



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

16 May 2022

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin
Director of Budget and Policy Analysis

FROM: Arian Albear
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-027-2022

CB-027-2022 (*Proposed and presented by:* Council Member Burroughs)

Assigned to the Education and Workforce Development (EWD) Committee

AN ACT CONCERNING THE PREVAILING WAGE RATE NOTICE for the purpose of providing the prevailing wage determinations to be publicly posted on the homepage of the Wage Determination Board's website to improve accessibility and transparency of the decisions of the Board.

Fiscal Summary

Direct Impact

Expenditures: Small increase in expenditures likely.

Revenue: No additional revenue likely.

Indirect Impact

None.

Legislative Summary

CB-027-2022¹, proposed by Council Member Burroughs was presented and referred to the Committee of the Whole (COW) on April 26, 2022. CB-027-2022 would amend Code § 2-249 to expand the publication requirements for the Wage Determination Board of determinations of prevailing wage rates. Under CB-027-2022, the Board would subsequently be required to publish the schedules of prevailing hourly wage rates in 1) newspapers of record, 2) the Board’s official landing page, and 3) by U.S. First Class Mail or electronic mail to any labor organization requesting the information.

Background/Current Law

“Prevailing Wages” are the minimum wages set by government entities for certain government contracts (generally construction-related).² These are considered as a totality of hourly rates together with the dollar amount of benefits. At the federal level, the Davis-Bacon Act of 1931³ sets the standards for prevailing wages; while for state and county contracts, it varies by jurisdictions. The current Code provision in §2-249(a) only requires that the Board “give notice by mail to any labor organizations which request the Board to do so.”

The current prevailing *highway* construction wage rates can be found [here](#).

The current prevailing *building* construction wage rates can be found [here](#).

Definitions and Explanations

Prevailing Wage Rate

A combination of:

- 1) The basic hourly rate of pay; and,
- 2) The amount of:
 - a. The rate of contribution to healthcare, pension funds, life insurance, holiday pay, or any other such benefit provided by an employer; and,
 - b. The rate of cost to employer, reasonably anticipated in providing fringe benefits.

Applies to 1) workers and apprentices employed on public works, and 2) service contract employees.

Wage Determination Board

Consists of 5 members appointed by the County Executive and confirmed by the County Council:

- 2 appointed from management in building and construction industry;
- 2 from labor organizations representing employees in said industry;
- 1 from the general public (as Chairperson of the Board).

Board members serve 3-year terms, with eligibility for reappointment

Current members: Lino Cressotti, Tisa JD Clark, Orlando Bonilla, and Joy Anderson.

¹ [CB-027-2022](#).

² Center for American Progress: [Prevailing Wages: Frequently Asked Questions](#).

³ The [Davis-Bacon Act of 1931](#).

Resource Personnel

Leroy D. Maddox, Jr. Legislative Officer.

Discussion/Policy Analysis

Requiring that the Wage Determination Board make public, without request, all determinations of prevailing wages in the County would increase transparency and accountability and overall increase trust in government.

The current process of determining a prevailing wage requires that the Board review prevailing wage rates and overtime wage rates at least once per year. In determining the rates, the Board uses “rates that have been predetermined for federal and Maryland State public works within the locality and in the nearest labor market area. Where such rates do not constitute the rates actually prevailing in the locality, the Board shall obtain and consider further data from the labor organizations and employers associations concerned, including the recognized collective bargaining representatives for the particular craft, classification or type of work involved.”⁴

After 10 days of notice of a new prevailing wage determination, any of the affected employees or employers may file for redetermination. The Board will then investigate and hold a public hearing within 20 days of the petition. Within 10 days of the conclusion of the hearing after reviewing any new evidence provided by the parties, the Board will make a determination and transmit as a final notice.⁵

Fiscal Impact

Direct Impact

Enactment of CB-027-2022 would likely result in a small, adverse fiscal impact equivalent to the cost of publishing in newspapers of record. This could be partially offset by savings realized from sending all determinations of prevailing wage rates via email rather than United States Postal System (USPS).

Indirect Impact

None likely.

Effective Date of Proposed Legislation

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please email me.

⁴ Sec. 2-249. – Determination of prevailing wage rate.

⁵ Sec. 2-250. – Reconsideration of wage rate determination.