



Date: February 10, 2026

To: Senate Committee on Labor and Business

From: Mike Powers, SEIU Local 503

RE: Opposition to SB 1566 -4

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Chair Taylor, Vice-Chair Hayden, Members of the Committee:

My name is Mike Powers, and I represent SEIU Local 503. Our union represents more than 70,000 workers in every county in Oregon, including public employees and care providers who work in homes and facilities.

Thank you for the opportunity to testify in opposition to SB 1566 -4. Oregon is facing a real housing shortage, and we appreciate the Legislature's work to address it. However, SB 1566 -4 moves us in the wrong direction by expanding exemptions to Oregon's prevailing wage law. Lowering wages will not solve the housing crisis. In fact, it will make it harder for working Oregonians — including construction workers — to afford housing.

#### **Lower Wages Will Not Make Housing Affordable**

Supporters of the bill argue that lowering wage standards will reduce construction costs and help build more housing. But housing affordability depends not only on building costs — it also depends on wages.

When wages go down, families have less money to pay rent or mortgages. More households need public assistance. Local economies lose spending from working families. This is similar to the "Walmart model," where it keeps wages low and taxpayers must fill the gap through food and rent assistance. Suppressing wages does not solve affordability. It shifts the cost to taxpayers and struggling families.

We should not adopt policies that increase the number of Oregonians who need public assistance just to get by.

#### **Prevailing Wage Supports Working Families and Communities**

Prevailing wage jobs allow construction workers to support their families with fair pay, health care, and retirement benefits. These jobs also support workforce training and apprenticeship programs that help people enter skilled trades and build long-term careers.

These wages do more than support individual workers. They support local economies. Construction workers spend their paychecks at grocery stores, restaurants, childcare providers, and other small businesses. This spending strengthens local communities. When wages fall, that economic activity disappears.

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At a time when many Oregon families are struggling with rising costs, reducing access to family-wage jobs moves us in the wrong direction.

### **SB 1566 Creates a Race to the Bottom**

Expanding prevailing wage exemptions will put responsible contractors at a disadvantage. Contractors who invest in training and pay family wages will be forced to compete with companies that can pay less and offer fewer benefits. Over time, this creates downward pressure across the construction industry.

Prevailing wage projects often include training requirements, certified payroll, and stronger safety oversight. These standards help ensure projects are built safely and with skilled labor. Affordable housing should be safe and well built. Lowering wage standards risks weakening training, safety, and long-term workforce development.

### **Lower Construction Wages Make Housing Harder to Afford**

The most troubling part of SB 1566 -4 is the contradiction at its core. The bill claims to support affordable housing while reducing the wages of the people who build it.

Housing costs continue to rise across Oregon. When construction workers lose access to prevailing wage jobs, their earnings decline while rent and home prices continue to climb. Many workers may struggle to live in the communities where they work, especially in higher-cost counties.

Lower wages also make homeownership less attainable. Workers have a harder time qualifying for mortgages, saving for down payments, and maintaining stable credit. Expanding exemptions will also reduce apprenticeship opportunities, limiting future earning potential for the next generation of workers. These long-term effects will make housing less affordable for years to come.

### **Conclusion**

SB 1566 -4 represents a major shift away from Oregon's commitment to fair wages. By expanding prevailing wage exemptions, the bill risks lowering wages, weakening training programs, and making it harder for working families to afford stable housing.

For these reasons, we respectfully urge you to oppose SB 1566 -4.

Thank you for your consideration.