

SENATE BILL REPORT

SB 5282

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 26, 1991

**Brief Description:** Excluding school construction from prevailing wages.

**SPONSORS:** Senators Cantu, Bluechel, Barr, Anderson, Hayner, Sellar, Newhouse, Amondson, Craswell and Oke.

**SENATE COMMITTEE ON COMMERCE & LABOR**

**Majority Report:** Do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, and McDonald.

**Minority Report:** Do not pass.

Signed by Senators McMullen, Moore, Murray, and Skratek.

**Staff:** Jonathan Seib (786-7427)

**Hearing Dates:** February 20, 1991; February 22, 1991; February 26, 1991

**BACKGROUND:**

Current law requires employers to pay their workers no less than the prevailing hourly wage on all public works projects of the state, its counties, municipalities or other political subdivisions.

"Prevailing wage" is defined as the wage and benefits paid in the largest city in the county where the work is performed to a majority of workers in a particular occupation. If there is not a majority paid at the same rate, then the prevailing wage is the average wage and benefits in a locality for a particular occupation.

**SUMMARY:**

The prevailing wage law is not applicable to the renovation or construction of common schools in the state.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

The prevailing wage law substantially inflates school construction costs. There is a shortfall in the common school construction fund which will continue to get worse. The bill

would reduce school construction costs, allowing more schools to be built. There would be no significant impact on workers' overall earnings.

**TESTIMONY AGAINST:**

Exempting school construction from the prevailing wage law would result in shoddy workmanship and poorly built schools. Allowing lower wages would reduce workers' quality of life and their ability to contribute to the local economy. There are other ways to save money on school construction.

**TESTIFIED:** PRO: Lorraine Wilson, WA State School Directors Assn.; Clif Finch, Assn. of WA Business; Michael Crabtree, P.D.C.A.; Gary Smith, Independent Business Assn.; Paul W. Locke; Clif Webster, Associated Builders and Contractors; CON: Bob Dilger, WA State Building and Construction Trades Council; Darlene Matronwald, WA Environmental Council; Don Hops, WA Assn. of Churches; Chuck Bailey, WA State Labor Council; Allan Darr, I.U.O.E. 302; Art Sanchez, I.B.E.W. 46; Craig Carlson; Ron Piksa; Rocky Carroll; Mark Hadfield, District Council of Carpenters; Larry Stevens, National Electric Contractors Assn.; Ron Brown, Sheet Metal 66; Bob Pomada, Sheet Metal 66; Bill Blackstock, WA State Conference of Mason Contractors; Otto Herman, Jr., REBOUND; Mike Ryherd, Joint Council of Teamsters; Ted Bolton, Pierce County Building Trades Council