

January 26, 2012

Representative Anthony Brown, Chair  
House Commerce and Economic Development Committee  
Kansas State Capitol  
Topeka, KS

**RE: SUPPORT House Bill 2515**

Members of the House Commerce and Economic Development Committee:

On behalf of Associated Builders and Contractors (ABC), Heart of America Chapter and Straub Construction Company, I would like to voice our strong support for House Bill 2515. This legislation would prohibit public agencies from requiring the use of wasteful and discriminatory project labor agreements (PLAs) on projects funded by tax dollars in the state of Kansas.

Government-mandated PLAs are never appropriate on taxpayer-funded projects. They are special interest carveouts that deny taxpayers the accountability and transparency they deserve on public construction at the expense of the 93 percent of the Kansas workforce that chooses not to belong to a labor organization.

A PLA is a contract negotiated between a government entity, a project owner or a construction manager and labor unions. A typical PLA requires contractors to recognize the signatory unions as the sole representatives of workers on the covered project; to hire workers through union hiring halls or force their employees to join the union; utilize apprentices only from union apprenticeship programs; contribute into union pension and benefit plans; and obey the union's restrictive work rules. The justification for these requirements is often a promise from organized labor not to disrupt the publicly funded construction site.

On government-funded or assisted projects, taxpayers deserve the best product for the best price. Numerous studies show that PLAs increase construction costs by nearly 20 percent. PLA proponents often attempt to justify this cost increase by stating that PLAs guarantee high quality work, delivered on-time and under budget. There is no empirical evidence to support the claims of PLA supporters. PLAs on public projects increase construction costs by eliminating competition and by requiring antiquated and cumbersome union work rules, not by increasing quality or timeliness.

Government-mandated PLAs on state construction will not increase the economy or efficiency of the government's procurement of construction, but instead will achieve only the opposite

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results by increasing costs, exposing government agencies to legal challenges and delaying construction. These are examples of the wasteful spending that the government should seek to eliminate.

ABC has collected more than a dozen examples from around the country of projects that were bid both with and without PLAs. In every instance, fewer bids were submitted under the PLA than were submitted without it; or the costs to the public entity went up; or both.

The construction industry is struggling to confront a national unemployment rate of about 17 percent. In addition, hundreds of Kansas construction companies are struggling everyday to find work to keep their current workforce employed. Government policies should be making it easier to keep people working and put more people to work, not place unnecessary and artificial barriers in the way of job creation.

My company, my employees, my vendors and my industry need more opportunities for jobs, not fewer!

With this in mind, we strongly urge you to support House Bill 2515 prohibiting government-mandated project labor agreements on publicly funded projects.

Parker Young, Executive Vice President & Chief Operations Officer  
Straub Construction Company