

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2727 A**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Establishes State Apprenticeship Education and Training Fund and continuously appropriates moneys in fund to State Apprenticeship and Training Council for specified purposes.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Department of Education, Bureau of Labor and Industries (BOLI)

Summary of Expenditure Impact:

See Analysis.

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.

Analysis: This bill would establish the State Apprenticeship Education and Training Fund separate and distinct from the General Fund. The money in this fund would be used to fund grants to educational entities that support apprenticeship programs in construction trades. The bill would also require the Department of Administrative Services (DAS) to establish an account and collect funds from public works contracts. This bill would assess a fee of \$500 for each \$1.0 million, or fraction thereof, on public works and construction contracts.

The fiscal impact of this bill is indeterminate because the number and value of potential construction contracts is unknown. In addition, agencies that contract using federal funds, such as Oregon Department of Transportation and Oregon Military Department, would be exempt from the requirements of this bill due to the restrictions on the use of federal funds and grants. According to BOLI, in 2010 there were \$2.2 billion and 2011 \$1.8 billion in public works projects that were subject to prevailing wage requirements. These figures are for all projects subject to prevailing wage and projects that would be exempt from the provisions of this bill are not available. If all of the projects were subject to the provisions of this bill, \$1.1 million would have been generated in 2010 and \$885,000 would have been generated in 2011 to fund this program. The actual amount would have been substantially less due to the exemptions provided in this bill.

BOLI estimates the need of a Program Analyst 2 (1.00 FTE) and an Accounting Tech 2 (0.50 FTE) to oversee program operations and the associated financial reporting required by this bill. The estimated cost in the 2013-15 biennium would be \$214,000, presumably funded from the revenue generated from this bill. DAS reports an indeterminate fiscal impact due to the unknown volume of public works contracts that may be subject to this bill. ODE does not anticipate a fiscal impact from this bill and the overall fiscal impact of this bill is indeterminate.