

Chair Riley/Holvey and Members of the Committee,

Thank you for the opportunity to submit testimony in support of HB2419/SB493. The Oregon Legislative Assembly declared the purpose of the prevailing wage rate law is to:

- 1) Ensure contractors compete on the ability to perform work competently and efficiently while maintaining community established compensation standards.
- 2) Recognize that local participation in publicly funded construction and family wage income and benefits are essential to the protection of community standards.
- 3) Encourage training and education of workers to industry skills standards.
- 4) Encourage employers to use funds allocated for employee fringe benefits for the actual purchase of those benefits.

I want to suggest to you that the current survey process for determining the prevailing wage rate does not meet these outcomes. The current process leads to an unstable bid environment for local governments such as Lane County and our contractor partners. Where we have seen the prevailing wage rate change it has had the effect of creating confusion and uncertainty, and in reality not promoting the policy goals of Oregon's prevailing wage law.

Some argue this could lead to increases in cost. Based on my private sector background in this space and my current experience in the public sector, lived experience tells me that promoting strong rates for skilled labor has multiple benefits including savings on materials costs, decreasing expensive change orders, getting work done right the first time, savings on project bonding and insurance rates, promoting productivity and ensuring robust bid competition.

This is not a philosophical statement. It is based on successful construction and construction finance experience saving money and eliminating delays to get projects to the finish line. Multiple studies also demonstrate that strong prevailing wage laws have no net negative impact on overall project costs. I presume many of you considering this proposed legislation are not from my old industry and may think these statements counter-intuitive, but I am here to tell you they are based on cold, hard facts.

The proposed changes in HB2419/SB493 would streamline the process of determining the prevailing wage rate and would stabilize the bid environment for local governments and contractors across Oregon. It would eliminate unnecessary government supplication and industry administrative inefficiencies.

I am writing this as an individual Lane County Commissioner. I call that out since this year I also serve as Chair of the LANE County Board of Commissioners but am representing only myself, and I urge the members of this committee to vote in support of this common-sense piece of proposed legislation.

Thank you.

Joe

Joe Berney
Lane County Commissioner
District 2, Springfield