

Chair Gelser Blouin, Vice-Chair Robinson, and members of the committee,

For the record, Ryan Nielsen, Political and Legislative Representative with LIUNA Local 737. Across Oregon, our union collectively represents about 4,000 members, primarily folks working as Laborers in the construction industry. I'm here today to testify in support of SB 602.

SB 602 seeks to establish a wage board and process that will work towards implementing a prevailing wage for long-term care workers in the healthcare industry in Oregon. This concept has been developed in part from the model of prevailing wage in the construction industry, so I'd like to share a bit about why prevailing wage is so important to us.

Prevailing wage was initially established to ensure that contractors compete on their abilities to complete public works projects, rather than on short-changing their workers on wages and benefits. Prevailing wage was enacted federally through the Davis-Bacon Act as part of the New Deal era of reforms in the 1930s, and states have subsequently adopted their own Davis-Bacon Laws for state and local spending on public works projects. After the Great Depression, the New Deal and its associated programs sought to build a virtuous cycle, where workers were paid living wages that could spur and sustain a healthy economy.

I'll share with you some real impacts of prevailing wage in Oregon from a report<sup>1</sup> from the University of Oregon's Labor Education and Research Center (LERC):

- Large-scale economic impacts:
  - 83% of peer-reviewed studies conducted since 2000 find that prevailing wage laws have no effect on the cost of traditional public projects, including schools, highways, and public buildings
  - Oregon's prevailing wage law increases the chances that in-state contractors will be awarded public projects by 12% and improves their market share by 12%
  - Our prevailing wage law creates 5,400 jobs, improves the state's economy by \$752 million, and generates \$35 million in state and local tax revenues every year
  - Prevailing wage expands private health insurance coverage for construction workers by 9%
- Impacts on workforce development and attracting and retaining a skilled workforce:
  - Prevailing wage laws increase apprenticeship training, boost worker productivity, and reduce injury rates in construction
  - In 2019, Oregon had 12 registered apprentices per 100 construction and extraction workers; Idaho (no prevailing wage law) had fewer than 6 per 100

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<sup>1</sup> [https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/01/FNL\\_Prevailing\\_Wage\\_Report.pdf](https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/01/FNL_Prevailing_Wage_Report.pdf)

- 63% of all construction apprentices in Oregon are enrolled in joint labor-management programs, and union apprenticeship programs deliver better outcomes for women and people of color<sup>2</sup>
- Construction journeyworkers from joint labor-management programs earn 16% more than workers with bachelor's degrees in Oregon

In sum, prevailing wage benefits the macroeconomic environment in Oregon by centering the rights of workers to earn a living wage. Prevailing wage, coupled with our apprenticeship programs, builds and maintains a skilled workforce.

While SB 602 deals with a different sector from construction, we hope the lessons from our industry show the value of pro-worker policies. LIUNA urges support on SB 602.

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<sup>2</sup> [https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/11/Constructing\\_A\\_Diverse\\_Workforce.pdf](https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/11/Constructing_A_Diverse_Workforce.pdf)