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ASSOCIATED BUILDERS AND CONTRACTORS OF OHIO  
ISSUE LABOR DAY STATEMENT

Columbus, OH – The Associated Builders and Contractors of Ohio issued the following op-ed statement this Labor Day. The statement sheds additional light on how Governor Ted Strickland supports policies that are contrary to Ohio law and drive up construction industry unemployment.

The statement is written by Bryan C. Williams, Director of Government Affairs for ABC of Ohio. ABC of Ohio represents Ohio's three ABC chapters with their 800 member companies. Their mission includes the expansion of free market competition in the arena of public construction.

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## Gov. Strickland, Richard Murray and the Ohio Schools Facilities Commission

### Drive up Costs and Unemployment by Breaking the Law

This Labor Day brings sad news to the 20% unemployed construction industry Ohioans desperately in need of an economic turnaround. Governor Ted Strickland prefers to cling to 79 year-old labor policies rather than embrace the current economic realities. Other states have -- and they are eating our lunch as a result.

Since Richard Murray's appointment as executive director of the Ohio Schools Facilities Commission (OSFC) late last year, he has pushed the use of union-only Project Labor Agreements (PLAs) on local school districts hoping to obtain state funding support for local school construction. PLAs are good for unions and bad for taxpayers. PLAs inflate the cost of public construction and put people out of work. Moreover, PLAs are illegal for use on OSFC school construction projects.

A recent report by the Ohio Inspector General's office detailed how Gov. Ted Strickland fired former state senator and fellow Democrat, Michael Shoemaker at the behest of labor unions. It turns out Director Shoemaker was not aggressive enough in forcing local school districts to accept the use of PLAs.

Upon appointment as the OSFC's new director, Richard Murray's actions demonstrated he was a soldier anxious to impress his boss, Gov. Strickland. Mr. Murray quickly set about to get as many local school districts to use their "local authority" to adopt union only PLAs. The Inspector General detailed how Murray used intimidating tactics to obtain these contracts for his former union employers.

Last year the OSFC adopted a policy to allow local school districts choose whether or not they wanted to use union only PLAs for their construction. There is only one problem -- the OSFC does not have the authority to supersede state law and grant this local choice.

In 1997 the sixty-six year-old prevailing wage statute was amended to *forbid* local school districts from paying prevailing wage on their construction projects. They did this because they knew it would save money. And save money, it did. A study by Ohio's Legislative Services Commission concluded that at least \$487.9 million dollars were saved in the first five years after the law was changed.

Two years later Ohio amended the prevailing wage statute again. Because repealing union scale prevailing wage saves so much money, the legislature said county and municipal

hospitals will no longer be on the list of public construction projects forced to pay prevailing wage. However, the legislature specifically granted these local public hospitals the right to pay prevailing wage *if they choose to do so locally*.

No such right of local choice has ever been granted to local school districts by the legislature. And the OSFC, as a creature of the legislature, is not authorized to grant that legislative authority.

Paying prevailing wage as a result of a locally engaged PLA is a ruse concocted by Gov. Strickland's OSFC so that the will of the legislature prohibiting prevailing wage on school construction could be subverted.

The PLA ruse is not legal, wastes millions of taxpayer dollars and restricts 85% of the commercial construction industry (nonunion contractors) from the chance to work on school construction projects. That is why the Associated Builders and Contractors (ABC) have two law suits pending before the Ohio Supreme Court. We're asking the Ohio Supreme Court to accept review of the questions as to whether local school districts may require contractors to pay prevailing wage and whether taxpayers living in that same school district have the right to bring a lawsuit.

For sixty-one years ABC has fought for the free market principle that public construction contracts should be awarded to the lowest cost bidder qualified to do the work. The public pays too much for construction when laws, or illegal agency policies, prevent nonunion contractors from bidding on public jobs. Ohio has been slow to learn this lesson and other states stand well poised to steal our companies as a result.

Gov. Strickland, the OSFC and Director Murray are implementing a scheme designed to thwart the will of the legislature. In doing so, they deny open competition and dramatically increase the cost on school construction projects. They also put construction employees out of work.

No one should be surprised that Ted Strickland wants to steer government contracts to his labor union allies. Since Michael Shoemaker was fired by Strickland for not doing the same and Richard Murray has shown he is all too eager to push this illegal policy, it's up to the courts to defend the separation of powers and win one for the taxpayers.

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