

March 6, 2023

Chair Kathleen Taylor  
Senate Labor and Business Committee  
900 Court Street, NE  
Salem, OR 97310

Chair Taylor & Members of the Committee:

The Special Districts Association of Oregon represents approximately 950 districts across the state that authorized to provide nearly 32 types of different services statewide. Our membership consists rural fire protection, irrigation, parks, and recreation, drinking water, sanitary sewer, libraries, to name a few. Our membership opposes SB 850 for a couple of simple reasons.

Among other things, SB 850 adds additional requirements for public improvement projects. Projects that cost one million and use \$750,000 of ARPA funds must enter into project labor agreements. Those agreements require payment at the prevailing wage rate and use of apprenticeships for 15 percent of the work. Much of our membership exists in rural areas of the state that oftentimes lack union construction shops or robust apprenticeship programs. As a result, we are very concerned that these requirements will decrease the pool of subcontractors will bid or can participate in public works projects in rural areas of the state.

Furthermore, adding project labor agreements and apprenticeship utilization requirements will result in these projects being more expensive. Many of our members are currently struggling with the impacts of the recent pandemic. Inflation, supply chain challenges, and a tight labor market have led to substantial increases in the cost of delivering construction services. By adding these additional requirements, although well intentioned, will result in additional costs that communities are struggling to afford.

Thank you for your consideration of these comments.

Sincerely,



Mark Landauer  
Lobbyist  
Special Districts Association of Oregon