



March 7, 2023

Senate Committee On Labor and Business
Chair Senator Kathleen Taylor
Vice Chair Senator Daniel Bonham

Subject: Oregon County Public Works Departments Oppose Cost Increases from Senate Bill 850

Chair Senator Kathleen Taylor and Vice Chair Senator Daniel Bonham and Members of the Committee:

The Oregon Association of County Engineers and Surveyors (OACES), an affiliate of the Association of Oregon Counties (AOC), represents Oregon's 36 county public works agencies and road departments across the state and provides a forum to share best practices and overcome challenges. County roads are a critical component of Oregon's integrated road system and are responsible for over 60% of Oregon's non-federal road network, over 32,000 total miles, and over 3,400 bridges.

OACES opposes Senate Bill 850 (2023). Oregon Public Works departments support fair payment, apprenticeships, and recruitment of women, minority individuals and veterans, however we are concerned about applying new prevailing wage rate, apprenticeship, and outreach requirements across such a wide range will delay or reduce needed public improvement projects. SB 850 places requirements on any public improvement project with an estimated cost of one million, any project that makes use of American Rescue Plan (ARPA) funding, or any project that uses at least \$750,000 of public agency funding.

Historic inflation, increased labor expenses, labor shortage, and persistent supply chain disruptions for basic construction materials have severely limited the number of projects local governments are able to afford. Oregon county road and public works departments are concerned that applying strict procurement law requirements across such a wide range of public improvement projects will exacerbate budget constraints and labor shortages and reduce critical county construction.

Additionally, SB 850 removes exemptions in procurement requirements for rural areas. Oregon county road and public works departments are concerned that a one size fits all policy will have an outsized impact on construction and safety improvements in communities where inflation and labor shortages are felt more acutely.

County road departments play a key role in managing Oregon's transportation network, and are grateful to be included in the discussion, as the subsequent policy changes will have a severe

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impact on counties and public works departments. We hope to have the opportunity for more in-depth conversations going forward regarding cost effective and fair employment practices with the Senate Committee On Labor and Business.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Fellows".

Tom Fellows

President, Oregon Association of County Engineers and Surveyors

Director, Umatilla County Public Works

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