



OLR RESEARCH REPORT

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THE PREVAILING WAGE

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You asked that we update and combine OLR Reports [2003-R-0253](#), [2010-R-0432](#), [2010-R-0526](#), [2012-R-0322](#), and [2013-R-0206](#) on (1) the prevailing wage thresholds in other states, (2) how prevailing wage rates are determined, (3) prevailing wage rates in Connecticut and neighboring states, and (4) enforcement of Connecticut's prevailing wage law. You also asked if Connecticut enacted any new prevailing wage laws in the past several years.

SUMMARY

Prevailing wage laws generally require workers on public works construction projects to receive the same wage that is customarily paid for the same work in the project's town. Thus, if an electrician on a private-sector job in a particular town customarily receives \$50 an hour in wages and benefits, a prevailing wage law would require an electrician on a public works construction project in the same town to be paid the same rate. By establishing a standardized pay rate for these workers, the laws aim to keep government's use of low bid contracting from significantly reducing the market price of labor.

Prevailing wage laws operate at the federal level, through the Davis-Bacon Act, and the state level, through an individual state's laws. The federal prevailing wage law applies to federally funded or assisted contracts over \$2,000 for the construction, alteration, or repair of public buildings or public works. Thirty-two states, including Connecticut, have prevailing wage laws.

Generally, these laws only apply when a public works project's contract value meets or exceeds a pre-determined threshold amount. Connecticut's threshold has been \$400,000 for new construction and \$100,000 for remodeling projects since 1991. Its new construction threshold is the second highest in the nation, behind only Maryland's \$500,000 threshold for all types of public works projects. Connecticut's remodeling threshold is the third highest in the nation, behind Indiana's (\$350,000) and Kentucky's (\$250,000), both of which apply to all types of public works projects. Since 2010, four states have increased their thresholds and one, Vermont, has lowered its threshold.

In Connecticut, prevailing wage rates are determined by the U.S. Department of Labor (USDOL). USDOL determines the rates by surveying contractors, contractors' associations, labor organizations, public officials, and other interested parties about the wages and benefits paid on completed construction projects in a particular geographical area. If it finds that the majority of workers in a particular occupation earn the same wage, that wage becomes the occupation's prevailing wage for that area.

A comparison of prevailing wage rates for six common occupations in Connecticut, Rhode Island, and nearby areas of Massachusetts and New York indicates that Connecticut's rates are generally in the middle and lower half of the rates paid in the six areas surveyed. In general, Connecticut's rates are \$12.64 to \$18.01 per hour lower than the highest rates paid to a particular occupation (usually in New York's bordering counties).

Connecticut law subjects contractors and subcontractors to both civil and criminal penalties for failing to meet the state's prevailing wage requirements. The law is generally enforced by the state Department of Labor (CTDOL), however the state's attorney's office can become involved in criminal prosecutions and the attorney general's office can become involved in civil suits to recover unpaid wages. Those who knowingly and willfully violate the law must pay fines between \$2,500 and \$5,000 and cannot bid on other prevailing wage projects for a certain period. They may also face criminal charges for a first degree false statement (a class D felony) and larceny.

The Connecticut General Assembly has not made any major changes to the prevailing wage law over the past five years. The three related laws that were enacted (1) specify how contractors must submit their certified

payroll records; (2) allow contractors to sue subcontractors who failed to pay their workers prevailing wages, under certain circumstances; and (3) change the safety training requirements for certain workers on prevailing wage projects.

PREVAILING WAGE THRESHOLDS

Thirty-two states have prevailing wage laws for public works projects. Generally, these laws apply when a project's contract value exceeds a pre-determined threshold amount, although nine states apply their prevailing wage requirements to any public works project, regardless of its value. Unlike Connecticut, which has different thresholds for new construction and remodeling projects, most of the other prevailing wage states set one threshold amount for all of their public projects. Table 1 shows the prevailing wage threshold amounts in the 32 prevailing wage states as of January 1, 2013.

Table 1: 2013 State Prevailing Wage Thresholds

State	Threshold Amount	State	Threshold Amount
Alaska	\$25,000	Arkansas	\$75,000
California	\$1,000	Connecticut	\$400,000 for new construction \$100,000 for remodeling
Delaware	\$100,000 for new construction \$15,000 for alterations, repairs, renovations, rehabilitation, demolition, or reconstruction	Hawaii	\$2,000
Illinois	None	Indiana	\$350,000
Kentucky	\$250,000	Maine	\$50,000
Maryland	\$500,000	Massachusetts	None
Michigan	None	Minnesota	\$25,000 if more than one trade is involved \$2,500 if only one trade is involved
Missouri	None	Montana	\$25,000
Nebraska	None	Nevada	\$100,000
New Jersey	\$2,000 for work done for, or on the property of, a public entity other than a municipality \$14,187 for work done for, or on the property of, a municipality	New Mexico	\$60,000
New York	None	Ohio	\$200,000 for most new construction (\$78,258 for new construction involving road or bridge construction) \$60,000 for most remodeling (\$23,447 for remodeling involving road or bridge construction)

