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Dear Mr. House:

We, Iowa State Senator Jim Lykam and Iowa State Representatives, Monica Kurth, Phyllis Thede, and Cindy Winckler publicly support efforts to "Opt Out" of the federal aid Swap program.

The Swap program swaps all federal funds for Iowa DOT with state dollars, unless the Bi-State Transportation Policy Board votes to "Opt Out." State standards are less than the federal standards found in the Davis-Bacon Act.

The Indiana, Illinois, Iowa Foundation for Fair Contracting has worked with our Quad Cities MPO - Metropolitan Planning Organization to provide fairness in funding federal infrastructure projects. This fairness is due to the 1931 Davis-Bacon Act. The Act continues to protect local construction standards with a public bidding process. This fairness has resulted in providing our community workers with prevailing wages, incentives for business enterprises with disadvantages, environmental studies, and more.

It is important for the public to understand the positive results of the 1931 Davis-Bacon Act.

- **The Davis-Bacon Act Provides the Best Value for Taxpayers**

Most peer-reviewed studies conclude that prevailing wage has no significant impact on total project costs. Construction wages represent a historically small and declining fraction of total public works costs. The Davis-Bacon Act reduces spending on materials, fuel, and equipment on public works projects. Repeal of the Davis-Bacon Act would increase spending on public assistance for construction workers. By increasing worker incomes, the Davis-Bacon Act increases state and federal tax revenues.

- **The Davis-Bacon Act Levels the Playing Field and Strengthens the Economy**

Federal contracts go to the lowest bidder. Without local market standards to level the playing field, firms have incentives to cut corners on safety, benefits, and training and to engage in labor abuses in order to win bids. The Davis-Bacon Act reduces illegal employment practices and combats the underground economy. The Davis-Bacon Act increases hiring of local contractors and local workers. The Davis-Bacon Act keeps more tax dollars, more income, and more spending in the local community. This creates jobs across all sectors of the economy. The overall level of bid competition is not affected by the Davis-Bacon Act and similar state laws.

- **The Davis-Bacon Act Boosts Productivity, Safety, and Efficiency**

The Davis-Bacon Act promotes hiring and retention of higher-skilled workers.

Worksite productivity is up to 33% higher in states with little Davis-Bacon Acts.

States with little Davis-Bacon Acts have 15% fewer injuries on construction sites. Repeal of the federal Davis-Bacon Act would result in 76,000 more injuries and 675,000 more workdays lost to injury every year.

The Davis-Bacon Act prevents skilled trade workforce shortages by boosting investment in apprenticeship training. At the state-level, states that have repealed little Davis-Bacon Acts have seen training drop by 40%.

- **The Davis-Bacon Act Helps Workers Access Ladders into the Middle Class**

The Davis-Bacon Act increases blue-collar construction worker earnings by 16-17% annually.

The Davis-Bacon Act increases the chance of a construction worker having health insurance at work.

- **The Davis-Bacon Act Benefits Veterans, Women, and People of Color**

Veterans are more likely to work in construction than non-veterans and are even more likely to be employed in construction in states that have little Davis-Bacon Acts.

The Davis-Bacon Act reduces wage disparities for women and people of color, and result in higher segments of Congressional Black Caucus: "Davis-Bacon has been instrumental in bridging the wage gap for historically disadvantaged sectors of our society."

- **Current Davis-Bacon Surveys are Transparent, Reliable, and Reflect Actual Market Standards**

By including wages, fringe benefits, and training contributions by job classification where the work is performed, Davis-Bacon wage surveys reveal actual market rates in more than 3,000 counties across America.

The Commissioner of the Bureau of Labor Statistics says that use of BLS data is not appropriate for prevailing wage determinations because it excludes benefits, over-represents residential construction, does not account for the skill level of workers, does not survey actual construction sites, and is often based on small sample sizes. Changing the Davis-Bacon wage survey by using BLS data or other faulty procedures would impose a significant wage cut o millions of middle-class American construction workers.


We believe the points stated represent the benefits our working constituents receive from Davis-Bacon protected work. We also appreciate the good work of the Environmental Forum of Quad Cities Interfaith, the Quad-Cities Chamber of Commerce, and representatives of Labor in bringing forth concerns and supporting the "Opt Out" position. We do not believe the swap of federal funds to state funds will benefit our workers or our communities.

Thank you.

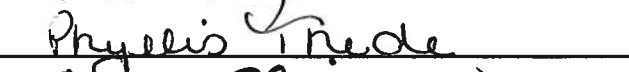
Iowa State Senator Jim Lykam



Iowa State Representative Monica Kurth



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