

Submitter: Jeff McGillivray
On Behalf Of:
Committee: House Committee On Labor and Workplace Standards
Measure, Appointment or Topic: HB2688

Chair Grayber, Vice-Chairs Munoz and Elmer, and Members of the Committee, I am writing to you today to express my strong support for HB 2688, which will help to modernize Oregon's prevailing wage laws and keep up with evolving technology. By ensuring that off-site fabrication work is covered under prevailing wage laws, we not only uphold fair labor standards but also create stronger economic conditions for all. Higher wages for workers do more than just support working Oregonians – these high-quality jobs help to increase project efficiency by attracting and retaining a skilled workforce, reducing turnover, and improving job site productivity.

Additionally, expanding the prevailing wage laws and coverage is good for Oregon contractors. Peer-reviewed research shows that prevailing wage boosts the local economy, raises tax revenues for the state, and increases bid competition and the number of local companies winning bids, with no increased project costs. Data from the Economic Census of Construction reveals that states with prevailing wage laws have 2 percent more of the total value of construction work completed by in-state contractors (Census, 2012). Impacts are even larger in certain areas. As examples, local contractors account for a 10 percent higher market share when prevailing wages are paid on public school projects in Minnesota and county-resident businesses account for 16 percent higher market share when prevailing wages are paid on library construction projects in Santa Clara County, California (Manzo & Duncan, 2018b; Duncan, 2011). By keeping tax dollars in the local economy, more labor income and consumer spending tends to remain in communities with prevailing wage standards (University of Oregon, 2021, pg. 12).

Specific to rural communities across our state, prevailing wage helps ensure that there is access to funded healthcare and retirement plans and livable wages. This access ensures robust economic growth engines within the community where a project is performed. Prevailing wage rates include funding for apprenticeship and training programs. Oregon's Prevailing Wage Rate Law creates 5,400 jobs, improves the state economy by \$752 million, and generates \$35 million in state and local tax revenues every year.

I urge your support for HB 2688 to help ensure that Oregon's policies reflect the realities of the modern construction industry.

Thank you,
Jeff McGillivray

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