PREVAILING WAGE REFORM

RESOLUTION #2 of 2012

WAYNE TOWNSHIP
Lawrence County

A **RESOLUTION** OF THE **TOWNSHIP OF WAYNE**, **COUNTY OF LAWRENCE**, COMMONWEALTH OF PENNSYLVANIA URGING THE PENNSYLVANIA GENERAL ASSEMBLY TO ELIMINATE OR AMEND THE STATE PREVAILING WAGE ACT *(ACT 442 of 1961)*

WHEREAS, the Pennsylvania Prevailing Wage Act requires that workers on public construction, reconstruction, demolition, alteration, and/or repair projects with an estimated cost greater than $25,000 be paid a wage set by the Secretary of Labor and Industry rather than local market rates; and

WHEREAS, the prevailing wage rates set by the Secretary of Labor and Industry are generally 20 to 40 percent higher than local market labor rates; and

WHEREAS, the cost and burden of these artificially inflated wages are borne by taxpayers in the form of higher construction costs and higher taxes than would otherwise be necessary; and

WHEREAS, local contractors often choose not to bid on prevailing wage projects due to the administrative and financial overhead required; and

WHEREAS, according to the U.S. Bureau of Labor Statistics' CPI Inflation Calculator, $25,000 in 1963 dollars equals $183,203 in 2011 dollars; and

WHEREAS, current state law and regulations that determine prevailing wage rates are fundamentally vague and often favor collective bargaining agreements and union wages, which skews rates unnecessarily higher than they otherwise would have been if determined under alternative means; and

WHEREAS, the Pennsylvania State Association of Township Supervisors has a standing policy that urges the General Assembly to adopt common sense reforms to the Prevailing Wage Act including increasing the threshold, establishing clearer guidelines in the determination of wage rates, providing for a local option, or the complete repeal of the law; and

WHEREAS, HB 1329 (Session of 2011) would, if adopted, increase the prevailing wage threshold from $25,000 to $185,000, and adjust this amount annually based on the Consumer Price Index; and

WHEREAS, HB 1685 (Session of 2011) would, if adopted, require the Secretary of Labor and Industry to develop a uniform and complete list of worker classifications and place this information on a publically accessible website; therefore be it

RESOLVED, the Township of Wayne, County of Lawrence, supports meaningful and commonsense reforms to the Prevailing Wage Act; and be it further

RESOLVED, that members of the General Assembly be urged to support and pass House Bills 1329 and 1685, as well as any other proposal that offers relief to Pennsylvania's local governments and taxpayers from the burdens of the Prevailing Wage Act.

ADOPTED by the Board of Supervisors of the Township of Wayne, County of Lawrence, the Commonwealth of Pennsylvania, this **5th** day of **July, 2012**.

ATTEST: Shari D. Baney

Shari D. Baney
Secretary/Treasurer

BOARD OF SUPERVISORS:

Charles B Hutchison
Charles B. Hutchison, Chairman/Supervisor

Bruce D Badger
Bruce Badger, Vice-Chairman/Supervisor

William Hepler
William Hepler, Supervisor