



## NATIONAL CONFERENCE *of* STATE LEGISLATURES

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### Prevailing Wages

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The federal Davis-Bacon Act requires that prevailing wages be paid on federally-funded public works projects, such as construction, repair or alteration of public buildings, or construction of public roads or bridges. The federal law sets a minimum threshold of \$2,000, meaning if a public works contract is for an amount in excess of \$2,000, then prevailing wages must be paid. States must abide by the Davis-Bacon Act when federal funds are involved in public works projects within the state.

The prevailing wage law covers only construction workers in specific types of occupations and does not apply to all workers on public works projects. The prevailing wage for the covered occupations is determined by the U.S. Dept. of Labor through surveys of wages paid in those occupations in surrounding areas, so that the wages reflect the local economy.

The prevailing wage is not established by either the state or federal government, but instead by these surveys, which are to include both union and non-union labor. A state with a higher construction wage in general will therefore have a higher prevailing wage. The surveys are conducted on a regular basis to respond to changing local economies.

Below are resources on the federal prevailing wage law. They include an explanation of the process, covered occupations, and surveys, and provide links for additional details, including compliance manuals:

- Davis-Bacon Overview: <http://www.dol.gov/whd/contracts/dbra.htm>
- Davis-Bacon Fact Sheet: <http://www.dol.gov/whd/regs/compliance/whdfs66.pdf>
- Wage Determinations Page: <http://www.dol.gov/whd/programs/dbra/index.htm>

In addition, some states have adopted their own versions of prevailing wages, often referred to as “Little Davis-Bacon” laws, to set threshold requirements for payment of prevailing wages on state-funded public works projects. The state prevailing laws apply only to publicly-funded construction projects, such as roads or public buildings, when state dollars are involved. As with the federal act, the state prevailing wage laws apply only to construction workers in specific occupations, and then only if the contract was in excess of the state’s established threshold.

States with their own prevailing wage generally set their prevailing wage by conducting surveys of local wages and collective bargaining agreements, and referring to the federal prevailing wage for their area. Some simply use the federal prevailing wage.

Below is a list of state prevailing wage thresholds.

- State Prevailing Wage Thresholds: <http://www.dol.gov/whd/state/dollar.htm>

For more detailed information on prevailing wage, contact the U.S. Dept. of Labor, at this link: <http://www.dol.gov/whd/govcontracts/stateassignments.htm>