

HB 2649 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/15

WHAT THE MEASURE DOES:

Expands apprenticeship utilization requirement for public improvement projects to include Oregon Department of Transportation, Higher Education Coordinating Commission, public university, and community college district, to the extent that the commission, the university or the district uses public funds for construction costs of public improvement project. Requires public improvement contract from qualifying agency to include provision that contractor establish and implement a plan for outreach to and recruitment and retention of women, minority individuals, and veterans to perform work. Sets aspirational target and minimum requirements for outreach plan.

Requires qualifying agency to report to Oregon Department of Administrative Services (DAS) information collected from the contractor related to apprentice utilization and diversity goals and agency's determination whether contractor met requirements for employing and paying apprentices. DAS must report to Legislative Assembly by March 1 of every odd-numbered year: total number of work hours that workers in apprenticeable occupations performed on public improvement projects; total number of apprentices that performed work public improvement projects; percentage of the work hours that apprentices performed on public improvement projects; which public improvement projects met and did not meet apprentice requirements; and total number of minority individuals, women and veterans who performed work on public improvement projects.

Permits reduction of payment due to contractor for failure to comply with apprentice utilization requirement and specifies formula for calculating amount of penalty. Any funds collected go to Bureau of Labor and Industries to expand apprentice training programs and foster regional workforce development. Provides Construction Contractors Board must list as ineligible for an award of a public improvement contract any contractor or subcontractor who fails to pay apprentices.

Increases apprentice utilization requirement on public improvement projects from 12 to 15 percent of all work hours performed on public improvement on January 1, 2025. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

ORS 279C.533 requires that a state contracting agency include in a contract for a public improvement project that is over \$3 million that the contractor must employ apprentices to perform 12 percent of the work hours that workers in apprenticeable occupations perform on the public improvement and subcontract for which the contract price exceeds the lesser of \$1 million or 25 percent of the price of the contract that the subcontractor employ apprentices to perform 12 percent of the work hours that workers in apprenticeable occupations perform on the subcontract. Oregon Department of Transportation and emergency procurements are exempt from apprenticeship utilization requirement. House Bill 2649 expands the apprenticeship utilization requirement to include Oregon Department of Transportation, Higher Education Coordinating Commission, a public university, and a community college district to the extent that the commission, the university or the district uses public funds

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for the construction costs of a public improvement project.

In House Bill 3011, 2021, the Legislative Assembly established diversity requirements for contractors and subcontractors on certain projects funded with money from American Rescue Plan Act of 2021. The requirements set forth in ORS 279A.803 required the establishment and execution of a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups. HB 2649 expands the requirement to all public improvement projects from state contracting agencies, Oregon Department of Transportation, Higher Education Coordinating Commission, public university, and community college district.