the bill.

Vinnie Ashone, representing Local 542, expressed support for the bill.

A motion was made by Rep. Bolden and seconded by Rep. Bentz to release HB 435 from committee; motion carried. Yes = 7 (Osienski, Williams, Bentz, Bolden, Lambert, Morrison); No = 0; Absent = 5 (Reps. Moore, Cooke, Matthews, Smith, Smyk). The bill was released from committee with a F=6, M=0, U=0 vote.

Chair Osienski adjourned the meeting at 1:33 p.m.

Respectfully submitted by:

Devonna Marshall

Attendance List:

Joe Fitzgerald, New Castle County Chamber of Commerce

Joe Williams, Business Manager for the International Union of Elevator Constructors (IUEC) Local 5

Ellie Webb

Dane Eisele

Ray Heineman, .Esq, Delaware Building and Construction Trades Council

Cerron Cade, Director of the Office of Management and Budget

Karryl Hubbard, Secretary of the Department of Labor (DOL)

Nicole Majeski, Secretary of the Department of Transportation (DelDOT)

James Maravellas, President of Delaware's American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and the Building Trades Council (DBTC)

Karl Stomberg, Working Families Party

Michael Hackendorn, Vice President of (DBTC)

Albert Green, Business Manager with Local 451

Sherdonald Gude, Local 451

Chris Muntz, Business Agent with Local 74

Jeromy Newton, Nickel Elect

Chris Baker, George & Lynch

Kevin Fasic, Offit Kurman

Angelo Mariono, President of P&C Roofing

Matt Degli Obizzi, Degli Obizzi & Sons

Michele Rich-Ianieri, RC Fabricators

Robert Field, Drive Delaware Forward

Ken Grimmett, Eastern Highway Specialist

David Wilson, L. Wilson Masonry Inc.

Clayton Joyce, Local 55

Sam Noel, Local 255

Brian Hawthorne, Local 19

Brandon McCallough, Local 19

Kyle Spence Sr., Local 74

Martin Willis

Mario Corea

Richard Lank, Degli Obizzi & Sons

Ken Woods, New Castle County Councilman, Local 19

Terrence Hickson, Local 451

Deja Green, Local 451

Michael Stewart, Local 30

Vinnie Ashone, Local 542

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Mr. Chairman and members of the House Labor Committee,

This afternoon many workers in the construction industry find their jobs threatened by **House Bill 435**.

I am Chris Baker and I represent various groups in opposition to HB435. I am this year's Chairman of ABC Delaware and I speak for my co-owners of George & Lynch, Inc. You see, George & Lynch adopted an Employee Stock Ownership Plan (or ESOP) last year.

I understand the sponsors of the bill have good intentions as they relate the bill's title. ABC Delaware members have been open to employment of minorities and women throughout Delaware. Growth in areas of Diversity, Equity & Inclusion is one of our major goals this year. You will hear from some other member firms today.

G&L's workforce is 28.4% diverse. They live in 31 of 75 Delaware zip codes, or communities. Their average tenure is 16 years and some of their families are in their 2nd and even 3rd generation of employment with the same company. Enactment of this bill could put their livelihoods in jeopardy. In fact, it does not guarantee

out-of-state workers would not take the jobs of Delaware residents.

While we are not perfect, we have a documented superior safety record, are well-known for our quality workmanship by Delaware agencies & municipalities, and routinely complete our work in a timely manner.

Aside from the interest of myself, G&L employees, and over 85% of Delaware's construction workers; Delaware's taxpayers and users of public infrastructure should be concerned with this bill. Side-lining the supermajority of existing workers will cause logistical issues and reduce competition leading to higher contract prices. As the construction workforce is contracting nationwide, we cannot afford to lose our most valuable resource.

Delaware should guarantee open competition for state-funded projects. All Delawareans should have access to those jobs, without discrimination of any kind.

I urge you to do the right thing for all Delaware stakeholders.

Thank you

Oppose HB435

Tyler Micik <tmicik@dsc.com>

Tue 6/7/2022 9:06 AM

To: Osienki, Edward (LegHall) <Edward.Osienki@delaware.gov>;HouseCommitteeComment (Mailbox Resources) <HouseCommitteeComment@delaware.gov>

Cc: Williams, Kimberly (LegHall) <Kimberly.Williams@delaware.gov>;Matthews, Sean (LegHall) <Sean.Matthews@delaware.gov>;Moore, Rae (LegHall) <Rae.Moore@delaware.gov>;Bentz, David (LegHall) <David.Bentz@delaware.gov>;Cooke, Franklin D (LegHall) <FranklinD.Cooke@delaware.gov>;Bolden, StephanieT (LegHall) <StephanieT.Bolden@delaware.gov>;Lambert, Larry (LegHall) <Larry.Lambert@delaware.gov>;Morrison, Eric (LegHall) <Eric.Morrison@delaware.gov>;Smith, Michael (LegHall) <Michael.F.Smith@delaware.gov>;Smyk, Steve (LegHall) <Steve.Smyk@delaware.gov>

Chairman Osienki and members of the committee,

The Delaware State Chamber of Commerce opposes HB435. This bill mandates that all public works projects over \$3 million be subject to a Community Workforce Agreement (CWA). Meaning, all contractors and subcontractors would have to sign an agreement with organized labor to perform work on said projects. Government contracting should be based on sound, credible criteria. Public officials have a duty to be fiscally responsible and avoid favoritism in the procurement process.

This is a problem for many reasons, but two are most obvious. The first is the fact that workers will come from outside of Delaware to work these jobs. That means these workers will earn wages working on Delaware projects and return home to places like New Jersey, Pennsylvania, or Maryland where they'll use their hard-earned income to improve their homes and neighborhoods. How does that benefit working-class neighborhoods in Newark, Wilmington, Dover, or Bear? Put simply, it doesn't and that's not fair. The second reason is price and quality. All Delawareans deserve the right to earn a paycheck and have equal access to state work, regardless of organizational membership. Open competition and competitive bidding for all public projects ensures contracts are awarded to those who will do the best work at the best price.

Tyler Micik

Manager, Public Policy and Government Relations

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