Testimony In Support of House Bill 2185 Joe Hudson, Political Director/Contractor Relations St. Louis - Kansas City Carpenters' Regional Council February 7, 2017

Chairman Mason, Vice-Chairman Corbet, Ranking Minority Member Whipple and members of the Committee. Thank you for the opportunity to submit this testimony in support of House Bill 2185.

The bill before you today would restore the integrity of local autonomy in Kansas and the ability of local leaders to improve the standard of living for the constituents they represent. HB 2185 would allow local governmental bodies, including cities and counties, the discretion to enact ordinances that would establish wage and benefit standards on local public works projects.

These type of ordinances are sometimes referred to as "living or prevailing wage" standards, which require employers to pay their employees wages and benefits at rates that are higher than what's required under state or federal law. And why would local officials want to do that? Maybe it's because they recognize that minimums are just that, minimums, which are frequently not enough to be able to sustain workers in the communities where they live, work and contribute to the local economy.

Opponents of such prevailing wage standards often suggest that they increase construction costs and therefore costs to taxpayers. This is simply not the case. Study after study, including those done here in Kansas, clearly show that construction costs on public projects were actually lower prior to the repeal of prevailing wage statutes. For instance, according to the *Economic Analysis of the Impact of Kansas Repeal of Prevailing Wage Statutes in Sedgwick County Kansas and Wyandotte County* Kansas, conducted by Dr. Michael Kelsey with the Department of Economics at the University of Missouri-Kansas City, **school construction costs were \$67.01 per square foot cheaper before the repeal of prevailing wage statutes**. Furthermore, there was no statistical difference in the mean square foot costs of non-residential construction prior to and after the repeal. There is simply no evidence to suggest that prevailing wage statutes increase construction costs. Additionally, prevailing wage projects are often completed on time and under budget as costly over-runs are avoided through the assurance of highly-skilled labor and increased labor productivity.

And equally important aspect of this legislation is the restoration of local decision-making. Decisions about promoting economic growth should be made by locally-elected officials in each community, not dictated by lawmakers in Topeka. We elect our leaders to make decisions that will benefit both the business community and local workers in each community where we live. We need to trust them to continue to balance the interests of both business and labor.

We respectfully ask you to restore the ability of local units of government to once again make decisions that are in the best interests of their communities, ensure decent wages for their workers and lower costs to taxpayers. Please support HB 2185.