News Release



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For Immediate Release

Public School Construction Costs Decline Following Prevailing Wage Repeal, New Study Finds

Charleston, WV, August 27th – Following the full repeal of West Virginia's prevailing wage law in 2016, a study conducted by the University of Kentucky (UK) Center for Business and Economic Research (CBER) found that total costs for public school construction in the Mountain State declined by over seven percent. Additionally, the CBER found no evidence that repealing this mandate had any impacts on safety or quality of construction.

"What we have with this study is a very close and thorough examination of what is ultimately a very difficult topic to properly evaluate. The CBER took the time to look at the effects this policy decision has had from a variety of angles and under an impartial lens. The evidence here clearly speaks for itself." Stated Bryan Hoylman, President & CEO of the Associated Builders and Contractors of West Virginia (ABCWV)

As noted in the <u>study</u>, public school construction costs in West Virginia were slowly rising between 2008 and 2016. When the repeal went in to affect, that continual rise in costs stopped and started to decline. When the CBER at UK compared the gradual rise in costs of West Virginia's school construction to surrounding states, they remained in every state apart from West Virginia. Showing a clear correlation between a decrease in the cost of public school construction and the repeal of the state's prevailing wage law.

"These findings equate to roughly one million dollars taxpayers have saved and will continue to save on each new elementary school built in West Virginia. That's substantial." Hoylman Continued.

This is the first major study to be completed on the topic since the 2016 Legislative Session when lawmakers debated intensely about the effects this policy decision would have in West Virginia. While opponents claimed the consequences would be dire to the workforce, safety and quality of public construction, proponents claimed their intent was to remove the bureaucracy associated with determining public construction costs and hand that responsibility over the free market by bidding projects similarly to that of the private sector.

"West Virginia lawmakers stood by their promise to side with the state's taxpayers over wealthy and powerful special interest groups when they repealed the requirement to pay prevailing wage on public improvements in 2016. Despite the amount of heated rhetoric and baseless claims from those who opposed their efforts, everything we knew to be true about the outcome of this momentous reform is coming to light." Hoylman Concluded.

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