

August 21, 2015

To the Honorable Members of
The Illinois House of Representatives,
99th General Assembly:

Today I return House Bill 3194 with specific recommendations for change.

Over the last several years, the State has awarded weatherization grants under the Urban Weatherization Initiative Act and the Energy Assistance Act, supported by federal funds. Because of the federal funding, federal prevailing wage rates applied.

The federal program ended on June 30, 2015, at which point federal prevailing wage requirements no longer apply. The proponents of the bill are concerned that Illinois prevailing wage rates will apply going forward, leading to a marked increase in wage rates, which will significantly reduce the value of the program. Among other changes, House Bill 3194 would require that employees performing weatherization work continue to be paid in accordance with (lower) federal prevailing wage rates rather than (higher) Illinois prevailing wage rates, regardless of whether the State receives federal funding.

This bill demonstrates the problems with the Illinois Prevailing Wage Act. There is no classification under the Illinois Prevailing Wage Act for “weatherization worker.” Instead, contractors are required to use general classifications – in particular, carpenters – which results in inflated wage rates. When the U.S. Department of Labor conducted a survey of weatherization wage rates in Illinois in 2009-2010, it found that the prevailing wage for weatherization workers was a fraction of the wage rates applicable to carpenters.

We have an obligation to taxpayers and the beneficiaries of government services to maximize public resources. Every public program can go farther when it is not compelled to subsidize artificially-inflated wages. For that reason, we need broader reform to the Illinois Prevailing Wage Act.

I am returning House Bill 3194 to clarify the applicability of federal law. While I agree with the sponsors that Illinois prevailing wage rates should not be required, we should require payment of federal prevailing wage rates only if and when required by federal law – something that can be left to federal law itself and not repeated in Illinois statute.

Therefore, pursuant to Section 9(e) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 3194, entitled “AN ACT concerning finance”, with the following specific recommendations for change:

On page 2, by replacing lines 13 through 16 with the following: “subdivision thereof. Works financed or funded in whole or in part with grants awarded under this Article shall not be considered public works for purposes of the Prevailing Wage Act.”; and

On page 8, by replacing lines 2 through 8 with the following: “the weatherization program. Works financed or funded in whole or in part with grants awarded under this Article shall not be considered public works for purposes of the Prevailing Wage Act.”.

With these changes, House Bill 3194 will have my approval. I respectfully request your concurrence.

Sincerely,

Bruce Rauner
GOVERNOR