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Lynsey Kryzwick: 917-683-4474

Service Employees International Union

FOR IMMEDIATE RELEASE

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COUNCIL HEARS TESTIMONY IN SUPPORT OF PREVAILING WAGE BILL

– Hotel Operator, National Policy Experts, Union Leaders Weigh-In on Bill –

Pittsburgh, PA – At this morning’s special post-agenda hearing on a bill that would help create good service jobs, City Council heard testimony from a hotel operator, local labor leaders, policy and economic experts. To date, seven Council Members have co-sponsored the “prevailing wage bill,” which would require developers and contractors to pay the private-sector going rate to building service, food service, hotel and grocery workers.

“This bill will eliminate the City’s role in creating jobs that keep hard-working families in poverty,” said City Council President Doug Shields. “Today’s testimony gives us further evidence that this bill will help working families without negatively impacting economic growth in Pittsburgh.”

In their testimony, local labor leaders – including Allegheny County Labor Council Chair Jack Shea, 32BJ SEIU Western Pennsylvania Director Gabe Morgan, United Food and Commercial Workers Local 23 President Tony Helfer and Workers United Associate Manager Sam Williamson– shared examples of new developments that benefited from City tax-dollars but create jobs far below the market-rate. Pittsburgh United, a coalition of faith, labor, environmental and community organizations, packed the City Council chambers with supporters who are advocating for this bill as part of broader economic development reform, which includes environmental and transparency reform bills.

“Most business owners in Pittsburgh are already paying the same rate for service work,” said Gabe Morgan, 32BJ SEIU Western Pennsylvania Director. “We cannot stand by while new developers and city contractors undercut the market to pad their own pockets.”

Twenty-five year hotel operator Jeff Fleming shared his experience with worker turnover in the hospitality industry, including the high cost of replacing workers, and Mark Price from the Keystone Research Center discussed economic data that outlined Pittsburgh’s current and forecasted economic growth.

“Pittsburgh’s economy has outperformed the nation,” said Mark Price, Labor Economist at the Keystone Research Center. “Paying market rates for service work will make sure that growth keeps paying off for middle class workers in the City.”

The bill would also ensure city-contracted workers receive good wages and health care. Currently, some workers contracted to provide services to the city are earning just above the minimum wage and do not have access to affordable health care. According to the National Employment Law Project (NELP), more than 140 cities have set wage standards for their contracting programs over the past fifteen years. NELP reports these cities have seen little, if any, impact on costs for services.

“When governments adopt prevailing wage requirements for their contracting and development work, they help enforce the rates established in the private-sector,” said Paul Sonn, NELP Legal Co-Director, who testified at the hearing. “By upholding the going rate, government helps create good jobs without undermining market standards.”

With more than 110,000 members, including 5,000 in Western Pennsylvania, 32BJ is the largest property services union in the country.

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