

STAFF MEASURE SUMMARY

House Committee On Consumer Protection and Government Effectiveness

**Fiscal:** Fiscal impact issued

**Revenue:** No Revenue Impact

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**Action Date:** 04/09/15

**Action:** Do Pass As Amended And Be Printed Engrossed.

**Meeting Dates:** 04/02, 04/09

**Vote:**

Yeas: 4 - Fagan, Holvey, McLain, Rayfield

Nays: 3 - Buehler, Nearman, Stark

**Prepared By:** Wendy Simons, Committee Administrator

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**WHAT THE MEASURE DOES:**

Subjects university with governing board, or not-for-profit organization or other entity controlled by university with governing board, to certain prevailing wage provisions of Public Contracting Code. Applies prevailing wage provisions of Public Contracting Code to agreements with private entity to construct, reconstruct, renovate or paint an improvement on real property owned by university with governing board or a not-for-profit that it controls. Becomes operative January 1, 2016. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- History and purpose of prevailing wage law
- Senate Bill 270 (2013) allowing universities to establish independent governing boards
- Agreement reached between construction industry and Oregon University System in 2013 on prevailing wage requirements for projects on university-owned property

**EFFECT OF COMMITTEE AMENDMENT:**

Deletes proposed requirement for university with governing board to abide by statutory provisions requiring successful bidder for public improvement contract to execute and deliver performance bond and payment bond.

**BACKGROUND:**

Senate Bill 270 (2013) established governing boards for the University of Oregon and Portland State University, and established a process for other institutions in the Oregon University System to establish their own governing boards. Universities with governing boards are exempt from a number of statutory provisions that apply to government entities, including certain sections of the Public Contracting Code. House Bill 2664-A would subject a university with a governing board, as well as a not-for-profit or other entity controlled by a university with a governing board, to certain prevailing wage provisions of the Public Contracting Code when contracting for construction or renovation work on real property owned by the university or a not-for-profit that it controls.