



**Ohio House of Representatives  
Economic Development, Commerce and Labor Committee  
Chairman Ron Young  
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Bryan C. Williams  
Director of Government Affairs  
Associated Builders and Contractors of Ohio**

## **HB 163 – Proponent Testimony**

Good morning Chairman Young and members of the Commerce and Labor Committee. I am Bryan C. Williams, Director of Government Affairs for the Associated Builders and Contractors of Ohio. Ohio's three ABC chapters have nearly 1,000 commercial general contractors, sub-contractors and affiliated businesses which promote the merit shop philosophy free market public policies.

ABC member contractors are completely dedicated to providing public agencies the highest quality construction product for the most competitive price while maintaining the highest level workplace safety. Additionally, we work every day to recruit, train and employ the construction workforce of tomorrow.

ABC strongly supports HB 163 – a bill to grant permissive authority to local governments who desire relief from Ohio's unfunded construction "prevailing wage" mandate.

Ohio established what we commonly call *prevailing wage* in 1932, during the depression, to protect Ohio contractors from competing with low-cost southern construction labor pouring into the state in search of work. What might have served a purpose 85 years ago in protecting jobs for Ohio residents during the Great Depression, today simply raises costs on public construction projects for local governments with no benefit.

HB 163 will allow local governments and public universities to avoid the prevailing wage mandate when they determine they want to build a project at a lower market rate cost. Ohio has long championed local control and local decision making. What better time to apply this cherished concept now, when the state has reduced local government funding. It is a fair exchange to grant permissive relief from this unfunded state mandate at a time when the state is contributing less to local government operations.

Now, critics of this permissive prevailing wage exemption will tell you the law increases construction quality, places a greater emphasis on job safety and supports the maintenance of a middle-class income. These are false criticisms.

**Quality.** Does prevailing wage produce a higher quality project? No. If it were true that prevailing wage mandates produce high quality construction products, there would be a discernable difference between public constructions projects in the 20 states that have no prevailing law whatsoever. We don't turn on the news and hear of public construction catastrophes in any of these states.

**Safety.** Prevailing wage mandate advocates like to assert it provides a safer work environment. This too is false. There is no credible evidence that public sector prevailing wage projects have any better workplace safety records.

**Middle-class pay.** With or without prevailing wage mandates, careers in construction offer incomes that easily range between \$40,000 – 100,000 and more.

When we burden our state and local governments with this outdated mandate on public construction, we make Ohio less competitive with other states. The purchasing power of our tax dollar is needlessly diminished. That is both unwise and unfair. In 2017 local governments should be allowed to make this choice for themselves.