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TO: Chair Taylor
Vice-Chair Knopp
Members of the Senate Committee on Workforce

FR: Jessica Giannettino, Oregon AFL-CIO

RE: *Oregon AFL-CIO Support of SB 294*

April 5, 2017

The Oregon AFL-CIO represents over 300,000 working Oregonians. We consider ourselves a voice for all workers in the legislative process. Thank you for the opportunity to submit testimony in support of SB 294. The Oregon AFL-CIO has a long history of weighing in on issues around public contracting and ensuring that taxpayers are getting the best deal as public employers make decisions about how to best provide vital services in our communities AND that workers' rights are protected in the process. The Oregon Legislature has taken some significant strides to make the public contracting process more transparent and accountable and we recognize and appreciate that.

SB 294 with the -3 amendments does the following:

- **Provides a method for districts to legally access the information they need to conduct an accurate cost analysis. Districts are currently prohibited from talking with potential contractors prior to issuing an RFP for a potential contract. This prevents them from legally obtaining the cost data they need to develop an accurate cost analysis as required by law.**
- **Clarifies what must be included in a cost analysis and when an agency can outsource jobs based on the cost analysis: Requires reasonably foreseeable fluctuations in miscellaneous costs and estimated contractor profit be included in the cost analysis; prohibits inclusion of capital assets, vehicles or durable goods in the cost analysis; and clarifies existing statutory language that reduced employee wages and benefits, may not be the primary source of savings when outsourcing jobs.**
- **Narrows the scope of the legislation to only apply to school districts and education service districts (ESDs).**

- **Replaces the judicial writ of review process with a labor arbitration process. Unlike the lengthy and expensive court process, labor arbitration can be completed quickly and without any appeal process. Arbitration is already the dispute resolution process used by labor unions and school districts in Oregon and the -3 amendment extends this existing and widely accepted process to resolve violations of the cost analysis/feasibility provisions.**
- **Removes the provision adding reasonably foreseeable fluctuations in miscellaneous costs and estimated contractor profit to the items required to be included in a cost analysis.**
- **Removes the provision prohibiting proceeds from selling or replacing long-term assets in the cost analysis**

We encourage the committee's support for SB 294 with the -3 amendments and applaud the effort to ensure taxpayer dollars are being used responsibly while simultaneously protecting worker rights.