



April 27, 2021

Support Oregon's Working Families—Yes on SB 493

Chair Smith Warner, Vice-Chairs Drazan and Holvey, and members of the House Rules Committee.

The National Electrical Contractors Association (NECA), The Associated Wall & Ceiling Contractors (AWCC), The Ironworkers Local 29 (IW 29), and The Operating Engineers Local 701 (IUOE 701) strongly urge your support of Senate Bill 493.

SB 493 will help ensure more predictability in wage rates for bidding contractors, schools bidding on projects, and increase income for working families across the state. The current prevailing wage rate is set by a snapshot survey conducted by BOLI covering 14 regions. This way of collecting data does not always reflect the current market rates for different trades due to the cyclical nature of the construction industry. These differences between the prevailed rate and real market rate creates confusion and disruption and punish contractors who pay fair wages and provide family health care and retirement benefits.

Many other states, including the State of Washington, have shifted from the BOLI driven model to setting their prevailing wage rates based on the collective bargaining agreements (CBAs) for each trade in each region or county. If there are multiple CBAs in a region, then the prevailing rate is set by the highest bargained rate. However, if there are no CBAs in a region, then a survey for each trade is conducted to set the rate. This process reduces the amount of administrative work for small businesses and BOLI and also creates a cycle that has more predictability for workers, contractors and local jurisdictions on public works projects.

SB 493 is a common-sense solution to the issues in current prevailing wage rate determinations. It's time to ensure that the prevailing wage rate is representative of the actual market rates for the different crafts, remove the administrative burden on small businesses and BOLI, and support our skilled local workforce and contractors.

On behalf of both labor and management, we urge the committee to vote yes on SB 493.

Contact:

Lorne Bulling

Bulling@pwlobby.com