

House Concurrent Resolution No. 27

93RD GENERAL ASSEMBLY

2096L.011

Whereas, the federal Davis-Bacon Act, also known as the prevailing wage law, preserves local area wages and labor standards in the process of letting contracts for federal construction work; and

Whereas, enacted in 1931, the Davis-Bacon Act states that contractors for federal projects must pay their workers no less than the wage rates prevailing in the local area for each craft, as determined by the United States Department of Labor; and

Whereas, the Davis-Bacon Act was originally intended to encourage the development of a high-skill, high-wage growth path for the labor market in general, and the construction labor market in particular; and

Whereas, where the Davis-Bacon Act is applied, contractors win federal construction jobs based on having the most productive, best equipped, and best managed workforce; and

Whereas, the absence of a prevailing wage rate can cause downstream increases in building and road maintenance costs, and it definitely leads to an increase in construction injuries and a decline in the health and pension coverage of construction workers, which in turn places pressure on worker compensation costs and on social services as family health needs go unmet and retired workers cannot make ends meet; and

Whereas, repeated studies have proven that there is a direct correlation between wage levels and productivity - that well-trained workers produce more value per hour than poorly

trained, low-wage workers. As an example, a study of 10 states where nearly half of all highway and bridge work in the United States is done showed that when high wage workers were paid doubled that of low-wage workers, they built 74.4 more miles of roadbed and 32.8 more miles of bridges for \$557 million less; and

Whereas, twelve states have repealed their own prevailing wage laws over the past two decades, and the consequences have included:

- (1) Competitive pressures in the industry leading to lower wages and fewer benefits;
- (2) Reductions in and wholesale elimination of apprenticeship training programs;
- (3) Declines in the quality of the workforce as the best candidates find careers in other industries more appealing; and
- (4) Increases in injuries and deaths on the job as more trained workers are employed; and

Whereas, the skilled, trained, and dedicated workers who are hired at prevailing wages are trained to work safely. Better project safety and quality mean fewer risks of environmental or health disasters to communities. By preventing shoddy, unsafe work which can occur from employing poorly trained workers, our society actually saves money on environmental and economic clean-up costs; and

Whereas, large-scale government spending on highways, bridges, office buildings, harbors, sewage treatment plants, military construction, and other projects has the potential to skew the market and throw it out of balance, with serious consequences for private industry. The Davis-Bacon Act makes government play a neutral role by paying the same average wages paid by the private sector and imposes no artificial standards, and instead respects market forces:

Now, therefore, be it resolved that the members of the House of Representatives of the Ninety-third General Assembly, First Regular Session, the Senate concurring therein, hereby urge the United States Congress to enact federal transportation

legislation preserving the federal Davis-Bacon prevailing wage law that requires the application of local area wages and labor standards in contracts for federal construction work; and

Be it further resolved that the Chief Clerk of the Missouri House of Representatives be instructed to prepare properly inscribed copies of this resolution for each member of the Missouri Congressional Delegation.