CHRIS ROSS, MEMBER 158TH LEGISLATIVE DISTRICT

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House of Representatives

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MEMBER

POLICY COMMITTEE
LOCAL GOVERNMENT COMMISSION

TO: All House Members

FROM: Rep. Chris Ross

DATE: January 10, 2011

SUBJECT: Proposed Legislation

Prevailing Wage - Prior HB 503

In the near future, I plan to reintroduce HB 503 from last session which would exempt school districts from the requirements of the Prevailing Wage Act with the option that they elect the act's coverage.

The Prevailing Wage Act establishes "prevailing" minimum wage rates that must be paid on public construction projects; often, the rates established under the act directly reflect union wage rates which are not reflective of the actual wage rates paid on construction projects in a municipality. The requirement for higher wage rates on public construction projects can elevate the costs of such projects anywhere from 10%-20%. In fact, a May 2002 study released by Ohio's Legislative Budget Office indicated that school districts saved, on average, approximately 10% in construction costs by not utilizing prevailing wage rates (Ohio changed its prevailing wage law in 1997 to give school districts the option of building projects in accordance with their prevailing wage law; the Budget Office's report was a follow-up report on the effects of the repeal).

I believe my legislation offers an effective means of lowering our school construction costs and, thus, an effective tool in combating rising school property taxes. It is important to note that my legislation permits school districts to "opt into" the requirements of the Prevailing Wage Act if that school district believes the act's requirements are needed in their district. My legislation is strongly supported by the Pennsylvania School Board's Association.

If you wish to cosponsor this legislation, please contact my office:

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CR/dlm

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