
Labor Committee

HB 1254

Brief Description: Creating a pilot project to determine the prevailing wage of certain trades.

Sponsors: Representatives Manweller, Short, McCaslin and Buys.

Brief Summary of Bill

- Creates a pilot project to establish the prevailing rate of wage on selected trades and occupations using either collective bargaining agreements or a stratified random sampling method.
- Requires the Joint Legislative Audit and Review Committee (JLARC) to conduct an assessment of the pilot project and evaluate which methodology generates the rate that best reflects the actual market wage rate.

Hearing Date: 1/20/15

Staff: Trudes Tango (786-7384).

Background:

State law requires that prevailing wages be paid to laborers, workers, and mechanics employed upon all public works and under all public building service maintenance contracts. Public work means all work, construction, alteration, repair, or improvement other than ordinary maintenance that is executed at the cost of the state or any municipality.

The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, or mechanics in the same trade or occupation. If there is not a majority in the same trade or occupation paid at the same rate, then an average wage is calculated and established as the prevailing wage.

To establish the prevailing wage for the various trades and occupations, the industrial statistician of the Department of Labor and Industries (Department) conducts wage surveys.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

When the rate calculated in the survey process matches the rate of a collective bargaining agreement during the survey period, the prevailing wage rate will be derived from the collective bargaining agreement. A prevailing wage based on a collective bargaining agreement may be adjusted based on changes to the collective bargaining agreement.

Summary of Bill:

A pilot project is created, requiring that the prevailing rate of wage for select trades and occupations be established by:

- collective bargaining agreements for the trades of plasterer, telecommunications technician, and divers; and
- stratified random sampling for the trades of cement masons, operating engineers; and laborers in utilities construction.

The Joint Legislative Audit and Review Committee (JLARC) must conduct an assessment of the pilot project and evaluate which methodology (stratified random sampling, collective bargaining agreements, or wage surveys) generates the rate that best reflects the actual market wage rate.

The JLARC must report back to the appropriate committees of the Legislature in 2018 and 2020.

To conduct the stratified random sampling, the Department must identify eligible recipients to receive wage surveys in the trade or occupations and send surveys to at least 30 percent of those eligible recipients. The Department must use a random method to select the recipients of the survey. The Department may use the stratified random sampling method when it receives responses from at least 25 percent of the recipients.

A recipient of a survey under the pilot project must respond to the survey within 90 days. If they do not respond within that time, the Department must contact the recipient by phone. If after 30 days after contact, the recipient has still not responded, the Department must contact the recipient again by phone and notify them that civil penalties will be imposed for failing to respond. If the recipient fails to respond within 14 business days of the second phone call, the Department shall imposed a civil penalty of \$500, which must be deposited into the Public Works Administration Account.

The pilot project expires August 1, 2021.

Appropriation: None.

Fiscal Note: Requested on January 16, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.