Table 1 (continued)

State	Threshold Amount	State	Threshold Amount
Oregon	\$50,000	Pennsylvania	\$25,000
Rhode Island	\$1,000	Tennessee	\$50,000
Texas	None	Vermont	\$100,000
Washington	None	West Virginia	None
Wisconsin	\$100,000 for multiple-trade projects \$48,000 for single-trade projects	Wyoming	\$25,000

Source: U.S. Department of Labor (<http://www.dol.gov/whd/state/dollar.htm>).

As Table 1 illustrates, only Maryland’s \$500,000 threshold (which applies to all projects) exceeds Connecticut’s \$400,000 threshold for new construction. Only Indiana’s \$350,000 threshold for all projects and Kentucky’s \$250,000 threshold for all projects exceed Connecticut’s \$100,000 threshold for remodeling projects. Nevada, Vermont, and Wisconsin also have \$100,000 thresholds that apply to all of their public projects.

Threshold Changes Since 2010

Five states have changed their prevailing wage thresholds since 2010. Alaska, Indiana, and Wisconsin significantly raised their thresholds applying to all public works projects. Ohio increased thresholds for projects that did not involve road or bridge construction and Vermont lowered its threshold. Table 2 shows the changes to state prevailing wage law thresholds made since 2010.

Table 2: Prevailing Wage Threshold Changes Since 2010

State	2010 Threshold	2013 Threshold
Alaska	\$2,000	\$25,000
Indiana	\$150,000	\$350,000
Ohio	\$78,258 for new construction \$23,447 for remodeling	\$200,000 for most new construction (\$78,258 for new construction involving road or bridge construction) \$60,000 for most remodeling (\$23,447 for remodeling involving road or bridge construction)
Vermont	\$250,000	\$100,000
Wisconsin	\$25,000	\$100,000 for multiple-trade projects \$48,000 for single-trade projects

Source: U.S. Department of Labor (<http://www.dol.gov/whd/state/dollar2010.htm>).

Non-Prevailing Wage States

Eighteen states do not have laws requiring prevailing wages to be paid on public works projects. Eight of these states have never enacted such laws (Georgia, Iowa, Mississippi, North Carolina, North Dakota, South Carolina, South Dakota, and Virginia). Nine repealed their prevailing wage laws between 1979 and 1988 (Alabama, Arizona, Colorado, Florida, Idaho, Kansas, Louisiana, New Hampshire, and Utah). Oklahoma had its law invalidated by a court decision in 1995. New Hampshire, which repealed its law in 1985, is the only northeastern state without a prevailing wage law.

DETERMINING PREVAILING WAGE RATES

State law ([CGS § 31-53\(d\)](#)) allows CTDOL to (1) hold hearings to gather data and calculate prevailing wage rates or (2) use the prevailing wage rates for Connecticut calculated by the USDOL. Since 1977, the CTDOL has used the federally calculated rates because it (1) is less expensive and (2) maintains conformity with the prevailing wage rates on federally-funded projects in the state.

The USDOL calculates prevailing wage rates for use under the Davis-Bacon Act, as amended, and related federal regulations. Under these guidelines, a job classification's prevailing wage rate is the wage (including benefits) that a majority of the workers in that classification receive on similar projects in the area during the period in question (29 CFR § 1.2(a)(1)). Thus, if 51% of the electricians in an area receive \$30 per hour in wages and \$20 per hour in benefits, the prevailing wage for electricians in that area will be \$50 per hour.

In general, USDOL determines the prevailing wage by surveying contractors, contractors' associations, labor organizations, public officials, and other interested parties about the wages and benefits paid on completed construction projects in a particular geographical area. Participation in the surveys is voluntary. If a majority of the workers in the classification do not all receive the same wage, then the prevailing wage is the average of the wages paid to workers in the classification, weighted by the total employed in the classification. Unionized workers' wages often become the prevailing wages because they are more likely to earn the same wages under their collective bargaining agreements. Low participation in the surveys by nonunion contractors can also increase the likelihood of a job classification's union wage becoming the classification's prevailing wage.

For additional information about prevailing wage surveys and how rates are determined see:

<http://www.dol.gov/whd/recovery/pwrb/Tab6.pdf> and
<http://www.ctdol.state.ct.us/wgwkstnd/prevailing-rates/PrevailingWageGuide/5SampleSchedules.htm>.

