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June 23, 2021

Representative Dick Stein  
Chair, Ohio House Commerce & Labor Committee  
77 South High Street, 12<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Stein:

I am writing on behalf of our nearly 22,000 governing members to lend support for House Bill 146. This legislation gives the opportunity for local governments and state higher education institutions to decide whether to require prevailing wage on certain public improvement projects. House Bill 146 also increases the threshold for new vertical construction projects to \$500,000 before prevailing wage is mandated. We appreciate Representatives Riedel and Manchester for beginning the dialogue on this public policy issue.

By way of background, a typical NFIB member in Ohio employs 20 or fewer and does less than \$2 million in annual receipts. Our members come from all industry types and each of the 88 counties. Our members range in size from sole proprietors to large operations employing hundreds.

House Bill 146 empowers local governments and state higher education institutions, charged with being good stewards of taxpayer dollars, to make decisions on how to progress on public improvement projects. House Bill 146 allows them to proactively decide if it is appropriate to require prevailing wage as a condition of bidding a project. Unfortunately, there are small businesses that do not participate in the bidding process because of prevailing wage requirements.

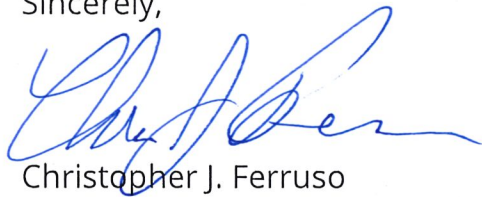
NFIB members have long indicated their opposition to all levels of government artificially setting wage and benefit requirements especially when these requirements use their own tax dollars. Prevailing wage rates tend to reflect the wages and benefits offered by various organized labor groups in a geographic region. What this allows is businesses that have a higher cost of labor and benefits to be competitive in the bidding process where they otherwise might not. Our members support the market setting compensation, not the government.

Additionally, during previous debates on prevailing wage, we have heard elimination, or increasing thresholds to trigger prevailing wage will result in a race to the bottom for quality of work while also eschewing safety. The belief that bids submitted without prevailing wage are incapable of achieving such results is an affront to those companies and especially their workers. We believe this talking point can be dispelled by looking at the success of numerous projects that are not prevailing wage, including many school facilities. Further, there are government entities, like the Occupational Safety & Health Administration (OSHA) that enforce safety requirements, protecting workers and the integrity of their workmanship.

We support the opportunities that may be afforded non-prevailing wage companies through House Bill 146. Our members have consistently supported the elimination of prevailing wage and although this bill does not do that, it does begin the dialogue on the appropriateness of government dictating wages and benefits on public improvement projects.

Thank you for your consideration.

Sincerely,



Christopher J. Ferruso  
Ohio Legislative Director