

BILL ANALYSIS

Senate Research Center
87R16372 SMT-F

C.S.S.B. 518
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Natural Resources & Economic Development
4/1/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Background

Currently, there are two sources of data for localities to determine the prevailing wage. Some of the current data sources are outdated. The Texas Workforce Commission (TWC) currently compiles wage data that localities are not permitted to use in determining prevailing wages. This data is necessary because it allows a more current data set for the wages to be based on local criteria instead of state criteria. There has been a concern of affordability when areas are required to exhibit a pay scale that is greater than that of the local pay scale.

The data is already compiled by TWC so the legislation does not require TWC to compile additional data. C.S.S.B. 518 ensures that the most recent labor data is used when determining local prevailing wages.

Key Provisions

- Allows, for a public project in a county with a population of not more than one million, for the use of data compiled by TWC's Labor Market and Career Information Department in determining the general prevailing rate of per diem wages, legal holiday, and overtime work in the locality of the public work for a contract for a public work. Uses statistical wage data for:
 - the local area or metropolitan area relating to the locality of the contract; and
 - the state if there is no data available for the locality of the contract.

Committee Substitute Changes

- Requires that the data compiled by TWC's Labor Market and Career Information Department for use in determining prevailing wages be the most recent data, as of the time when the public entity submitted the project for bids or requests proposals.
- Clarifies that state data may only be used if there is no data available for the relevant local workforce development area or metropolitan statistical area for the specific occupation, as classified by the Office of Management and Budget in the Standard Occupational Classification system, removing references to the United States Bureau of Labor Statistics and the 2018-specific Standard Occupational Classification system.
- Limits the added option to only public projects located in a county with a population of not more than one million.

C.S.S.B. 518 amends current law relating to the use of certain data collected by the Texas Workforce Commission to determine general prevailing wage rates for certain public work contracts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2258.022(a), Government Code, as follows:

(a) Requires the public body, for a contract for a public work awarded by a political subdivision of the state, to determine the general prevailing rate of per diem wages in the locality in which the public work is to be performed for each craft or type of worker needed to execute the contract and the prevailing rate for legal holiday and overtime work by:

(1) makes a nonsubstantive change;

(2) using the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 3141 et seq.), rather than (40 U.S.C. Section 276a et seq.), and its subsequent amendments; or

(3) if each county in which the public work is located has a population of less than one million, using the most recent data, as of the time when the political subdivision submitted the public work for bids or requested proposals, compiled by the Texas Workforce Commission's Labor Market and Career Information Department, including occupational employment statistics wage data for the local workforce development area or metropolitan statistical area relating to the locality in which the public work is performed, or for the state, but only if there is no data available for the relevant local workforce development area or the metropolitan statistical area for the specific occupation, as classified by the United States Office of Management and Budget in the North American Industry Classification system, for which data is sought.

SECTION 2. Provides that the change in law made by this Act applies only to a public work contract entered into or renewed on or after the effective date of this Act.

SECTION 3. Effective date: September 1, 2021.