



Bureau of Labor and Industries Prevailing Wage Rate

Senate Interim Committee on Labor & Business
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Topics



- History and Purpose of the Prevailing Wage Rate Laws.
- How the Prevailing Wage Rate is Determined.
- Application of the Prevailing Wage Rate Laws.

Prevailing Wage Rate History

Oregon's Prevailing Wage Rate (PWR) laws were first passed in 1959; based on the federal Davis-Bacon Act.

Some of the major changes made over the years:

- **1995:**
 - Increased threshold from \$10,000 to \$25,000; and
 - Added PWR fee requirement.
- **1997:**
 - Rely on annual wage survey to determine the prevailing wage rates; the labor commissioner is allowed to consider additional data.

Prevailing Wage Rate History

- **2005:**
 - Increased threshold to \$50,000;
 - Projects subject to federal PWR law can also be subject to state PWR law; on such projects workers must be paid the higher of the two rates; and
 - Required \$30,000 public works bonds.
- **2007:**
 - The definition of “public works” was modified to include some public/private projects; and
 - The definition of “funds of a public agency” was amended to exclude certain things.

Purpose of Prevailing Wage Rate Laws

In 2005, the Legislative Assembly declared that the purposes of the laws are to:

- Ensure contractors compete on the ability to perform work competently and efficiently while maintaining community-established compensation standards;
- Recognize local participation in publicly financed construction and family wage income and benefits are essential to the protection of community standards;
- Encourage training and education of workers to industry skill standards; and
- Encourage employers to use funds allocated for employee fringe benefits for the actual purchase of those benefits.

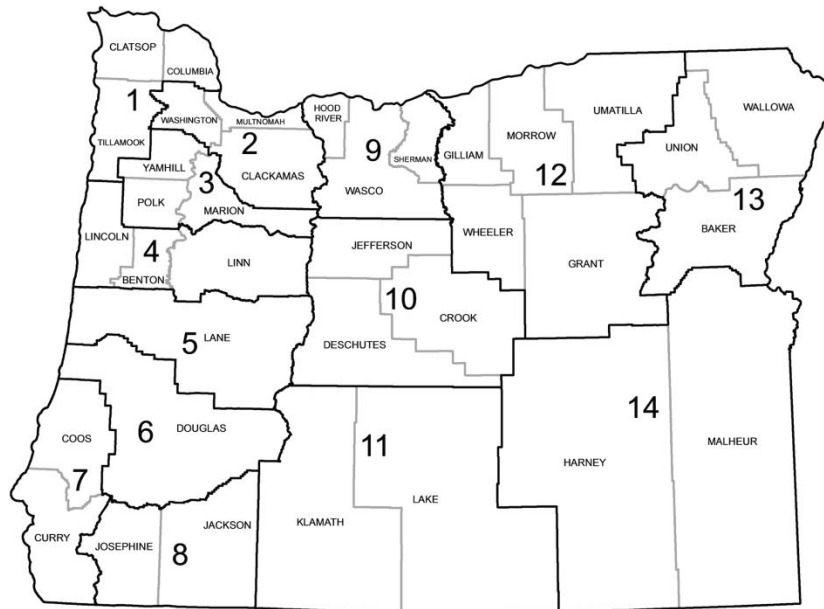
How the Prevailing Wage Rate is Determined

- Oregon Employment Department (OED) conducts a Construction Industry Survey for BOLI each year.
- Contractors who perform non-residential construction work in Oregon report the hourly wages and benefits they pay for various construction occupations. Some examples:

Bricklayer	Electrician	Laborer	Power Equipment Operator
Carpenter	Glazier	Painter	Roofer
Cement Mason	Ironworker	Plumber/Pipefitter/ Steamfitter	Sheet Metal Worker

How the Prevailing Wage Rate is Determined

- The data is collected for 14 geographical regions, established under ORS 279C.800(3):



Wage Determination Process

- OED compiles the data; using this information, the labor commissioner determines the PWR.

Generally:

- If 50 percent or more of the hours reported for an occupation in a region are union hours, the union rate prevails.
- If less than 50 percent of the hours reported for an occupation in a region are union hours, a statewide average rate is applied.

Wage Determination Process

- The labor commissioner may consider additional information such as:
 - Collective bargaining agreements;
 - Other independent wage surveys; and
 - PWR determined by appropriate federal agencies or agencies of adjoining states.

Application of the Law – Public Works

To be subject to the PWR laws, a project must meet the definition of “public works,” and no exemption from the laws can apply.

Public works is defined in ORS 279C.800(6)(a):

- (A) – Construction, reconstruction, renovation or painting projects that are carried on or contracted for by a public agency to serve the public interest;
- (B) – Construction, reconstruction, renovation or painting projects that use \$750,000 or more in funds of a public agency;

Application of the Law – Public Works

Public works continued:

(C) – Construction projects where a public agency will occupy or use 25 percent or more of the square footage of the completed project;

(D) – Installation or construction of a device that uses solar power on public property, regardless of project cost and whether or not project uses funds of a public agency; and

(E) – Construction, reconstruction, renovation or painting projects on public university property, regardless of whether or not project uses funds of a public agency.

Application of the Law – Public Works

Exemptions under ORS 279C.810(2):

- (a) – Projects for which the total project cost does not exceed \$50,000, except for solar projects on public property;
- (b) – Projects that don't use any funds of a public agency, except for solar projects on public property and construction, reconstruction, renovation or painting projects on public university property; and
- (c) – Privately owned residential construction projects that predominately provide affordable housing.

Links to PWR Resources

PWR Law Handbook:

https://www.oregon.gov/boli/WHD/PWR/Pages/W_PWR_Pwrbk.aspx

PWR Books and Amendments:

https://www.oregon.gov/boli/WHD/PWR/Pages/pwr_state.aspx

Definitions of Covered Occupations:

https://www.oregon.gov/boli/WHD/PWR/docs/Definitions_July_1_2018.pdf

Bureau of Labor and Industries Website:

<https://www.oregon.gov/BOLI/pages/index.aspx>

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