

State says new prevailing wage rates accurate

By Phil Kabler

West Virginia's new prevailing wage rates accurately depict the true wages being paid to construction workers on major projects around the state, the research director of WorkForce West Virginia said Wednesday.

"I would say these numbers accurately reflect the going rate for wages for people doing this kind of work," Jeff Green said of the prevailing wage rates unveiled Wednesday.

Green said an initial review of the new wage rates show an overall slight decrease from the prevailing wage rates set in 2014, using previous calculations by the Division of Labor.

"Generally, most of the wages are down slightly. Some are down significantly, and some are higher," he said.

The release of wage rates, tied to the nine Workforce Investment Areas statewide, follow months of research and controversy.

Legislators in March passed a bill (SB361) to recalculate prevailing wage rates for state-funded construction projects of \$500,000 or more, contending that the old wage rates were artificially high and inflated costs of taxpayer-funded public works projects.

The new wage rates were calculated, in part, by sending surveys to some 5,000 building contractors and subcontractors to determine their wage rates – a process that was sharply criticized by legislative leadership during a Joint Committee on Government and Finance meeting in June.

During that meeting, leadership also voted to allow the old prevailing wage rates to lapse, with no wage scales in effect for state-funded projects from July 1 to Wednesday.

However, Green said Wednesday he has high confidence in the findings of the survey, which drew a response rate of 73.6 percent of those surveyed, with the 3,722 employers who responded representing a total of 16,555 construction workers in the state.

The new prevailing wage rates went into effect when they were posted on the Secretary of State's website Wednesday morning, and will apply to all major construction projects now going out to bid.

How long they will remain in effect is another question, with prominent legislators already indicating they plan to push for legislation in the 2016 regular session to repeal prevailing wage entirely.

Green said he had a teleconference call to brief legislators on the new wage rates, and said their questions dealt mostly with the methodology.

"I didn't have indications of what they really thought, or anything like that," he said.

Reach Phil Kabler at philk@wvgazette.com, 304-348-1220, or follow @PhilKabler on Twitter.