

ALERTS

Labor And Employment And Construction Law Alert - Indiana Repeals Common Construction Wage Act

May 12, 2015 Atlanta | Chicago | Columbus | Delaware | Elkhart | Fort Wayne | Grand Rapids | Indianapolis | Los Angeles | Minneapolis | South Bend

Indiana Governor Mike Pence has ended Indiana's reliance on the Common Construction Wage Act (CCWA), a system that Indiana's state and local governments have used for eight decades for most publicly funded construction projects.

Last week, Gov. Pence signed into law House Enrolled Act 1019 which repeals the CCWA.

The statute provides that, unless required by federal or state law, public agencies are prohibited from establishing, mandating, or otherwise requiring a wage scale or wage schedule for a public works project.

Under the old system, boards in each county set the hourly wage rates for each job classification for publicly financed projects in that county in excess of \$350,000. The repeal of the CCWA eliminates these local boards and modifies public project bidding to be more similar to bidding in private sector projects.

Proponents of the act say that wages on public projects should be set by the marketplace and not by the government. In addition, proponents predict significant savings to taxpayers under the new system. Opponents of the act contend that repealing the act will not result in the predicted savings and will instead expose Indiana projects to underpaid and untrained out-of-state construction workers.

In response to those criticisms, the act includes provisions on apprenticeships and the use of the E-Verify system.

Indiana joins West Virginia and Nevada in recently repealing state prevailing wage acts.

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