

Chair Smith Warner and members of the House Rules Committee,

I am writing to oppose SB 493A. This issue has not been studied for fiscal impacts to local governments, as noted in the fiscal impact statement drafted by LFO. At the local government level, we expect the impacts to be significant by tying to the highest wage in a CBA in a region. With no added resources, cost increases for infrastructure projects means reductions in the linear feet of pipes for water and sewer line replacements, higher costs for construction of new or maintenance of water and sewer treatment plants, and fewer miles of streets re-surfaced, And this would occur at the same time the need for investment in infrastructure replacement is high across the State. Furthermore, since prevailing wages apply to affordable housing projects that have public money involved, and most of these projects are at least partially funded with government money, less affordable housing projects can be developed if even higher PWR is required.

Many communities in Oregon are already stretched thin on financial resources, with needs significantly higher than the resources available. In a community such as Lebanon, where 30% of the population is rent burdened, increasing fees for water or sewer infrastructure is a non-starter.

Please reject this bill until there is an opportunity to more fully understand the impact on communities across Oregon.