

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2162 - A7**

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**Measure Description:**

Requires state contracting agency that awards public improvement contract meeting specified conditions to require contractor to employ apprentices for a specified percentage of work hours on work that apprenticeable occupations perform.

**Government Unit(s) Affected:**

Department of Administrative Services (DAS), Statewide

**Summary of Expenditure Impact:**

It is anticipated that the measure will have a fiscal impact, although the amount is indeterminate.

**Analysis:**

The measure broadens the scope of apprenticeship requirements on public works contracts and requires that state contracting agencies shall provide in public improvement contracts exceeding \$5 million that contractors must demonstrate that they, and any subcontractors of subcontracts over \$1 million or 25% of the price of the contract, have employed apprentices for 10% or more of the hours worked in apprenticeable occupations. For contracts exceeding \$3 million, the percent of hours worked is modified to 12%. The measure establishes effective dates for the new requirements and specifies the authority and responsibility of the Commissioner of the Bureau of Labor and Industries related to the requirements.

While most public agencies do not anticipate more than a minimal cost related to the measure, and the Department of Transportation is exempt from the requirements, a few agencies, including the Department of Administrative Services, the Military Department, Public Universities, and local governments have indicated that they do anticipate a fiscal impact, although the amount is indeterminate. The drivers of the increased costs include increased administrative workload, legal review, and monitoring of contracts for compliance; increased contractor time and project cost; and additional training.

The Bureau of Labor and Industries anticipates only a minimal fiscal impact.