

SENATE BILL REPORT

SHB 3073

As Reported By Senate Committee On:
Commerce & Labor, February 27, 1998

Title: An act relating to requiring the use of a stratified random sampling survey methodology for determination of prevailing wages.

Brief Description: Requiring the use of stratified random sampling survey technology for determination of prevailing wages.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Koster, Boldt and Sherstad).

Brief History:

Committee Activity: Commerce & Labor: 2/24/98, 2/27/98 [DPA-WM].
Ways & Means: 3/2/98.

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson and Newhouse.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Maura Sullivan (786-7431)

Background: The prevailing wage law requires that employees on public works construction projects be paid the prevailing wage. The Department of Labor and Industries administers the prevailing wage law. The prevailing wage is the rate of hourly wage, usual benefits, and overtime paid in a locality to a majority of workers, laborers, or mechanics, in the same trade or occupation. All determinations of the prevailing wage are made by the industrial statistician of the Department of Labor and Industries.

Summary of Amended Bill: The industrial statistician is to use a stratified random sample method to determine the prevailing wage by January 1, 1999. A 12-member Prevailing Wage Advisory Committee is established with representatives from employee and employer organizations, and four members representing public construction project owners. A representative of the Department of Labor and Industries will be the non-voting chair. The industrial statistician is to consult with the committee on (1) research methods and resource allocations; and (2) whether another reliable statistical method to determine the prevailing wage should be used when the effective use of a stratified random sampling method is not possible.

The committee is to report to the Legislature and the department is to consult with the committee on the administration of prevailing wages.

Amended Bill Compared to Substitute Bill: The amendment changes the composition of the advisory committee, requires the committee to report to the Legislature, and requires the department to consult with the committee on administration of the chapter.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill's methodology will be more reliable than the current system. The current method is too arbitrary. The bill leaves the details and implementation up to the director and the statistician.

Testimony Against: The current prevailing wage advisory committee has been working on this. The bill is not necessary. The agency cannot do this without funding for it. The bill could limit the effectiveness of the ongoing work of the current advisory committee. The bill is not flexible enough and does not have the right committee makeup.

Testified: PRO: Representative Costa; Rick Wickman; Clif Finch, AWB; CON: Robert Dilger, WA State Building Trades Council; Greg Mowatt, L&I; Alan Darr, Operating Engineers; Larry Stephens, Nat. Electrical Contractors Association.; Rick Slunaker, AGC; Cliff Webster, Associated Builders and Contractors; Jim Justin, Association of Washington Cities (neutral).