

## SB 576 STAFF MEASURE SUMMARY

### Senate Committee On Labor and Business

---

**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 2/23

---

#### WHAT THE MEASURE DOES:

Requires subcontractors that bid on certain state public works projects advertised or entered into on or after January 1, 2022 with estimated contract price of \$200,000 or more to make specified good faith efforts to encourage minority individuals, women, economically and socially disadvantaged individuals, and service-disabled veterans to become apprentices. Removes apprentice requirement exemption for Oregon Department of Transportation. Requires contracting agency to verify bidder is registered apprentice training agent. Lowers estimated contract price at which apprentice utilization requirements apply to subcontractors from lesser of \$1 million or 25 percent of contract to lesser of \$200,000 or 25 percent of contract for certain state public works contracts advertised or entered into on or after January 1, 2024. Increases apprentice utilization requirement from 12 to 15 percent of apprenticeable work hours for certain state public works contracts advertised or entered into on or after January 1, 2024. Takes effect on 91st day following adjournment *sine die*.

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

No amendment.

##### BACKGROUND:

Oregon law requires state agencies contracting for public improvements with a price exceeding \$5 million to require the contractor to:

- employ apprentices to perform 10 percent of the work hours performed by apprenticeable occupations; and
- require each subcontractor for which the price exceeds the lesser of \$1 million or 25 percent of the contract that the subcontractor employs apprentices to perform 10 percent of the work hours performed by apprenticeable occupations.

The contractor must account for the required hours to the contracting agency, and the agency must verify compliance at least 30 days before making any final payment. The Oregon Department of Transportation and contracts for emergency procurements are exempt from the apprentice requirements. For state public works contracts advertised or entered into on or after January 1, 2022, the contract threshold for the apprentice requirements are reduced from \$5 million to \$3 million and the apprentice hour requirement is increased from 10 percent to 12 percent of apprenticeable work hours.

Senate Bill 576 amends the apprentice requirements for state public contracts advertised or entered into on or after January 1, 2022 by:

- requiring subcontractors that bid on public improvement contracts with an estimated contract price of \$200,000 or more to make specified good-faith efforts to encourage minority individuals, women, economically and socially disadvantaged individuals, and service-disabled veterans to become apprentices;
- removing the exemption for the Department of Transportation; and
- requiring the contracting agency to verify that the bidder is a registered apprentice training agent.

For state public contracts advertised or entered into on or after January 1, 2024, the measure increases the apprentice hour requirement from 12 percent of apprenticeable work hours to 15 percent, and reduces the threshold for subcontractors from the lesser of \$1 million or 25 percent of the contract to the lesser of \$200,000

---

*This summary has not been adopted or officially endorsed by action of the committee.*

or 25 percent of the contract.

PRELIMINARY