



OHIO

September 19, 2017

The Honorable Ron Young
Chair, Ohio House Economic Development, Commerce & Labor Committee
77 South High Street, 13th Floor
Columbus, OH 43215

Dear Chairman Young:

I am writing on behalf of the nearly 25,000 governing members of the National Federation of Independent Business to express our support for House Bill 163, legislation empowering local governments, special districts, and state institutions of higher education to decide whether to apply prevailing wage to certain public works project.

By way of background, a typical NFIB/Ohio member employs 25 or fewer and does less than \$2 million in annual sales. Our members come from every industry type, and our organization looks like Main Street in any legislative district across Ohio. We set policy based upon a unique member balloting process. The positions we take before the Ohio General Assembly are directly related to this process. Although our members support a repeal of prevailing wage, House Bill 163 is a move in the right direction.

House Bill 163 empowers local government, special districts, and state higher education institutions to decide to how to best proceed when seeking bids and awarding contracts for public works. House Bill 163 permits these bodies to apply prevailing wage requirements, should they so choose. Prevailing wage is no longer mandated for these entities, nor are prohibitions on it expanded beyond current law; it is simply permissive for more public projects.

We believe House Bill 163 also serves to expand the number of quality bidders on projects by affording flexibility in allowing free market bidding of labor costs on projects. Some small contractors are unable to meet the requirements of Ohio's current prevailing wage laws, or do not want to undertake what can be a cumbersome bid process, and thus forgo bidding on projects.

Additionally, providing local governments, special districts, and state higher education institutions the ability to choose from a potentially larger pool of bidders, promotes more prudent expenditure of taxpayer dollars. If the taxpayers desire the payment of prevailing wage on local projects, they can advocate this message to their local, elected officials. Allowing flexibility of local governments in determining whether labor costs should be part of the competitive bid process is a practical proposal.

NFIB/Ohio supports House Bill 163 and recommends favorable adoption by this committee. NFIB/Ohio may consider House Bill 163 a key small-business vote of the 132nd General Assembly. Thank you for your consideration.

Sincerely,

Christopher J. Ferruso
Legislative Director