



Construction Industry Round Table

CIRT News

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05/26/2017 – New Study on Project Labor Agreements

The Beacon Hill Institute, released a study yesterday that shows project labor agreements (PLAs), when mandated by governments on taxpayer-funded construction projects, increase the cost of construction by 13.12 percent. The study evaluates the fiscal impact of government-mandated PLAs on a sample of 88 schools built in Ohio since 2000.

Key findings of the BHI report:

- Ohio schools subject to government-mandated PLAs cost \$23.12 per square foot more (13.12 percent) than projects built through fair and open competition, free from government-mandated PLAs
- School construction contracts with a government-mandated PLA cost Ohio taxpayers an extra \$2 million per project, on average
- The findings of BHI's Ohio school study is consistent with the results of six previous studies measuring the impact of government-mandated PLAs on schools in MA (2003 and 2006), CT (2004), NY (2006), NJ (2010) and CA (2011) that found government-mandated PLAs increase the cost of taxpayer-funded school construction between 12 percent and 18 percent, on average.

The complete study is available at <http://www.beaconhill.org/BHIStudies/PLA2017/OHIO-PLA-FINAL2017-0524.pdf>.