
W.Va. House hears prevailing wage concerns

By Joel Ebert

Members of the House of Delegates heard from representatives of numerous businesses and labor organizations concerned with a prevailing wage bill during a public hearing Thursday morning.

The hour-long hearing featured nearly 30 speakers — many who expressed some form of opposition to a Senate bill that once sought to repeal the state's prevailing wage rates.

Although Senate Bill 361, which was sent to the House after passing through the upper chamber late last week, is no longer aimed at repeal, it contains changes that will harm businesses, according to some of the speakers.

Steve White, director of the Affiliated Construction Trades, and Mike Clowser, executive director of the Contractors Association of West Virginia, opened the hearing by calling for members of the House to look at ways to better refine the legislation. White suggested lawmakers consider delaying the requirement to have the methodology for determining the year's prevailing wage rates by June 1.

The current version of the bill also establishes a threshold that would not require prevailing wage rates be paid for state-funded construction projects under \$500,000. The bill also directs Workforce West Virginia to work with two state universities to determine the prevailing wage rates, a task that is currently performed by the state Division of Labor.

White and Clowser's calls for further discussion on the subject were echoed by U.S. Sen. Joe Manchin, who urged lawmakers to work toward a compromise that is agreeable to both sides.

"You have an opportunity where you've heard labor and business talking and working together, wanting to find adjustments to be made to make this a better piece of legislation. They're willing to do that," Manchin said. "Seize the opportunity to put something together that's good. Don't throw the baby out with the bathwater."

While many speakers spoke about the potential problems an outright repeal might present, others pointed to specific concerns they had if the current version of the bill passes.

"We're strongly opposed to the \$500,000 threshold," said Chris Campbell, of Murray Sheet Metal and Limited Construction. He said most roofing and HVAC jobs usually fall under the threshold, which would mean he would not be able to do most commercial public works projects.

"This bill is going to do some serious damage to my business," said Jim Carney Jr., principal of Oval Construction Management. Carney said about 90 percent of the work he has falls below the threshold.

Ken Lindsay, vice president of Mecklenburg Roofing, called for a secondary threshold for projects under \$100,000, for remodeling and renovation projects. He said such a secondary threshold has been beneficial in other states, such as Ohio.

But Brian Hoylman, president of the Associated Builders and Contractors of West Virginia, which was also involved in the negotiations of Senate Bill 361, stressed the necessity of maintaining the \$500,000 threshold.

“Keeping the threshold for applicability would allow local governments the option of paying prevailing wage and would remove the burden that has strained the budgets that counties and municipalities have had for decades without sacrificing safety or quality,” he said.

Discussing the July 1 methodology deadline, BBL Carlton vice president Todd Corey said it is important to allow those tasked with determining the methodology and the new prevailing wage rates enough time, as well as businesses.

“I’m concerned that if we rush to make these changes and don’t study the process properly, the new rates could drastically lower the current rates, causing our skilled workforce to leave the area and go to neighboring states where the prevailing rates are higher,” he said.

Don Gatewood, of Swope Construction, which was involved in the negotiations that led to the latest version of the prevailing wage bill, said he originally supported an outright repeal.

“What the Senate has done with 361, the amended version, is a good compromise,” he said. Gatewood urged lawmakers to keep the \$500,000 threshold and to stick to the deadlines established in the bill.

The hearing ended after Ron Foster, of Foster Supply, made a few final remarks. Speaking against the prevailing wage rate system, which has been in place since the 1930s, Foster said, “Those who are in charge and those who benefit from these programs have been caught red-handed. The bank robbers have been caught in the bank vault. Now they want to negotiate the type of security system we have going forward.”

Foster equated the current version of the bill to having a discussion with a doctor who gives a cancer diagnosis. “Would you only allow her to remove only part of the cancer? No — you would want it all removed.

Foster said the bill only removes part of the problem. “The only way to heal is full repeal,” he concluded.

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