

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Amanda Beitel, Legislative Fiscal Officer
Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Transportation and Economic Development Subcommittee

From: Ben Ruef, Legislative Fiscal Office

Date: May 30, 2023

Subject: HB 2649 – Relating to workforce requirements
Work Session Recommendations

House Bill 2649 expands the apprenticeship utilization requirement for public improvement projects in Oregon. It includes the Oregon Department of Transportation, Higher Education Coordinating Commission, public universities, and community college districts that use public funds for construction costs. The bill mandates that contractors establish outreach plans for women, minorities, and veterans, and report information on apprentice utilization and diversity goals to the Oregon Department of Administrative Services. Non-compliant contractors may face penalties, with the collected funds going towards expanding apprentice training programs. The Construction Contractors Board is also instructed to list contractors who fail to pay apprentices as ineligible for public improvement contracts. Additionally, the bill increases the apprentice utilization requirement from 12 to 15 percent of all work hours on public improvement projects starting from January 1, 2025.

The Bureau of Labor and Industries (BOLI) will hire one permanent full-time Procurement and Contracts Specialist 2 (0.88 FTE) to perform rulemaking, coordinate with agencies, analyze contracts, and report to the legislature; as well as work on expansion of apprenticeship programs using funding provided by this measure. One-time funding of \$65,000 is also allocated to set up a database for project data and reporting.

There is potential of increased costs for public improvement projects across multiple state agencies by restricting contractor participation and imposing additional requirements, resulting in higher project costs. The exact fiscal impact is currently indeterminable.

The fiscal impact of HB 2649 is \$258,239 General Fund and 1 position (0.88 FTE).

The -A4 amendment adds \$258,239 in General Fund appropriation to the BOLI budget for the 2023-25 biennium.

Recommended Changes

LFO recommends adoption of the –A4 amendment.

MOTION: I move adoption of the –A4 amendment to HB 2649. (VOTE)

Final Subcommittee Action

LFO recommends that HB 2649, as amended by the –A4 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 2649, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____