

Approved Monday, February 23, 1987
Date

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS

The meeting was called to order by Senator Dan Thiessen at
Chairperson

1:30 ~~x.m.~~ p.m. on Monday, February 16, 1987 in room 313-S of the Capitol.

All members were present except:
Senator Jack Steineger
Senator Eric Yost

Committee staff present:
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Senator August "Gus" Bogina
Mr. Stu Entz-KS Association of Builders & Contractors
Mr. Glenn Coulter, Manager-KS Contractors Association
Tom Slattery, Vice President-Associated General Contractors of Kansas
Mr. Ron Andersen-KS Association of Builders & Contractors
Ernie Mosher, Executive Director-League of Kansas Municipalities
George Barbee, Executive Director-KS Consulting Engineers
Rob Hodges-KS Chamber of Commerce and Industry
Mr. Fred Allen-KS Association of Counties
Don Williams, Executive Director-KS Associated Builders and Contractors
Carl F. Coonrod, Vice President-Coonrod & Associates Construction Co., Inc.
Member-Associated Builders & Contractors, Inc.

Chairman Thiessen called the meeting to order at 1:30 p.m., and explained we had several conferees and he would have to limit them to a short testimony regarding SB112.

SB112-relating to rate of wage payment and length of work day on public work.

The following conferees were all proponents to the bill.

Senator Gus Bogina said he supported SB112 because Governor Carlin cited K.S.A. 44-201 as the basis for his executive order No. 84-68, which required the secretary of human resources to "devise appropriate means and methodologies to determine" prevailing wages throughout the State. In accordance with the Federal regulations, prevailing wages must be specified and be a part of any contract that includes federal funds. (See Attachment 1) The attachment includes Governor Carlin's executive order No. 84-68, a memorandum regarding K.S.A. 44-201 to 44-205, a summary of Statutory History, Tabulation and Calculations, by Senator Gus Bogina of most recent years available, on construction contracts for public works in Kansas, a letter re: Federal Revenue Sharing Fund Appropriation to replace a roof on Breukelman Hall at Emporia State University.

Mr. Stu Entz said as many of you know the law was enacted about 95 years ago. It was designed to protect local workers from the effect of importing foreign labor, who would work 10 or 12 hours a day for a set daily wage. The Legislature declared that a work day was 8 hours.

More recently it has been equated with other legislation which makes it a bit confusing as to what the original intent was. With changes in immigration laws, and processes of construction, the idea of importing cheap foreign labor is a thing of the past.

Within the last 5 or 6 years it has again become of interest to this body and also the public. This legislature has met 95 times since the bill passed and it never saw fit to develop enabling legislation to bring about the results as they now exist in the Department of Human Resources.

The most important and the last point, I feel is the impact on the workman. I think that the workers are adversely affected by this statute, but they have been for years. Those workmen who have high paid wages have been seeing erosion of their work, more lay offs, less jobs and no jobs at all. Companies

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS

room 313-S, Statehouse, at 1:30 ~~x.x.x~~p.m. on Monday, February 16, 1987.

hire the workers that will work for the market rate, between that and the impact of taxpayers, I recommend the bill favorably for passage.

Mr. Glenn Coulter said the Kansas Contractors Association has 335 members and associate members, which engage in road, street and highway work, paving projects, water and sewer lines, water purification plants and sewage disposal plants, dams and reservoirs.

He said when local prevailing wage scales are mandated by law, the local contractors find they must work inside an artificial barrier at home and thus are sometimes hindered in going elsewhere to seek jobs, because their employees may not be interested in going, especially if it should be that the wage rates in another location are mandated lower than the wages set at home. (Attachment 2)

Mr. Tom Slattery said he was representing 280 general contractors, sub-contractors and associate members who are directly engaged in, or provide services for the commercial and industrial building construction industry of Kansas.

We have a long standing policy in opposition to K.S.A. 44-201 and other prevailing wage laws at all levels of government, and we believe that this law is no longer necessary, and that in most cases it causes increased construction costs which fuel inflation and limit employment opportunities in the industry. (Attachment 3) included in the attached testimony, are charts showing prevailing wages, which include hourly wages and benefits for 21 classifications of workers, selected wage-rate determinations for worker-class in 5 counties and prevailing wage survey for Riley County.

Mr. Ron Andersen said he has been a contractor for over 25 years, and believes that opponents of SB112 believe they are helping the working man, but he believes they do not understand the construction industry in the 1980's. The Industry has changed. Productivity and efficiency are essential to serving the competitive construction market.

To retain K.S.A. 44-201, virtually guarantees long periods of lay-offs and possibly no jobs at all for construction workers. When an Industry is fragmented, workmen are restricted to only a single skill and then their wages are pegged unreasonably high, and opportunities for work in the marketplace are reduced, if not eliminated.

My work force averages approximately 60 persons per year and most of these work 52 weeks a year. (Attachment 4)

Mr. Ernie Mosher said, Mr. Chairman and members of the committee, I will shorten my testimony, but want to bring out a few things.

1st, the law appears to require that the per diem wages in the "locality" must be paid and defines the locality as the county and any city of the first or second class, so as a result we have 216 localities in Kansas, presumably each of which have a different per diem wage and there are a number of cities, second class with a population of less than 1,000 and there are 22 with less than 2,500.

2nd, I would like to call your attention to the fact, that there is a little provision in K.S.A. 44-203 which makes reference, the per diem wage of an 8 hour day, which says any cities of second or third class owning or operating municipal light and water plants, are hereby exempted from the provisions of this fact. Most of these 87 cities are second class and roughly 400 cities of the third class, own and operate a municipal water plant and some an electric plant. We are not sure the existing law even applies to these cities in Kansas.

We suggest the statute be repealed in its application to local units, leaving this determination to locally elected governing bodies. (Attachment 5)

Mr. George Barbee said he was appearing today in support of SB112 to repeal the 96 year old Kansas per diem wage laws.

I would like to discuss the details and inequities of determining prevailing per diem wage rates which strongly indicate that higher wages, than true market are being paid on jobs under the mandate of K.S.A. 44-201.

We simply believe that K.S.A. 44-201 fosters the spending of tax dollars in a manner that is bad public policy, and we urge you to vote for SB112, to repeal this archaic law. (Attachment 6)

Mr. Rob Hodges told the committee members, you have my testimony in front of

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MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS,
room 313-S, Statehouse, at 1:30 ~~xxx~~p.m. on Monday, February 16, 1987

you, and I would like to bring to your attention, only KCCI policies which support the repeal of SB112, which includes the prevailing wage law, and wage rate, benefits, and hours regulations. We encourage you to act favorably on the bill. (Attachment 7)

Mr. Fred Allen told the committee members, you have a copy of our statement which is already outlined for you, and we ask that you give serious consideration to the passage of SB112. (Attachment 8)

Mr. Don Williams said it is the position of our Association that monies saved by SB112 repealing the Kansas prevailing wage law K.S.A. 44-201 would enable the State, Counties and Municipalities to build more projects, thus creating more jobs and providing their necessary services at a minimum of burden to the taxpayer.

To quote, Larry Wolgast, Secretary-Department of Human Resources, quote "There are not statistics available that count every worker per craft within each county in Kansas. Without this statistic, a "true" prevailing wage may be non-existent" unquote.

We feel the right thing to do now for the State of Kansas is to repeal K.S.A. 44-201 by passing SB112. (Attachment 9)

Mr. Carl Coonrod said his family has been in the construction industry in Kansas for three generations, having completed over 500 million dollars in total contracts.

The effect of inflated wages and deflated productivity combines to a new increase in cost to the Kansas taxpayer for State construction of, 6% to 17% depending on the project and in some cases higher.

Contractors do not pay these penalties. We received our profits based on the total dollars flowing through our contracts. The higher the total cost of construction the more profit dollars. The taxpayer does pay these penalties and we feel the right thing to do now for the taxpayers of Kansas is to repeal K.S.A. 44-201 by passing SB112. (Attachment 10)

The following proponents of the bill, turned in written testimony.

David Graf, Pres.-Graf Electric, Inc. & Wichita Chapter-IECI (Attachment 11)
James C. Creek, Mgr-Greenway Electric, Inc., Wichita, KS (Attachment 12)
John Devault, Pres.-Kustom Cabinets, Inc., Wichita, KS (Attachment 13)
James R. Grier, III, Chrm. & C.E.O.-Utility Contractors, Wichita (Attachment 14)
Nancy S. Hedlund, Pres.-Central States Const. Inc. Wichita, KS (Attachment 15)
Joe Heinrich, Pres.-Bamford Fire Sprinkler Inc. Salina, KS (Attachment 16)
Harold Holder, Pres.-Steel Structures of KS, Inc. Wichita, KS (Attachment 17)
William M. Johnson, Vice Pres.-Evans Bldg. Co., Inc. Wichita, KS (Attachment 18)
John W. Koepke, Exec. Dir.-KS Assoc. of School Boards, Topeka (Attachment 19)
Timothy Nightingale, Pres-Conco, Inc. Wichita, KS (Attachment 20)
Carl E. Orser, Pres.-Shawnee Steel & Welding Inc., Merriam, KS (Attachment 21)
Carlia Pike, Pres-KS Land Improvement Contractors Topeka, KS (Attachment 22)
L.G. Pike -L.G. Pike Construction Co. Arkansas City, KS (Attachment 23)
Tom Ritchie, Pres.-Ritchie Corporation Wichita, KS (Attachment 24)
Gerald D. Simpson, Pres.-G & C Inc. General Contractors Wichita (Attachment 25)
William L. Smith, Pres-Smith Construction Co., Wichita, KS (Attachment 26)
Janet Stubbs, Exec. Dir.-Home Bldgr's. Assoc. of KS. Topeka KS (Attachment 27)
Dan J. Waller, Pres-Kansas Systems Bldrs. Assoc. Wichita, KS (Attachment 28)
Tony Zimbelman, Pres-Simpson & Son, Inc. Gen. Contractors Wichita (Attachment 29)

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MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS,
room 313-S, Statehouse, at 1:30 ~~xxx~~p.m. on Monday, February 16, 1987

The Chairman said the next meeting would be Tuesday, February 17, 1987 in Rm. 313-S, and we will be hearing from opponents on SB112.

Senator Morris moved to approve the minutes of February 9, 1987, and the minutes of February 10, 1987, seconded by Senator Werts. The motion to approve the minutes was carried.

The meeting adjourned at 2:30 p.m.

GUEST LIST

COMMITTEE: SENATE LABOR, INDUSTRY & SMALL BUSINESS

DATE: Monday, Feb. 16, 1987

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Dan Ramlow	Topeka	Ks. Contractors Assn
Glenn Coulter	Topeka	" "
Don Williams	Wichita	ASSOC. BUILDERS & CONTRACTORS
Donna Freeman	Wichita	" "
CARL COONROD	Wichita	" " "
Harold Helder	Wichita	" " "
LAVERN BROWN	Wichita	" " "
Ron Andersen	Topeka	" " "
KEN LANDECK	Wichita	" " "
Ro Munday	KC	" " "
CHUCK LOWER	TOPEKA	" " "
D. WAYNE ZIMMERMAN	TOPEKA	KCA
Janet Stibbe	"	HBAK
H. Kent Pellegrino	Topeka	National Electrical Contractors Assn.
Wayne Marchis	"	KS AFL-CIO
Jim DeHoff	"	" "
Jim Coz	"	ABC
Jack J. Marney	" "	SMCAK
John Conard	Topeka	Governor's Office
Tom Slattery	TOP	Assoc. Gen Contractors
Lynn Hartman	Topeka	Ks. Bus Assoc.
Joe Heinrich	SALINA	CONTRACTOR
Skip HERN	Topeka	Ks Dept Human Resources
Janet R. Corzatt	Wichita	K-NEA-(NEA-W)
Joyce Wilbur Lewis	Wichita	K-NEA (NEA-Wich)



TOPEKA

AUGUST BOGINA JR. P. E.
 SENATOR, TENTH DISTRICT
 JOHNSON COUNTY
 1001 W. BERTH STREET, TOPEKA, KANSAS
 TOPEKA, KANSAS 66215

COMMITTEE ASSIGNMENTS
 CHAIRMAN: WAYS AND MEANS
 MEMBER: GOVERNMENTAL ORGANIZATION
 GOVERNMENT
 GOVERNMENTAL ORGANIZATION

SENATE CHAMBER

FEBRUARY 16, 1987

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I KNOW YOUR TIME IS LIMITED AND YOU HAVE MANY CONFEREES, THEREFORE I WILL BE BRIEF. I SUPPORT SB 112 BECAUSE GOVENOR CARLIN CITED K.S.A. 44-201 AS THE BASIS FOR HIS EXECUTIVE ORDER NO. 84-68. THAT ORDER REQUIRED THE SECRETARY OF HUMAN RESOURCES TO "DEVISE APPROPRIATE MEANS AND METHODOLOGIES TO DETERMINE" PREVAILING WAGES THROUGHOUT THE STATE. IT IS MY OPINION BASED UPON MY PROFESSIONAL EXPERIENCE AS A CONSULTING ENGINEER DESIGNING PUBLIC IMPROVEMENTS FOR CONSTRUCTION. THIS OPINION IS REINFORCED BY A VERIFIED INCIDENT THAT INVOLVED PREVAILING WAGES WHICH THE FORMER GOVENOR AND THE LEGISLATURE RESOLVED.

