

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 350
By: Truan
Education
4/27/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Current law requires that workers on public works projects be paid not less than the prevailing wage for similar work in the locality. However, wages in all sectors of the economy along the Texas-Mexico border are substantially lower than wages for equivalent work in the rest of the state. Therefore, the prevailing wage is an inadequate standard for protection of workers on the border. C.S.S.B. 350 will permit a school district located in a county within 50 miles of an international border where the prevailing wages in the locality are below the federal poverty level to require that a worker employed on a public works project by or for the district be paid no less in wages than would equal the federal poverty level for a family of four.

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 Chapter 44B, Education Code, by adding Section 44.043, as follows:

Sec. 44.043. **AUTHORITY TO REQUIRE LIVING WAGE RATE.** (a) Provides that this section applies only under certain conditions.

(b) Authorizes a school district to require that a worker employed on a public work by or on behalf of the district be paid not less than a certain wage.

(c) Provides that Subsection (b) does not apply to maintenance work.

(d) Provides that a worker is employed on a public work for the purposes of this section if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with the school district or any officer or public body of the school district.

(e) Requires the school district to determine the rate of per diem wages described by Subsection (b)(1) as a sum certain, expressed in dollars and cents.

(f) Requires the school district to specify in the call for bids for the contract and in the contract itself the wage rates required by the district under this section.

(g) Requires a contractor who is awarded a contract by a school district that requires a wage rate under this section or a subcontractor of the contractor to pay to a worker employed by the contractor or subcontractor in the execution of the contract not less than the wage rate required by the district.

(h) Authorizes a school district that requires a wage rate under this section to provide in

a contract for a public work that a contractor or subcontractor who does not comply with the required wage rate is liable to the school district for a penalty in an amount specified in the contract. Prohibits the penalty from exceeding the amount of \$60 for each worker employed for each calendar day or part of the day that the worker is paid less than the required wage rate.

(i) Provides that a contractor or subcontractor does not violate this section if the school district does not specify the required wage rate in the contract as provided by Subsection (f).

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from original by eliminating proposed SECTIONS 1-8 of the original which amended Chapter 2258, Government Code, relating to prevailing wage rates, whereas the substitute adds a new Section 44.043 to the Education Code.