

SB 518 -1 STAFF MEASURE SUMMARY

Senate Committee On Education

Prepared By: Ellen O'Brien, LPRO Analyst

Meeting Dates: 3/2, 3/30

WHAT THE MEASURE DOES:

Lowers the threshold for qualified contracts from \$8 million or greater to \$200,000 or greater. Requires qualified contracts entered into by institutions of higher education to include stipulations that contractors, as well as subcontractors whose contract price exceeds \$200,000, provide health and retirement benefits, employ apprentices to perform 15 percent of work hours in apprenticeable occupations, and make good-faith efforts to employ certain disadvantaged and underrepresented individuals in apprenticeship positions. Establishes minimum actions necessary to demonstrate good-faith efforts to employ disadvantaged and underrepresented individuals. Establishes parameters and reporting requirements for contractor to meet requirement to employ apprentices to perform 15 percent of work hours. Requires school districts to meet same standards regarding requirements for qualified contracts and subcontracts. Provides exemption in cases where compliance with requirements would cause unreasonable expense or delay or limit pool of bidders to fewer than three. Establishes operative date of January 1, 2024. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Shortage of apprenticeships in rural areas
- Challenges to diversifying construction workforce
- Ability for small rural contractors to compete for contracts

EFFECT OF AMENDMENT:

-1 Sets threshold for qualified contracts at \$1 million. Applies requirements to contracts and subcontracts whose contract price exceeds \$1 million.

BACKGROUND:

As introduced in Senate Bill 5505 (2017), the original apprenticeship standards for public institutions of higher education applied only to the University of Oregon (UO), and to contracts that were 1) for improvements to real property on the UO Campus for Accelerating Scientific Impact and 2) paid for by bonds issued under Article XI-G of the Oregon Constitution. Senate Bill 455 (2019) created the current apprenticeship standards for contracts entered into by public institutions of higher education, which are governed by [ORS 350.379](#).

Senate Bill 518 requires public institutions of higher education and school districts to ensure that contractors and subcontractors with a contract price over \$200,000 provide health and retirement benefits to workers, employ apprentices to perform 15 percent of work hours, and make good faith efforts to employ disadvantaged and underrepresented individuals in apprenticeship positions.