

HB 1811 -- PREVAILING WAGE

SPONSOR: Ruestman

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 8 to 3.

Currently, workers employed on a public works project, except for maintenance workers, are to be paid a wage of no less than the prevailing hourly rate paid for similar work in the locality in which the work is to be performed. This bill exempts, except in counties with a charter form of government, work done on a school from the prevailing hourly wage rate requirement if the school board approves the exemption.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say that rural Missouri school districts' large capital project costs often exceed the school districts' maximum bonding amount causing the district to reduce the project size and not meet the district's needs. Labor costs may be 50% of the construction costs. Relaxing the prevailing wage requirement can reduce labor costs by 25% and allow the district to achieve its educational facility needs.

Testifying for the bill were Representative Ruestman; McDonald County School Board; Warrensburg School District; Missouri Association of School Business Officials; Missouri School Plant Managers Association; Mark Leech, Missouri Association of School Board Officials; Associated Industries of Missouri; and Missouri Chamber of Commerce and Industry.

OPPOSERS: Those who oppose the bill say that the prevailing wage should be set by the Department of Labor and Industrial Relations. Local contractors often fail to report required local wage rates resulting in artificially high rates.

Testifying against the bill were Missouri AFL-CIO; Carpenters' District Council of Kansas City; Carpenters' District Council of Greater St. Louis; St. Louis Area Contractors; Fred Weber, Incorporated; and Missouri National Education Association.

Roland Tackett, Legislative Analyst