

THE DAVIS-BACON ACT - ISSUE PAPER

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SUSPENSION OF THE DAVIS-BACON ACT WILL ERODE APPRENTICESHIP AND TRAINING OPPORTUNITIES FOR GULF COAST WORKERS

The Davis-Bacon Act protects and encourages apprenticeship and training programs, especially for women and minorities. Suspension of the law will all but eliminate formal apprenticeship and training programs on federal construction projects. The federal government encourages formal training through the provisions of the Davis-Bacon regulations that currently allow laborers and mechanics classified as apprentices or trainees to be paid a lower wage rate on federally funded projects *only* if they are enrolled in a bona fide apprenticeship program registered with the Department Labor's (DOL) Office of Apprenticeship, a State Apprenticeship Agency or a bona fide training program approved by DOL's Employment and Training Administration.

The GAO itself has found that the Davis-Bacon Act is the cornerstone in ensuring continued private funding and participation in formal apprenticeship and training programs. Eliminating Davis-Bacon will discourage the growth of such programs and result in the replacement on federal projects of apprentices and trainees enrolled in formal programs by contractors and eliminate any requirement that workers actually be trained. Without Davis-Bacon, workers employed on federal jobs—particularly young, minority and female workers will not receive the type of training necessary to become higher skilled, better paid workers.¹

¹ The Congressional Budget Office (CBO) has stated: "Contractors who would have been induced to provide approved training and apprenticeship programs, because doing so was the only way of paying less than journeymen's wages on federal projects, might now reduce the number of apprentices.... To the extent that this adjustment occurred, less-skilled workers might receive less training of the type that would qualify them for entry into the skilled crafts—possibly reducing minority access to these crafts and limiting the supply of skilled labor in the future. *Modifying the Davis-Bacon Act: Implications for the Labor Market and the Federal Budget*, p. 42, (July 1983)

Suspending the Davis- Bacon Act will undermine effective training in the construction industry if contractors are permitted to pay minimum wages to workers who may never become journey-level workers, instead of employing them as apprentices and trainees participating in formal programs that (1) assure that they receive full training; and (2) lead to higher paid, higher skilled jobs at the journey level.

Not surprisingly, the Congressional Black Caucus stated that minority and female workers would suffer the most from reduced earning opportunities and lost wages and benefits without the Davis-Bacon Act. Without the law, younger workers, including a disproportionate share of minority workers, would never enter apprenticeship programs, which are the primary route to obtaining decent wages and fringe benefits.

The long-term negative impact that Davis-Bacon suspension would have on formal apprenticeship and training programs will be enormous because contractors will be permitted an almost unfettered use of minimum wage workers on federal projects, *without the quid pro quo requirement of investing in the apprenticeship training of those workers*. Contractors who participate in and provide financial support for formal apprenticeship and training programs would be placed at a competitive disadvantage, thus undermining the continued viability of training for entry-level workers.

For More Information Please Contact:

*Don Kaniewski &
Bevin Power
Legislative and Political Department
Laborers' International Union of North America
(202) 942-2234*