



May 4th, 2021

RE: Yes on SB 493 A – Support Oregon’s Construction Industry

Members of the House Rules Committee:

The Plumbing and Mechanical Contractors Association of Oregon (PMCA) and the Sheet Metal & Air Conditioning Contractors National Association of Oregon & SW Washington (SMACNA) strongly urge your support of Senate Bill 493.

We represent hundreds of construction, maintenance, and manufacturing contractors across Oregon and SW Washington who employ thousands of skilled trades people working on both privately and publicly funded projects. In partnership with labor, we have worked over the years to develop a workforce that results in high-quality, safe, and cost-effective construction and service work.

Senate Bill 493 will help to align wages around the state with true industry wages, and remove a redundant and unnecessary administrative burden on our industry. We already go through extensive negotiation processes with our labor partners to develop industry wage, benefit and training rates. An industry determined rate takes into account the future construction market, availability of workforce, standard wage rates, and bidding competition. This is a more holistic and accurate approach to setting wages, as opposed to an arbitrary ‘look back’.

The time spent on the survey can often prove for naught as the ‘peak week’ structure can leave glaring holes in reporting. Additionally, underreporting can add to inaccurate representations of wages in communities throughout Oregon. Both of these issues can lead to stagnant wages in certain areas, which can have a direct impact on workers livelihoods as well as local economies.

As our industry negotiated rates are currently applied on private projects, we know that these wages are reasonable for the market. Additionally, over the last 20 years a majority of peer reviewed show that prevailing wage laws have no impact on the cost of traditional public projects.

In short, SB 493 will fix the issues in current prevailing wage rate determinations, remove an ineffective and expensive administrative hassle for businesses, support our workforce on public projects, and bolster our businesses across the state.

We hope you will join our contractors in supporting Senate Bill 493.

Sincerely,

Jerry Henderson, Executive
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SMACNA, OR and SW WA

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