

# André Jacque: Prevailing wage repeal protects public investment, taxpayers and local business

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I recently came across a column by Caleb Frostman, Gov. Tony Evers' Secretary-designee of the Department of Workforce Development, which pushed for the reimposition of unfunded cost increases for public projects in the form of prevailing wage requirements. While I appreciate and in many ways share Secretary-designee Frostman's well-known sense of humor, the negative effects of Gov. Evers' government giveaways to special interests at the expense of all taxpayers are no laughing matter. As the Chairman of the Senate Committee on Local Government, Small Business, Tourism and Workforce Development and the former Chairman of the Assembly Labor Committee, I feel compelled to respond to his advocacy for a return to this costly, Depression-era relic.

Prevailing wage constraints unfairly benefit contractors from major metropolitan areas like Minneapolis at the expense of local employers. Prevailing wage laws inflate a community's local wage rate to levels experienced in much larger cities, so that the biggest contractors are more likely to be awarded bids to work on projects located in small towns. Also, the prevailing wage paperwork burden is significant and discourages small businesses from bidding on projects. Prevailing wage red tape does nothing to guarantee construction quality, worker health, or workplace safety. It does decrease competition, which drives up costs on everyone, including Wisconsin's school districts and many other local units of government who rely on private contractors to help with public projects.

Many of the problems with prevailing wage laws were highlighted in a study by the non-partisan Wisconsin Taxpayers Alliance, whose work on the issue was awarded the "Most Distinguished Research" from the Government Research Association. Their independent analysis found that Wisconsin's prevailing wage was running 40% higher than market rates and costing taxpayers nearly \$2 billion more in 2015

for construction without a corresponding increase in quality.

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On this basis, Wisconsin legislators first significantly reformed the anti-competition, anti-small business prevailing wage law, then repealed it in its entirety two years later. Artificially high prevailing wage laws have cost all of us as taxpayers, and as a legislature we responsibly chose to ensure that public dollars invested in infrastructure weren't just thrown at problems, but spent more efficiently to make whatever is spent go further. No legislator who voted to repeal prevailing wage lost re-election, despite bold proclamations of electoral doom and targeting by special interest groups. I am proud to have personally played a major role in advancing this pro-taxpayer, free market reform.

As the Legislature continues analyzing Governor Evers' budget, I am confident that there will be issues of agreement and compromise. However, due to the cost and regulatory burden this law would impose on small businesses, local governments, and taxpayers, the return of prevailing wage will not be one of those.

*- Jacque, R-DePere, represents the 1st Senate District.*