



PREVAILING WAGE



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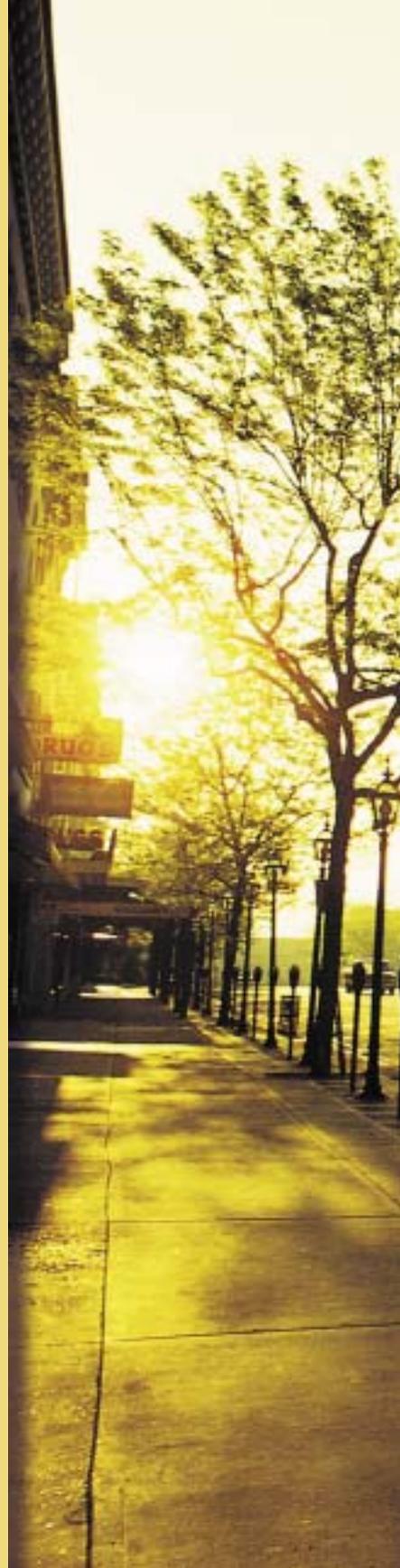
orking in Our Communities

We *can* build a strong future in West Virginia. We have the tools to construct an attractive and viable business climate. West Virginia's workers are the key—and leading the way is the construction industry.

Our construction trade workers are well trained, experienced, and dedicated both to their jobs and their communities. They build the infrastructure for new jobs, new offices, new homes, and new shopping centers.

They build the highways and bridges which enable commerce to flow, the schools to educate our children, and entertainment and science centers that make life enjoyable.

They earn the
**PREVAILING
WAGE**
—it's the community wage.





We can
build a
**STRONG
FUTURE**
in West
Virginia.



With
prevailing
wage, bids rely on
**SOUND
BUSINESS
PRACTICES**
rather than
cheap labor.



Fair Competition. Fair Wages.

Prevailing Wage laws give contractors a level playing field. Competition for jobs comes down to the ability to do a job well, using quality materials and finishing in a timely manner. It comes down to the company that offers

top quality work
at **COMPETITIVE**
wages.

Workers hired should come from the community.

They pay taxes, support schools and local business, and they vote. They have taken advantage of apprenticeship and training programs, and know their jobs. They work efficiently and safely. They know the correct city, county and state codes.

On publicly funded jobs, they provide high quality, efficient work at fair prices.

And on public construction, jobs still go to the lowest bidder—but with prevailing wage, bids rely on strong business practices rather than cheap labor.

