

SB 493 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 2/9, 3/9

WHAT THE MEASURE DOES:

Provides that prevailing wage rate (PWR) for a trade or occupation in a locality is the wage set forth in the collective bargaining agreement (CBA) for the trade or occupation in the locality. Establishes that PWR for a trade or occupation with more than one CBA in a locality is the average rate of wage set forth in applicable CBAs. Requires Commissioner of the Bureau of Labor and Industries, if no CBA exists for a trade or occupation in a locality, to determine PWR by conducting an independent wage survey. Applies to public works procurements advertised and contracts entered into on or after operative date of January 1, 2022. Takes effect on 91st day after adjournment *sine die*.

REVENUE: no impact

FISCAL: indeterminate

ISSUES DISCUSSED:

- Intent and impact of Oregon's prevailing wage laws
- Relative merits of current and proposed method of determining prevailing wage

EFFECT OF AMENDMENT:

-1 Establishes that PWR for a trade or occupation in a locality with more than one CBA is the highest rate of wage among applicable CBAs.

BACKGROUND:

The prevailing wage rate (PWR) is the hourly wage, including all fringe benefits, that the Commissioner of the Bureau of Labor and Industries (BOLI) determines is paid in the locality and to the majority of workers employed in a specified trade. Contractors and subcontractors must pay the PWR to workers on certain public works projects. Oregon is one of 26 states, along with the District of Columbia and the federal government, that adopt and administer PWR requirements for certain public projects. The intent of the PWR requirements are:

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

Current law requires BOLI to calculate the PWR at least once a year using an independent wage survey. If the Commissioner determines that data from the survey is insufficient to determine the PWR, the Commissioner must consider additional information such as collective bargaining agreements (CBAs), other independent wage surveys, and the PWR determined by appropriate federal agencies or adjoining states.

Senate Bill 493 provides that the PWR for a trade or occupation is the wage established in a CBA for that locality. If a CBA does not exist for a given trade or occupation in a locality, the Commissioner must determine the PWR using an independent wage survey. If enacted, the measure would apply to all public works procurements

advertised and contracts entered into on or after January 1, 2022.

PRELIMINARY