

**REVENUE:** No revenue impact

**FISCAL:** No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	8 - 1 - 1
<b>Yeas:</b>	Barton, Fagan, Holvey, Kennemer, Matthews, Thompson, Witt, Doherty
<b>Nays:</b>	Weidner
<b>Exc.:</b>	Thatcher
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	2/27, 3/18

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**WHAT THE MEASURE DOES:** Adds to definition of “public works,” for purpose of applying prevailing wage rate provisions, projects for construction, reconstruction, painting, or major renovation, regardless of funding source, on real property that Oregon University System (OUS) or an institution of OUS owns, will use, occupy, or ultimately own. Applies prevailing wage law to OUS and to agreements in which private entity constructs, reconstructs, paints or renovates any improvement on real property that OUS owns or will use, occupy, or ultimately own.

**ISSUES DISCUSSED:**

- Effect of prevailing wage rate on local economies
- Impact on willingness of donors to fund projects
- Whether it was original intent to apply prevailing wage rate to private projects constructed for public entities
- Impact on projects of university foundations
- Impact on overall labor cost when prevailing wage rate is paid
- State Board of Higher Education’s policy to pay prevailing wage rate

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Oregon is one of 32 states that currently have what is known as a “Little Davis-Bacon Act” prevailing wage rate law modeled after the federal Davis-Bacon Act. The Oregon law is designed to ensure that contractors compete on their ability to competently and efficiently perform work while maintaining community compensation standards, to encourage training and education of workers in industry skill standards, and to encourage employers to use the funds required by the law for fringe benefits for the actual purchase of such benefits. The Bureau of Labor and Industries (BOLI) is responsible for administering and enforcing the prevailing wage law and for educating contractors, subcontractors, and public agencies about its requirements.

Though there are exceptions and exemptions, public works projects are generally covered by the state’s prevailing wage rate law if the total project cost is \$50,000 or more; if the project is for construction, reconstruction, major renovation, or painting; and the project directly or indirectly uses a public agency’s funds. Public works on privately owned land or building are covered under prevailing wage law if the project is for construction, reconstruction, major renovation or painting and uses at least \$750,000 in public funds or is for construction in which a public agency or multiple agencies will occupy or use at least 25 percent of the project’s square footage.

House Bill 2646 applies the prevailing wage rate law to the Oregon University System (OUS) and to agreements between private entities and OUS for the construction, reconstruction, renovation, or painting projects on real property OUS owns or will use, occupy or ultimately own.

3/19/2013 1:29:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*