

Prevailing Wage Amendments Ease School District Duties for Determining Rates, Maintaining Records

Effective this year, school boards will no longer have to adopt Prevailing Wage Act resolutions in June. Recent amendments to the Act made this change and others but did not modify the Act's central provision that public bodies must require their contractors for public works to pay the locally prevailing wages.

Public Act 100-1177, passed last year but not effective until June 1, 2019, amended the Prevailing Wage Act ("PWA"). PWA generally requires that all contractors on public works in Illinois pay no less than the wages prevailing in each trade in the locality. Public bodies must include a requirement for the payment of prevailing wages in their solicitation and specifications for bids, public works contracts, and purchase



orders. These requirements remain.

To effectuate the prevailing wage requirement, PWA had imposed certain mandates on school districts and other public bodies. Among these mandates was the obligation to determine the applicable rates by board action in June of each year. While that determination could be made after holding public hearings, the simplest and most common practice has been for governing boards to approve a resolution adopting those rates which the Illinois Department of Labor has determined to be the average rates for the various building trades in the county where the public body is located. That resolution then had to be filed with the Department. However, beginning this year, public bodies do not have to approve any resolution; instead, the prevailing wage rates as administratively determined by the Department will apply automatically.

Another mandate for school districts and other public bodies under PWA has been to receive and maintain copies of monthly certified payroll records provided by the contractors to evidence the wages actually paid. These records were then subject to inspection upon request by interested parties. The PWA amendments will relieve public bodies of this records-

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retention function, but not immediately. Instead, the Department of Labor will be creating no later than April 1, 2020, an electronic database where contractors will have to upload their payroll records. Once that database is in operation, local districts will no longer have a duty to receive, maintain, and grant access to those records.

The PWA amendments made other revisions to the law which do not directly impact school districts. These include tying the definition of “prevailing” more directly to collectively bargained rates and imposing new reporting duties on the Department of Labor regarding the participation of minorities and females on public works.

If you have any questions about these amendments or the PWA generally, please contact one of our attorneys at 708/799-6766 (Flossmoor) or 630/928-1200 (Oak Brook).