

Members of the Committee,

My name is Chris Hiatt. I hail from Muncie in Delaware County.

I am a businessman involved in both printing and real estate development and management.

I have been involved in the residential and light commercial construction industry in Delaware County in one form or another for over 40 years.

For the past 4 years I have also been heavily involved in a citizen-based organization as a taxpayer and good government advocate, both in Delaware County and the State of Indiana and have actively participated in many local and state government processes and have taken on many taxpayer unfriendly and outright poor governing issues.

In our efforts to expose waste, fraud and abuse, the primary strategy has been to follow the money. It was this method of discovery that, amongst many other things, we zeroed in on Indiana's common construction wage practices. My professional history and experience put me on point in this effort to reveal the facts and associated costs with Indiana's prevailing wage process. For nearly the past 4 years, I have been directly involved in all the common construction wage hearings and resulting wage settings in Delaware County and several in other areas of the state.

I must say that the experience has been eye-opening, certainly very frustrating, and as a taxpayer, very discouraging. The entire process is infested with special interest quid pro quo where, for decades in Delaware County, we've had permanent and illegal committee appointments of union trades business agents running ram-shod over civil units mandated to sustain, improve or replace our public infrastructure.

While our presence upon the scene at these gatherings brought an abrupt halt to special interest taxpayer representatives that don't live in the project's taxing district, it certainly hasn't ceased the premeditated and carefully orchestrated appointments of special interests and subordinate personnel packing their marching orders. Just a couple weeks ago, I participated in a common construction wage hearing on a relatively small \$200,000.00 building rehabilitation directly under the County Commissioner's jurisdiction. The entire lineup of the County Commissioner's committee appointments consisted of the County Highway Superintendent as a taxpayers representative, the County Highway Engineer as the second taxpayers representative, and the County EMA Supervisor as the industry representative, all of which work for and directly report to the County Commissioners as well as work in their own collective bargaining environments. Let me share with you that the committee, upon first being presented the AFL/CIO union wages didn't even want to allow or hear the presentation of any other alternative wage scales. And even while those three County Commissioner appointed committee members worked within or directly supervised a local, Delaware County, Teamster-represented workforce that paid a truck driver just over \$21/hr and a heavy equipment operator just over \$23/hr wage and benefits, they ended up slammed-dunking, with no debate, a \$33/hr and \$40/hr wage package for those 2 positions respectively.

The fact is, that when it was all said and done, the lowest level, unskilled laborer (the gopher, the broom handler), working on this project will receive a wage a benefit package of nearly \$32/hr as opposed to the County Highway Superintendent's total wage and benefits of \$27/hr.

Now, I would risk to say that not many, if any, of the House Members in attendance here this morning could effectively qualify that the most frequent and common unskilled construction laborer in your respective Counties is making a \$32/hr wage a benefit package. But that's exactly what you're being mandated to pay on the majority of your public projects across the state.

Over the course of the past several years we've done several analysis of some of our local public projects subject to this process and have resolved that on a \$55 million local school rehabilitation, which was relatively labor intensive, that nearly \$8 million was squandered in excessive labor costs. On a \$42 million new residence hall on Ball State University, nearly \$4 million dollars wasted. And these analysis were not done without us doing our homework. We have spent countless hours in research and documentation. For the past 3 years, we've even be video documenting these hearings in an effort to bring public awareness to the process in hopes of arresting the bleeding at the political level. The most recent one, that I just made reference to, is currently available on our website.

I, as well as what I believe to be the majority of taxpayers that have been privileged to this process, strongly believe that the free market should be allowed to dictate the costs just as it does in the private sector. I personally am a strong proponent of abolishing this requirement all together as has occurred in many other states. But that's not what you're being tasked to consider here today.

Many of these public projects are extremely demanding requiring a highly skilled workforce that will undoubtedly produce bidders and participants capable of accommodating the requirements of the projects whether they are unionized or not.

And while this process was allegedly not meant to pit merit, non-union workers and contractors against union workers and contractors, the fact is that under the existing law, it is totally unavoidable. And it's very unacceptable. But, when you have local elected officials, who's political bread is being buttered with special interest PAC money, there's a lot of markers being made and believe me, this is where the majority of them are being played.

And that (ladies) and gentlemen, as you well know, does not lead to efficient and taxpayer friendly results.

Thank you very much for your time and attention and the opportunity to speak to you this morning.