PREVAILING WAGE RATES IN CONNECTICUT AND NEIGHORING STATES

We compared the prevailing wage rates for six common construction jobs in Connecticut, Rhode Island, and nearby areas of Massachusetts and New York. In Connecticut, a prevailing wage-covered occupation usually receives the same prevailing wage rate throughout the state, although there are some regional variations. Rhode Island also has statewide rates, but New York and Massachusetts have significant regional variations. For purposes of comparison, we include New York's Westchester and Putnam Counties (which are adjacent to Connecticut), and Springfield and Worcester, Massachusetts.

Like Connecticut, Rhode Island uses the federally determined rates for its prevailing wage rates. Massachusetts and New York each calculate their own rates. Massachusetts bases its prevailing wage rates on the wages provided in local collective bargaining agreements ([Mass. Gen. Laws ch. 149, § 26](#)). New York bases its rates on the collective bargaining agreements between labor organizations and private sector employers that employ at least 30% of the workers in the same trade or occupation in the locality where the work is being performed (<http://www.labor.state.ny.us/workerprotection/publicwork/PDFs/Article8FAQS.pdf>).

Prevailing wage rates are generally categorized by the project's type of construction. Federally determined rates fall into three broad types of construction: (1) residential, (2) building (which applies to public buildings, including schools and various state and municipal buildings), and (3) heavy (which applies to highway work). Massachusetts determines rates for public construction work (which includes additions and alterations to public buildings) and several other categories. New York determines rates for general construction projects (which include buildings and highway projects) and residential construction projects. This report compares the building rates from Connecticut and Rhode Island, public construction work rates from Massachusetts, and general construction project rates from New York, all of which would apply to nonresidential public buildings.

Prevailing wage rates are further categorized by an individual worker's occupational category. Job descriptions and their accompanying wage rates can vary between states. We compared six common occupations that have similar (but not always identical) job descriptions in each state: (1) bricklayer, (2) carpenter, (3) electrician, (4) ironworker, (5) laborer, and (6) plumber.

Prevailing wages in all four states are an hourly wage paid to the worker, plus fringe benefits (such as pension contributions and health benefits). If the employer does not provide benefits, the amount of the benefit must go to the worker as additional pay. The benefit's value is often a significant portion of the overall wage. For example, the \$52.10 hourly prevailing wage for a Connecticut carpenter includes \$30.45 (58.4%) in wages and \$21.65 (41.6%) in benefits.

Table 3 shows the prevailing wage rates for the six occupations in each of the six geographical areas. The rates contained in the table are drawn from the publicly available rate schedules and may not be identical to those that apply to any specific project. The number in parentheses underneath the hourly rate indicates the rate's rank among the six geographical areas.

Table 3: Prevailing Wage Rates for Selected Occupations

Occupation	CT (Statewide)	MA (Springfield)	MA (Worcester)	NY (Putnam)	NY (Westchester)	RI (Statewide)
Bricklayer	\$58.71* (5)	\$63.05 (4)	\$73.69 (1)	\$67.04 (2)	\$67.04 (2)	\$56.95 (6)
Carpenter	\$52.10 (6)	\$52.35 (5)	\$59.94 (3)	\$70.11 (1)	\$70.11 (1)	\$56.76 (4)
Electrician	\$59.52 - \$90.40** (3)	\$54.65 (6)	\$57.65 (5)	\$63.77 (2)	\$90.53 (1)	\$58.50 (4)
Ironworker	\$63.48 (4)	\$55.47 (5)	\$66.85 (3)	\$74.25 (2)	\$81.07 (1)	\$55.03 (6)
Laborer (general)	\$43.55 (6)	\$44.98 (5)	\$48.75 (4)	\$57.00 (1)	\$57.00 (1)	\$49.25 (3)
Plumber	\$65.58 (3)	\$57.86 (6)	\$63.72 (4)	\$78.22 (1)	\$78.22 (1)	\$62.33 (5)

*The rate for bricklayers in Darien, Greenwich, New Canaan, Norwalk, Redding, Ridgefield, Stamford, Westport, and Wilton is \$59.71.

** The rate for electricians in CT varies by location. Rates for electricians in most of the state are between \$59.52 and \$60.95, only electricians in Darien, Greenwich, New Canaan, and Stamford, receive rates of \$90.40.

As Table 3 illustrates, Connecticut's prevailing wage rates are generally in the middle and lower half of the rates paid in the surveyed areas. New York's Putnam and Westchester counties are usually the highest rates, with only Worcester bricklayers receiving higher wages than their New York counterparts. Discounting electricians, whose rates

are skewed by the significantly high rate paid in Westchester County, Connecticut's rates range from \$12.64 to \$18.01 less than the highest rates paid to a particular occupation.