THE 1983 LEGISLATURE APPROPRIATED THE LAST OF THE FEDERAL REVENUE SHARING FUNDS PLUS EDUCATION BUILDING FUNDS FOR A PROJECT TO REPAIR THE ROOFS OF SIX BUILDINGS AT EMPORIA STATE UNIVERSITY. IN ACCORDANCE WITH FEDERAL REGULATIONS, PREVAILING WAGES MUST BE SPECIFIED AND BE A PART OF ANY CONTRACT THAT INCLUDES FEDERAL FUNDS. THE KANSAS DIVISION OF ARCHITECTURAL SERVICES, THROUGH AN OVERSIGHT, NEGLECTED TO STIPULATE THAT REQUIREMENT AND INCLUDE PREVAILING WAGES IN THE SPECIFICATIONS AND CONTRACT DOCUMENTS. THIS OMISSION WAS NOTED DURING THE COURSE OF THE CONSTRUCTION, WELL AFTER THE CONTRACT HAD BEEN AWARDED. IN ORDER TO REMEDY THE SITUATION, THE AMOUNT OF \$117,732 WOULD BE ADDED TO THE \$363,222 CONTRACT IN ORDER TO COMPLY WITH THE PREVAILING WAGE

Senate Lbr. Ind. & Sm. Bus.
 Attachment 1 2-16-87

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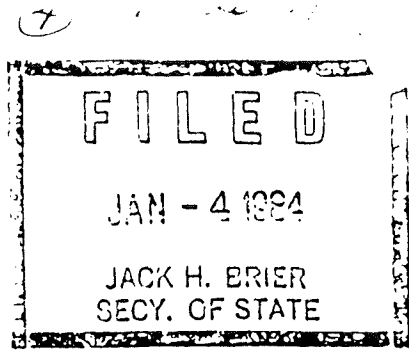
REQUIREMENTS. THESE AUDITED AMOUNTS AND A DESCRIPTION OF THE EVENTS ARE ATTACHED HEREINAFTER. IN ORDER TO NOT BLATANTLY AND OPENLY ASSESS THE TAXPAYERS OF KANSAS A 32% INCREASE IN THAT CONSTRUCTION CONTRACT, GOVERNOR CARLIN DURING THE 1984 SESSION, REQUESTED AND THE LEGISLATURE CONCURRED TO REMOVE THE FEDERAL REVENUE SHARING FUNDS AND SUBSTITUTE E.B.F. FUNDS THEREFORE. THE GOVERNOR, IN MY OPINION, DID NOT DESIRE TO OPENLY ALLOW THOSE ADDED COSTS TO BE ADDED TO THE CONSTRUCTION COSTS, BUT HE DID REQUEST THROUGH EXECUTIVE ORDER 84-68 THAT ALL FUTURE STATE CONTRACTS INCLUDE THOSE COSTS. THIS ACTION REQUIRED ALL STATE CONTRACTS TO INCLUDE THESE ADDED COSTS, JOINING KDOT WHO BEGAN THIS PRACTICE SEVERAL YEARS AGO.

MEMBERS OF THE COMMITTEE WE MUST NOT ALLOW THE TAXPAYERS OF OUR STATE TO CONTINUE PAYING ANY EXCESSIVE COSTS FOR OUR CONSTRUCTION PROJECTS. I URGE YOU TO RELIEVE THEM OF THIS ADDED BURDEN BY REPORTING SB 112 FAVORABLY.

THANK YOU.

*Pending
Wage*

STATE OF KANSAS



OFFICE OF THE GOVERNOR
State Capitol
Topeka 66612-1590

John Carlin Governor

EXECUTIVE ORDER NO. 84-68

CONCERNING PAYMENT OF WAGES

Executive Department
State House
Topeka, Kansas

WHEREAS, the State of Kansas supports the principle that persons employed on public projects shall be paid fair compensation for their labors; and

WHEREAS, this principle has been embodied in the statutes of the State of Kansas since 1891; and

WHEREAS, in contracts for public works, K.S.A. 44-201 mandates government entities to require contractors to pay the current rate of per diem wages to their laborers; and

WHEREAS, no provision has been made in the statutes to determine the appropriate rate of wages for public works projects in the various localities of this State.

NOW, THEREFORE, pursuant to the authority vested in me as as Governor and chief executive of the State of Kansas and Article 1, Section 4 of the Constitution of the State of Kansas, I do hereby order and direct the Secretary of Human Resources to provide me information as to the ability of the State of Kansas to devise appropriate means and methodologies to determine the wages required by K.S.A. 44-201 for the various localities in this State, including costs, specific methodology and viable alternative methods to make such a determination. Such reported information shall be submitted for my review and approval and shall include a recommended method for periodically determining the wages required to be paid on public works projects in the various

John Carlin
Executive Order No. 84-68
Page Two

localities of this State.

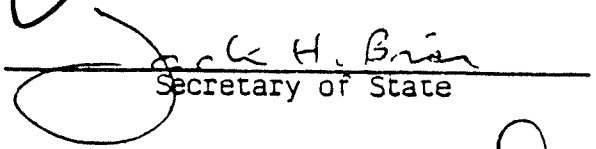
This document shall be filed with the Secretary of State as Executive Order No. 84-68, and shall become effective immediately.

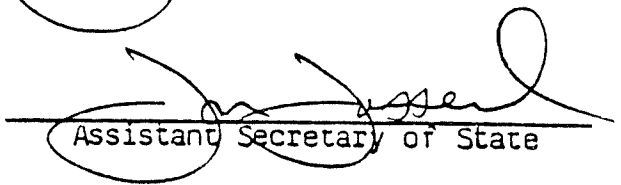
THE GOVERNOR'S OFFICE

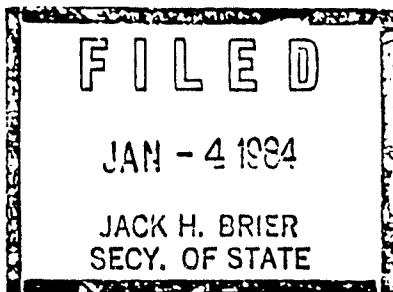
By the Governor



January 4, 1984


Secretary of State


Assistant Secretary of State



MEMORANDUM

TO: Joint Committee on State Building Construction

FROM: James A. Wilson, Senior Assistant Revisor

RE: K.S.A. 44-201 to 44-205, inclusive (Eight-Hour Days on Public Work Law) -- Summary of Statutory History

L. 1891, Ch. 114, Sections 1 to 4

The law generally provided in section 1 that eight hours would constitute a day's work for workers employed by or on behalf of the state or any local government except "in cases of extraordinary emergency which may arise in time of war or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life. . . [except] that in all such cases the [worker] shall be paid on the basis of eight hours constituting a day's work. . . ."

It provided further that not less than the "current rate of per diem wages in the locality where the work is performed" was to be paid persons so employed. Workers employed by contractors or subcontractors under contracts with the state or any local government would be "deemed to be employed by or on behalf of "such entities.

Section 2 provided that all contracts with the state or any local government for "the performance of any work or the furnishing of any materials manufactured within. . . Kansas" would be considered to be made on the basis of a day's work constituting eight hours. It was declared unlawful to "require or permit" workers under such contracts to work more than eight hours per day, except under the conditions permitted by section 1.

Section 3 imposed a penalty upon any officer of the state or any local government or any other person violating any provisions of the act. The penalty was a fine of from \$50 to \$1,000 or up to six months' imprisonment, or both.

The remaining substantive section provided an exemption for existing contracts.

L. 1913, Ch. 220, Section 1

This act amended section 1 of the 1891 enactment to provide an exemption for cities of the second and third class which own and operate municipal light and water plants. This language appears in the current provisions of K.S.A. 44-203.

Laws of 1923

The law was amended twice in 1923. The first amendment was by the enactment of the Revised Statutes of 1923. The Revision Commission had rewritten and consolidated the law into two sections which appear now as K.S.A. 44-201 and 44-202. K.S.A. 44-202 declared that violations of K.S.A. 44-201 would constitute a misdemeanor and prescribed the penalty therefor.

The second amendment was by L. 1923, ch. 157, section 1, which inserted an additional exemption. Township or county work in dragging or grading dirt roads was exempted. This language appears in the current provisions of K.S.A. 44-203. The conflict was resolved by publishing both acts.

L. 1931, Ch. 214, Section 1

This act amended K.S.A. 44-201 to insert the current definitions of the "current rate of per diem wages" and "locality." The section was also amended by inserting commas so that it slightly expanded or clarified the exceptions to read: . . . except in cases of extraordinary emergency which may arise, in time of war, or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life."

L. 1947, Ch. 286, Sections 1 and 2

This act amended both K.S.A. 44-201 and 44-203 (the "twin" sections occasioned by the 1923 enactments) to provide that the provisions of the law regarding hours worked per calendar day would not apply, generally, to construction and maintenance, or the production of local materials for, roads and highways, sewer and waterworks systems, dams, levees, canals, drainage ditches and airport runway areas.

state employment service office. Upon registering, such crew chief shall furnish to such office a list of names and social security numbers of all migrant workers he serves in his capacity as crew chief and the names of those for whom recruitment is being done.

History: L. 1974, ch. 202, § 3; July 1.

44-128. Availability of information furnished. Any information filed with the local Kansas state employment service office pursuant to the provisions of K.S.A. 44-127 shall be made available to the public upon request.

History: L. 1974, ch. 202, § 4; July 1.

44-129. Violation of act. Any violation of this act shall be a class C misdemeanor. Any crew chief found to be in violation of this act shall cease to operate as a crew chief in this state for a period of two (2) years.

History: L. 1974, ch. 202, § 5; July 1.

Article 2.—EIGHT-HOUR DAY ON PUBLIC WORK

44-201. Eight-hour day; exceptions; payment of current rate of per diem wages where work performed. "The current rate of per diem wages" for the intents and purposes of this act shall be the rate of wage paid in the locality as hereinafter refined to the greater number of workmen, laborers or mechanics in the same trade, occupation or work of a similar nature. In the event that it be determined that there is not a greater number in the same trade, occupation or on similar work paid at the same rate, then the average rate paid to such laborers, workmen or mechanics in the same trade, occupation, or work shall be the current rate. The "locality" for the purpose of this act shall be the county wherein the physical work is being performed: *Provided*, That where cities of the first or second class are located in said counties, each such city shall be considered a locality.

Eight hours shall constitute a day's work for all laborers or other persons employed by or on behalf of the state of Kansas or any municipality of said state, except in cases of extraordinary emergency which may arise, in time of war, or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life. Laborers or other persons so employed, working to exceed eight hours

per calendar day, shall be paid on the basis of eight hours constituting a day's work. Not less than the current rate of per diem wages in the locality where the work is performed shall be paid to laborers or other persons so employed.

And laborers and other persons employed by contractors or subcontractors in the execution of any contract or contracts with the state of Kansas or any municipality thereof shall be deemed to be employed by or on behalf of the state or such municipality so far as the hours of work and compensation herein provided are concerned.

That the contracts hereafter made by or on behalf of the state of Kansas or by or on behalf of any county, city, township or other municipality of said state with any corporation, person or persons which may involve the employment of laborers, workmen or mechanics, shall contain a stipulation that no laborer, workman or mechanic in the employ of the contractor, subcontractor or other person doing or contracting to do the whole or a part of the work contemplated by the contract shall be permitted or required to work more than eight (8) hours in any one calendar day except in cases of extraordinary emergency (as defined in this act); such contract shall contain a provision that each laborer, workman or mechanic employed by such contractor, subcontractor or other person about or upon such public work shall be paid the wages herein provided: *Provided further*, That the provisions of this act in regard to hours worked per calendar day shall not apply to the construction, reconstruction, maintenance, or the production of local materials for: Highways, roads, streets, and also the structures and drainage in connection therewith; sewer systems; water-works systems; dams and levees; canals; drainage ditches; airport grading, drainage, surfacing, seeding, and planting.

History: R.S. 1923, 44-201; L. 1931, ch. 214, § 1; L. 1947, ch. 286, § 1; April 7.

Source or prior law:

L. 1891, ch. 114, § 1; L. 1913, ch. 220, § 1.

Revision note, 1923:

Revised and written into two sections combining the provisions of L. 1919, ch. 134. Laws 1919, ch. 134, relating to first-class cities, omitted as being covered by 44-201, 44-202.

Revisor's Note:

L. 1913, ch. 220, § 1 was also amended by L. 1923, ch. 157, § 1, see 44-203.

Research and Practice Aids:

States—108½.

Hatcher's Digest, Master and Servant §§ 6 to 8, Workmen § 1.

C.J.S. States §§ 119, 125 et seq.

Law Review and Bar Journal References:

Annotation No. 13 cited in 1955-56 survey of Kansas law, Earl B. Shurtz, 5 K.L.R. 210, 227 (1956); Robert J. Fowks, 5 K.L.R. 277, 282 (1956).

Survey of labor law, Robert J. Fowks, 10 K.L.R. 255 (1961).

Mentioned in "Survey of Kansas Law: Municipal Corporations," Richard H. Seaton, 27 K.L.R. 269, 274 (1979).

CASE ANNOTATIONS

Annotations to L. 1891, ch. 114, § 1:

1. Section not applicable to work done under contract. *Billingsley v. Comm'rs of Marshall Co.*, 5 K.A. 435, 436, 49 P. 329.

2. Provisions of this section not applicable to employees at penitentiary. *The State, ex rel., v. Martindale*, 47 K. 147, 27 P. 852. Questioned: *State v. Ottawa*, 84 K. 100, 105, 113 P. 391.

3. Ordinance requiring street service or pecuniary consideration invalid, when. *In re Ashby*, 60 K. 101, 107, 55 P. 336.

4. Section held valid as to employees of state or its agents. *In re Dalton*, 61 K. 257, 59 P. 336.

5. Employee accepting regular wages estopped from claiming extra pay. *Beard v. Sedgwick County* 63 K. 348, 65 P. 638.

6. Employees of contractor making city improvements come under this section. *The State v. Atkin*, 64 K. 174, 67 P. 519. Affirmed: *Atkin v. Kansas*, 191 U.S. 207, 24 S.Ct. 124, 48 L.Ed. 148.

