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March 13, 2018

RE: Item #18-1604 – Of the Prevailing Wage Ordinance Substitute for the County Finance Committee

Dear Distinguished County Board Commissioners:

As the Executive Director of the Construction Industry Service Corporation (CISCO), I am speaking today on behalf of the 8,000 union contractors and the 140,000 skilled union men and women which CISCO represents to convey our steadfast support of the above proposed prevailing wage ordinance for property tax incentives.

At the March 1 public hearing, opposition to this prevailing wage ordinance cited fewer choices, developers considering neighboring states, and cost as their main concerns.

Let's dissect each of these concerns:

- 1) Independent studies have shown that prevailing wage does **NOT** lead to any increase in costs of public construction jobs; in fact it saves tax payer dollars when skilled labor builds it right the first time and costly change orders are avoided.
- 2) Developers are flocking to Illinois – so says research done by IntersectIllinois.org as currently there are close to 2,000 foreign companies investing \$100 billion of FDI (Foreign Direct Investment) in Illinois, with most of that occurring in Cook County.
- 3) And those companies are not choosing neighboring states as Illinois has the 5th largest GDP in the country. In fact Illinois' GDP is much greater than that of Wisconsin and Indiana combined.

Let's not outsource our local skilled labor to sub-standard, out-of-state contractors, many whom take advantage of these workers by misclassifying them as independent contractors; and avoid paying workers comp and other costs, thus creating an unfair playing field. More importantly these contractors jeopardize life safety of people who will live and work in poorly constructed buildings due to these practices.

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CONSTRUCTION INDUSTRY SERVICE CORPORATION



As I stated previously during the March 1st hearing:

- Repeal of PWL would result in job losses throughout the state, Illinois GDP would fall by well over a billion dollars annually, more than \$44 million in lost state and local taxes, and roughly \$116 million lost in federal tax revenue.
- On-the-job fatalities in states that do not have Prevailing Wage Laws are 14 – 26% higher.
- Many construction workers would lose their work-related benefits.
- Union apprenticeship training programs, which are currently the 2nd largest privately funded educational system in the country, would fall by as much as 40%, worsening an already skilled work force shortage seen in many parts of the country.

If that isn't enough facts to sway one's opinion, Indiana Republican House Majority Leader Ed Soliday summed it up perfectly in a recent video after Indiana repealed their prevailing law in 2015. "We got rid of Prevailing Wage and so far it hasn't saved us a single penny."

Given the well documented income and wage disparity in the country, the last thing struggling middle class families need is another obstacle. Support of prevailing wage provides job safety, a lifetime of training, insures a diverse work force, and can help middle class families when it is desperately needed.

The taxpayer values are so evident. Work is performed safely, on time, and on budget. More importantly the job is done by local contractors, purchasing supplies locally, and using what has been proven to be the most skilled, trained, and diverse workforce in the country.

If you doubt it, all you have to do is look up and see all of the spectacular buildings and infrastructure that have been built in Cook County in the past 10 years. We are strongly in favor of Item #18-1604, and urge you to vote to approve the ordinance.

Sincerely,

Dan Allen
Executive Director

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