



To: Oregon House Business and Labor Committee
From: SEIU Local 503 – Len Norwitz, Political staff – 503-772-5801 <norwitzl@seiu503.org>
1730 Commercial St SE - Salem, OR 97309
Date: 2/27/13
Re: House Bill 2646

The bill applies provisions of prevailing wage law to agreement under terms of which private entity constructs, reconstructs, renovates or paints improvement on real property that Oregon University System or institution in Oregon University System owns or will use, occupy or ultimately own.

Chair Rep Margaret Doherty; Vice Chair Rep Brent Barton and Vice-Chair and Rep Bill Kennemer – and members of the committee. The membership of the Service Employees International Union - SEIU Local 503 - support the efforts described in HB 2646 and suggest that the benefits of Prevailing Wage laws are well documented in communities throughout the country. The AFL-CIO's website describes the history of the use and success of Prevailing Wage law with the following paragraph.

“The Davis Bacon Act of 1931 and more than 60 other federal statutes require contractors on federally-assisted construction projects to pay wages at the rates prevailing in the communities where they work. Similarly, the Service Contract Act of 1965 provides that on contracts worth more than \$2,500 for services provided to the federal government—such as janitorial, custodial, security guard services, maintenance, clerical work, and certain health and technical services—contractors must pay employees at least the wages and fringe benefits prevailing in the local community. Such laws exist so that the purchasing power of the federal government is not used to depress local labor standards. Often referred to as the “prevailing wage,” the amount is typically based on non-union wage scales so local wage and labor standards are not undermined. When prevailing wage standards are applied, contractors win federal contracts based on having the most productive, best equipped, best trained and most productive workforce. Studies have shown that workers who are paid the prevailing wage are more productive, and higher productivity can lower construction costs without lowering wages. Prevailing wage laws benefit blue-collar workers and their communities by:

- Encouraging training.
- Lowering the rate of injuries.
- Promoting health care coverage.
- Minimizing disruption to local labor markets.
- Ensuring that minority and female workers receive prevailing wages.
- Encouraging their participation in apprenticeship programs.”

We urge the Oregon House Business and Labor Committee to pass HB 2646 out of committee as written. To us public land means public projects and public benefits and prevailing wages. Thank you.