

SCOTT PERRY, MEMBER
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TO: All House Members

FROM: Representative Scott Perry
92nd Legislative District *ScP*

DATE: April 13, 2011

SUBJECT: Co-sponsorship of Legislation

Attached please find a copy of legislation that I plan to introduce in the near future to raise the threshold of the Prevailing Wage Act from \$25,000 to \$500,000. This legislation also creates an annual COLA adjustment to the law. The Prevailing Wage Act establishes "prevailing" minimum wage rates that must be paid on public construction projects. The rates established under the act often reflect union wage rates which are not representative 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%.

This law was enacted in 1961 with a \$2,000 threshold that was raised in 1963 to a \$25,000 threshold. Public projects whose costs are under this amount are not subject to the act's requirements. I believe that this threshold is archaic (over 48 years old) and needs to be adjusted to a more reasonable limit, which I propose to be \$500,000. The current threshold is a burdensome and costly mandate to our school districts and municipalities.

Should you wish to co-sponsor this legislation, please contact Lisa Seilhammer in my office at 783-8783 or through e-mail at lseilham@pahousegop.com

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Attachment