

International Brotherhood of Electrical Workers

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WHAT IS PREVAILING WAGE?

The first prevailing wage laws were introduced in the United States in 1931. The Davis – Bacon Act, named after a United States Senator and a United States Representative was an attempt by Congress to set aside jobs on federal projects for local workers during the Great Depression. The Act, which established a pay requirement or prevailing wage, passed through a Republican-controlled Congress and was signed into law by President Roosevelt that year. The idea behind the prevailing wage is to keep government projects from damaging the local economy by driving down wages and undermining living standards.

Ohio passed its prevailing wage laws (Ohio Revised Code Chapter 4115) also in 1931. Ohio's prevailing wage applies to construction projects any time a public authority provides financial or in-kind support which exceeds established cost thresholds. The Ohio Department of Commerce determines the prevailing wage rates for the classes that are called for by the public project in the locality where such work is to be performed. These rates vary from locality to locality.

Over the years, much has been written about the intent and application of prevailing wage. Often, attempts were made to limit or modify prevailing wage laws. In 1982, Ohio Attorney General William Brown stated "if a project is funded in part (by public money) and in part through private sources, all laborers and mechanics on the project must be paid at the prevailing rates determined in accordance with Ohio Revised Code Chapter 4115 regardless of whether the (public money) is applied to pay construction costs." Also that same year, the Ohio Supreme Court stated "the primary purpose of the prevailing wage laws is to support the integrity of the collective bargaining process by preventing the undercutting of employee wages." In 1994, Ohio passed a law to prohibit the subdividing of projects to avoid the

application of prevailing wage unless the projects are distinctly separate and unrelated to each other or are conceptually separate and unrelated needs of the public authority.

Prevailing wage laws are good for Ohio. Paying a prevailing wage to skilled local construction workers means more money for working families and the community at large. 2007 United States census data shows that workers were paid 19% higher in states with strong prevailing wage laws than other states. Strong health care and retirement benefits for construction workers are also a priority in prevailing wage states. Paying a strong prevailing wage on public works serves to stimulate the state and local economy by increasing consumer purchasing power and bolstering state and local tax bases. States with higher wages consistently demonstrate better schools, health care facilities, infrastructure, public safety and vital services for its citizens.

Quality and consistency is also important for all construction work and is shown best in states with strong prevailing wage laws. The same census status showed that on a worker-to-worker basis, construction labor in states with strong prevailing wage laws are 12% more productive than states without prevailing wage laws. Under prevailing wage law, construction is routinely completed on time, on budget and at a level of workmanship that does not require costly repairs.

Prevailing wage laws are not only economically beneficial to workers and the local community but are proven to have no overall effect on the project costs to the public employer. According to a 2008 study by the Economic Policy Institute, most researchers have found that prevailing wage regulations and practices do not increase government contracting costs.

Prevailing wage laws ensure that workers on public construction projects paid for with taxpayers dollars are paid a wage comparable to local standard known as

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prevailing wage. They prevent contractors from bid shopping and undercutting community wages and make sure that the work is done by trained workers who know what they are doing. These requirements ensure high quality construction work and help prevent costly overruns.

The above comments were taken in large part from a 2011 Ohio AFL CIO publication, "Labor Basics."

**IN THE SPOTLIGHT:
OHIO STATE SENATOR
JIM HUGHES**



Jim Hughes began his career in public service as a prosecutor in the Columbus City Prosecutor's Office and later, as an Assistant County Prosecutor for Franklin County. In 2000, he was selected to serve the remainder of a term in the Ohio House of Representatives and was re-elected to that post four times. In 2008, he was elected to the Ohio Senate to represent Ohio's 16th Senate District, which includes the western portion of Franklin County.

Hughes' service in the Ohio General Assembly has allowed him to put his legal experience to work for the benefit of all Ohioans, helping pass a number of crime initiatives to crack down on offenders and keep families safe. Hughes worked to keep schoolchildren safe by sponsoring legislation that requires community and chartered public schools to adopt school safety plans and conduct a safety drill on a yearly basis. He also sponsored the bill that increased the penalties for identity theft against seniors and disabled individuals and pushed for stronger laws to keep sex predators off the streets and away from children. His leadership on these and in other

areas allowed him to rise through the ranks to serve as chairman of the Juvenile and Family Law Committee and the Higher Education Subcommittee. He also served as a member of both the Civil and Commercial Law and the Criminal Justice Committees while a member of the Ohio House of Representatives.

Now a State Senator, Hughes' leadership earned him the post of Chairman of the Senate State and Local Government and Veterans Affairs, as well as Vice Chairman of the Senate Judiciary Committee - Criminal Justice. In these roles, Senator Hughes deals with a variety of issues related to all aspects of governance, including elections issues and ensuring a high quality of life for Ohio veterans, as well as working to keep Ohio neighborhoods safe from crime. Senator Hughes also serves as a member of the influential Finance and Financial Institutions Committee, the Senate Energy and Public Utilities Committee and the Insurance, Commerce and Labor Committee for the 128th General Assembly.

Since joining the Ohio General Assembly, Senator Hughes has also played a critical role in efforts to revitalize the economy, make higher education more affordable, and to ensure state policies help, and not hinder, the ability of local communities to attract new jobs and economic investment. He was a strong supporter of tax reform, including a 21 percent state income tax cut for all Ohioans and of state investments in high-tech research and development through the Third Frontier Program, which has resulted in millions of dollars for Franklin County as it works to become a leader in high-tech fields like polymers, biotechnology and fuel cells, among other things.

Senator Hughes has been recognized by a variety of groups and organizations over the years for his legislative efforts on behalf of Ohioans. He has received the Ohio Association for Justice Workers Compensation Outstanding Service Award (2009), the Ohio Fire

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Chief's Association Legislator of the Year Award (2009), the Ohio Federation of Teachers' Friend of Education Award (2009) and the Ohio Nurses Association Legislator of the Year Award (2009), among others.

Senator Hughes continues to practice law as an attorney at Wiles, Boyle, Burkholder, and Bringardner. He earned his Juris Doctorate at Capital University School of Law after completing undergraduate degrees in business administration and transportation and logistics from The Ohio State University. He and his wife Susan live in Clintonville with their daughter Kaela and are active in many local community organizations, including the Ascension Lutheran Church, where Hughes is a deacon, as well as the Agonis Club, Shamrock Club, Charity Newsies, Aladdin Shrine Temple, Central Ohio Crime Stoppers, Kids Voting, Impact Community Action, Dublin Kiwanis and numerous area Chambers of Commerce.

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