7. Provisions of this section applicable to a school district. *The State v. Wilson*, 65 K. 237, 69 P. 172.

8. Section applies to employees operating Ottawa water and electric-light plant. *The State v. Ottawa*, 84 K. 100, 107, 113 P. 391.

9. Occasions when employees worked more than eight hours exceptions. *The State, ex rel., v. Construction Co.*, 99 K. 838, 840, 162 P. 1175.

Annotations to L. 1931, ch. 214, § 1:

10. Provisions regulating wages not basis for criminal liability; section discussed. *State v. Blaser*, 138 K. 447, 448, 450, 452, 26 P.2d 593.

11. Section discussed in holding 19-242 constitutional. *State v. Rogers*, 142 K. 841, 849, 52 P.2d 1185.

12. Purpose and object of act discussed in workmen's compensation case. *Workman v. Kansas City Bridge Co.*, 144 K. 139, 140, 58 P.2d 90.

13. Act held inapplicable to prisoners under 62-2109. *Dice v. Board of County Commissioners*, 178 K. 523, 524, 289 P.2d 782.

14. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 113, 114, 115, 116, 353 P.2d 641.

15. Section construed and held constitutional. *Andersen Construction Co. v. Weltmer*, 223 K. 808, 809, 557 P.2d 1197.

16. Section construed; requirement that contractor pay the "current rate of per diem wages" without enumerating specific wage rates held proper. *Andersen Constr. Co. v. Weltmer*, 224 K. 191, 577 P.2d 1197.

17. Municipality not prohibited from specifying

wage rated above "floor" set hereunder and including them in specifications and contract. *Andersen Construction Co. v. City of Topeka*, 228 K. 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 612 P.2d 595.

44-202. Same; penalty. Any officer of the state of Kansas or any municipality thereof, having charge of or control over any such public work, who shall violate the provisions of the next preceding section, shall upon conviction thereof be deemed guilty of a misdemeanor and punished by a fine in any sum not exceeding five hundred dollars, or by imprisonment in the county jail for not exceeding sixty days, or by both such fine and imprisonment.

History: R.S. 1923, 44-202; Dec. 27.

Source or prior law:

L. 1891, ch. 114, § 1; L. 1913, ch. 220, § 1.

Revision note, 1923:

See Revision Notes, 1923 under 44-201.

Research and Practice Aids:

Hatcher's Digest, Criminal Law § 1; Master and Servant § 8.

CASE ANNOTATIONS

1. History of section discussed in construing 44-201. *States v. Blaser*, 138 K. 447, 453, 26 P.2d 593.

2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 115, 353 P.2d 641.

44-203. Same; eight-hour day; exceptions. That eight hours shall constitute a day's work for all laborers, workmen, mechanics or other persons now employed or who may hereafter be employed by or on behalf of the state of Kansas, or by or on behalf of any county, city, township or other municipality of said state, except in cases of extraordinary emergency, which may arise in time of war or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life: *Provided*, That in all such cases the laborers, workmen, mechanics or other persons so employed and working to exceed eight hours per calendar day shall be paid on the basis of eight hours constituting a day's work: *Provided further*, That not less than the current rate of per diem wages in the locality where the work is performed shall be paid to laborers, workmen, mechanics, and other persons so employed by or on behalf of the state of Kansas, or any county, city, township or other municipality of said state.

And laborers, workmen, mechanics and

other persons employed by contractors or subcontractors in the execution of any contract or contracts with the state of Kansas, or with any county, city, township or other municipality thereof, shall be deemed to be employed by or on behalf of the state of Kansas, or of such county, city, township or other municipality thereof: *Provided further*, That any cities of the second or third class owning or operating municipal light and water plants be and the same are hereby exempted from the provisions of this act: *Provided further*, That this act shall not apply to township or county work in dragging or grading dirt roads: *Provided further*, That the provisions of this act in regard to hours worked per calendar day shall not apply to the construction, reconstruction, maintenance, or the production, of local materials for: Highways, roads, streets, and all the structures and drainage in connection therewith; sewer systems, waterworks systems, dams and levees, canals, drainage ditches, airport grading, drainage, surfacing, seeding and planting.

History: L. 1891, ch. 114, § 1; L. 1913, ch. 220, § 1; L. 1923, ch. 157, § 1; R.S. 1923, 44-203; L. 1947, ch. 286, § 2; April 7.

Revisor's Note:

Laws of 1923, ch. 157, § 1; amended L. 1913, ch. 220, § 1, which was also revised in 1923 and appears as 44-201, as amended by L. 1931, ch. 214, § 1.

Research and Practice Aids:

Hatcher's Digest, Master and Servant §§ 6 to 8; Municipal Corporations §§ 185, 186.

CASE ANNOTATIONS

1. History of section discussed in construing 44-201. *State v. Blaser*, 138 K. 447, 454, 26 P.2d 593.
2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 113, 114, 115, 353 P.2d 641.

44-204. Contracts of state or municipality, basis. That all contracts hereafter made by or on behalf of the state of Kansas, or by or on behalf of any county, city, township, or other municipality of said state, with any corporation, person or persons, for the performance of any work or the furnishing of any material manufactured within the state of Kansas, shall be deemed and considered as made upon the basis of eight hours constituting a day's work; and it shall be unlawful for any such corporation, person or persons to require or permit any laborer, workman, mechanic or other person to work

more than eight hours per calendar day in doing such work or in furnishing or manufacturing such material, except in the cases and upon the conditions provided in sections 44-201 and 44-203 of the Session Laws of 1947.

History: L. 1891, ch. 114, § 2; R.S. 1923, 44-204; L. 1947, ch. 286, § 3; April 7.

Research and Practice Aids:

Hatcher's Digest, Master and Servant § 8; Municipal Corporations §§ 185, 186.

CASE ANNOTATIONS

1. Cited in discussing criminal liability under 44-201. *State v. Blaser*, 138 K. 447, 448, 453, 26 P.2d 593.
2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 113, 353 P.2d 641.

44-205. Penalty for violating 44-203 and 44-204. That any officer of the state of Kansas, or of any county, city, township or municipality of said state, or any person acting under or for such officer, or any contractor with the state of Kansas, or any county, city, township or other municipality thereof, or other person violating any of the provisions of this act, shall for each offense be punished by a fine of not less than \$50 nor more than \$1,000, or by imprisonment not more than six months, or both fine and imprisonment, in the discretion of the court.

History: L. 1891, ch. 114, § 3; May 20; R.S. 1923, 44-205.

Research and Practice Aids:

Hatcher's Digest, Criminal Law § 1; Master and Servant § 8; Municipal Corporations §§ 185, 186.

CASE ANNOTATIONS

1. Cited in discussing criminal liability under 44-201. *State v. Blaser*, 138 K. 447, 453, 26 P.2d 593.
2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 113, 353 P.2d 641.

Article 3.—PAYMENT OF WAGES

44-301.

History: R.S. 1923, 44-301; L. 1931, ch. 215, § 1; Repealed, L. 1973, ch. 204, § 15; July 1.

Source or prior law:

L. 1893, ch. 187, § 1; L. 1915, ch. 165, § 1.

Revisor's Note:

New act, see 44-313 et seq.

CASE ANNOTATIONS

1. Employee may waive right by making settlement. *Howell v. Machine Co.*, 86 K. 537, 121 P. 366.

TABULATION AND CALCULATIONS

SENATOR GUS BOGINA

Construction Contracts For Public Works In Kansas
(Most Recent Year Available)

State Highway (now federal)	\$ 84,500,000
Regents Institutions	23,870,000
State Hospitals & Institutions	9,190,000
Fee Funds	4,100,000
General Fund	20,750,000
Unified School Districts	52,000,000
Community Colleges	7,200,000
Cities and Counties	345,000,000
(roads and streets, sanitary sewers, storm drainage, municipal buildings)	
Quasi-Municipal	5,500,000
(water districts, fire districts)	
Miscellaneous	3,000,000
TOTAL	<u>\$555,110,000</u>

(Data obtained from state appropriations, State Board of Education, League of Municipalities and County Engineers Association.)

Approximate Labor Costs In Construction Projects
(As Percentage of Bid Price)

Roadway and Paving (new)	24%
Renovation, Reconstruction, Repair	35%
Bridge Restoration	65%
Building Construction	40%

Contract Cost Increases Because Of Davis-Bacon Influence

Road, Bridge, Street, Highway (new)	15-38.5%
Renovation, Reconstruction, Repair	22-45%
Buildings	8-25%

(Information from a cross section of actual bids across the state during the past year.)



December 22, 1983

Mr. David Monical, Principal Analyst
 Legislative Research Department
 Statehouse, Room 545N
 Topeka, KS 66612

Re: Federal Revenue Sharing Fund Appropriation - "Replace Breukelman Hall Roof" (11004-65)

Dear David:

As I indicated to you on the phone yesterday, a problem has arisen in connection with the Breukelman Hall reroofing project.

When discussions were underway earlier this fiscal year concerning several reroofing projects on campus, it was decided to combine them all into one contract in order to secure the most favorable bid. This was done; the specifications were prepared; the contract was signed in late summer; and work began this fall. Unfortunately, no provision was made in the specifications for the payment of prevailing wages on the Breukelman Hall project since it was financed with Federal revenue sharing funds.

After the first portion of the project was completed and work commenced on Breukelman Hall, pickets appeared at the edge of the campus. Shortly thereafter, the weather closed the entire project down. Since then, we have been in contact with the office of the Director of Architectural Services and various other state offices. No solution seems to be emerging. Therefore, we feel the need to involve the Joint Committee on State Building Construction.

Since becoming aware of the problem, we have requested the U.S. Department of Labor's prevailing wage determination for the Emporia vicinity. A copy of that determination is attached. They determined that the prevailing wage for beginning roofers in Lyon County was \$14.66/hr. (not including fringe benefits). After receipt of this determination, we surveyed the only two legitimate built-up roofing contractors as to the wages they pay their employees. Those responses are listed below:

COMPANY:	Geo. Groh & Sons	Emporia Roofing
Position	Wage	Wage
Rofer & Sheetmetal Laborer	\$5.25/hour	\$5.50-5.75/hour
Sheetmetal Laborer	\$5.85/hour	----
Roofing Laborer	\$5.41/hour	----
Roofing Laborer (beginning)	----	\$5.00/hour
Journeyman Level Roofer	----	\$6.75-8.00/hour
Roofing Foreman	\$6.00-8.00/hour	----

It is our understanding that the roofing contractor, Weathercraft, Inc., is paying his employees comparable wages to those listed above. Furthermore, Weathercraft has advised us that his labor costs would likely nearly double if he were required to pay the wages as determined by the Department of Labor. Listed below are the current contracted project costs and the labor costs included in each portion.

CCR No.	Project Title	As Originally Contracted		Total Project Cost With Change Order #1 & Proposed Change Order #2
		Labor Cost*	Total Project Cost	
A-4579	Replace Breukelman Hall Roof	\$ 44,885	\$129,096	\$155,893
A-4290(d)	Reroof Portion of Physical Education Bldg.	10,907	25,807	29,349
A-4574	Reroof Plumb Hall	26,318	64,848	65,348
A-4769	Reroof Portion of W.A.W. Library	5,413	19,886	19,886
A-4635	Reroof Married Student Apts "B" and "C"	19,260	47,192	47,192
A-4805	Reroof Morse Hall Northeast	10,949	45,554	45,554
TOTAL		\$117,732	\$332,383	\$363,222

*These labor costs identified by the contractor in a routinely requested cost breakdown after the contract is awarded.

A doubling of the labor costs on Breukelman Hall alone would cost at least \$44,885 extra. There is a possibility that the Davis-Bacon Act could be interpreted such that the prevailing wage determination would not only apply to the Breukelman Hall work, but also to the entire project. Such an interpretation would appear to cost at least an extra \$117,732.

Listed below are the balance of funds that we expect to have available in each of the project accounts upon completion of this contract (after change order #2 is processed and assuming that there are no payments for wage adjustments).

CCR No.	Project Title	Expected Balance	Funding Source
A-4579	Replace Breukelman Hall Roof	\$14,107	Federal Revenue Sharing - Line Item Appropriation
A-4290	Reroof Physical Education Building	43,651	Educational Building Fund - Line Item Appropriation
A-4574	Reroof Plumb Hall	-0-	Educational Building Fund - Major Repairs, Special Maintenance & Remodeling
A-4769	Reroof Portion of W.A.W. Library	-0-	Educational Building Fund - Major Repairs, Special Maintenance & Remodeling
A-4635	Reroof Married Student Apts "B" and "C"	-0-	Residence Hall Maintenance & Equipment Reserve Fund
A-4805	Reroof Morse Hall Northeast	-0-	Residence Hall Maintenance & Equipment Reserve Fund
	TOTAL	\$57,758	

If the federal wage determination stands as is and its applicability is limited to the Breukelman Hall reroofing, the expected balance in Projects A-4579 and A-4290 would cover the required wage increase. However, legislative approval would be needed to transfer funds from the physical education building project to the Breukelman Hall project. Obviously, there are insufficient funds to cover the required wage increase should it be determined Davis-Bacon applies to the entire job.

Attached are some of the options that could be selected at this stage, and some of the pros and cons of each option. Since some of the options listed require legislative action, we felt that it might be appropriate for these options to be reviewed at the January 6 meeting of the Joint Committee on State Building Construction. If you concur, would you please make the necessary arrangements for it to be placed on the agenda, or advise us further in this matter.

Sincerely,

W.G. Clark
Walter G. Clark
Business Manager

ls

Enclosures

cc: Senator Bogina
Warren Corman
Dan Carroll

The Kansas Contractors Association, Inc.