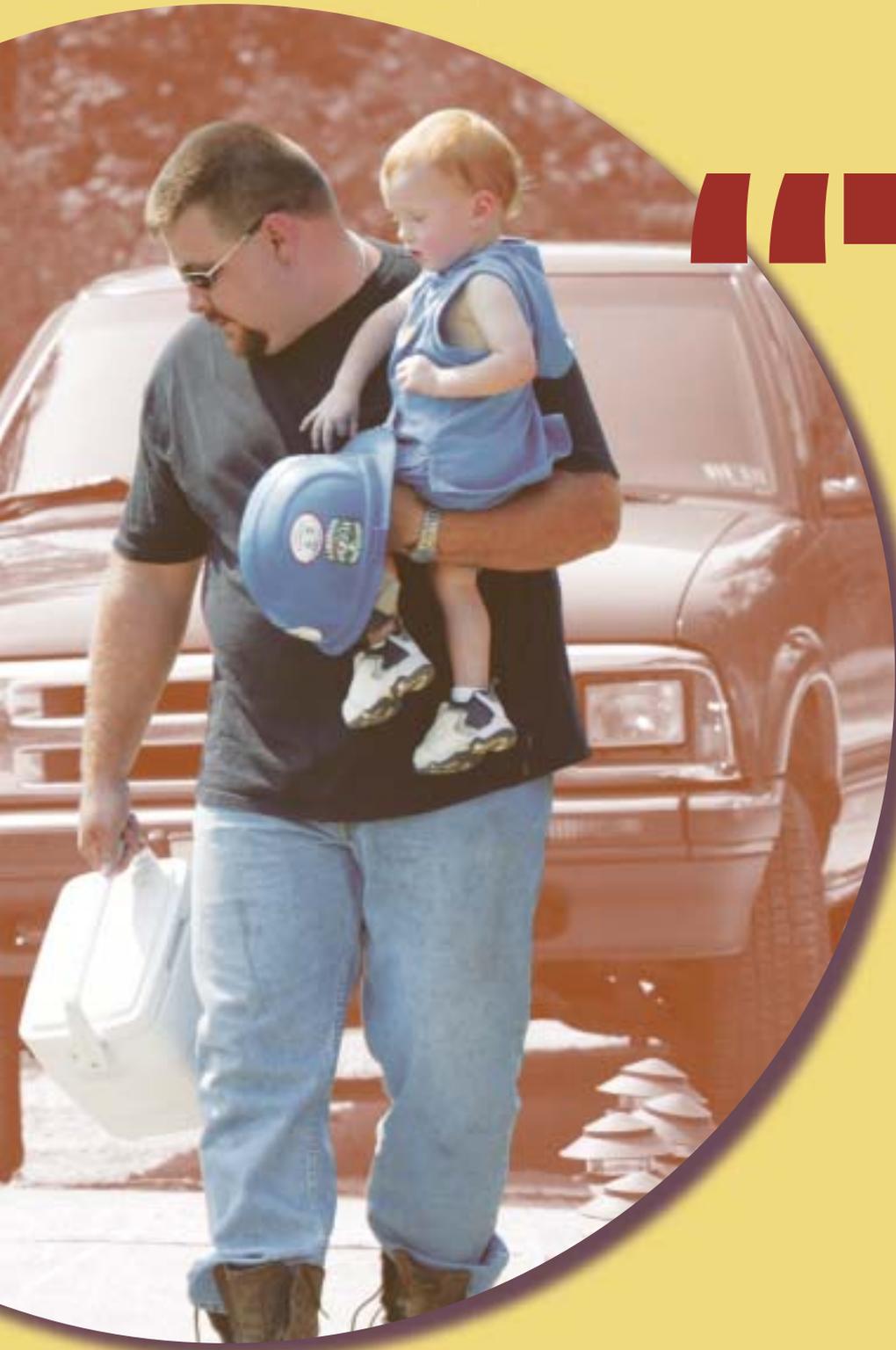


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Prevailing Wage—
created on
the principle
that public
construction
should maintain
or **IMPROVE**
the **QUALITY**
of life in the
community.

Prevailing Wage is just that—the wage most common among state construction workers. It's simply the wage that has been determined, by the state of West Virginia, to be **FAIR AND JUST** for construction occupations.





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he basic rationale for the [Prevailing Wage] law is really quite simple. It is based on the idea that the government should not use taxpayer's money to undercut local area employment conditions.”

–Ray Marshall, former U.S. Secretary of Labor

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revailing Wage Laws Don't Cost — They **PAY**

In some cases, Prevailing Wage actually lowers construction costs, because the workers are generally more skilled, more experienced, more highly trained, and more motivated to provide a good job in their own communities. In fact, one study has shown unionized labor in the construction industry is between 17 and 52 percent more productive than non-union, or untrained labor.

