

## **82<sup>ND</sup> HOUSE DISTRICT**

DEFIANCE, PAULDING, AND VAN WERT  
COUNTIES, AND ALSO THE NORTHWEST  
CORNER OF AUGLAIZE COUNTY

### **Committees**

Economic and Workforce  
Development; Federalism; Ways  
and Means; Vice Chairman of  
Higher Education



## **COLUMBUS OFFICE**

VERN RIFFE CENTER  
77 SOUTH HIGH STREET 11<sup>TH</sup> FLOOR  
COLUMBUS, OH 43215-0253  
PHONE: (614) 644-5091  
REP82@OHIOHOUSE.GOV

## **State Representative Craig S. Riedel** **Ohio House of Representatives** **Sponsor Testimony: HB 78**

Chairwoman Manning, Vice-Chair Dean, Ranking Member Lepore-Hagan and members of the Commerce and Labor Committee, thank you for the opportunity to provide sponsor testimony for House Bill 78. This legislation will give local government entities and state institutions of higher education the ability to choose for themselves whether or not they want to apply prevailing wage on public improvement projects.

Prevailing wage is a state calculated mandated wage that is used on all local government construction jobs that exceed certain monetary thresholds. State universities, cities, counties, townships and other government entities such as libraries, museums and fairgrounds are all subject to pay prevailing wage when these thresholds are exceeded.

Simply stated, prevailing wage is state government overreach into local government affairs and it works opposite of free market principles. Most often this mandated wage drives up and inflates the overall cost of a project leaving that local government entity less money to work with on other construction projects. By not allowing the labor rates to be part of the competitive bid process on a project, the taxpayer ends up overpaying because the free market is unable to play out.

Supporters of prevailing wage will want you to believe that it provides higher quality work and safer working conditions. There is no credence to those assertions. I worked 27 years in private business, all in the construction industry. I will attest that the quality of workmanship and safety on construction projects today are of the same caliber whether or not that project pays prevailing wage. There may have been a day 40 or 60 years ago when that was true but it certainly is not the case now. In today's construction world, the workmanship and safety culture at a non-union construction company is every bit as equal to that of a union construction company. There is no longer any validity to that belief.

The beauty and genius of HB 78 is that it allows prevailing wage to be permissive. The local government entity gets to choose for itself on a job by job basis whether it wants to use prevailing wage. For example, if Summit County wants to use prevailing wage on a project to pave a stretch of road it can choose to do so. At the same time, if Van Wert County decides that it does not want to use prevailing wage to pave a stretch of road and instead uses market rates, that likely saves taxpayer dollars, it can do so as well.

HB 78 is a common sense bill with a simple concept; allow prevailing wage to be a permissive decision for local governments, not a mandated one. The end result will allow local governments to make decisions that benefit them and their local residents.

I want to thank Representative Manchester for her leadership and work as my joint sponsor. In addition, I want to thank my Legislative Aide, Margaret Basie, for all of her help. To the entire committee, thank you for your time and attention as you thoughtfully consider this important matter.

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At this time, I would respectfully request that the Committee hold their questions until Representative Manchester has had an opportunity to present her sponsor testimony at which time we would be happy to entertain any questions the Committee might have.