

SENATE BILL REPORT

SB 5291

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, January 22, 2007

Title: An act relating to workers excluded from prevailing wages on public works provisions.

Brief Description: Clarifying what workers are excluded from prevailing wages on public works provisions.

Sponsors: Senators Murray and Kohl-Welles; by request of Department of Labor & Industries.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 1/15/07, 1/22/07 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5291 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member, Franklin and Holmquist.

Staff: Jennifer Strus (786-7316)

Background: State law requires that an employer who hires workers paid on an hourly or per diem basis for public works and public building service maintenance contracts must pay those workers at least the prevailing wage rate for an hour's work in the same trade and occupation in the locality where the work is performed. Department of Labor and Industries (L&I) determines the prevailing wage rate in a locality by periodically surveying non-governmental construction employers.

Last year, Public School Employees (PSE) of Washington sued L&I arguing that public workers paid on an hourly or per diem basis should be included in the prevailing wage survey. A Superior Court judge agreed with PSE.

Summary of Bill: Governmental employees are specifically excluded from the application of the prevailing wage statute regardless of how often the employee is paid.

As a result, governmental employee wages will not be included in surveys to determine the prevailing wage rate in the locality where the work is performed.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development): The title was amended to reflect that public employees are excluded from prevailing wage provisions.

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.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Public employees have never been included in prevailing wage surveys because they work under separate contracts that establish paid vacations, sick leave and medical benefits and the stability of full employment year round. Because of the benefits they receive, their pay tends to be less. Public employees have never been included in prevailing wage surveys and should not be because their lower hourly wages will cause the prevailing rate in that locality to be artificially low. This bill harmonizes the intent of the statute with the actual words and clarifies the intent of the statute. The Prevailing Wage Advisory Committee also supports this bill.

Persons Testifying: PRO: Patrick Woods, Department of Labor and Industries; Miriam Israel Moses, REBOUND; Terry Tilton, Building Trades Council; Rick Slunaker, Associated General Contractors.