

Statehouse Beat: Workforce WV continues prevailing wage survey

Continuing our mid-summer update on key issues pending in the Legislature:

Prevailing Wage. After all the uproar from legislators over WorkForce West Virginia's plan to survey state building contractors to get an accurate handle on wage rates, and after the hoopla over the missing quart of strawberries — er, missing ACT Foundation emails — WorkForce has been quietly going about its work.

With a month to go before an Aug. 31 deadline, WorkForce now has a 41 percent response rate from the 5,200 contractors and subcontractors it is surveying, meaning more than 2,100 contractors have submitted their wage rates for various construction work to the state.

One of the arguments for redoing the Prevailing Wage Act was that the state Bureau of Labor consistently had a poor response rate for its surveys of contractors, setting wage rates based on responses from about 400 contractors a year, or about an 8 percent response rate.

Some legislators have demanded that WorkForce rely strictly on federal Bureau of Labor Statistics wage figures as if BLS were indisputable manna sent from heaven.

While we've discussed some of the problems with using BLS data to set prevailing wage rates, including that it includes lower-paid residential construction work and part-time workers, proponents seem to forget that the BLS data is also based on employer surveys.

For construction wages in West Virginia, the BLS survey breaks down to relying on survey data from an average of about 200 contractors a year. (From 2012-14, the number of surveys received from West Virginia contractors totaled 186, 211 and 217.)

It's been a long time since I took statistical analysis in grad school, but with a universe of 5,000, a 40 percent-plus response rate (and it could be 60 percent-plus or more by the deadline) would provide a high level of confidence that the results will have a high likelihood of accuracy.

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It's worth noting that the request for bids for the next big (non-Highways) state construction contract likely to top \$1 million-plus — for interior demolition and new office space construction for four floors of the Capitol Complex's Building 5 and 6 office towers — includes provisions for paying workers at the prevailing wage rates.

The RFP states that the contractor “shall be responsible for ensuring compliance with prevailing wage requirements and determining when prevailing wage requirements are applicable.”

The contract falls into a gray area, with the bid opening set for Aug. 11, but the potential that the contract won't be finalized until after the new prevailing wage rates go into effect in September.

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Seven legislators have been approved to attend the National Conference of State Legislatures 2015 Legislative Summit beginning today at the Washington State Convention Center in downtown Seattle.

NCSL promises that “Summit attendees will ‘dive deep’ into four fascinating and provocative issues: legalizing marijuana, transportation funding, tapping brain potential, and the future of everything.”

Speakers include best-selling author and historian Jon Meacham, and former Secretary of Defense and CIA Director Robert Gates. Social events include A Taste of Washington reception tonight at the convention center, and a block party at Seattle’s iconic Space Needle on Wednesday.

Approved to attend are: Sens. Daniel Hall, R-Wyoming; Robert Plymale, D-Wayne; and Dave Sypolt, R-Preston; and Delegates Barbara Fleischauer, D-Monongalia; Eric Nelson, R-Kanawha; Don Perdue, D-Wayne; and John Shott, R-Mercer.

(I’ll say this, I’m pretty sure that when the Dems were in charge, they didn’t let anywhere near that percentage of Republicans attend these junkets. Then again, Perdue is an NCSL national vice chairman, and Plymale is a member of the NCSL Education Committee.)

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Finally, it’s not surprising that the Lottery Commission is hoping that a public awareness campaign will persuade charitable organizations and booster groups to come up with fundraising alternatives to casino nights.

When the Legislature legalized slot machines at the racetrack casinos, and in bars, clubs and fraternal organizations around the state, and later legalized table games at the casinos, it took steps — maybe too big — to assure there would be no competition in the form of unauthorized back-room gaming by making possession of gaming devices unlicensed by the Lottery a felony punishable by up to three years in prison.

I talked to Jaisen John, who runs T-John-E, a family-owned business in Grand Rapids, Michigan, that travels around the country staging a variety of alcohol-free entertainment events on college campuses, one of which is a “Fantasy Casino.” As he explained it, that promotion is strictly for amusement and doesn’t even offer prizes to winners.

He was decidedly nervous, having read on the Internet that his company could potentially face felony charges the next time it brings the casino night setup into West Virginia, and asked about comments from Lottery Director John Musgrave indicating that charitable casino nights would be acceptable if such events were staged at state-licensed casinos.

Lottery officials, I think, are rightly concerned that if they don’t clamp down the charity casino nights, it will emboldened clubs, bars, and fraternal groups to host their own casino night events — and we know how some fraternal have twisted Lottery regulations in the past.

The concern is, before long, every Friday and Saturday would become “casino night” at the local club or fraternal, using play money that — much like the gray video poker machine winnings of the 1990s — would be redeemable at the bar for cash when the authorities aren’t looking.

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