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# Lawmakers consider prevailing wage options

By Phil Kabler

Legislators were briefed Monday on options for challenging new prevailing wage rates to be filed by WorkForce West Virginia later this month.

“At this point, any legal challenge to the methodology would have to exhaust all administrative procedures regarding the appeals process to the prevailing wage rule,” James Bailey, counsel for the Senate Government Organization Committee, told the Joint Committee on Government and Finance.

Under legislation passed in March to recalculate the wage rates paid on major publicly funded construction projects, WorkForce West Virginia is to publish the new prevailing wage rates by Sept. 30.

Bailey said any affected party – which could include any taxpayer, building contractor, or construction worker, among others – will have 15 days from the time the new wage rates are filed with the secretary of state’s office to make an objection to the methodology used to calculate the new wage rates.

Those appeals would go to the executive director of WorkForce West Virginia, and his findings could be appealed to circuit court, Bailey said.

Monday’s meeting of the Joint Committee, made up of the ranking members of the House and Senate, was in sharp contrast to the committee’s last meeting in June.

During that tumultuous meeting, legislative leaders accused WorkForce West Virginia researchers of defying legislative mandates by undertaking a survey of more than 5,000 state contractors to come up with average wage rates around the state.

The committee also rejected, on a partisan 7-3 vote, a motion by Senate Minority Leader Jeff Kessler, D-Marshall, to extend existing prevailing wage rates through September. That temporarily repealed prevailing wage on major state-funded construction projects as of July 1.

Senate Majority Leader Mitch Carmichael, R-Jackson, noted that critics warned that “turmoil and crisis” would result if prevailing wage lapsed, which he suggested has not occurred.

Also during the meeting:

| High unemployment rates are hitting the state’s Unemployment Trust Fund harder than had been anticipated, Beth Carenbauer, with WorkForce West Virginia, told the committee.

With an unemployment rate of 7.5 percent – highest in the nation and more than 2 percent higher than the national average – unemployment claims have dropped the fund’s balance to \$74.59 million, well below a projected balance of \$117.6 million, she said.

She said WorkForce West Virginia is on “yellow” alert, noting, “We have seen a decrease in the trust fund, and we are monitoring it closely.”

| Investment Management Board executive director Craig Slaughter told committee members that the

state's investments of \$17.14 billion grew marginally in June, up about \$8.7 million, but that was before stock market turmoil in recent weeks.

"I've been predicting a period of volatility and tough markets for some time now, and that's proving to be the case," he said.

Reach Phil Kabler at [philk@wvgazette.com](mailto:philk@wvgazette.com), 304-348-1220, or follow [@PhilKabler](https://twitter.com/PhilKabler) on Twitter.