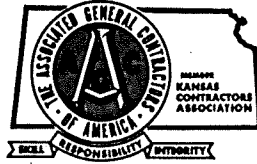
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TESTIMONY

February 16, 1987

SENATE LABOR AND INDUSTRY COMMITTEE

Mr. Chairman and Members of the Committee. Thank you for the opportunity to visit with you for a very few minutes about Senate Bill 112 which would repeal the Prevailing Wage Statute in Kansas.

My name is Glenn Coulter and I am the manager of the Kansas Contractors Association. Our association has 335 members and associate members. Our members engage in road, street and highway work, paving projects, water and sewer lines, water purification plants and sewage disposal plants, dams and reservoirs.

We believe that 44-201 through 44-205 no longer serves any useful purpose and that it would be in the best interests of the citizens of Kansas if these sections were repealed.

Members of our Association perform their services under exclusive union agreements and others exclusively open shop. They bid against each other on a competitive, sealed bid basis and both groups are successful in securing work. In our opinion, this proposed repealer is neither anti-union nor anti-open shop.

The construction industry is unlike any other in the business world.

DIRECTORS

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Topeka, Kansas

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TOM RITCHIE
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GLENN R. COULTER, Manager
DANIEL W. RAMLOW, Assistant Manager
CRIS MILLARD, Office Manager
CARRIE KRUSOR, Bulletin Editor

Unlike a manufacturing plant or a retail store or a service-type business, contractors, especially those bidding on public works, do not set up shop in a town and then work only in that town. They must go where the work is, and this may be anywhere in the state or in surrounding states. A construction company may have as many as 20 or 25 projects under way at any given time, without a one of them being in its own neighborhood.

And this is good, because it makes for healthy, vigorous, competitive bidding, and competitive bidding in our industry means that the customer is going to get the best possible--and guaranteed--price for a first class job, built according to rigid specifications controlled by the unit of government ordering the work.

But one big stumbling block to this competitive bidding system occurs when artificial barriers are placed in the way--barriers such as strictly local prevailing wage determinations. Many unneeded regulations have been placed on the construction industry in recent years, especially at the federal level, and this is one reason why the industry is in serious difficulty today.

When local prevailing wage scales are mandated by law, the local contractors find they must work inside an artificial barrier at home and thus are sometimes hindered in going elsewhere to seek jobs. Their employees, whom they might want to take to another location on a project, may not be interested in going, especially if it should be that the wage rates in another location are mandated lower than the wages set at home. Thus the contractor faces reduced bidding opportunities, with resultant loss of work for his crews.

We believe that the wages of construction workers should be set by the free give and take of the market place, be it between management and unions negotiating wages and fringe benefits for those who desire to work

union, or between management and craftsmen who prefer to work open shop.

Kansas' "Eight Hour Day On Public Work Law", for that is what it is called, was passed, we are told in 1891 to protect Kansas workers from imported "coolie" labor, willing to work excessive hours for sub-standard wages. If a law has ever outlived its usefulness, this is certainly one.

Because today the construction industry in Kansas--both union and open shop--is paying some of the highest wages in the state and no industry in Kansas has a better record of employing minorities. These are skilled men and women whose working conditions are already adequately covered by federal law.

Thank you for your consideration.

TESTIMONY BY
ASSOCIATED GENERAL CONTRACTORS OF KANSAS
TO THE
SENATE LABOR AND INDUSTRY COMMITTEE
REGARDING S.B. 112

I am Tom Slattery Executive Vice President of the Associated General Contractors of Kansas. AGC of Kansas represents 280 general contractors, subcontractors and associate members who are directly engaged in or provide services for the commercial and industrial building construction industry in Kansas.

We have a long standing policy in opposition to KSA 44-201 and other "prevailing wage" laws at all levels of government. We believe that this law is no longer necessary and that in most cases it causes increased construction costs which fuel inflation and limit employment opportunities in the industry. It also frustrates the competitive bidding system which is one of the corner stones of our industry. The bottom line is we believe the law should be repealed and that the free market system should be allowed to operate in the area of public works the same as it does in the private sector.

I would point out that in the last two years prevailing wage laws in Colorado, Arizona, Idaho, New Hampshire and Louisiana have been repealed.

In 1891 the Kansas Legislature passed KSA 44-201 with the intention of protecting workers on public projects against employers who wanted to pay less than a full days wage for eight hours work. Since that time there has been reference made to the statute in bidding documents both for state work and subdivisions of the state. However, until 1985 contractors were never directed to pay a specific hourly wage for a specific task. In 1982 the Kansas Supreme Court ruled that public agencies have the authority to fix and include specific wages in contracts for construction. Subsequent to this decision in January of 1984 the governor directed the Department of Human Resources to develop a procedure for establishing hourly wage rates for various classifications of workers on building projects in all counties and first- and second-class cities. This was done by executive order 84-68. In 1985 the Department of Administration started including specified wage rates in its specifications for building projects. This event changed the total complexion of KSA 44-201 since now contractors did have guidelines to go by and were required to include these wages rates in bidding state work.

I want to make some brief comments relative to a performance audit report by the Legislative Division of Post Audit of April 1986. This report evaluated the wage rates for construction of the coliseum at Kansas State University. The report points out a number of inaccuracies in wage rates used on the KSU Coliseum. I would quote the following paragraph in the conclusion of their report

"For Riley County, the auditors found that some of the State's wage rates may not reflect the actual prevailing wages being paid in that locality. The data and methodology that generated these rates may be flawed, resulting in rates that are not accurate. Further, the same methodology is used to establish wage rates for all counties and first- and second-class cities in the State. For these reasons, the Legislature may wish to review the State's procedures for establishing wage rates for building projects".

As shown below the 1985 schedule of prevailing wages includes hourly wages and fringe benefit for 21 classifications of workers. The base hourly rates varied from \$6.34 for general laborers to \$17.65 for plumbers and pipefitters the dollar value and fringe benefits paid ranged from 0 to \$4.57 per hour.

<u>Worker Class</u>	<u>Base Wage Rate</u>	<u>Fringe Benefits</u>	<u>Total Hourly Wage</u>
Carpenter	\$ 11.09	\$ 1.33	\$ 12.42
Drywall Hanger	9.50	0.00	9.50
Drywall Finisher	9.50	0.00	9.50
Electrician	8.00	1.32	9.32
Floor Layer	11.45	3.21	14.66
Glazier	13.27	0.30	13.57
Structural Iron Worker	8.00	0.00	8.00
General Laborer	6.34 (a)	0.00	6.34 (a)
Mason Tender	9.50	2.05	11.55
Operating Engineer	13.50	4.02	17.52
Painter	13.60	1.25	14.85
Pipefitter	17.65	2.09	19.74
Plumber	17.65	2.26	19.91
Crane Operator	14.00	3.77	17.77
Backhoe Operator	13.75	3.77	17.52 (b)
Bulldozer Operator	13.75	3.77	17.52
Motor Grader Operator	13.75	3.77	17.52
Roller Operator	13.35	3.77	17.02 (c)
Scraper Operator	13.75	3.77	17.52
Roofer	8.00	0.00	8.00
Sheet Metal Worker	13.68	4.57	18.25

- (a) Legislative Post Audit calculations show this figure should be \$6.43, not \$6.34. The Department of Human Resources entered one survey twice and omitted another survey.
- (b) Legislative Post Audit calculations show this figure should be \$16.55, not \$17.52. The Department apparently selected one of two survey responses for the classification, rather than averaging the two responses.
- (c) Legislative Post Audit calculations show that this figure should be \$17.12, not \$17.02. The Department apparently made an addition error when adding the base and fringe rates.

In comparing rates established for other counties and federal projects in Riley County the auditors identified three wage rates that appeared to be significantly higher or lower than the rates for most other localities other rates varied significantly from county to county.

Selected Wage-Rate Determinations
for the Jurisdictions Reviewed

<u>Worker Class</u>	<u>Riley County</u>	<u>Geary County</u>	<u>Saline County</u>	<u>Reno County</u>	<u>Davis- Bacon</u>
Carpenter	\$ 12.42	\$ 12.95	\$ 8.58 (a)	\$ 9.36	\$ 13.48
General Laborer	6.34 (b)	10.30	5.28	5.00	11.55
Operating Engineer	17.52	17.52	6.00	7.25	none
Plumber	19.91	18.48	18.76	15.73 (c)	19.63
Crane Operator	17.77	17.77	17.37	16.37	17.77
Backhoe Operators	17.52	17.53	10.00	17.12	17.77
Roofer	8.00	8.00	7.50	none	15.95
Sheet Metal Worker	18.25	18.25	8.60	18.12	18.22
Electrician	9.32	18.15	15.58	16.80	18.15
Floor Layer	14.66	10.00	9.00	none	12.76
Painter	14.85	12.44	5.50	9.00	14.44

The worker classes and wage rates in boldface appear to be significantly higher or lower than most of the other county and federal wages reviewed for that class.

- (a) Legislative Post Audit computations show this figure should be \$8.64.
- (b) Legislative Post Audit computations show this figure should be \$6.43
- (c) Legislative Post Audit computations show this figure should be \$13.60

As the table shows, the Department-determined wage rate for a painter in Riley County--a rate based on a single survey response--appears high in relation to most other rates for painters. The Riley County rate for floor layers is \$1.90 per hour higher than the Davis-Bacon rate and \$4.66 an hour higher than the Greary County rate. The rate for an electrician in Riley County appears low in comparison with other counties and with the electricians' Davis-Bacon rate. Further, the rates for seven worker classes in Saline County--carpenters, floor layers, laborers, operating engineers, painters, backhoe operators, and sheet

metal workers--are significantly less than the rates in Riley County. The plumbers' rate is fairly constant in these selected counties, but the Riley County rate is higher than all other counties and the rate established for federal projects in Riley County.

Despite similar populations or locations, each county listed in the table may have unique characteristics that affect the prevailing wage rate for the area. For instance, there may be a significant number of federal construction projects at Fort Riley and therefore, the Geary County wage rates may reflect payment of the Davis-Bacon wage rates. The Wichita labor market may affect the Reno County rates more than it affects the other counties' rates. Even so, significant variations between the counties would not appear to be reasonable. For instance, it does not appear reasonable for the State to establish a minimum wage of \$9.32 an hour for electricians in Riley County and \$15.58 an hour for electricians in Saline County.

Finally the auditors found that 12 of the 21 Riley County rate determinations were based on information provided by only one contractor. Further, ten of those twelve rates were based on information provided on single project. This is summarized in the table below and also on the second table showing the number and characteristics of the survey responses for all 21 Riley County wage rates.

Prevailing Wage Survey Response for Riley County
Wage Rates Issued April 23, 1985

<u>Worker Class</u>	<u>Number of Contractors</u>	<u>Number of Projects</u>	<u>Number of Workers(a)</u>
* Drywall Hanger	1	1	6
* Drywall Finisher	1	1	3
* Glazier	1	1	7
* Structural Iron Worker	1	1	3
* Mason Tender	1	1	2
* Painter	1	1	4
* Bulldozer Operator	1	1	2
* Motor Grader Operator	1	1	1
* Roller Operator	1	1	1
* Scraper Operator	1	1	2
Floor Layer	1	4	10
Operating Engineer	1	7	16

* Deleted from original bid specifications for the Coliseum by the Secretary of Administration

(a) A single worker may be counted more than once if that worker was employed on more than one project during the year.

Number and Characteristics of the Department of Human Resources
Survey Responses for the Riley County Wage Determinations

WORKER CLASS	DEPARTMENT TOTAL HOURLY WAGE RATE	NUMBER OF CONTRACTORS RESPONDING	NUMBER OF PROJECTS	NUMBER OF WORKERS REPORTED(a)
Carpenter	\$ 12.42	13	25	95
Drywall Hanger	9.50	1	1	6
Drywall Finisher	9.50	1	1	3
Electrician	9.32	8	16	50
Glazier	13.57	1	1	7
Structural Iron Worker	8.00	1	1	3
General Laborer	6.34(b)	15	38	177
Mason Tender	11.55	1	1	2
Painter	14.85	1	1	4
Plumber	19.91	3	60	130
Equipment Operator:				
--Crane	17.77	2	32	40
--Backhoe	17.52(c)	2	2	2
--Bulldozer	17.52	1	1	2
--Motor Grader	17.52	1	1	1
--Roller	17.02(d)	1	1	1
--Scraper	17.52	1	1	2
Roofer	8.00	2	11	49
Sheetmetal Worker	18.25	4	52	143
Pipefitter	19.74	2	38	70
Floorlayer	14.66	1	4	10
Operating Engineer	17.52	1	7	16

- (a) A single worker may be counted more than once if that worker was employed on more than one project during the year.
- (b) Legislative Post Audit calculations show that this figure should be \$6.43, not \$6.34. The Department entered one survey twice and skipped another.
- (c) Legislative Post Audit calculations show that this figure should be \$16.55, not \$17.52. The Department apparently selected one of two survey responses reported for the class, rather than averaging the two.
- (d) Legislative Post Audit calculations show that this figure should be \$17.12, not \$17.02. The Department apparently made an addition error when adding the base and fringe wage rates.

Mr. Chairman I have copies of this post audit report which I will make available to the Committee. I think the point that it makes is that wage surveys are inaccurate and do nothing to promote stability in the bidding process or an economical approach to construction of state projects. I would restate the position of the Associated General Contractors of Kansas which is as follows " The Associated General Contractors of Kansas believes that the Kansas statutes dealing with the payment of prevailing wages on public workers projects are inflationary, difficult to administer, antiquated in the light of more recent laws designed to protect the employee, and therefore these statutes should be repealed."



HEART OF AMERICA CHAPTER associated builders and contractors, inc.

