

B-Engrossed Senate Bill 782

Ordered by the House June 18
Including Senate Amendments dated April 29 and House Amendments
dated June 18

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires state contracting agency that awards public improvement contract with contract price of more than \$5 million to require contractor to employ apprentices to perform 10 percent of work hours on public improvement that workers in apprenticeable occupations perform. Increases apprentice employment requirement to 12 percent in 2018. Exempts Department of Transportation from requirement.]

[Provides that state contracting agency shall pay contractor for imputed costs contractor incurs in complying with requirement.]

[Specifies reporting requirements for contractor and requires contractor to repay amounts that state contracting agency pays in excess of amount due contractor.]

[Becomes operative January 1, 2014.]

Establishes Task Force on Apprenticeship in State Contracting with 14 members appointed by President of Senate, Speaker of House of Representatives and Governor. Requires task force to evaluate and make recommendations for apprenticeship utilization standards and to review and evaluate apprenticeship utilization standards and programs that Department of Transportation and State of Washington use.

Sunsets on date of convening of 2015 regular session of Legislative Assembly.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to incentives for increasing apprentice utilization on public improvements for state con-
3 tracting agencies; and declaring an emergency.

4 The Legislative Assembly finds that:

5 (1) Apprenticeship is an important component of post-secondary education and workforce devel-
6 opment in Oregon.

7 (2) The State of Oregon has a strong interest in encouraging apprenticeship on public con-
8 struction projects.

9 (3) Many states, including Washington and California, have adopted apprenticeship utilization
10 standards for public construction projects.

11 (4) Oregon may have an interest in initiating apprenticeship utilization standards for state
12 agency construction projects and, eventually, for all construction projects that use significant state
13 or other public funds.

14 (5) Questions remain concerning:

15 (a) The economic impact of minimum apprenticeship utilization standards on state agencies and
16 other public entities and how best to minimize potential negative economic impacts;

17 (b) The use of incentives and disincentives to encourage compliance with apprenticeship utili-
18 zation standards;

19 (c) Oversight of contractor compliance with apprenticeship utilization standards;

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (d) Whether apprenticeship utilization standards should apply only to general contractors or also
2 to subcontractors and individual crafts;

3 (e) How best to create incentives to develop a more diverse workforce; and

4 (f) The appropriateness of a single statewide apprenticeship utilization standard instead of a
5 range of standards for each location or type of construction project.

6 (6) The best way to answer the questions that remain is to convene a task force under the di-
7 rection of the Legislative Assembly, with a goal of recommending legislation for the 2014 or 2015
8 regular session.

9 **Be It Enacted by the People of the State of Oregon:**

10 **SECTION 1. (1) The Task Force on Apprenticeship in State Contracting is established,**
11 **consisting of 14 members appointed as follows:**

12 (a) **The President of the Senate shall appoint two members from among members of the**
13 **Senate, ensuring that the appointment includes one member from each caucus, and shall**
14 **designate one of the members as a co-chair of the task force.**

15 (b) **The Speaker of the House of Representatives shall appoint two members from among**
16 **members of the House of Representatives, ensuring that the appointment includes one**
17 **member from each caucus, and shall designate one of the members as a co-chair of the task**
18 **force.**

19 (c) **The President of the Senate and the Speaker of the House of Representatives, by**
20 **mutual agreement, shall appoint eight members as follows:**

21 (A) **One member representing a general contractor that has performed public contracts**
22 **for a public agency in this state and that has a collective bargaining agreement with the**
23 **contractor's employees;**

24 (B) **One member representing a general contractor that has performed public contracts**
25 **for a public agency in this state and that does not have a collective bargaining agreement**
26 **with the contractor's employees;**

27 (C) **One member representing a subcontractor that has performed work for a contractor**
28 **under a public contract in this state and that has a collective bargaining agreement with the**
29 **contractor's employees;**

30 (D) **One member representing a subcontractor that has performed work for a contractor**
31 **under a public contract in this state and that does not have a collective bargaining agree-**
32 **ment with the subcontractor's employees; and**

33 (E) **Four members who are representatives of labor organizations or other represen-**
34 **tatives of persons who are engaged in apprenticeable occupations.**

35 (d) **The Governor shall appoint two members as follows:**

36 (A) **One member who is an employee of a state contracting agency; and**

37 (B) **One member who is an employee of a local contracting agency.**

38 (2) **The task force shall:**

39 (a) **Evaluate and make recommendations concerning apprenticeship utilization standards**
40 **for state contracting agencies, in the course of which the task force shall consider:**

41 (A) **The economic impact of an apprenticeship utilization standard on contractors, the**
42 **fiscal impact on state contracting agencies and potential strategies to minimize the economic**
43 **and fiscal impacts;**

44 (B) **Incentives and disincentives that would lead contractors to comply with an appren-**
45 **ticeship utilization standard;**

1 (C) Lowering, over a period of time, the contract price at which the apprenticeship
2 utilization standard would apply to a public contract;

3 (D) Increasing, over a period of time, the percentage of the total work hours that work-
4 ers in apprenticeable occupations perform on a public improvement that apprentices must
5 perform;

6 (E) Strategies for creating more diversity within the apprenticeship workforce;

7 (F) Methods for monitoring compliance with the apprenticeship utilization standard;

8 (G) Identifying projects that may be exempted from the apprenticeship utilization stand-
9 ard, and the circumstances in which the project may be exempted, which may include the
10 location or nature of the project; and

11 (H) Whether and how the apprenticeship utilization standard may be extended to other
12 public agencies.

13 (b) Review and evaluate apprenticeship utilization standards and programs that are in
14 use by the Department of Transportation and in the State of Washington.

15 (3)(a) The task force may consult with experts, hear testimony from affected persons and
16 otherwise collect data and information necessary to carry out the task force's duties.

17 (b) The co-chairs of the task force may expand the task force's membership if the co-
18 chairs deem an expansion necessary.

19 (4) A majority of the members of the task force constitutes a quorum for the transaction
20 of business.

21 (5) Official action by the task force requires the approval of a majority of the members
22 of the task force.

23 (6) If there is a vacancy for any cause, the appointing authority shall make an appoint-
24 ment to become immediately effective.

25 (7) The task force shall meet at times and places specified by the call of the co-chairs
26 or of a majority of the members of the task force.

27 (8) The task force may adopt rules necessary for the operation of the task force.

28 (9)(a) The task force shall submit an initial report in the manner provided by ORS
29 192.245, and may include recommendations for legislation, to an interim committee of the
30 Legislative Assembly related to workforce development or public contracting no later than
31 December 1, 2013.

32 (b) The task force shall submit a final report in the manner provided by ORS 192.245, and
33 may include additional recommendations for legislation, to an interim committee of the
34 Legislative Assembly related to workforce development or public contracting no later than
35 November 1, 2014.

36 (10) Members of the task force who are not members of the Legislative Assembly are not
37 entitled to compensation or reimbursement for expenses the members incur in performing
38 the members' official duties. Members of the task force who are members of the Legislative
39 Assembly shall receive compensation and expenses as provided in ORS 171.072.

40 (11) All agencies of state government, as defined in ORS 174.111, are directed to assist
41 the task force in the performance of its duties and, to the extent permitted by laws relating
42 to confidentiality, to furnish such information and advice as the members of the task force
43 consider necessary to perform their duties.

44 **SECTION 2.** Section 1 of this 2013 Act is repealed on the date of the convening of the 2015
45 regular session of the Legislative Assembly as specified in ORS 171.010.

1 **SECTION 3. This 2013 Act being necessary for the immediate preservation of the public**
2 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
3 **on its passage.**

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