



A STRONG VOICE FOR OREGON'S WORKERS

To: Chair Taylor
Vice-Chair Bonham
Members of the Senate Labor and Business Committee

FR: Catie Theisen, Oregon AFL-CIO

RE: SB 850 Support

February 23, 2023

The Oregon AFL-CIO represents 300,000 workers across Oregon and is a voice for all workers in the legislative process. We support SB 850 because it will help ensure that Oregon's lowest responsible bidder statute lives up to its meaning to support Oregon workers, the economy and our communities at large.

Ultimately we should be living our values as a state when it comes to spending taxpayer dollars: that means jobs that support families through living wages and healthcare; It means the highest quality construction so that state investments will last generations; And it means career pipelines for historically marginalized Oregonians that will stabilize the economy long term and promote healthy communities.

SB 850 helps meaningfully achieve this by making sure significant investments of public dollars – \$1 million or more and that use at least \$750,000 in public agency funds – go to contractors who live these values. When a project meets those thresholds, the bill requires that contractors enter into a Project Labor Agreement where wages, hours and working conditions are set with meaningful worker input *or* that the contractor utilize apprentices, do robust outreach to women, people of color and veterans, and provide employer paid healthcare and benefits.

Although contractors already do not need to be union in order to enter into a project labor agreement, SB 850-2 responds to concerns by giving an off ramp to these requirements if there are fewer than three bidders or if delays or high costs can be demonstrated.

Critically, SB 850 aligns state practice with local government contractor standards in ARPA, enabling communities across the state to best leverage and utilize these unprecedented federal dollars.

Ultimately, studies have shown that projects with PLAs produced a similar number of bidders at slightly lower prices, and have even saved money because of standardization of shifts across trades and improved worker safety and health¹. This, in addition to the effect that family supporting wages and benefits and career sustained jobs contribute to the economy, mean that SB 850 is a very clear return on investment for Oregon. We encourage your support of SB 850-2.

¹ <https://www.dol.gov/general/good-jobs/project-labor-agreement-resource-guide>

