
Prevailing wage law causing confusion, labor says

By Eric Eyre

CHARLESTON, W.Va. — West Virginia's new prevailing wage law, which took effect Monday, has already sparked confusion.

The Secretary of State's Office had considered removing the prevailing wage rates posted prominently on its website because the new law (SB361) repeals the rule that established the pay rates for public construction projects.

But Secretary of State Natalie Tennant ultimately left the current rate posting in place, following appeals by labor unions over the weekend.

"The new law is causing panic and confusion," said Steve White, executive director of the Affiliated Construction Trades Foundation, a labor umbrella group. "People don't know what the law is, what's going on and what's going to happen."

Some state officials speculated that the prevailing wage rule repeal would leave West Virginia without a wage rate until July 1, when scaled-back rates are supposed to take effect under the new law.

"It's thrown the Secretary of State's Office into a real tizzy," White said. "They were going to take it down, but now they're going to keep it up."

As of Friday, the office was considering moving the current prevailing wage rate posting, which was initially displayed in January, to an archived website section called "historical documents." That would have left contractors, who use the website to calculate project costs, in the dark. But the current wage rates were displayed in their customary spot online Monday.

"This has been cleared up," said Sheryl Webb, Tennant's chief deputy, in an email to the Gazette. "The rates will stay as is. We're only responsible for posting the rates on our website."

White said he talked about the snafu with a union lawyer and Tennant over the weekend. The lawyer explained that the new law repealed the prevailing wage rule but did not eliminate the existing rates on Monday.

White said he previously spoke with a Department of Commerce lawyer, who agreed the existing rates should stay in place until new ones were calculated and posted July 1 — or Sept. 30, if the deadline is extended.

"The secretary of state website is the place where, by law, the rates are posted," White said. "So if they took it down, when a project went out to bid, there'd be nothing to look at. It would be like saying the speed limit is 70, but we're taking all the signs down."

Under the new law, construction projects that cost less than \$500,000 are no longer subject to the prevailing wage rate. That change took effect Monday as well.

The Legislature passed the prevailing wage redo largely along party lines, with Republicans in favor and Democrats opposing. The new law removes the wage's calculation from the Division of Labor.

Workforce West Virginia, West Virginia University and Marshall University economists will calculate it.

Supporters of the new law say it will correct a system that inflates workers' wages and drives up construction costs, putting an undo burden on taxpayers. Critics of the prevailing wage changes say the new law will cut wages and hurt West Virginia's economy.

Only one legislative committee in both the Senate and House of Delegates reviewed the prevailing wage bill.

"This is an example where single committee references, plus little debate or discussion, led to rushed legislation," White said. "There's lots of confusion for agencies, architects, contractors and workers. And there will be more."

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