
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: *Transportation and Economic Development Subcommittee*

From: *Susie Jordan, Legislative Fiscal Office*
(503) 986-1835

Date: June 13, 2013

Subject: *HB 2727 relating to Career and Technical Education*
Work Session

HB 2727 establishes the State Apprenticeship Education and Training Fund and continuously appropriates moneys in the fund to the State Apprenticeship and Training Council for specified purposes. The measure requires contracting agencies to pay into the Fund \$500 for each \$1 million, or increment thereof, of public improvement contract price over \$1 million threshold. The Department of Transportation projects with funds restricted by federal agencies or the Oregon constitution are exempt. The measure declares an emergency and becomes effective on passage.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, revenue impact statement [if available], and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had a public hearing on May 6 and May 20 in the Transportation and Economic Development Subcommittee.

The fiscal impact is mostly indeterminate because the number and value of potential construction contracts is unknown. Based on 2010 and 2011 data, if all of the projects were subject to provisions of this bill, \$1.1 million would have been generated in 2010 and \$885,000 would have been generated in 2011, however the actual amount would have been decidedly less due to the exemptions provided in the measure. The Bureau of Labor and Industries identified the need of two positions to oversee program operations and the associated financial reporting required by this bill, however, until the agency collects sufficient revenue to support the positions full implementation of the program will be delayed. If sufficient revenues are collected by the time the legislature meets again in February, the agency could request the position authority and expenditure limitation at that time.

Amendment

There is a -5 amendment to the measure that provides for an exemption of enterprise zones from the requirements of Section 4.

Motion #1: Move the -5 amendment to HB 2727 A.

Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

Motion #3: Move HB 2727 to the full committee with a “do pass” recommendation, as amended.

Assignment of Carriers

Full: _____

2nd Chamber: _____

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue:

Fiscal: Fiscal Impact Statement Issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Susie Jordan, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Establishes State Apprenticeship Education and Training Fund (Fund) and continuously appropriates moneys in fund to State Apprenticeship and Training Council for specified purposes. Requires contracting agency to pay into Fund \$500 for each \$1 million, or increment thereof, of public improvement contract price over \$1 million threshold. Exempts Department of Transportation projects with funds restricted by federal agencies or Oregon Constitution. The measure declares an emergency and is effective on passage.

ISSUES DISCUSSED:

- Fiscal Impact

EFFECT OF COMMITTEE AMENDMENT: Exempts enterprise zones

BACKGROUND: Apprenticeship is occupational training that combines on-the-job experience with classroom instruction. Apprentice wages generally start at half the salary of journey workers during training, which lasts two to five years. In Oregon, apprenticeships are overseen by the Bureau of Labor and Industries Apprenticeship and Training Division.

House Bill 2727-B establishes the State Apprenticeship and Education Training Fund financed by contracting agency payments of \$500 for each \$1 million on public improvement contracts. Grants from the Fund are made to programs that directly provide career technical education for occupations prevalent in the construction and manufacturing industries.

Joint Committee on Ways and Means

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