## 2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION

Prepared by the Oregon Legislative Fiscal Office

**MEASURE NUMBER:** HB 2412 **STATUS:** A-Engrossed

**SUBJECT:** Establish grant program to the Oregon Building Congress to support partnerships between

public high schools and apprenticeship programs

**GOVERNMENT UNIT AFFECTED:** Bureau of Labor and Industries

**PREPARED BY:** John F. Borden **REVIEWED BY:** Robin LaMonte

**DATE:** April 25, 2007

2007-2009 2009-2011

**EXPENDITURES: See Comments** 

**POSITIONS / FTE: See Comments** 

**EFFECTIVE DATE:** July 1<sup>st</sup>, 2007

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This measure appropriates \$70,000 to the Bureau of Labor and Industries (BOLI) to establish a grant program with the private, non-profit Oregon Building Congress to support partnerships between public high schools and apprenticeship programs. BOLI is directed to provide staff to administer the program. The measure establishes the Opportunity Expeditions Fund, which is an interestbearing fund. The measure allows the Fund to retain all undistributed funds at the end of each biennium rather than have those funds revert to the State's General Fund. Although Opportunity Expedition Funds are appropriated to BOLI for distribution as grants, the measure as currently written, would also allow the Bureau to use the appropriation to pay for associated administrative expenses.

BOLI states that the Bureau would pass-through approximately \$40,000 in General Fund to the Oregon Building Congress. The remainder of the funds would be used to fund the Bureau's administrative costs associated with this measure. These include: (a) a permanent part-time Apprenticeship Representative position (0.25 FTE) to work with the Congress on program develop; develop the Bureau's administrative rules; develop performance measures; and approximately 20 hours per biennium of fiscal administration associated with grant accounting.

The Legislative Fiscal Office (LFO) notes the following:

 Approved within the Co-Chairs of the Joint Committee on Ways and Means budget for the Bureau is a budget enhancement package (#151) to begin the process of implementing a pilot program to integrate apprenticeship programs with state workforce development initiatives. This package includes one position (1.00 FTE) and \$102,845 General Fund and \$100,000 Other Funds (state workforce development funds). This package may provide sufficient support for this particular measure, which could reduce the Bureau's administrative expense; and

• The administrative expense of the Oregon Building Congress for this measure has yet to be identified. Understanding what would be the total administrative expense of this measure would enable the Legislature to see how much of the original appropriation would be available to fund apprenticeship opportunities for high school students.

As a substantive measure with a direct General Fund appropriation, this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of the budgetary impact on the State's General Fund and BOLI.