ENFORCEMENT OF CONNECTICUT'S PREVAILING WAGE LAW

Connecticut's prevailing wage law requires the state, its political subdivisions, and their agents to require the contractors on public works construction projects to pay prevailing wages if the project's cost exceeds the previously discussed thresholds. To meet this requirement, the public agency issuing the contract must include specific language in the contract requiring the contractor to pay the prevailing wage to mechanics, laborers, and workers employed on the project. To confirm their compliance, contractors must meet certain recordkeeping requirements, such as filing certified payrolls with CTDOL, which enforces the law. For additional information on CTDOL's administration of the prevailing wage law, see:

<http://www.ctdol.state.ct.us/wgwkstnd/prevailing-rates/PrevailingWageGuide/index.htm>

The law subjects non-compliant contractors and subcontractors to civil and criminal penalties. Those who knowingly and willfully fail to pay the required prevailing wage must pay fines between \$2,500 and \$5,000 for each offense. In addition, for first offenses, they are disqualified from bidding on state and local government contracts until six months after making full restitution. For subsequent offenses, they are disqualified until two years after making full restitution. Contractors who work on a prevailing wage project during a disqualification period must pay a \$1,000 civil penalty for each full or partial day of work on the project. In addition, the state or contracting political subdivision can (a) terminate all or part of the contract and arrange for someone else to complete the work at the original contractor's expense or (b) withhold payment ([CGS § 31-53\(b\)](#)).

It is also a class D felony to (1) fail to file a required prevailing wage certified payroll ([CGS § 31-53\(f\)](#)) or (2) intentionally make a false written statement on a certified payroll intended to mislead a contracting authority or the labor commissioner ([CGS § 53a-157a](#)). Violators can be fined up to \$5,000, imprisoned for five years, or both. Those who file false certified payroll records and fail to pay an employee the amount attested to in the certified payroll with the intent to convert that amount to their own or a third party's use can also be found guilty of larceny ([CGS § 53a-119\(14\)](#)). Depending on the amount of illegally obtained

property, larceny classifications range from class C misdemeanors (up to three months imprisonment or up to \$500 in fines) to class B felonies (up to 20 years imprisonment or up to \$15,000 in fines).

While the law contains penalties for noncompliant contractors and subcontractors, it does not include any penalty for the state, town, or other public agent issuing the contract who fails to abide by the law or alert a contractor that a project may be a prevailing wage project. Furthermore, the courts have ruled against contractors who sued government contracting agencies for failing to notify the contractor that the project might be subject to the prevailing wage. CTDOL indicates that in such cases it tries to informally negotiate between the two parties to attempt to reach a settlement rather than have the parties go to court. For additional information on the relevant case law and CTDOL involvement see OLR Report [2012-R-0322](#).

CONNECTICUT'S RECENT PREVAILING WAGE LEGISLATION

The General Assembly has not made any major amendments to the prevailing wage law over the past five years. The three laws enacted during that time make relatively minor adjustments to it and its related requirements.

PA 09-25

The act required contractors and subcontractors on prevailing wage projects to submit their certified payrolls by first-class, postage-prepaid mail. Prior law did not specify how the certified payrolls had to be submitted.

PA 10-47

The act permitted a prevailing wage contractor to bring a Superior Court civil action against a subcontractor if the contractor was ordered to pay the subcontractor's employees wages and benefits because the subcontractor failed to do so. It gave the same legal recourse to a subcontractor required to cover unpaid wages or benefits for a lower-tier subcontractor.

PA 11-63

The act changed the construction safety training requirement for certain plumbers and electricians on prevailing wage projects.

SOURCES

Prevailing Wage Rates

Fairfield County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT20.dvb?v=11>, (last visited October 3, 2013).

Hartford County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT21.dvb?v=10>, (last visited October 3, 2013).

Litchfield County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT18.dvb?v=9>, (last visited October 3, 2013).

Massachusetts prevailing wage rates, <http://www.mass.gov/lwd/labor-standards/prevailing-wage-program/> (last visited October 3, 2013).

Middlesex County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT22.dvb?v=10>, (last visited October 3, 2013).

New Haven County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT23.dvb?v=10>, (last visited October 3, 2013).

New London County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT24.dvb?v=10>, (last visited October 3, 2013).

Putnam County, NY prevailing wage rates for general construction, <http://wpp.labor.state.ny.us/wpp/viewPrevailingWageSchedule.do?typeid=1&county=91> (last visited October 10, 2013).

Rhode Island prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/RI1.dvb?v=17> (last visited October 3, 2013).

Tolland County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT25.dvb?v=10>, (last visited October 3, 2013).

Westchester County, NY prevailing wage rates for general construction, <http://wpp.labor.state.ny.us/wpp/viewPrevailingWageSchedule.do?typeid=1&county=93> (last visited October 10, 2013).

Windham County, CT prevailing wage rates for building construction projects, <http://www.wdol.gov/wdol/scafiles/davisbacon/CT19.dvb?v=9>, (last visited October 3, 2013).

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