

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 455 - 5

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

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

Prepared by: Tim Walker
Reviewed by: Doug Wilson, Amanda Beitel
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Measure Description:

Requires public universities, community colleges and community college districts to require contractors to employ apprentices and to establish and execute plan for outreach, recruitment and retention of women and minority individuals for certain work relating to improvements to real property.

Government Unit(s) Affected:

Community Colleges, Public Universities, Higher Education Coordinating Commission (HECC)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis: The measure requires institutions of higher education, including the Oregon Health and Science University (OHSU), public universities, and community colleges to award contracts for improvements to real property with a cost in excess of \$8 million that are paid with the proceeds of state bonds (qualified contracts) to contractors that are training agents as defined in ORS 660.010. Contractors and any subcontractors are also required to recruit and retain women and minorities to perform work under qualified contracts. Subcontractors awarded contracts of at least \$200,000 must also be training agents and establish and execute plans for outreach and retention of women and minorities, unless these requirements would cause unreasonable expense or delays or limit the bidder pool to less than three. Institutions of higher education are required to report the amount of work performed by apprentices, women, and minorities under qualified contracts to the Joint Committee on Ways and Means by February 1 each year. Requirements apply to contracts advertised or solicited by Portland State University (PSU), the University of Oregon (UO), Oregon State University (OSU), and OHSU on or after January 1, 2020. Institutions of higher education and community colleges, not listed previously, apply to contracts advertised or otherwise solicited on or after January 1, 2021.

The measure has an indeterminate fiscal impact on OHSU, public universities, and community colleges. The authorization and issuance of state bonds for OHSU capital projects does not occur on a regular basis, and therefore the requirements would potentially apply to a small number of future OHSU projects and associated contracts. However, state general obligation and lottery revenue bonds are approved and issued each biennium for capital construction projects at public universities and community colleges. While the \$8 million threshold and \$200,000 subcontractor award threshold would apply to a limited number of construction projects, it is likely that there will be increased construction costs passed on to public universities and community colleges associated with the requirement that the contractor be a registered training agent. Additionally, while the measure delays implementation to January 1, 2021 for higher education institutions other than PSU, OSU, UO, and OHSU, the impacts are still anticipated to have a more significant impact on rural institutions, where there are fewer available qualified contractors.