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# Prevailing wage rates to be unveiled Wednesday

By Phil Kabler

After months of controversy, heated debate and even a subpoena, the state's new prevailing wage rates will be unveiled by WorkForce West Virginia today.

The agency will file the new wage rates for workers on major state-funded construction projects with the Secretary of State's office at 10 a.m., Department of Commerce spokeswoman Chelsea Ruby said Tuesday.

The new rates will become effective once they are posted at the Secretary of State's website, and will apply to all major state-funded construction projects going out to bid on or after today.

Those rates are calculated, in part, on the results of wage surveys submitted by nearly 4,000 contractors and subcontractors statewide.

"WorkForce West Virginia is very pleased with the final response rate of about 74 percent," Ruby said Tuesday. "Rates will be filed with the Secretary of State's office [this] morning."

That comes nearly eight months after Sen. Craig Blair, R-Berkeley, introduced legislation originally designed to repeal the wage scales for state-funded construction projects (SB361). It was one of the priority issues of the newly Republican-controlled Legislature.

Ultimately, the bill that passed in March instead changes the way prevailing wage rates are set for projects costing \$500,000 or more — shifting responsibility for the annual wage calculation from the Division of Labor to WorkForce West Virginia.

However, that process also proved controversial, when legislative leaders in June objected to WorkForce research director Jeff Green's decision to survey contractors statewide to help come up with the new wage rates.

At the meeting of the top-ranking interim committee, the Joint Committee on Government and Finance, some legislators insisted that WorkForce instead rely on federal Bureau of Labor Statistics wage rates, which has hourly rates significantly lower than the state's previous prevailing wage rates.

However, Green and business and economics researchers from West Virginia University and Marshall, said relying on the BLS was difficult or not workable for a number of reasons, including the small percentage of state contractors surveyed, and because it lumped in wages for apprentices and for lower-paying residential construction work.

That drew strong rebukes from legislative leaders, including Senate Majority Leader Mitch Carmichael, R-Jackson, who complained, "This whole process, this is government taking a simple task and turning it into a mess."

During that meeting, in a partisan 7-3 vote, committee members allowed the previous prevailing wage rates to lapse on July 1, leaving a three-month gap without any wage requirements for state construction projects.

The hostilities didn't end there. A month later, legislative leaders took the unusual step of subpoenaing WorkForce officials for emails they contended showed the agency relied on data "supplied by outside labor interests" to set the new methodology for calculating wage rates.

Neither Blair nor Carmichael could be reached for comment Tuesday.

Earlier this month, the Joint Committee got a briefing from legislative counsel on options for challenging the new prevailing wage rates, once they are published.

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