Studies Show Prevailing Wage **WORKS**

In 1998, Professor Peter Philips, the nation's expert economist on prevailing wage issues, drew data from Kansas and 14 of its neighbors to determine the impact of the repeal of Kansas' prevailing wage act on school construction costs. He concluded the presence or absence of prevailing wage laws had no significant influence on the direct cost of public school construction.





Philips also conducted research in Kentucky—a state that repealed its prevailing wage law, then reinstated it. His study showed prevailing wage actually **LOWERED** construction costs in the state.

Without skilled workers, maintenance costs also go **UP**.

Without adequate training and experience, there's another cost involved—maintenance. Lower quality workmanship means corners are cut and shortcuts are taken.

Federal officials have also concluded that low standards lead to increased cost for taxpayers.* A United States Inspector General noted that “poor quality work led to excessive maintenance costs and increased risk of defaults and foreclosures...this systematic cheating costs the public treasury hundreds of millions of dollars, reducing workers’ earnings and driving the

HONEST
contractor out of business...”

* HUD Audit Report on Monitoring and Enforcing Labor Standards

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HERE'S WHAT STATE CONTRACTORS SAY ABOUT THE PREVAILING WAGE:

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"If I can't pay my workers a Prevailing Wage, then I can't attract the workers I need to do business."

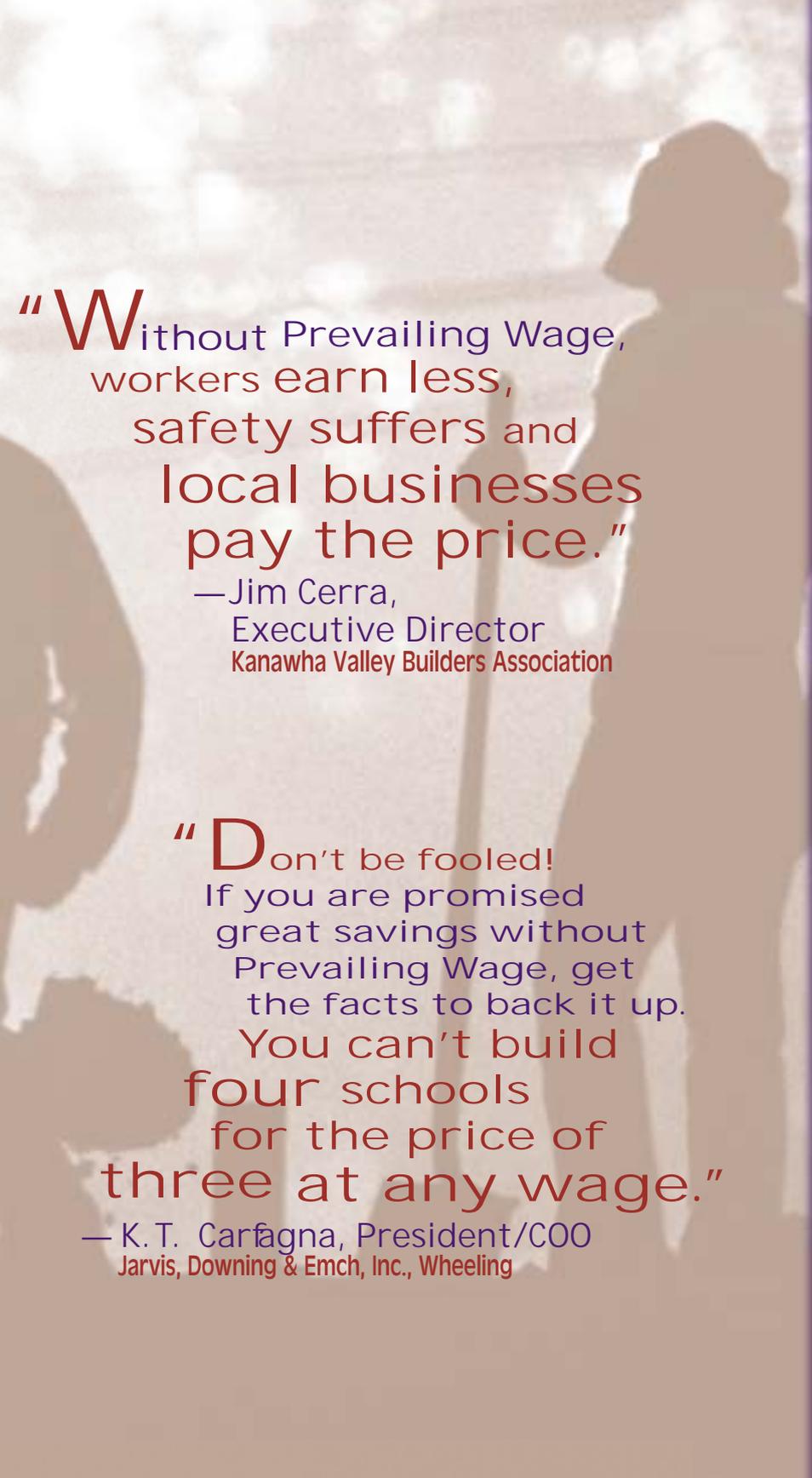
—Keith McClanahan
Vice President
BBL-Carlton, LLC, Charleston

