
**Testimony of J. Scott Robinette
Deputy Secretary for Safety & Labor-Management Relations
Pennsylvania Department of Labor & Industry**

**Before the Pennsylvania Senate Labor & Industry Committee
regarding the Pennsylvania Prevailing Wage Act**

**Chambersburg, Pennsylvania
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Introduction

Good morning, Chairman Gordner, Chairwoman Tartaglione and members of the Senate Labor & Industry Committee. I am Scott Robinette, Deputy Secretary for Safety & Labor-Management Relations for the Department of Labor & Industry. On behalf of Secretary Julia Hearthway, thank you for the opportunity to testify today on the subject of prevailing wage.

The Secretary is aware of concerns surrounding the Prevailing Wage Act, as the subject has come up in virtually every meeting she has held with members of the General Assembly. In those meetings, members consistently cited prevailing wage as a top priority for the Department and the Legislature. The Department agrees and has met with many stakeholders to engage in an open and honest discussion on the broad issue of prevailing wage. We continue to take into consideration the comments made at those meetings as we review the proposed legislation being considered by this Committee.

History and Rate Determination

I am here today to provide a brief history of the Prevailing Wage Act and to provide some insight on how the Department currently determines prevailing wage rates.

Pennsylvania's Prevailing Wage Act was enacted in 1961 and was last amended in 1963. It requires workers on public projects over \$25,000 be paid the prevailing minimum wage in the locality in which the work is being performed. The Prevailing Wage Act does not specify how the Secretary is to determine the prevailing wage rates or what methodology is to be used.

The Department's Bureau of Labor Law Compliance administers the Prevailing Wage Act. The Bureau sets both hourly wages and benefit rates for each craft or classification in each locality in Pennsylvania. Rates vary depending on the locality where the work is being performed. Within a craft or classification, the rates may also vary depending on the nature of the construction. For example, rates for building construction are different than rates for heavy or highway work. The Bureau also defines each craft or classification for prevailing wage purposes. These craft definitions also vary across Pennsylvania regionally.

Currently, the Department relies on information contained in collective bargaining agreements to determine the prevailing wage rates because that is the only source of data that is submitted for consideration. If an interested party objects to the prevailing wage rate for a specific project, the party may file a wage rate protest and seek a hearing. The petition must be filed within 10 days from the publication and issuance of the specifications covering the contract. This is commonly referred to as a "Section 8 Protest." The party challenging the prevailing wage rate has the evidentiary and legal burden of establishing alternative rates at a formal administrative hearing. The party may appeal the decision to an independent entity, the Prevailing Wage Appeals Board. The Board's final order may be appealed to Commonwealth Court.

Closing

Mr. Chairman, we look forward to working with the Committee and all stakeholders in finding common sense solutions to the issues that have been raised pertaining to prevailing wage. The stakeholder meetings the Secretary initiated are surely neither the first nor the last of many conversations on this issue.

Thank you again for the opportunity to testify. I would be happy to answer any questions Committee members may have.