



*The Beacon Hill Institute for
Public Policy Research*

News Release

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Study: Project Labor Agreements on public construction projects in Connecticut added 19.8 percent to costs

(Boston, MA) – A new study by the Beacon Hill Institute finds that union-only public construction projects in Connecticut cost taxpayers an addition 19.8 percent. The Institute based its findings on a comprehensive review of 96 public school projects that compared PLA designated projects with non-PLA projects from 2001 to 2019.

A project labor agreement (PLA) is an agreement between construction unions and contractors employed on a building project under which the contractors adhere to specified work rules and hiring procedures. Typically, PLAs require that all workers be hired through union halls, that non-union workers join a union and/or pay dues for the length of the project, and that union rules apply to work conditions and dispute resolution. PLAs preclude non-union firms from bidding competitively on projects, thus raising costs. The Institute has found PLAs to increase costs in several states including Massachusetts, New Jersey, New York, Ohio and a 2004 report in Connecticut.

“Based on our research findings, we are confident taxpayers are paying more for construction projects subject to government-mandated PLAs.” says David G. Tuerck, president of the Beacon Hill Institute and co-author of the report.

“We estimate that if the \$2.031 billion of construction projects in our sample that were built with a PLA had been built without a PLA, taxpayers would have saved \$503.463 million, or between \$8.933 million per 100,000 square-foot project and \$26.799 million per 300,000 square-foot project, if PLAs had not been used.”

In its study, the Institute controlled for the number of stories above grade, the square-footage of a new structure, whether the school is an elementary school or not, and other features that might make a school more expensive to build, such as the presence of a newly constructed school or significant renovations. In the final analysis, a PLA raised cost by 19.8 percent.