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State News

West Virginia

State Economic Agency Will Urge Recipients

Of Development Loans to Hire Local Workers

CINCINNATI—Responding to construction labor concerns, the West Virginia Economic Development Authority will urge contractors receiving low-interest state loans to hire local workers, the agency said Aug. 18.

The decision follows a request from the Affiliated Construction Trades Foundation, which asked the EDA in July to do more to encourage local employment when granting loans.

ACT made its request, foundation director Steve White told BNA in an interview Aug. 22, after learning that a development being built with a \$1.3 million state loan was using a non-union subcontractor from South Carolina with undocumented workers.

Frustration Over Hiring Out-of-State

"I think you can understand the frustration when local construction workers see their tax dollars going to out-of-state, possibly to illegal workers," White told the authority's board. "I think we can do better."

White also questioned whether, since state funds are involved, EDA-assisted projects are subject to the West Virginia Jobs Act.

The act stipulates that three-quarters of the jobs on public projects go to workers who live in West Virginia or within 75 miles of state borders. When the act was revised in 2003, its application was broadened to include publicly funded projects, said White, including low-interest state loans like the ones administered by the EDA.

"Since the whole purpose of the EDA is to create jobs, shouldn't it be encouraging developers to look at local workers?" said White.

Although the act has "a lot of gray area" on this point, ACT wants the agency to seek clarifying changes on this issue during next year's legislative session, said White, who plans to meet with authority representatives to discuss changes this week.

Altered Language in Commitment Letters

In the meantime, EDA will alter the language in its commitment letters and urge contractors to tap the local labor market, the agency said. Commitment letters going to recipients approved at the EDA's Aug. 18 meeting will be the first to include the local-hire recommendation.

ACT is the research and lobbying branch of the West Virginia State Building and Construction Trades Council, which consists of unions representing approximately 20,000 union construction workers