

ARGUMENTS AGAINST GOVERNMENT-MANDATED PROJECT LABOR AGREEMENTS ON TAXPAYER-FUNDED CONSTRUCTION PROJECTS IN FAIRFAX COUNTY

Government-mandated project labor agreements create a rigged and corrupt bidding process when politicians steer local and taxpayer-funded public works construction contracts to donors and lobbyists, denying jobs to local Virginia construction industry workers and businesses. These political paybacks create a procurement system that is not cost-effective and robs hardworking taxpayers of the value they deserve.

BACKGROUND

What Fairfax County and Virginia Residents Need to Know

During its 2020 legislative session, Democrats in the Virginia General Assembly sent bills introduced by Senate Majority Leader Dick Saslaw ([SB 182](#)) and Del. Alphonso Lopez ([HB 358](#)) to Gov. Ralph Northam's desk that would allow state and local governments to mandate controversial project labor agreements on taxpayer-funded construction projects. On April 22, 2020, Gov. Northam signed these measures into law ([§2.2-4321.2 Code of Virginia](#)) with the effective date of May 1, 2021.

- This legislation rescinded a [2012 Virginia law](#) requiring taxpayer-funded public works construction contracts procured by state agencies to use a competitive bidding process allowing all qualified businesses to compete to win state contracts, regardless of whether contractors are willing to [sign project labor agreements](#), or PLAs, with construction unions as a government-mandated requirement of performing taxpayer-funded projects.
- Since the law was passed, lobbyists for out-of-state construction unions and contractors have been pressuring local and state lawmakers to require costly PLAs on certain taxpayer-funded construction projects.

Taxpayers Beware: Government-Mandated PLAs Will Needlessly:

- Increase taxpayer-funded construction costs by 12%-20%
- Result in less school, road, bridge, transportation, utility, clean energy and affordable housing construction
- Steer contracts to out-of-state contractors and create jobs for out-of-state construction unionized construction workers at the expense of hardworking taxpayers and the local construction industry workforce and businesses
- Harm Virginia's small, minority and women contractors, as well as the Commonwealth's overall construction industry, because almost all are not affiliated with specific unions designated in a PLA
- Discourage competition from construction contractors not affiliated with unions, which employ almost 95% of Virginia's construction workforce
- Exacerbate the skilled labor shortage facing Virginia's construction industry
- Increase state and local taxes and/or result in cuts to construction projects and other programs



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Supervisors to Reject Policies
Mandating Project Labor
Agreements on Taxpayer-Funded
Fairfax County Construction Projects

THE TRUTH ABOUT GOVERNMENT-MANDATED PROJECT LABOR AGREEMENTS

Anti-Competitive

When mandated by governments, PLAs discourage quality nonunion contractors and subcontractors—which employ almost [95% of Virginia's construction industry](#)—as well as some unionized contractors and union members from competing to build projects funded by taxpayer dollars.

Government-mandated PLAs require contractors to follow union work rules and hire most or all workers on a jobsite from specified union halls and union apprenticeship programs instead of journey-level workers and apprentices already employed by their company. That limits the pool of bidders, since nonunion contractors and even some union contractors don't want to abandon their existing employees and quality control practices—key components of a safe and productive workplace—for strangers from union halls governed by unfamiliar rules.

Increased Costs and Less Infrastructure Investment

Studies on the effect of government-mandated PLAs in [California](#), [Connecticut](#), [New York](#), [Massachusetts](#), [New Jersey](#) and [Ohio](#) found PLAs increase the cost of school construction by 12%-20%. [A 2021 study found PLA mandates increased the cost of affordable housing in California by 14.5%](#). Virginia simply cannot afford such waste with distressed state and local budgets and so many infrastructure, affordable housing, utility and school construction needs.

Harms Virginia's Small Businesses, SWAM Contractors and Employees

When state and local governments mandate PLAs, large companies and their unionized workforce from Maryland, Washington, D.C., and other states will have an unfair advantage and disrupt the local market at the expense of the commonwealth's small businesses and skilled construction workforce. In addition, Virginia's [small, women- and minority-owned](#) businesses [will be harmed](#), because they are predominately nonunion and will be discouraged from competing for projects subject to these special-interest schemes.

Hurts Virginia Workers and Businesses

It is no surprise that construction unions and their members—who make up about [5% of Virginia's private construction workforce](#)—lobbied for passage of this law, along with a [new law requiring anti-competitive and costly prevailing wage regulations on state and local public works projects](#), during the 2020 legislative session. It means more contracts for union-signatory contractors and more jobs for union members—likely from out of state.

Wage and Benefits Theft

Workers employed in Virginia's construction industry could experience wage theft due to government-mandated PLAs as [nonunion workers \(and some union workers\) lose an estimated 34% of wages and benefits](#) earned on a PLA project unless they accept union representation, join a specific union, pay membership dues and meet the union benefits plan's vesting requirements. Many workers would be forced to pay into union multiemployer pension programs—many of which [are in poor financial shape](#)—and would receive no benefits for their contributions on PLA projects.

Reduced Economic Investment

State and local lawmakers mandating PLAs on state and local projects will increase construction costs and decrease the value of infrastructure investment by hardworking taxpayers. Overall, this will lead to fewer construction projects and fewer construction industry jobs created and/or additional state and local tax hikes or program and public employee salary cuts to pay for construction needs.

Other States Support Fair and Open Competition

A [total of 24 states](#), including neighbors Kentucky, North Carolina, Tennessee and West Virginia, outlaw government-mandated PLAs on public works projects, thereby ensuring fair and open competition on taxpayer-funded construction projects so the public can get the best possible construction project at the best possible price.

Pay to PLAY

Why are some Democrats pushing these costly, anti-competitive measures? It isn't a coincidence that [46 construction unions gave a total of \\$1.68 million in direct contributions to state Democratic party lawmakers during Virginia's 2018-2019 election cycle](#) and [contributed \\$5.314 million to Democrats across Virginia in the 2020-2021 election cycle](#), according to campaign filings compiled by the [Virginia Public Access Project](#), a nonprofit that monitors campaign contributions by special interest groups. [Almost 63% of the 2020-2021 cycle's political contributions](#) and [62% of the 2018-2019 cycle's contributions](#) came from out-of-state construction unions with a vested interest in getting Virginia's lawmakers to stifle competition from local and qualified businesses. Likewise, at the local level, [72% of the \\$118,725 in campaign donations from construction trade unions to the Fairfax County Board of Supervisors during the 2018-2019 and 2020-2021 election cycles](#) came from out-of-state construction unions.

Visit BuildVALocal.com/Fairfax and Tell the Fairfax County Board of Supervisors to Oppose Policies Requiring Government-Mandated Project Labor Agreement Schemes.

TAKE ACTION AND STAND UP FOR FAIRFAX COUNTY AND VIRGINIA TAXPAYERS AND WORKERS

Ask Fairfax County Board of Supervisors to Oppose Ordinances Requiring Government-Mandated Project Labor Agreement Schemes.

- Ask the Fairfax County Board of Supervisors to allow all of Fairfax County and Virginia's qualified construction workforce and businesses to compete on a level playing field to build Fairfax County.
- Visit BuildVALocal.com/Fairfax to sign the petition and tell the Fairfax County Board of Supervisors that you oppose any ordinances that mandate PLAs. Educate your local lawmakers about the negative impact of government-mandated PLAs in your community.