600 EAST 95th STREET • KANSAS CITY, MISSOURI 64131 • PHONE (816) 333-3750

February 16, 1987

To: The Senate Labor and Industry Committee:

Opponents of S.B. 112 believe they are helping the working man. They do not understand the construction industry in the 1980's. The industry has changed. Productivity and efficiency are essential to serving the competitive construction market. To retain K.S.A. 44-201 virtually guarantees long periods of lay-off and possibly no jobs at all for construction workers.

Common sense and simple economics will explain why this is so. Our economy is based upon competition, productivity, and being able to do a better job than the competition. These same forces establish your compensation and probably the compensation of everybody in the room. Most working people receive payment for their daily work efforts depending largely upon how their skills and talents sell in the marketplace.

So what happens when an industry is fragmented, workmen are restricted to only a single skill and then their wages are pegged unreasonably high? The answer is obvious. They are no longer competitive. Opportunities for work in the marketplace are reduced if not eliminated. Their only source of employment is other jobs on which the wages are set equally high. Interestingly, under these circumstances, productivity does not go up because the pay is high, it goes down. Jobs are so scarce that workmen do not want them to end. Of course, the taxpayer picks up the tab on this kind of work.

My work force averages approximately 60 persons per year. Most of these people work 52 weeks a year except for vacations primarily because they have multiple skills which make them more productive and because they receive competitive wages which allow our company to bid and continue to receive work. Most have been with the company several years. Thirty percent of our current work force is vested in the Company's profit sharing plan.

To suggest that an old statute like this is in the best interest of the workmen is to be 20 years behind time and

Senate Lbr. Ind. & Sm. Bus

Attachment 4

2-16-87


Merit Shop Builds Best

Senate Labor and Industry Committee
February 16, 1987
Page 2

totally blind to the realities of the marketplace. Seventy percent of the market, and certainly those sophisticated users of construction services figured this out ten years ago. The questions raised by this bill is whether the Kansas taxpayers are going to figure it out.

We should not claim that the State is "hard up" if we retain a statute that adds substantially to the costs of construction and, at the same time, hurt the working man.

Very truly yours,



Ron Andersen



**League
of Kansas
Municipalities**

ATT 6
2-16

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

TO: Senate Committee on Labor, Industry and Small Business
FROM: E.A. Mosher, Executive Director
DATE: February 16, 1987
SUBJECT: SB 112--Repeal of Prevailing Wage Law

On behalf of the League and its member cities, I appear in support of HB 112, to repeal K.S.A. 44-201, et seq., commonly called the prevailing wage law or "little Davis-Bacon Act." This position in support of the bill was established by the State Legislative Committee of the League and is consistent with the League's convention-adopted Statement of Municipal Policy which states that we oppose legislation to "require payment of state or federally determined prevailing wage rates for municipal public works contracts. The implementation of the provisions of K.S.A. 44-201 should remain the responsibility of the contractor."

Other conferees, before or after me, will probably discuss the history and purpose of this 1891 act, purported to deal with migrant workers, an act which long preceded other state and federal laws dealing with hours of work, overtime pay and minimum wages. Historical League records indicate that this statute was largely overlooked by cities until the last decade, although it was the occasional practice to include a one-liner in municipal public works specifications, simply requiring the winning contractor to pay the prevailing wage rate. Efforts of the Department of Human Resources to develop per diem or prevailing wage rates has apparently resurrected this long-dormant statute, thus raising some very practical problems at the municipal level.

As Committee members are well aware, the existing statute appears to require that the per diem wages in the "locality" must be paid, and defines the locality as the county and any city of the first or second class. In addition to the 105 counties, we now have 24 cities of the first class and 87 cities of the second class, resulting in a total of 216 "localities." We call to your attention that the City of Scammon is legally a city of the second class; it has a population of 449. There are four Kansas cities of the second class with a population of less than 1,000; there are 22 with a population of less than 2,500.

We would also call to the Committee's attention that K.S.A 44-203 contains both the per diem wage requirement as well as the eight-hour day requirement. This section includes the proviso that "any cities of the second or third class owning or operating municipal light and water plants be and the same are hereby exempted from the provisions of this act." Most of the 87 cities of the second class, and roughly 400 cities of the third class, own and operate a municipal water plant, and some an electric plant. We're not sure the existing law even applies to these cities.

Finally, we would suggest that the requirement as to certain levels of wages to be paid by municipal contractors is a matter appropriately left to local self-determination. Offensive as it may be to some people, even the federal Davis-Bacon law does not mandate local governments to follow its prevailing

Senate Lbr. Ind. & Sm. Bus.
Attachment 5 2-16-87

President: John L. Carder, Mayor, Iola • Vice Presidents: Carl Dean Holmes, Mayor, Plains • Past Presidents: Ed Ellert, Mayor, Overland Park • Directors: Robert C. Brown, Commissioner, Wichita • Robert Creighton, Mayor, Atwood • Irene B. French, Mayor, Merriam • Frances J. Garcia, Commissioner, Hutchinson • Donald L. Hamilton, City Clerk/Administrator, Mankato • Paula McCreight, Mayor, Ness City • Jay P. Newton, Jr., City Manager, Newton • John E. Reardon, Mayor, Kansas City • David E. Retter, City Attorney, Concordia • Arthur E. Treece, Commissioner, Coffeyville • Deane P. Wiley, City Manager, Garden City • Douglas S. Wright, Mayor, Topeka • Executive Director: E.A. Mosher

Senate Committee on Labor, Industry
and Small Business
February 16, 1987
Page Two

wage rates--unless they want the federal money. It seems to us that if it is of sufficient statewide concern to compel cities and other local units to pay some kind of state-determined prevailing wage rate, then the state ought also to pay the bill for any added costs. Absent such an approach, we would suggest the statute be repealed in its application to local units, leaving this determination to locally elected governing bodies.

KANSAS PUBLIC WORKS CONTRACTS
PREVAILING WAGE LAW

**Article 2.—EIGHT-HOUR DAY
ON PUBLIC WORK**

44-201. Eight-hour day; exceptions; payment of current rate of per diem wages where work performed. "The current rate of per diem wages" for the intents and purposes of this act shall be the rate of wage paid in the locality as hereinafter refined to the greater number of workmen, laborers or mechanics in the same trade, occupation or work of a similar nature. In the event that it be determined that there is not a greater number in the same trade, occupation or on similar work paid at the same rate, then the average rate paid to such laborers, workmen or mechanics in the same trade, occupation, or work shall be the current rate. The "locality" for the purpose of this act shall be the county wherein the physical work is being performed: *Provided*, That where cities of the first or second class are located in said counties, each such city shall be considered a locality.

Eight hours shall constitute a day's work for all laborers or other persons employed by or on behalf of the state of Kansas or any municipality of said state, except in cases of extraordinary emergency which may arise, in time of war, or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life. Laborers or other persons so employed, working to exceed eight hours per calendar day, shall be paid on the basis of eight hours constituting a day's work. Not less than the current rate of per diem wages in the locality where the work is performed shall be paid to laborers or other persons so employed.

And laborers and other persons employed by contractors or subcontractors in the execution of any contract or contracts with the state of Kansas or any municipality thereof shall be deemed to be employed by or on behalf of the state or such municipality so far as the hours of work and compensation herein provided are concerned.

That the contracts hereafter made by or on behalf of the state of Kansas or by or on behalf of any county, city, township or other municipality of said state with any corporation, person or persons which may involve the employment of laborers, workmen or mechanics, shall contain a stipulation that no laborer, workman or mechanic in the employ of the contractor, subcontractor or other person doing or contracting to do the whole or a part of the work contemplated by the contract shall be permitted or required to work more than eight (8) hours in any one calendar day except in cases of extraordinary emergency (as defined in this act); such contract shall contain a provision that

each laborer, workman or mechanic employed by such contractor, subcontractor or other person about or upon such public work shall be paid the wages herein provided: *Provided further*, That the provisions of this act in regard to hours worked per calendar day shall not apply to the construction, reconstruction, maintenance, or the production of local materials for: Highways, roads, streets, and also the structures and drainage in connection therewith; sewer systems; waterworks systems; dams and levees; canals; drainage ditches; airport grading, drainage, surfacing, seeding, and planting.

History: R.S. 1923, 44-201; L. 1931, ch. 214, § 1; L. 1947, ch. 286, § 1; April 7.

Source or prior law:

L. 1891, ch. 114, § 1; L. 1913, ch. 220, § 1.

Annotations to L. 1931, ch. 214, § 1:

10. Provisions regulating wages not basis for criminal liability; section discussed. *State v. Blaser*, 138 K. 447, 448, 450, 452, 26 P.2d 593.

11. Section discussed in holding 19-242 constitutional. *State v. Rogers*, 142 K. 841, 849, 52 P.2d 1185.

12. Purpose and object of act discussed in workmen's compensation case. *Workman v. Kansas City Bridge Co.*, 144 K. 139, 140, 58 P.2d 90.

13. Act held inapplicable to prisoners under 62-2109. *Dice v. Board of County Commissioners*, 178 K. 523, 524, 289 P.2d 782.

14. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 113, 114, 115, 116, 353 P.2d 641.

15. Section construed and held constitutional. *Andersen Construction Co. v. Weltmer*, 223 K. 808, 809, 557 P.2d 1197.

16. Section construed; requirement that contractor pay the "current rate of per diem wages" without enumerating specific wage rates held proper. *Andersen Constr. Co. v. Weltmer*, 224 K. 191, 577 P.2d 1197.

17. Municipality not prohibited from specifying wage rated above "floor" set hereunder and including them in specifications and contract. *Andersen Construction Co. v. City of Topeka*, 228 K. 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 612 P.2d 595.

18. Secretary of Human Resources has no authority to investigate and determine disputes hereunder. *R. D. Andersen Constr. Co. v. Kansas Dept. of Human Resources*, 7 K.A.2d 453, 454, 455, 457, 458, 459, 643 P.2d 1142 (1982).

19. Construed; factors for determination of "current rate of per diem wages" considered. *Baker v. R. D. Andersen Constr. Co.*, 7 K.A.2d 568, 569, 570, 571, 574, 575, 576, 577, 578, 579, 580, 644 P.2d 1354 (1982).

20. Employment of Davis-Bacon wage scales in state-funded highway projects specifications permissible hereunder; no invalid delegation of authority. *Ritchie Paving, Inc. v. Kansas Dept. of Transportation*, 232 K. 346, 347, 348, 349, 350, 351, 352, 654 P.2d 440 (1982).

44-202. Same; penalty. Any officer of the state of Kansas or any municipality thereof, having charge of or control over any such public work, who shall violate the provisions of the next preceding section, shall upon conviction thereof be deemed guilty of a misdemeanor and punished by a fine in any sum not exceeding five hundred dollars, or by imprisonment in the county

jail for not exceeding sixty days, or by both such fine and imprisonment.

History: R.S. 1923, 44-202; Dec. 27.

Source or prior law:

L. 1891, ch. 114, § 1; L. 1913, ch. 220, § 1.

Revision note, 1923:

See Revision Notes, 1923 under 44-201.

CASE ANNOTATIONS

1. History of section discussed in construing 44-201. *States v. Blaser*, 138 K. 447, 453, 26 P.2d 593.
2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 115, 353 P.2d 641.

44-203. Same; eight-hour day; exceptions. That eight hours shall constitute a day's work for all laborers, workmen, mechanics or other persons now employed or who may hereafter be employed by or on behalf of the state of Kansas, or by or on behalf of any county, city, township or other municipality of said state, except in cases of extraordinary emergency, which may arise in time of war or in cases where it may be necessary to work more than eight hours per calendar day for the protection of property or human life: *Provided*, That in all such cases the laborers, workmen, mechanics or other persons so employed and working to exceed eight hours per calendar day shall be paid on the basis of eight hours constituting a day's work: *Provided further*, That not less than the current rate of per diem wages in the locality where the work is performed shall be paid to laborers, workmen, mechanics, and other persons so employed by or on behalf of the state of Kansas, or any county, city, township or other municipality of said state.

And laborers, workmen, mechanics and other persons employed by contractors or subcontractors in the execution of any contract or contracts with the state of Kansas, or with any county, city, township or other municipality thereof, shall be deemed to be employed by or on behalf of the state of Kansas, or of such county, city, township or other municipality thereof: *Provided further*, That any cities of the second or third class owning or operating municipal light and water plants be and the same are hereby exempted from the provisions of this act: *Provided further*, That this act shall not apply to township or county work in dragging or grading dirt roads: *Provided further*, That the provisions of this act in regard to hours worked per calendar day shall not apply to the construction, reconstruction, maintenance, or the production, of local materials for: Highways, roads, streets, and all the structures and drainage in connection therewith; sewer systems, waterworks

systems, dams and levees, canals, drainage ditches, airport grading, drainage, surfacing, seeding and planting.

History: L. 1891, ch. 114, § 1; L. 1913, ch. 220, § 1; L. 1923, ch. 157, § 1; R.S. 1923, 44-203; L. 1947, ch. 286, § 2; April 7.

Revisor's Note:

Laws of 1923, ch. 157, § 1; amended L. 1913, ch. 220, § 1, which was also revised in 1923 and appears as 44-201, as amended by L. 1931, ch. 214, § 1.

CASE ANNOTATIONS

1. History of section discussed in construing 44-201. *State v. Blaser*, 138 K. 447, 454, 26 P.2d 593.
2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 113, 114, 115, 353 P.2d 641.

44-204. Contracts of state or municipality, basis. That all contracts hereafter made by or on behalf of the state of Kansas, or by or on behalf of any county, city, township, or other municipality of said state, with any corporation, person or persons, for the performance of any work or the furnishing of any material manufactured within the state of Kansas, shall be deemed and considered as made upon the basis of eight hours constituting a day's work; and it shall be unlawful for any such corporation, person or persons to require or permit any laborer, workman, mechanic or other person to work more than eight hours per calendar day in doing such work or in furnishing or manufacturing such material, except in the cases and upon the conditions provided in sections 44-201 and 44-203 of the Session Laws of 1947.