"Without Prevailing Wage, low-wage out-of-state, contractors would put me out of business."

—James J. Dixon, Sr., Vice President
Easley & Rivers, Inc., Morgantown

"Prevailing Wage not only attracts the most qualified workers, providing a quality product — it returns money to our community."

—C.R. Neighborgall IV,
Vice President
Neighborgall Construction, Huntington



“Without Prevailing Wage, workers earn less, safety suffers and local businesses pay the price.”

—Jim Cerra,
Executive Director
Kanawha Valley Builders Association

“Don’t be fooled! If you are promised great savings without Prevailing Wage, get the facts to back it up. You can’t build four schools for the price of three at any wage.”

— K. T. Carfagna, President/COO
Jarvis, Downing & Emch, Inc., Wheeling

States That Have No Prevailing Wage Laws, or Have Repealed Their Laws, Have Experienced NO Significant Tax-Payer Savings.

In Fact These States:

- LOST major income tax revenues.
- Had high cost OVERRUNS and lower construction quality.
- Significantly HURT apprentice training programs and minority participation in job training and placement.
- Experienced more occupational INJURIES and higher worker’s compensation costs.
- DAMAGED local businesses and housing markets.

THOSE
ARE THE
FACTS!

A Short History of Prevailing Wage

Prevailing Wage laws go back to the 1930's. They were created on both a state and national level to protect local jobs threatened by out-of-state contractors who hired itinerant laborers at low wages, and then won public contracts by bidding lower than local companies could afford.

The national law is called the Davis Bacon Act. This Act requires that contractors working on government funded projects pay their employees no less than the most common wage paid in their occupation by private contractors in the area.

The Davis Bacon Act was established to protect the taxpayers—to assure that their tax money was being spent to hire the most competent and efficient workers.

Unfortunately today, some people are under the mistaken impression that repealing our Prevailing Wage law will save money.



Prevailing Wage
Means **LOWER**
Construction Costs



Publicly funded construction jobs are required to go to the low bidder. Without prevailing wage protection, these jobs would go to those who are willing to **SLASH WAGES**, bring in **UNSKILLED LABOR**, and lock local construction companies out of the business.

Lack of a prevailing wage means more than a **LOSS** of jobs. Training and apprenticeship programs dwindle. Our communities suffer as the wages that allowed workers to live a moderate lifestyle plummet. Those who shop at local stores, pay local taxes, purchase local real estate, can no longer afford to do so.

If a contractor brings in outside labor, these workers often have little or no healthcare—and put extra burden on local healthcare facilities. Studies show there are more on-the-job injuries with these workers as well.

