

## Updates to Davis-Bacon Means Big Changes for Construction, Subcontractor Workers

Posted on [August 17, 2023](#) by [Joshua Huff](#)

The U.S. Department of Labor (DOL) has finalized an update to the Davis-Bacon Act, which aims to raise wages for construction and subcontractor workers, including glaziers, employed on federally-funded construction projects.

The updates to Davis-Bacon change how prevailing wages for federally-funded construction projects are calculated. The updates are the first in decades for Davis-Bacon, which creates a minimum wage that contractors must pay hourly field employees for work performed on federal projects funded in whole or part by the federal government.

The White House says the updates will raise prevailing wage standards for more than 1 million construction workers, working across roughly \$200 billion in construction projects each year, who are “paid less than intended by the act—and less than they deserve.”

The White House adds that the updates ensure workers receive “thousands of dollars more every year to help put a down payment on a home, for example, or to save for retirement or simply to take their family on vacation once a year.”

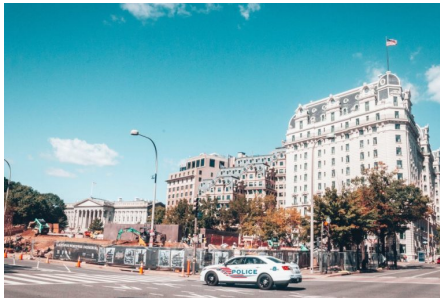
While several organizations bemoan the changes, Los Angeles-based glazing contractor Giroux Glass welcomes the news.

“As a company that hires union-certified glaziers and pays prevailing wages, Giroux Glass is well-positioned to adapt to the updates in the Davis-Bacon Act,” says CEO and president Nataline Lomedico. She explains that increasing wages for construction and subcontractor workers on federal projects will “further emphasize the importance of fair compensation and quality workmanship.”

While workers would earn more, Associated Builders and Contractors (ABC) officials criticized the update. They claim the Davis-Bacon requirements will make construction projects more expensive for taxpayers.

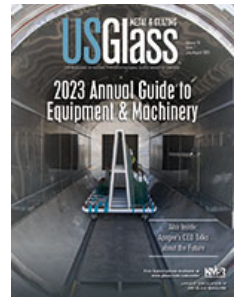
“The final rule comes in the midst of challenging economic conditions facing the construction industry, including high materials costs and a skilled labor shortage of more than half a million in 2023,” says Ben Brubeck, ABC’s vice president of Regulatory, Labor and State Affairs. “The onerous new requirements and artificial inflation of construction costs imposed by this rule will only exacerbate these headwinds and undermine taxpayer investments in infrastructure.”

### How Will Wages Be Determined?



The updates to the Davis-Bacon Act change how prevailing wages for federally-funded construction projects are calculated. Photo courtesy of Maria Oswalt.

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According to DOL, the update returns Davis-Bacon to a three-step process for determining prevailing wage rates. It changes the definition of “prevailing wage” back to the definition used from 1935 to 1983. The new definition of “prevailing wage” applies to how DOL acquires data to determine the prevailing wage for a regional area.

Prevailing wages for federal construction projects will now be determined using the “30% rule.” The rule had been eliminated in 1982 because DOL believed that it did not account for 70% of the remaining workers in certain cases and gave added emphasis to collectively bargained rates. The DOL reinstated the rule believing that eliminating this step led to an overuse of average rates. Weighted averages now provide most prevailing wage rates.

Other updates to Davis-Bacon include periodic changes to prevailing wage rates to address outdated wage determinations, updating regulatory language to reflect modern construction practices, and strengthening worker protections and enforcement, including anti-retaliation provisions.

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