

April 28, 2021

To: Senator Lynn Findley
Oregon State Senate, 30th District
From: Randy Cox
Klamath County Economic Development Association, CEO
RE: SB 493A

Dear Senator Findley,

Thank you for the opportunity to provide input on SB 493A. Our organization, the Klamath County Economic Development Association (KCEDA), is writing this letter in opposition of the proposed bill. Due to a similar policy in Washington state, prevailing wages have increased as identified by the Department of Labor and Industry.

With Washington as a case study for legislation of this kind, by standardizing a state-wide prevailing wage, rural areas will experience economic setbacks at different proportions than our urban neighbors. It goes without saying that the economy is experiencing a major setback this past year, and the labor costs associated with overall construction are already significant, and the increases to wages that this bill will instigate are likely to drive up project costs.

We urge you not to pass SB 493A out of committee. However, if you do, it is imperative that simple amendments are included to mitigate the risk of wage inflation in rural Oregon. We recommend returning the bill to its original form and have the average collectively bargained wage be the prevailing wage. Additionally, please include wording to define what CBAs will be considered for the determination to ensure "one-off" CBAs are not used, preventing spikes in wages. We also would like to request that the Bureau of Labor and Industry study the outcome of the changes after two years to determine that SB 493A has not resulted in negative effects on the prevailing wage system. Lastly, it should be taken under consideration that two different prevailing wages may be more appropriate, with one that more accurately reflects rural wages.

Thank you for your considerations of the unique needs of rural Oregon.

Sincerely,



Randy Cox
CEO, KCEDA / Choose Klamath ~ *It's Just Better Here!*