



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Date: June 12, 2025

Bill Title: Relating to the application of a prevailing rate of wage to off-site custom work for use in public works; prescribing an effective date.

Government Unit(s) Affected: Department of Veterans' Affairs, Oregon Liquor and Cannabis Commission, Employment Department, Department of Administrative Services, Oregon Youth Authority, Legislative Administration, Judicial Department, Department of State Lands, Department of Transportation, Oregon Military Department, Parks and Recreation Department, Department of State Police, Public Employees Retirement System, Department of Education, Department of Fish and Wildlife, Department of Forestry, Oregon Health Authority, Department of Human Services, Department of Justice, Department of Agriculture, Department of Aviation, Bureau of Labor and Industries, Department of Corrections, Department of Public Safety Standards and Training, Special Districts, Counties, Cities, School Districts, Higher Education Coordinating Commission, Statewide - Facilities

Summary of Fiscal Impact

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|--------------------------------|-------------------|---------------|-------------|---------------|-------------------|-----------|-------------|
| Bureau of Labor and Industries | \$ 268,664 | \$ - | \$ - | \$ - | \$ 268,664 | 2 | 1.00 |
| Total Fiscal Impact | \$ 268,664 | \$ - | \$ - | \$ - | \$ 268,664 | 2 | 1.00 |

| 2027-29 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|--------------------------------|-------------------|---------------|-------------|---------------|-------------------|-----------|-------------|
| Bureau of Labor and Industries | \$ 493,331 | \$ - | \$ - | \$ - | \$ 493,331 | 2 | 2.00 |
| Total Fiscal Impact | \$ 493,331 | \$ - | \$ - | \$ - | \$ 493,331 | 2 | 2.00 |

Measure Description

The measure applies prevailing wage requirements to bespoke, off-site fabrication, preconstruction, assembly, or construction work performed specifically for projects on certain systems. The measure applies to solicited contracts and public contracts on or after July 1, 2026. The measure takes effect on the 91st day after sine die.

Fiscal Analysis

Bureau of Labor and Industries

The Bureau of Labor and Industries (BOLI) projects a 53.9% increase in potentially covered projects. Calls to the prevailing wage hotline are estimated to increase from 2,141 calls to 3,295 calls per year, adding 404 hours of staff time. Determination requests, particularly those related to dividing projects into multiple contracts to avoid compliance, are estimated to increase from 101 determinations to 155 determinations, requiring an additional 1,026 hours of staff time. Furthermore, complaint investigations are estimated to increase from an average of

129 per year to 198 per year, requiring an additional 1,829 hours of staff time. Complaints currently have an average resolution time of 206 days, and this is anticipated to remain unchanged.

The fiscal impact of the measure to the Bureau of Labor and Industries (BOLI) is \$268,664 General Fund for two positions (1.00 FTE), including personal services costs and position-related services and supplies costs. New positions include one Operations and Policy Analyst 3 position to manage increased training needs and process inquiries received from the employer prevailing wage hotline and one Compliance Specialist 3 position to investigate the increase in determinations and prevailing wage complaints.

Other Entities

The measure will have an indeterminate impact on cities, counties, school districts, the Oregon Department of Transportation (ODOT), the Oregon Parks and Recreation Department, the Oregon Youth Authority, the Higher Education Coordinating Commission, and the Oregon Military Department (OMD). These entities have indicated the measure will increase the cost of projects and affect their ability to secure contractors and may lead to project delays. ODOT anticipates additional staff will be required to ensure compliance with the requirements of the measure. OMD anticipates most of its facility's inventory is aged and will require custom made items due to their non-standard measurements.

The measure has a minimal fiscal impact on the Department of Justice, the Oregon Judicial Department, the Oregon Department of Fish and Wildlife, and the Department of Administrative Services. The remaining entities do not anticipate a fiscal impact.

Relevant Dates

The measure takes effect on the 91st day after sine die.