

Chair Dembrow, Vice Chair Weber, and Members of the Committee,

Thank you for the opportunity to testify in support of SB 518. My name is Ryan Nielsen, Political and Legislative Representative with LIUNA Local 737. I am here representing the Oregon Laborers' (LIUNA). LIUNA represents about 4,000 members across the state of Oregon who primarily work in the construction industry as Laborers. Many of our members have worked over the years on school construction projects, and we have seen the important role these projects can play in the development and maintenance of a skilled and trained workforce in our state. We believe that SB 518 is an important step in both addressing critical workforce shortages and ensuring better standards for workers in the construction industry.

There is a looming crisis in the construction industry in Oregon. The Oregon Employment Department has estimated that over the next decade, there will be nearly 12,000 jobs added in the construction industry in Oregon. This makes construction Oregon's third fastest growing industry. Additionally, 17% of the construction workforce is nearing retirement age.<sup>1</sup> In order to meet the workforce needs in construction, we must take a proactive approach and build good policy. SB 518 will help us do that.

First, I'd like to speak to the apprenticeship standards in the bill, requiring 15% of work hours on qualifying contracts to be performed by apprentices. It cannot be overstated how important these requirements are in maintaining a skilled and trained workforce. Oftentimes, folks forget that in order to have apprentices learning on the job skills, there has to be a commitment on the part of contractors to actually place those apprentices in order to obtain the necessary work hours that, in turn, allow them to complete their training programs and continue to advance in their careers.<sup>2</sup> Public owners have incredible power to support this skilled training continuum, by ensuring requirements that a certain number of work hours be performed by apprentices.

Second, I'll underscore our support for the requirement that bidders provide healthcare and retirement benefits for employees on school construction projects. Workers deserve to have access to healthcare and quality retirement benefits as basic rights. Beyond this, these benefits work in concert with apprenticeship standards, because they help attract/retain workers in the industry amid a tight labor market. Workers, businesses, and public owners all benefit from these standards.

Finally, we strongly support the diversity, equity, and inclusion goals in this bill. We know that having access to good paying jobs with benefits is perhaps the most important way someone can build generational wealth. By prioritizing and requiring good-faith efforts for the recruitment and retention of people of color, women, economically or socially disadvantaged individuals,

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<sup>1</sup> [https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/11/Constructing\\_A\\_Diverse\\_Workforce.pdf](https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/11/Constructing_A_Diverse_Workforce.pdf)

<sup>2</sup> For the Laborers' apprenticeship, apprentices must complete 4000 hours of on-the-job training and 360 hours of related training (including classroom portions) in order to become full journey workers. <https://oregonlaborers.com/process/>

and veterans, we can better ensure that public investments in school construction help make Oregon a place where these projects actively improve the lives of those who have been historically underrepresented in the industry.

Currently in Oregon, public owners have a patchwork of standards when it comes to minimum workforce and contracting requirements. School construction—today one of the largest and most consistent sources of public works investment in—has no uniform standards for apprenticeship utilization, and this bill would change that. It's also important to remember that many locally funded school bonds are eligible to receive matching grants from the State of Oregon, in addition to the funds they raise locally. As such, it is not only perfectly reasonable to require these minimum standards, but it is in the best interests of the hard-working Oregonians who build our educational structures to support quality learning outcomes.

Ultimately, Oregon schools uphold a core mission to educate the next generation of our state. SB 518 deepens this mission by requiring our educational institutions to support the ongoing educational needs of our vital construction workforce, which will benefit workers, businesses, and our communities broadly.

LIUNA stands strongly in support of SB 518 and urges your support.