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To: The Honorable Members of the Senate Labor Committee

Date: March 4, 2025

Subject: Prevailing Wage Expansion (SB 164)

The National Federation of Independent Business (NFIB) is the largest small-business advocacy organization in Illinois and the nation, representing approximately 10,000 small-business owners in Illinois alone. NFIB member businesses are independently owned and reflect the diversity of Illinois' small-business community, including small businesses in retail, construction, transportation, hospitality, professional services, manufacturing, and agriculture.

NFIB is concerned about the expansion of the state's prevailing-wage mandate.

Expanding the prevailing-wage mandate to projects historically beyond the Prevailing Wage Act's purview will effectively increase government revenue demands and implicitly hinder small and less established contractors from competing for key infrastructure projects.

Prevailing-wage mandates create considerable administrative complexity, add paperwork requirements, and raise the cost of doing business, making smaller, newer-entry contractors less competitive against larger, more established contractors.

Limiting the pool of contractors who can compete on these projects reduces opportunities for innovation, cost containment, and sustainable economic growth.

Prevailing-wage expansion will further stretch already strained public resources and will increase the costs of public investments in infrastructure.

At a time of fiscal tightening for federal, state, and local governments, elected officials must seek to maximize the use of taxpayer dollars to produce needed public goods instead of unnecessarily increasing the cost of governmental contracts.

To safeguard public resources and to ensure smaller and newer contractors can compete for construction projects, NFIB encourages the Senate Labor Committee to hold SB 164 and not put another obstacle in the way of small and independent contractors.

Thank you for your support of Illinois' small-business community.