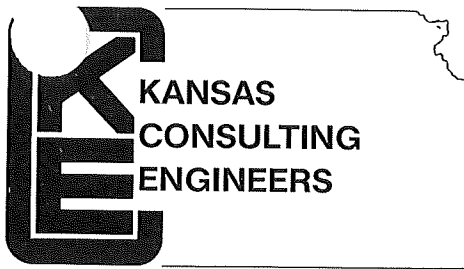
History: L. 1891, ch. 114, § 2; R.S. 1923, 44-204; L. 1947, ch. 286, § 3; April 7.

CASE ANNOTATIONS

1. Cited in discussing criminal liability under 44-201. *State v. Blaser*, 138 K. 447, 448, 453, 26 P.2d 593.
2. Article analyzed, discussed and construed; private citizen cannot maintain mandamus, when. *Topeka Bldg. & Construction Trades Council v. Leahy*, 187 K. 112, 115, 353 P.2d 641.

44-205. Penalty for violating 44-203 and 44-204. That any officer of the state of Kansas, or of any county, city, township or municipality of said state, or any person acting under or for such officer, or any contractor with the state of Kansas, or any county, city, township or other municipality thereof, or other person violating any of the provisions of this act, shall for each offense be punished by a fine of not less than \$50 nor more than \$1,000, or by imprisonment not more than six months, or both fine and imprisonment, in the discretion of the court.

History: L. 1891, ch. 114, § 3; May 20; R.S. 1923, 44-205.



ATT 6
2-16-87
GEORGE BARBEE, EXECUTIVE DIRE.
1100 MERCHANTS NATIONAL BANK
8TH & JACKSON
TOPEKA, KANSAS 66612
PHONE (913) 357-1824

DATE: February 16, 1987
TO: SENATE LABOR & INDUSTRY COMMITTEE
FROM: George Barbee, Executive Director
RE: SB-112

Mr. Chairman and members of the Committee, my name is George Barbee, President of Barbee and Associates and I am representing the Kansas Consulting Engineers. I am appearing today in support of SB-112 to repeal the 96-year old Kansas per diem wage laws.

Others have or will discuss the details and inequities of determining prevailing per diem wage rates which strongly indicate that higher wages than true market are being paid on jobs under the mandate of KSA 44-201. Members of KCE confirm this to be true and that there is even an additional downside to this practice.

Many of the contracts for State and Municipal work are based on a compensation method known as percentage of construction cost. For architectural work, the statutes even require that compensation is on a percentage of construction cost for state contracts.

Now, let us take for example a job that has an estimated construction cost of \$1 million dollars of which a portion of the total is based on the market price for skilled labor. And, let us assume that the fee to perform the design services, prepare the plans and specifications and other contract documents has been negotiated at a fair and reasonable, and agreed upon price of 5% of the construction cost or in this case \$50,000.

Now let's take the same project that has the newly imposed requirements of the old law imposed on it. Let's say it is a Jackson County project that has the prevailing wage rates as supplied by the state from various sources including labor rates from Johnson County. And, let us assume that the increased cost being attributed to this law are true. The million dollar project now increased to approximately \$1,200,000 or 20%. The fee for design is still the standard of 5% for this size and complexity. The design fee increased from \$50,000 to \$60,000.

Senate Lbr. Ind. & Sm. Bus.
Attachment 6 2-16-87

AFFILIATED WITH:

So, why am I telling you this is a bad law if we get a windfall from it? Because as business men we are a bit more sensitive to taxes after paying so many different kinds like ad valorem personal property tax, social security tax for employees, federal and state unemployment taxes as well as corporate income taxes. We would rather see tax dollars spent in a manner that would allow more construction, cause more design work and create more employment for professionals and laborers. We simply believe that KSA 44-201 fosters the spending of tax dollars in a manner that is bad public policy.

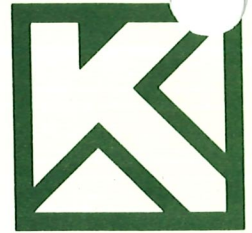
Kansas Consulting Engineers urge you to vote for SB-112 to repeal this archaic law.

Thank you for the opportunity to appear and I would be glad to stand for questions.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

February 16, 1987

Testimony Before the
Senate Committee on Labor, Industry and Small Business

by

Rob Hodges

Mr. Chairman, members of the Committee, I appreciate the opportunity to appear today to briefly provide the Chamber's input regarding SB 112 which would repeal the state's prevailing wage law, 44-201 et. seq. The Chamber has two policies adopted by our Board of Directors which support passage of the bill.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Our policy HR-26, reads as follows:

Prevailing Wage Law. KCCI believes that the federal and Kansas statutes dealing with the payment of prevailing wages on public works projects are inflationary, difficult to administer, antiquated in the light of more recent laws designed to protect the employee, and therefore, these statutes should be repealed.

Similarly, policy HR-11 states:

Wage Rate, Benefits, and Hours Regulations. The Chamber supports the principle that wage rates, benefits, and hours of work be determined by direct negotiation between employer and employees rather than through arbitrary government imposed standards.

Repeal of K.S.A. 44-201, as proposed in SB 112, is consistent with KCCI policy. While acknowledging the emotional nature of any attempt to repeal the prevailing wage law, our members have consistently supported repeal for the reasons stated in the policy.

In these times of economic hardship for all levels of government, it seems appropriate to enable public works projects to be undertaken for the most competitive price. The public expects government agencies to drive a hard bargain and secure the lowest price available for their purchases. Artificially inflating wage rates should be viewed the same as artificially inflating any other cost of a public works project.

Passage of SB 112 would assure that negotiations between contractors and workers would set the standards for wages and hours, would assist in holding down the costs of projects, and would be consistent with KCCI policy. We encourage you to act favorably on the bill.

Kansas Association of Counties

Serving Kansas Counties

212 S.W. SEVENTH STREET, TOPEKA, KANSAS 66603 PHONE 913 233-2271

February 16, 1987

To: Senate Labor and Industry Committee
From: Kansas Association of Counties
Re: Senate Bill 112

The Kansas Association of Counties asks that you give serious consideration to the passage of Senate Bill 112.

Thank you.

Senate Lbr. Ind. & Sm. Bus.
Attachment 8 2-16-87
presented by: Fred Allen



Associated Builders & Contractors, Inc.

Chapter Office • 1999 North Amidon • Suite 100 • Wichita, Kansas 67203-0057
Ph: 316/838-4774

TESTIMONY BEFORE
SENATE LABOR & INDUSTRY COMMITTEE
ON SENATE BILL 112 - FEBRUARY 16, 1987

Mr. Chairman and members of this Committee

My name is Don Williams, I am the Executive Director of the Associated Builders and Contractors, Inc. Kansas Sunflower Chapter.

Our Association is a business Association of general contractors, subcontractors, suppliers and associates. The Association's membership includes both union and non-union firms, minority business and women business enterprises.

The purpose of the Association is to give the consumer the best available construction at the least expensive price.

It is the position of our Association that monies saved by SB-112 repealing the Kansas Prevailing Wage Law KSA-44-201 would enable the State, Counties and Municipalities to build more projects, thus creating more jobs and providing their necessary services at a minimum of burden to the taxpayer.

During the past few years an increasing number of state legislators have wrangled with the issue of prevailing wage laws. One of the growing numbers of states which have repealed their prevailing wage law is Florida. In 1974 Florida exempted school districts from paying so-called "prevailing wages".

Senate Lbr. Ind. & Sm. Bus.
Attachment 9 2-16-87

The Merit Shop - Free Enterprise at Work

After being exempted in 1974, a 2 year study of School Construction Costs, compiled by the Florida School Board's Association, Inc. for the years 1974-1977, covering 23 counties and \$350,723,247 cost of construction realized a savings to the taxpayers of \$45,980,728. In 1979 the state of Florida repealed the Prevailing Wage Law.

Mr. Chairman, members of the Committee, not only do so-called "Prevailing Wages" burden the Kansas taxpayer, as they once did the Florida taxpayer, but as stated by Larry E. Wolgast, Secretary of Kansas Department of Human Resources in a 4/30/86 letter to Meredith Williams, legislative Post Auditor...."There are no statistics available that count every worker per craft within each county in Kansas. Without this statistic, a "true" prevailing wage may be non-existent".....more staff will be required to take action against those (contractors) who refuse (to report) and a system will have to be set up to compile the names of every employer working within the state in the construction trades....."

In conclusion what we have now with KSA 44-201 ff is:

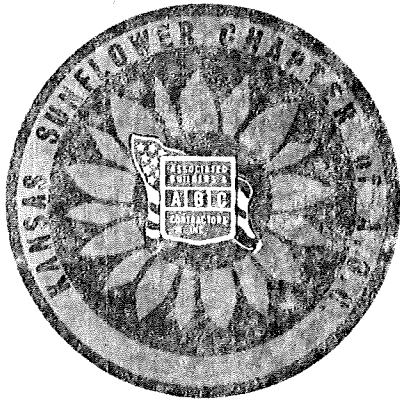
1. Inflated non-competitive construction costs.
2. Wage rates that are not truly based on the prevailing market.
3. A system that is not administratable without a still larger department of human resources - costing still more tax dollars.
4. The hint of punitive action against contractors.

The right thing to do now for the State of Kansas is to repeal KSA 44-201 ff, by passing S.B. 112.

Thank you for the opportunity of addressing you. I will try to answer any questions.

SCHOOL CONSTRUCTION COSTS COMPARED
 Compiled by the Florida School Boards Association, Inc.
 Compiled 1977-1978 for Years 1974-1977

<u>COUNTY</u>	<u>COST OF CONSTRUCTION</u>	<u>TAXPAYERS'S SAVINGS</u>
Alochua	\$ 6,000,000	\$ 842,000
Bay	10,190,500	764,300
Brevard	8,084,269	606,320
Clay	10,724,392	425,000
Collier	8,437,000	843,000
Dade	108,000,000	9,074,000
Escambia	18,491,358	2,773,703
Hendry	7,585,557	662,217
Highlands	3,000,000	300,000
Indian River	7,084,161	1,416,832
Jefferson	635,000	51,000
Lee	13,704,214	274,084
Leon	10,800,000	2,160,000
Madison	299,060	45,000
Manatee	4,300,000	860,000
Marion	9,859,078	2,464,796
Orange	20,344,872	3,662,077
Palm Beach	28,149,744	2,558,910
Pasco	16,582,305	3,781,272
Pinellas	35,986,874	7,197,375
Putnam	6,236,654	1,870,796
Sarasota	9,137,900	2,284,500
Sumter	7,090,309	1,063,546
TOTAL	\$350,723,247	\$45,980,728



Associated Builders & Contractors, Inc.

Chapter Office • 1999 North Arndon • Suite 100 • Wichita, Kansas 67203-0057
Ph. 316/838-4774

TESTIMONY BEFORE
SENATE LABOR & INDUSTRY COMMITTEE
ON SENATE BILL 112 - FEBRUARY 16, 1987

Mr. Chairman and members of this Committee

My name is Carl Coonrod and I am the Vice-President of Coonrod & Associates Construction Co., Inc. My family has been in the construction industry in Kansas for three generations, having completed over 500 million dollars in total contracts.

We do work on projects with and without a so-called "Pre-Vailing Wage", it has been our experience that productivity on the construction site is encouraged when our craftsmen see that their pay and advancement are directly effected by the skills and production they contribute to the project.

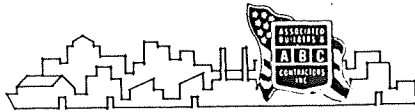
On the other hand, when a craftsman is being paid higher on a state project than his skills and production would demand on the Free Market Place, his natural tendancy is to want that project to last as long as possible.

The effect of inflated wages and deflated productivity combines to a net increase in cost to the Kansas Tax Payer for state construction of from 6% to 17% depending on the project and in some cases higher.

Senate Lbr. Ind. & Sm. Bus.
Attachment 10 2-16-87

Mr. Chairman, Contractors do not pay these penalties, we received our profits based on the total dollars flowing through our contracts. The higher the total cost of construction the more profit dollars. However, the tax payer does pay these penalties and we feel the right thing to do now for the tax payers of Kansas is to repeal KSA 44-201 by passing SB 112.

Thank you for the opportunity to speak today. I will answer any questions.



COONROD & ASSOCIATES CONSTRUCTION CO., INC.

February 11, 1987

State Senator Dan Thiessen
State Capital
Topeka, KS 66612

Re: Senate Bill 112 (Repeal of Prevailing Wage KSA 44-201)

Dear Senator Thiessen:

I wish to project my total support of repealing Kansas' Prevailing Wage Law. KSA 44-201 through 205 laws are 96 years old and have gone from a "fair wage" status to an actual stated hourly amount. I have been in construction 15 years following my father and grandfather who have retired from the business. We have never been able to have quality, productive workers for less than a fair wage. In private construction the fair wages have helped many owners either save money for other improvements or build larger facilities. I see no reason, especially with the states budget problems, why the state should pay more money for less quantity than the private owners.

In conclusion, KSA 44-201 is a very outdated law which needs to be repealed to help Kansas control their future. This would project Kansas economically ahead in the Central United States.

Sincerely,

COONROD & ASSOCIATES CONSTRUCTION CO., INC.

Carl F. Coonrod
Vice President

CFC/mr1



2445 South Glendale • Wichita, Kansas 67210

316/686-2090

February 13, 1987

Senator Dan Thiessen
State Capitol
Topeka, KS. 66612

Dear Senator Thiessen:

I want to voice my support for Senate Bill #112 which would repeal KSA- 44-201 thru 205. I feel that this bill would save the taxpayer a considerable amount of money, especially in a year when Kansas needs the savings.

