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February 23, 2011

Representative Kurt Olson
House Labor & Commerce Committee
Juneau, Alaska 99811

RE: HB155 – An Act Relating to Public Construction Contracts.

Dear Representative Olson,

The Alaska Municipal League strongly supports HB155, which calls for an increase to the threshold that municipal contracts must meet before they qualify for prevailing wages. At our Annual Local Government Conference held in November of 2010, we passed a resolution supporting this issue. Our resolution called for raising the threshold to \$50,000 rather than \$75,000; however our intent was the same as reflected in HB155.

While the current Little Davis-Bacon threshold is \$2,000, we all realize that very little can be done with regards to public works contracts for \$2,000 or below; especially when one adds in the high prices we must pay for shipping, wages, transportation, etc. The current threshold has been in place since 1935. We believe it is time to change this threshold. Municipalities should not be required to pay prevailing wage to complete a \$3,000 job. In small, remote communities, this can be a huge detriment to getting work done in an efficient manner.

Many states have adopted a threshold of up to \$500,000. The Alaska Municipal League believes that \$50,000 will currently satisfy the need to catch up with inflation and take into account higher prices with which all Alaskans must deal. We would ask that the Legislature pass this bill and raise the threshold which requires prevailing wage.

Sincerely,

Kathie Wasserman
Executive Director