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revailing Wage Laws Will Move West Virginia

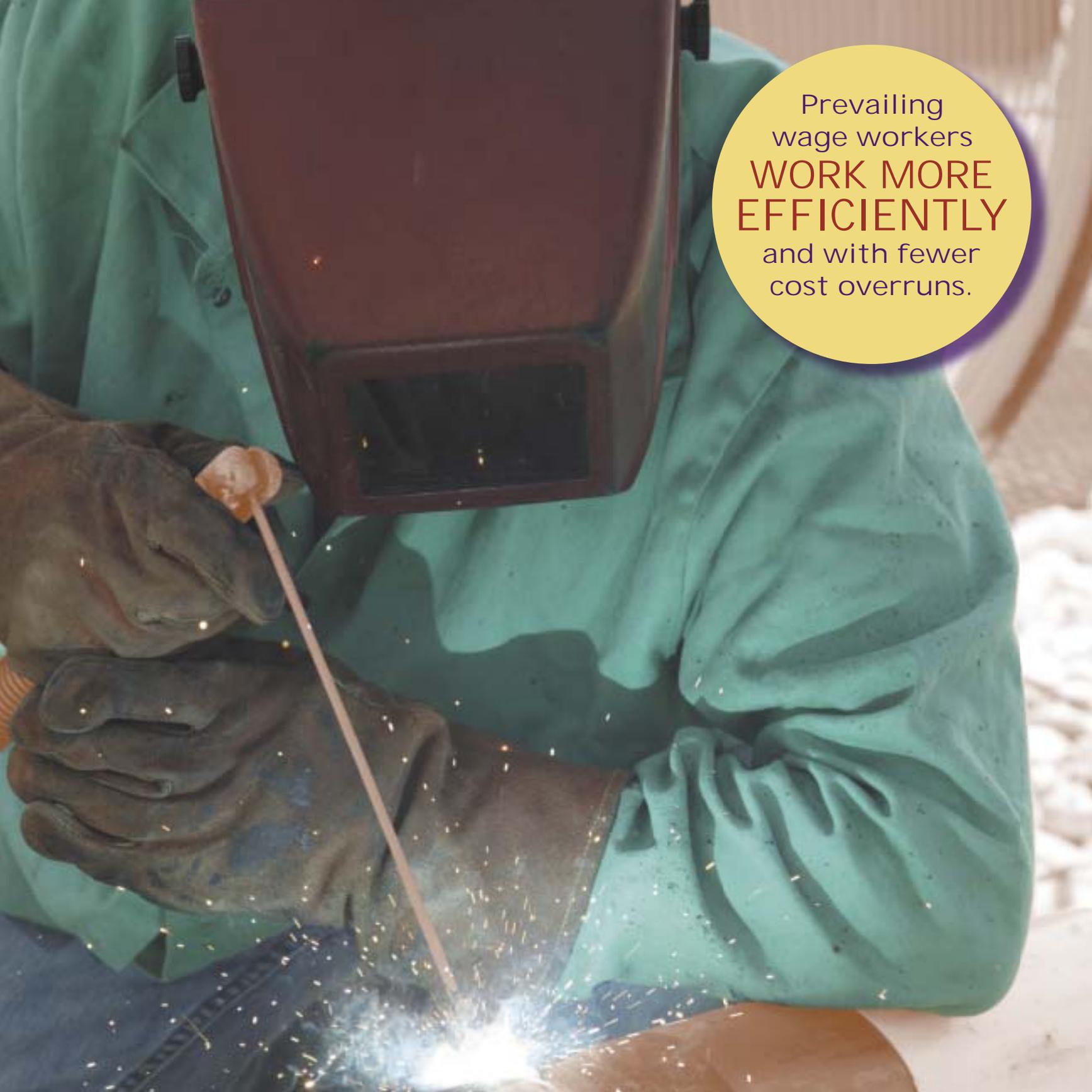
FORWARD

With prevailing wage, you get the most out of your tax dollars on public construction jobs.

Prevailing Wage laws work for business, workers, and for taxpayers. And they work for West Virginia.

With
Prevailing
Wage
**WE
ALL
WIN!**





Prevailing
wage workers
**WORK MORE
EFFICIENTLY**
and with fewer
cost overruns.



Prevailing
wage laws
work for business,
workers,
**AND FOR
TAXPAYERS!**

PREVAILING
Wage is the
Community
WAGE.



Prevailing Wage
Means **LOWER** Construction Costs

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The Affiliated Construction Trades Foundation
a division of
The West Virginia State
Building and Construction Trades Council, AFL-CIO
600 Leon Sullivan Way
Charleston, WV 25301
304/345-7570
www.actwv.org