Respectfully,

A handwritten signature in cursive script, appearing to read 'David Graf', written over a large, stylized circular flourish.

David Graf
President
Graf Electric, Inc.

DG/ca

LICENSED

BONDED

INSURED

Senate Lbr. Ind. & Sm. Bus.
Attachment 11 2-16-87



WICHITA CHAPTER
Independent Electrical Contractors, Inc.

Phone: 316-686-6251

P.O. Box 16312, Wichita, Kansas 67216

2443 South Glendale, Suite 1, Wichita, Kansas 67210

February 13, 1987

Senator Dan Thiessen
State Capitol
Topeka, KS. 66612

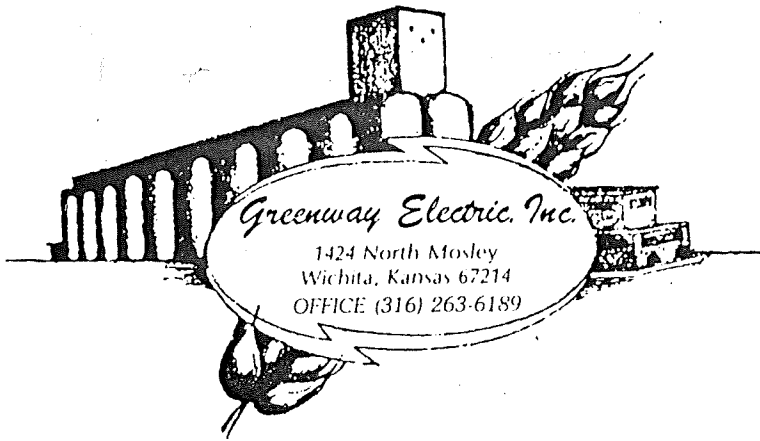
Dear Senator Thiessen:

We want to voice support for Senate Bill #112 which would repeal KSA- 44-201 thru 205. We feel that this bill would save the taxpayer a considerable amount of money, especially in a year when Kansas needs the savings.

Respectfully,

David Graf
President
Wichita Chapter, Independent Electrical Contractors, Inc.

Members: Air Capital Electric
C-1 Electric
Blanton Electric
Meeker Electric
Mercury Electric
Phillips-Southern Electric
Thornton-Florence Electric
Ziegler Electric
Graf Electric



Specializing in wiring for the milling industry, heavy industrial and all types of commercial

February 12, 1987

State Senator Dan Thiessen
State Capital
Topeka, KS 66612

Reference: Senate Bill 112 (Repeal of KSA 44-201)

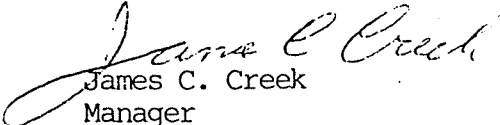
Dear Senator:

Due to the economic condition of our state economy we at Greenway Electric, Inc. feel that repeal of KSA 44-201 is a must. Our heritage in the state has always been one of free enterprise. We feel that all jobs should be bid in a competitive manner to keep the cost down. This is vital to the state and also the tax paying citizens of Kansas.

Any time we have to pay a fixed wage it drives the cost of the job up considerably. Our company does work in many states, mainly because there is not enough work for us here in the state. All of these jobs are bid competitively without fixed wages. We pay our employees a fair wage plus expenses. We feel that to get our U.S. economy going we must be more competitive and get our production up.

Thank you.

Sincerely,


James C. Creek
Manager

JC:kg

Senate Lbr. Ind. & Sm. Bus.
Attachment 12 2-16-87

KUSTOM KABINETS INC.

Kitchen Specialists
401 SOUTH ILLINOIS
WICHITA, KANSAS 67213

February 13, 1987

State Senator Dan Thiessen
State Capitol
Topeka, KS 66612

Re: Senate Bill 112

Dear Senator:

Please approve SB 112.

Respectfully,



John DeVault
President

JD:cw

Senate Lbr. Ind. & Sm. Bus.
Attachment 13 2-16-87

Utility Contractors, Inc.

P.O. Box 2079, 659 N. Market
Wichita, Kansas 67201

James R. Grier, III
Chairman & C.E.O.

February 13, 1987

Senator Dan Theissen
Chairman, Senate Labor, Industry,
and Tourism Committee
State House
Topeka, Kansas 66612

Dear Senator Theissen:

I want you to know that as a citizen of this great state of Kansas and a contractor, I am vitally interested in your deliberations on Senate Bill 112, an Act Repealing K.S.A. 44-201, 114-207, 44-203, 44-204 and 44-205, relating to rate of wage payment and length of workday on public work.

I am interested in this bill passing the legislature so that:

- 1.) The state and local units of Government can have work bid and completed at the current market price for workmen, and not some inflated price due to the system of predetermined wages we now have in effect in the state.
- 2.) The current act was brought about to protect the wages of Chinese laborers brought into this country in the late 19th Century to build and work on the railroad; and we certainly do not have the same situation in February 1987.

Senate Lbr. Ind. & Sm. Bu
Attachment 14 2-16-87

Senator Dan Thiessen
Page Two

I would be happy to discuss my feelings with
your committee if you would like.

Sincerely,



James R. Grier, III

JRG:mkc

cc: Senator Dave Kerr, Vice Chairman
Senator Norma Daniels
Senator Ray Ehrlich
Senator Paul Feleciano
Senator Francis Gordon
Senator Bill Morris
Senator Joseph Norwell
Senator Jack Steinger
Senator Merrill Werts
Senator Eric Yost

Central States Construction, Inc.

General Contractors

254 Laura, Suite 203 Wichita, KS 67211 (316) 267-5781

February 14, 1987

Senator Dan Thiessen
State Capitol Building
Topeka, Kansas 66603

Dear Senator Thiessen:

I respectfully request your committee approve Senate Bill #112.

You are confronted with severe budget shortages for the state. This bill presents the state with an opportunity to secure more construction without inflated, unrealistic wage rates, as has been dictated in the past on state work.

Private industry as a rule is capable of getting more construction for a given dollar than state projects. In an entrepreneurial spirit repeal of K.S.A. 44-201 would encourage greater competition in bidding of state work, thereby encouraging creative management, lower costs, and reducing pressure on the tax payers without sacrificing essential services, jobs, or creating additional levels of bureaucracy.

In summary, the needs of the State of Kansas for economic development necessitate maximizing the economic benefit back to the tax payers for every tax dollar spent. Passage of S.B. #112 is a step in that direction.

Very truly yours,

CENTRAL STATES CONSTRUCTION, INC.

Nancy S. Hedlund

Nancy S. Hedlund
President

NH/

BAMFORD FIRE SPRINKLER CO., INC.

BOX 1905

SALINA, KANSAS 67402-1905

(913) 825-7710

DESIGN
ENGINEERING

FABRICATION
INSTALLATION

REPAIR
INSPECTION

February 12, 1987

Senator Dan Thiessen
Sate Capitol
Third Floor
Topeka, KS 66612

Re: Senate Bill 112

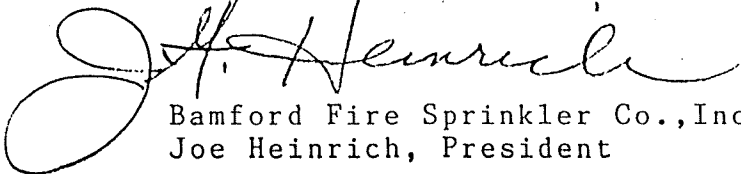
Dear Senator,

This letter is to express this company's support for the above referenced bill which is intended to repeal KSA 44-201, 44-202, 44-203, 44-204 and 44-205.

Legislation currently in force requires a minimum wage rate be paid each worker in a given construction classification. This wage rate is dictated by the State of Kansas and for the general area in which we conduct business, this rate substantially increases "crew" costs. Typically in our business a "crew" would consist of a foreman, a journeyman and a laborer. Our normal "crew" cost (hourly wage only) for private construction would be \$35.00 per hour. The structure of existing legislation balloons this rate to in excess of \$60.00 per hour. Additionally, the restriction on work hours will in many cases increase travel, per diem and overall operating expenses. All factors considered, KSA 44-201 thru 44-205 would appear to sharply reduce the amount of services the State of Kansas can purchase for its construction dollar.

Respectfully, we request the committee approve Senate Bill 112.

Sincerely,



Bamford Fire Sprinkler Co., Inc.
Joe Heinrich, President



AUTHORIZED DEALER

Armco Building Systems

February 13, 1987

State Senator Dan Thiessen
State Capitol
Third Floor
Topeka, Kansas 66612

Re: Senate Bill #112 (The Repeal of KSA 44-201)

Dear Senator Thiessen:

As a small Kansas Contractor who has been in the construction industry for over 25 years, I am writing to encourage you to work diligently for the passage of Senate Bill #112.

It has been my experience over the years that the smaller subcontractors are not willing to bid on state work due to the problems caused by the 'Prevailing Wage Rates'. For example, if a subcontractor has a crew of 10 to 15 workers, but only needs 5 on the state project, he must pay the prevailing wage to those 5 which then causes personnel problems with the other employees. This type of situation certainly contributes to 'non-productive' attitude problems with the workers. If a man is needed only 2 or 3 hours on the state project during the day, it causes additional clerical work to prepare the payroll and certainly contributes to a bad atmosphere among employees.

The result of KSA 44-201 over the years has been to raise the cost of all construction - public and private; cause problems within our industry by adding numerous reports and paperwork and causing major problems between management and labor.

In conclusion, the small contractor can not afford to bid state work and I am requesting that your committee pass Senate Bill #112.

Very truly yours,

STEEL STRUCTURES OF KANSAS, INC.

Harold Holder, President

HH/nh

Senate Lbr. Ind. & Sm. Bus
Attachment 17 2-16-87



**STEEL STRUCTURES
OF KANSAS, INC.**

P.O. Box 11008
212 Laura Wichita, Kansas 67202
(316) 263-1234



In Mid-Continent Industrial Park

EVANS

BUILDING CO., INC.

9800 WEST YORK ST.
P.O. BOX 12086
WICHITA, KANSAS 67277
316 / 524-0103

February 13, 1987

The Honorable Dan Thiessen
The State Senate
Topeka, Kansas

Dear Senator Thiessen:

Please be advised Evans Building Company, Inc. supports the S.B. 112, which repeals the antiquated prevailing wage rate law, which we are presently governed by.

Evans Building Company, Inc. would appreciate your support in rescinding this Bill.

Sincerely yours,

William M. Johnson
Vice President/
General Manager

/pat



VARCO-PRUDEN
BUILDINGS

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on Senate Bill 112

before the

Senate Labor, Industry and Small Business Committee

by

John W. Koepke, Executive Director
Kansas Association of School Boards

February 16, 1987

Mr. Chairman and members of the Committee, the Kansas Association of School Boards, which represents 302 of the 304 unified school district boards of education, would like to be placed on record in support of SB 112. We believe that the use of the prevailing wage concept costs taxpayers unnecessary dollars on school district construction projects. Particularly in these perilous economic times, we believe that it is time to repeal this outmoded concept.

We hope that you will give favorable consideration to our request.

Senate Lbr. Ind. & Sm. Bus.
Attachment 19 2-16-87



D-A N. ST. FRANCIS, P.O. BOX 1
WICHITA, KANSAS 67201 264-

February 11, 1987

Kansas State Senate
State Capitol Building
Third Floor
Topeka, KS 66612

ATTN: Senator Dan Thiessen

We wholeheartedly approved of Senate Bill 112 to repeal KSA 44-201 through 205.

It has long been our belief that KSA 44-201 is an outdated, antiquated law fueling inflation and wasted tax dollars.

Please consider our concerns in the upcoming vote and help bring government spending back in line with the private sector.

Sincerely,

CONCO, INC.

A handwritten signature in cursive script, appearing to read "Timothy Nightingale".

Timothy Nightingale, President

TN/kkt

Senate Lbr. Ind. & Sm. Bus.
Attachment 20 2-16-87



SHAWNEE STEEL & WELDING, INC.

February 13, 1987

Kansas Senator Dan Thiessen
State Capital, Rm 143N
Topeka, KS 66612

Dear Senator Thiessen:

I, as President of Shawnee Steel & Welding, Inc. would like to take this opportunity to voice my support of S.B. 112.

I believe the passage of this bill permits an employee greater assurance of year round employment. It also provides an employee with the occasion to cross-train and thus expand his/her capabilities. This bill serves the best interest of both employee and employer.

Thank you for your work concerning the passage of this bill.

Sincerely,

Carl E. Orser
President

CEO:can

Senate Lbr. Ind. & Sm. Bus.
Attachment 21 2-16-87



KANSAS LAND IMPROVEMENT CONTRACTORS ASSOCIATION
1237 EAST 37TH ■ TOPEKA, KANSAS 66605 ■ (913) 267-4980

February 12, 1987

Senator Dan Thiessen
Chairman of the Labor, Industry,
and Tourism Committee
State Capitol
Topeka, Kansas 66612

Dear Senator Thiessen:

As President of the Kansas Land Improvement Contractors Association and its membership, we encourage you and your committee to support the passage of Senate Bill No. 112. The adoption of Senate Bill No. 112 would greatly enhance the Kansas business climate and the affected industries.

Because of you and your committee's action to schedule a hearing regarding this bill, we are fully aware of your concerns and interests of the Kansas economy. The approval of Senate Bill No. 112 would certainly be a "boost" for the future of economic development in the State of Kansas.

