

Most speakers at public hearing support prevailing wage

By Pamela Pritt Register-Herald Reporter | Posted 3 days ago

CHARLESTON — Union members continue to flock to the State Capitol to combat legislation they say will hurt their livelihoods. Friday morning, several dozen sat in the House of Delegates galleries and more on the floor during an hour-long public hearing on repealing the prevailing wage, the base pay that companies must pay their employees who work on public projects.

But oddly, it wasn't workers who were speaking against SB2. For the most part it was business owners who asked legislators to keep the prevailing wage so that they could keep employees.

Mark Rigsby, who owns a construction company, said he is a conservative Republican. He said labor issues taken up by the Legislature this year won't impact businesses, but will make another difference.

"We just won't have any employees to work for us anymore," he said. Rigsby said he contracted a job in Dickenson County, Va., to build a courthouse, but sub-contracted the job. When he visited, however, he found "30 or 40 men on the job." The second contractor had sub-contracted the job, as well, and to someone who had hired foreign workers.

"None of the workers speak English," Rigsby said. "That's not what we want in the state of West Virginia. They aren't insured, they have no workers' comp(ensation)."

Thomas Samples trains workers for electrical contract jobs. He said the only reason public officials can consider these projects is "because of people like me who work and pay taxes."

Samples said when he signed up to speak, he noticed a much longer list for speakers against the bill than who favor it.

"Where are all the people who support this other than Americans for Prosperity, who thinks taxpayers are different from construction workers?" Samples asked. "

Jason Huffman, who represented Americans for Prosperity, was one of two speakers out of the 17 who was in favor of repealing prevailing wage.

Huffman said prevailing wage is "corporate cronyism at its best," favoring a specific industry at the expense of taxpayers.

"It's artificially inflated," he said. "It's a rigged game for that specific class of workers and that's wrong for taxpayers. If you can save taxpayers money, you should."

Affiliated Construction Trades president Steve White said that prevailing wage is "one of the best economic development laws on the books" because it levels the playing field for contractors to compete for public projects and they in turn employ thousands of local workers. "It's important

for our communities," he said.

White said wages definitely go down and taxpayers don't see any real savings, which then begs the question, "What happens to the money?"

"One is you just lose productive workers," White said. "It doesn't happen overnight. It erodes the skills and productivity of the workforce. You have less productive workers, they go where the money is. And there's probably higher profit margins, as well, for those companies."

He said those lost wages of up to \$80 million a year, will reduce the amount of payroll tax collections for the state at a time West Virginia is already struggling.

And White does not believe that eliminating prevailing wage will bring the businesses — and thus the jobs — that Republicans say it will. He said companies who come to West Virginia to look for investment opportunities want a skilled workforce. He said his unions have training programs, partnerships with contractors and a drug-free workplace commitment to showcase for those companies.

West Virginia Center on Budget and Policy's Sean O'Leary has extensively studied prevailing wage issues. O'Leary has degrees in political science and economics and a master's degree in public administration. He said studies that use "rigorous statistical analysis" all show that repealing prevailing wage doesn't save money, and that construction costs here are actually lower in non-prevailing wage states like Ohio, Virginia and North Carolina.

O'Leary said that in a tight budget year, when state leaders are looking for ways to save money and grow the economy, they should be looking at other states to see what hasn't worked "so there's no need to try that in West Virginia."

"Instead, we should be looking at policies we do know work to increase wages, increase incomes and grow the economy, like the Earned Income Tax Credit, like raising the minimum wage, like investing in higher education, like investing in infrastructure," O'Leary said.

Prevailing wage was hotly contested last year in the Legislature and wound up as a study. The study done by WorkForce West Virginia did not have the effect legislative leaders desired, thus the bill to repeal prevailing wage was revived this year.

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