

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	5 - 4 - 0
Yeas:	Gallegos, Gorsek, Greenlick, Harker, Dembrow
Nays:	Gilliam, Huffman, Johnson, Whisnant
Exc.:	0
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	4/15, 4/17

WHAT THE MEASURE DOES: Provides that contracts over \$500,000 for state funded public improvement projects exceeding \$5 million require at least ten percent of total work hours in apprenticeable occupations be performed by apprentices participating in training programs under ORS 660.002 to 660.210. Directs state contracting agencies to retain an amount not more than three percent of each contract to be paid upon completion of contract less \$20 for each hour under ten percent minimum not worked by apprentices. Establishes State Apprenticeship Education and Training Fund and directs agencies to transfer remaining moneys retained to the fund for appropriation to State Apprenticeship and Training Council for specified purposes. Exempts disadvantaged, minority, women and emerging small businesses and Department of Transportation as specified. Provisions become operative January 1, 2014. As of January 1, 2017, provisions apply to contracts over \$300,000 and minimum hours to be worked by apprentices increase to fifteen percent. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Difficulty retaining apprentices for duration of training program when work is not available
- Applicability to non-union shops
- Impact on cost of public works projects
- Public interest in incentivizing apprenticeship programs

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

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 3115-A requires that at least ten percent of the hours worked in apprenticeable occupations be performed by apprentices on state funded public works contracts of \$500,000 or more on projects totaling at least \$5 million. In 2017, the hours to be worked by apprentices increase to fifteen percent on contracts over \$300,000. The measure requires state contracting agencies to retain up to three percent of contract cost to be paid minus \$20 for each hour under the specified minimum not worked by apprentices. House Bill 3115-A creates the State Apprenticeship Training and Education Fund and directs agencies to transfer retained moneys into the Fund for distribution to the State Apprenticeship Training Council. Funds are to be used for career and technical education grants and apprenticeship education and training programs.

4/18/2013 11:21:00 AM

This summary has not been adopted or officially endorsed by action of the committee.