



To: Senate Committee on Workforce

From: Jon Chandler

Re: SB 809

Date: March 23, 2015

The Oregon Home Builders Association has grave concerns about SB 809.

Normally, OHBA stays out of bills that deal with public contracting, since that isn't a core business for most residential contractors. SB 809, however, may cause difficulties, particularly for contractors in rural areas and small towns.

It's not uncommon for a contractor – whose primary business might be residential construction – to also have a commercial license so as to allow their business additional flexibility, particular in smaller markets. Those who take on public works contracts already have to comply with requirements that don't pertain in private residential or commercial construction, but this bill would impose at least two additional hurdles that prompted us to weigh in.

Hurdle #1: A pre-qualification requirement that all contractors and sub-contractors be BOLI approved apprenticeship training agents and to either have used apprentices or belonged to a local joint apprenticeship training council.

This requirement, which would seem designed to increase the use of apprenticeship programs, simply assumes a state of affairs about apprenticeship/training agents/familiarity with BOLI programs that does not exist in Oregon's smaller markets. We believe, consequently, that it will have the net effect of limiting the number of contractors that can even be considered for a public works project, which will increase costs and limit opportunities in those smaller markets.

We aren't necessarily opposed to increasing apprenticeship opportunities, but we would submit that this isn't the right way to go about it. SB 579, on the other hand, looks like a better approach.

Hurdle #2: Imposing these new requirements on contracts over \$1 million.

This is an awfully low threshold. We would recommend, assuming that the first problem is addressed in some fashion, that this be raised to at least \$5 million.

Thank you for your consideration of these comments.