

Tomblin: No prevailing wage July 1 due to lawmakers

By Jonathan Mattise
The Associated Press

CHARLESTON, W. Va. — Blaming inaction by state lawmakers, Gov. Earl Ray Tomblin's administration says the state's prevailing wage will disappear July 1 for a short-term lapse that is creating uncertainty for the construction industry.

On Thursday, the Democratic governor's spokesman, Chris Stadelman, said WorkForce West Virginia couldn't calculate the rate for public construction projects by July 1, the deadline in a new law passed by the Republican-led Legislature this year.

Earlier this month, a legislative committee voted not to extend the deadline to Sept. 30, an extension WorkForce requested. Once the wage is recalculated, it will be reinstated.

Republicans have disapproved of how the administration sought to calculate the wage, saying it was incomplete and didn't meet the law's requirements. They said federal data must be used, questioned the use of a survey and disapproved of the inclusion of fringe benefits. Democrats said the administration followed the law.

Still, WorkForce sent out surveys to more than 5,000 businesses earlier this month and will continue that process in the next couple of weeks of follow-up.

Until WorkForce finishes the new wage, there will be no low mark on how much contractors are paid for many public projects. All federal projects, including the bulk of highway work, are still subject to a federal prevailing wage.

"It's unfortunate that the Legislature's actions will create uncertainty for businesses and local governments in West Virginia, and we urge legislators to reconsider that action," Stadelman said.

Republican lawmakers have stood firm. In a letter to WorkForce West Virginia late last week, GOP leadership urged Tomblin's administration to recalculate the rate the way lawmakers consider correct under law.

Otherwise, the leadership wrote it will continue evaluating "all options available" to ensure legal requirements are met.

"As evidenced by the questions of many of the lawmakers in attendance, the Joint Committee on Government and Finance is disturbed by the rather lackadaisical and cavalier approach that WorkForce West Virginia has exhibited in performing its statutory duties under S.B. 361," Cole and Armstead wrote to WorkForce West Virginia Acting Director Russell Fry.

Steve White, executive director of Affiliated Construction Trades, said he's unaware of major contracts coming up that could be affected. But he's unsure what will happen in the short term.

"Now we're on another rollercoaster causing a lot of disruption in the industry," White said.

Last legislative session, Republicans started out by pushing for the complete elimination of the prevailing wage. They settled on letting WorkForce West Virginia team with Marshall University and West Virginia University economists to change the wage's calculation.

They also instituted a cap, eliminating the prevailing wage for projects using \$500,000 or less in public money. That change has already taken effect.

The prevailing wage changes don't apply to contracts that were established before the new requirements' effective dates.