



PREVAILING WAGE REQUIREMENTS IN WASHINGTON STATE

Prevailing Wage Requirements in Washington require local government contractors and subcontractors to pay prevailing wages to all workers for all public works and maintenance contracts, regardless of the dollar value of the contract.

Prevailing wages are the hourly wages, overtime pay, and usual benefits paid to the majority of workers in a particular trade or occupation.

These rates vary by county and the type of labor, and are determined and enforced by the **Department of Labor and Industries (L&I)** based on collective bargaining agreements.

Until August of 2018, if no collective bargaining agreements existed in a county, L&I used wage surveys or other methods for determining the prevailing wage.

This new law requires the use of the highest wage established in a collective bargaining agreement claiming jurisdiction in a county, regardless of whether any work is performed under the agreement in that county.

This was designed to streamline wage setting mechanisms, but the unintended effect has significantly driven up project costs by overlaying high urban wages across many rural counties.

The changes are just now being noticed in bid responses, so the total impact is not yet fully realized.

Additionally, as new collective bargaining agreements are signed, the wage landscape will again be upwardly altered.

The result is that costs will rise precipitously, and some projects just won't happen.

Many groups, such as the PublicUtility Districts, affordable housing advocates, and Associated General Contractors are looking for a more reasonable approach to setting the median wage.

We support these efforts and urge legislators to be part of the discussion.