

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2618 **STATUS:** A-Engrossed
SUBJECT: Public works contracts exceeding \$750,000 requiring contractors and subcontractors to be approved training agents and requiring 15 percent of total hours worked on project to be performed by apprentices
GOVERNMENT UNIT AFFECTED: State and local governments with public works contracts
PREPARED BY: Deborah Manthe
REVIEWED BY: Susie Jordan and Dallas Weyand
DATE: May 10, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See Comments		

EFFECTIVE DATE: January 1, 2008

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 prohibits a public agency from entering into a public works contract in excess of \$750,000 unless the contractor and subcontractors are approved training agents; requires at least 15 percent of the hours worked on a public works contract exceeding \$750,000 and on any individual subcontract exceeding \$750,000 be performed by registered apprentices; and requires contractors and subcontractors to file certified apprenticeship utilization statements with the public agency. The measure allows the Bureau of Labor and Industries (BOLI) to approve exceptions, inspect contractor records for compliance, and assess civil penalties for violations.

The Oregon Department of Transportation (ODOT) is not subject to the provisions of this measure until January 1, 2013. The measure requires ODOT to submit a biennial report describing the department’s workforce development plan and progress toward achieving an apprentice utilization goal of 15 percent.

The measure would impact all state and local government public agencies’ procurement and contracting process for public works projects in excess of \$750,000 by adding administrative, evaluative and monitoring requirements. The fiscal impact of ensuring that contracts for public works are modified to contain the conditions required by this measure is thought to be minimal. The potential fiscal impact of increased projects costs – due to the increased use of apprentices requiring supervision – is unknown.