Thanking you in advance for considering the adoption of Senate Bill No. 112, I am,

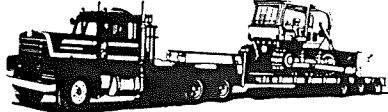
Very Truly Yours,

Carlla Pike
President

CP:HRV:klw

L. G. Pike Construction

P.O. Box 912 Phone [316] 442-9150
Arkansas City, Kansas 67005



February 12, 1987

Mr. Dan Thiesen
Topeka, Kansas

Re: Bill #112
Repeal of KSA 44201

Dear Mr. Thiesen,

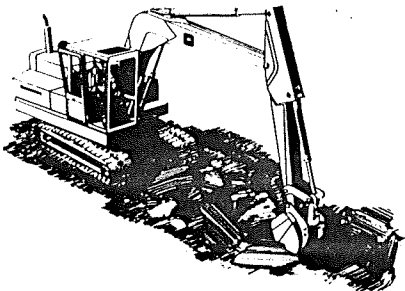
The State of Kansas made a mistake by passing a law requiring the payment of wages be set at a minimum. This law not only costs the people of Kansas extra for labor but also costs a tremendous amount to monitor.

I promote the passage of Bill #112.

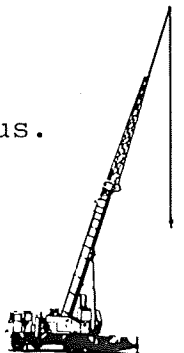
Sincerely,

A handwritten signature in cursive script that reads "L.G. Pike".

L.G. Pike
P.O. Box 912
Ark City, Kansas 67005



Senate Lbr. Ind. & Sm. Bus.
Attachment 23 2-16-87





February 6, 1987

State Senator Dan Thiessen
State Capitol, Third Floor
Topeka, KS 66612

Re: Senate Bill 112 (Repeal of KSA 44-201).

Dear Senator Thiessen:

It is my understanding that the Senate Labor & Industry Committee will be hearing testimony on Senate Bill 112 which will repeal the old KSA 44-201 "Kansas Little Davis Bacon Law". It had been my intention to come to Topeka to testify but I am going to be out of the State at the time of your hearings and therefore would like to express my opinion on this issue by letter instead.

One argument often heard in favor of KSA 44-201 is the one in which a statement is made that "Everyone ought to be paid a fair wage". While no one would ever disagree with this statement, I think that it somehow implies that "fair" wages are not currently being paid. To me, a fair wage is the wage that is freely negotiated between a willing seller (worker) and a willing buyer (employer). That is the only true test of the "fair market" or "prevailing" wage and not some average wage rate arrived at by an arbitrary mathematical computation. The most disturbing thing about the system used in 44-201 is that it totally ignores the fact that some workers have more skills and are more productive than others. KSA 44-201 specifies the minimum wage employers must pay to be the average wage. If any worker is paid more than the average wage then someone must be getting less than the average. The conflict arises because the new "prevailing wage" becomes a new minimum wage which artificially "ratchets up" the wages of the least productive 50% of the work force at the same time the marketplace insists that workers with greater productivity or skills be paid more than those with less. Needless to say, 44-201 makes for considerable turmoil in the workplace!

My company employs about 600 people during the peak of the construction season. Much of our business is done on government projects, some of which include a "Department of Labor Wage Determination" as required by the federal Davis Bacon Law, or indirectly as required by our own KSA 44-201. I can tell you that the entire wage determination process is a very costly and non-productive fiasco. Whenever our firm encounters a public project with wage requirements that are determined in advance by the government, we increase our bid price. There are a number of reasons why we do this regardless of whether or not the

Senate Lbr. Ind. & Sm. Bus.
Attachment 24 2-16-87

8100 East 22nd Street North, Building 500 • Post Office Box 8901
Wichita, Kansas 67208
316-684-7300

State Senator Dan Thiessen
Page Two
February 6, 1987

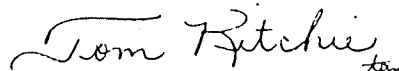
actual wage specified is higher than the one we normally pay: 1) There are added administrative and record keeping costs. 2) There are substantial worker attitude problems if a worker gets a higher wage when he works on one project versus another, or when one worker gets a "raise" to work on a project and other more qualified workers don't, etc. 3) Every time our workers are employed on a project which specifies a higher wage than we normally pay, that higher wage information is used later in a survey to determine a new higher "prevailing wage".

KSA 44-201 may have been a great piece of legislation back in 1891 when it was passed. However, things have changed a great deal since Kansas initiated the first "David Bacon" type minimum wage law in the United States, and this law is no longer needed. For example, every Kansas worker today is entitled to workman's compensation, a safe place to work (O.S.H.A.), social security, minimum wage, overtime pay over 40 hours of work per week, unemployment compensation, and freedom from discrimination. Most Kansas workers also have some combination of the following employer provided fringes: health care benefits, life insurance, pension plans in addition to social security, paid holidays, paid vacations, paid time off for jury duty, sick pay, personal days, and special education and training off the job to provide for personal advancement. This is a far different climate for the Kansas worker than existed in 1891.

To sum up, KSA 44-201 is 96 years old and was put into law at a time when Kansas workers may have needed a law of this kind. Those protections are no longer necessary and this law will do nothing except raise the cost of all construction in Kansas starting first with public construction and then spreading directly to private construction as well. It does nothing to promote harmony between employers and workers but instead creates an atmosphere that undermines the free market system of greater pay for greater productivity. Lastly, it must surely increase the force of "officials" required to administer and supervise the many surveys necessary to accurately determine the "prevailing wage" (not to mention the greater staff required to settle disputes when some worker gets an anonymous suggestion from his ever-so-friendly union business agent that he might not have gotten the "prevailing wage" as required by 44-201).

One has to ask if the additional employees required to administer 44-201 are being used in productive roles and can the taxpayers afford the cost of non-productive public employees or higher construction expenses? I hope that your committee will pass SB 112 and work for the ultimate repeal of 44-201.

Very truly yours,



Tom Ritchie
President

TR:tan

G & C INC. GENERAL CONTRACTORS

February 13, 1987

State Senator Dan Thiessen
State Capital
Topeka, Ks. 66612

Re: Senate Bill 112 (Repeal of Prevailing Wage KSA 44-201)

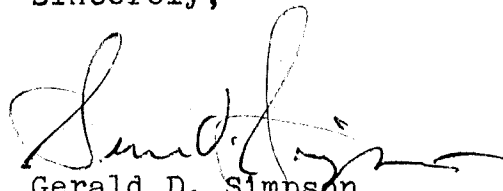
Dear Senator Thiessen:

I wish to add my support to Senate Bill 112 if in fact, it will repeal KSA-201 an old and antiquated law. The past administration of this state has saw fit to make KSA-201 a "little Davis Bacon Law !

In the past few years nationwide we have seen labor agreements turned upside down with cuts in wages to save dying or struggling industrys, It is time to untie the hands of labor and mangement letting them negotiate their own wage packages.

We at G&C INC. have been in the general construction business since 1971 in this state. We have many long time employees who must think we pay a fair wage. These wages are negotiated with employees based on their own ability and years of service. Kansas is a "Right to work State" it is time to repeal KSA-201 so it can function as such.

Sincerely,



Gerald D. Simpson
President

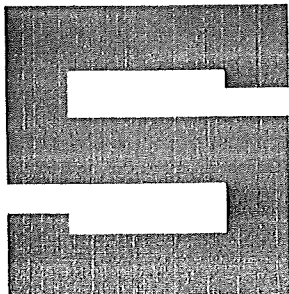
Senate Lbr. Ind. & Sm. Bus.
Attachment 25 2-16-87



1831 SOUTH ANNA / (316) 942-3206 / WICHITA, KANSAS 67209



Since 1967



SMITH CONSTRUCTION CO., INC.

P.O. BOX 13213 WICHITA, KS 67213
4620 ESTHNER (316) 942-7989

February 13, 1987

State Senator Dan Thiessen
State Senate Building
Topeka, KS 66601

Re: Senate Bill 112

We support Senate Bill 112, which repeals the prevailing wage. We would appreciate your support regarding this.

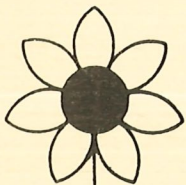
Sincerely,

William L. Smith,
President
SMITH CONSTRUCTION CO., INC.

WLS/ltn

Senate Lbr. Ind. & Sm. Bus.
Attachment 26 2-16-87





HOME BUILDERS ASSOCIATION OF KANSAS, INC.

Executive Director
JANET J. STUBBS

OFFICERS

President
RICHARD HILL
3321 Valleywood Drive
Manhattan, Kansas 66502
(913) 539-2309

1st Vice President
M. S. MITCHELL
1215 Forest
Wichita, Kansas 67203
(316) 265-9812

Treasurer
BOB HAWORTH
South Industrial Area 348
East Ave. A
Salina, Kansas 67401
(913) 823-7168

Secretary
TOM WOLTKAMP
1725 Grove
Topeka, Kansas 66614
(913) 233-1448

H.B.A. ASSOCIATIONS
Central Kansas
Dodge City
Hutchinson
Manhattan
Montgomery County
Pittsburg
Salina
Topeka
Wichita

PAST PRESIDENTS
Lee Haworth 1965 & 1970
Warren Schmidt 1966
Mel Clingan 1967
Ken Murrow 1968
Roger Harter 1969
Dick Mika 1971-72
Terry Messing 1973-74
Denis C. Stewart 1975-76
Jerry D. Andrews 1977
R. Bradley Taylor 1978
Joel M. Pollack 1979
Richard H. Bassett 1980
John W. McKay 1981
Donald L. Tasker 1982
Frank A. Stuckey 1983
Harold Warner, Jr. 1984
Joe Pashman 1985
Jay Schrock 1986

TESTIMONY BEFORE
SENATE LABOR & INDUSTRY
FEBRUARY 16, 1987
BY

JANET J. STUBBS, EXECUTIVE DIRECTOR
HOME BUILDERS ASSOCIATION OF KANSAS

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: MY NAME IS JANET STUBBS, EXECUTIVE DIRECTOR OF HBAK AND I AM APPEARING IN SUPPORT OF SB 112.

ALTHOUGH HOME CONSTRUCTION CONTRACTORS ARE NOT USUALLY INVOLVED IN PUBLIC WORKS CONTRACTS, THE HBAK HAS A LONG STANDING POLICY STATEMENT IN SUPPORT OF THE REPEAL OF K.S.A. 44-201 DUE TO THE ECONOMIC IMPACT OF THIS STATUTE ON THE STATE BUDGET THUS IMPACTING ON ALL TAXPAYERS IN KANSAS. IN ADDITION, WE BELIEVE IT HAS AN IMPACT ON RESIDENTIAL CONSTRUCTION LABOR RATES WHICH MUST COMPETE TO OBTAIN AVAILABLE QUALIFIED LABOR AND SERVICES.

WE BELIEVE K.S.A. 44-201 ET SEG. WAS ENACTED BACK IN 1891 TO ESTABLISH AN EIGHT (8) HOUR WORK DAY AND PROTECT WORKERS FROM A VERY DIFFERENT SET OF CIRCUMSTANCES THAN EXIST IN TODAY'S WORKING ENVIRONMENT.

THE APRIL 1986 LEGISLATIVE POST AUDIT REPORT ON THE "WAGE RATES FOR CONSTRUCTION OF THE COLISEUM AT KANSAS STATE UNIVERSITY" STATES, "IT (K.S.A. 44-201) DOES NOT REQUIRE THE STATE TO DEVELOP OR USE SCHEDULES OF SPECIAL PREVAILING WAGES FOR STATE PROJECTS. THE DEPARTMENT OF ADMINISTRATIONS CURRENT PRACTICE OF INCLUDING RATES DEVELOPED BY THE DEPARTMENT OF HUMAN RESOURCES IN STATE BUILDING CONTRACTS IS THE RESULT OF EXECUTIVE ORDER NO. 84-68. THIS PRACTICE HAS NOT BEEN CODIFIED OR MANDATED BY LEGISLATION."

WE URGE THIS COMMITTEE TO REPEAL K.S.A. 44-201 AND ALLOW THE FREE MARKET SYSTEM TO OPERATE.

Senate Lbr. Ind. & Sm. Bus.
Attachment 27 2-16-87





p.o. box 749 wichita, kansas 67201

February 13, 1987

Kansas State Senate
State Capitol Building
Third Floor
Topeka, KS 66612

ATTN: Senator Dan Thiessen

We, the member of Kansas Systems Builders Association, approve of Senate Bill 112 to repeal KSA 44-201 through 205.

It has long been our belief that KSA 44-201 is an outdated, antiquated law fueling inflation and wasted tax dollars.

Please consider our concerns in the upcoming vote and approve Senate Bill 112.

Sincerely,

Dan J. Waller, President
Kansas Systems Builders Association

Senate Lbr. Ind. & Sm. Bus.
Attachment 28 2-16-87

Simpson



& son, inc.

GENERAL CONTRACTORS

February 13, 1987

State Senator Dan Thiessen
State Capital
Topeka, Ks. 66612

Re: Senate Bill 112 (Repeal of Prevailing Wage KSA 44-201)

Dear Senator Thiessen :

Our company wishes to express our support of Senate Bill 112 calling for the repeal of the Kansas prevailing wage law (KSA 44-201). It is our opinion that the "prevailing wage" for a given area is the wage which an employee agrees to work for an employer based upon the given skills of that employee. We have been in business since 1958 and have found this basic fundamental principle to be true since the day we opened for business. Who better to determine what the prevailing wages are than the general contractors working on a daily basis in the open marketplace. Not some "average" wage arrived at through surveys that all too often do not represent general contractors as a whole.

While we are sure there was a time and a need for this law, we are also sure those needs have long since passed and the time has come to repeal this law forever.

Very Truly Yours,

Tony Zimbelman
President

Senate Lbr. Ind. & Sm. Bus.
Attachment 29 2-16-87