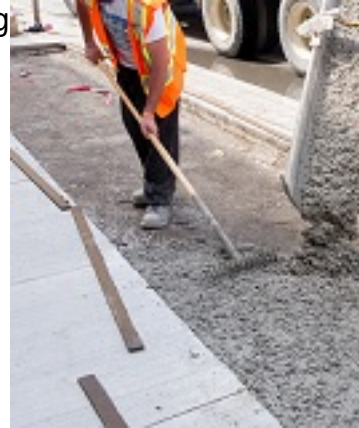


More Municipal Projects Going Out of State

Written by Wisconsin Assembly Democrats
Thursday, 25 May 2017 09:46

<http://newiproggressive.com/images/stories/S5/municipal-concrete-project-s5.jpg>



Wisconsin Contractor Coalition reports 53 percent increase over 2016 in new municipal projects being awarded to out-of-state companies after governor's plan to do away with prevailing wage for state-funded contracts.

MADISON - Democratic legislators reacted to news on Monday from the Wisconsin Contractor Coalition that found a 53 percent increase in new municipal projects being awarded to out-of-state companies.



“Wisconsin workers deserve to make higher wages not lower wages,” said Assembly Minority Leader **Peter Barca**. “Contracts that should be going to Wisconsin companies are being given away to out-of-state companies from Florida, Kentucky and Missouri. For the last two years, Gov. Walker has told the Wisconsin people that repealing prevailing wage laws would save the state money, but that just isn’t true. By paying our workers a good salary to work on municipal and state projects, we get a better result. Giving away contracts to companies based in Illinois, Iowa, or Michigan will cost Wisconsin taxpayers in the long run.”

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“The governor’s plan to completely do away with prevailing wage for state-funded contracts will prove disastrous for Wisconsin’s small businesses and workers,” Rep. Barca continued. “We’re fighting to create new, well-paying jobs, to increase pay for people who work hard and to bring accountability to how Wisconsin tax dollars are spent. Republicans seem to want more of our jobs to go to low-wage workers from out of state.”



“Last week, the governor boasted that the estimated unemployment rate is down to 3.2 percent, but many of Wisconsin’s jobs aren’t paying enough,” said Senate Democratic Leader **Jennifer Shilling**.

“Our workers’ salaries have only risen an average of 2 cents per hour since 1979 adjusted for inflation despite working more and being more productive. These out-of-state companies are bringing out-of-state workers that are willing to be paid less money than Wisconsin workers. That’s a recipe for more Wisconsin residents to lose their jobs or to struggle to get by.”

According to the summary compiled by the Wisconsin Contractor Coalition, there was a 53 percent increase in contracts for municipal projects given to out-of-state contractors in the periods studied. From January to April 2016, \$20.9 million in municipal contracts were awarded to out-of-state companies compared to \$32 million during the same time period in 2017.

Numerous non-partisan studies have found that repealing the prevailing wage laws in Wisconsin would not save the state money. In 2015, the Legislative Fiscal Bureau noted the following regarding the impact of prevailing wage on the cost of trade and construction projects: “while some studies found a small impact on costs, more comprehensive studies have found that the impact is not statistically significant.”

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Other Key Facts:

- More than one in four workers in Wisconsin made less than \$11.56 per hour, which is considered a poverty-wage job, according to the think-tank COWS at the University of Wisconsin – Madison.
 - Low-wage jobs don't offer good benefits. Workers in low-wage jobs are less likely to receive health insurance through their employer, according to COWS.
 - Repealing prevailing wage hurts veterans who work in the construction industry. According to a 2016 study from the Midwest Economic Policy Institute, approximately 2,000 veterans are likely to separate from their jobs by 2018 as a result of the repeal of prevailing wage laws.
 - This will result in a total decline of veteran construction workers' wages of \$113 million, according to the same study.
 - Additionally, more than 200 veterans will earn less than the official poverty line.
 - This would, according to the Midwest Economic Policy Institute, result in more veterans relying on government assistance programs that would cost taxpayers more money.
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- The Midwest Economic Policy Institute also noted that the "repeal of prevailing wage will reduce earnings and shrink consumer demand, resulting in fewer dollars spent in local economies at grocery stores or on health services or on buying homes.