

## HB 3881 STAFF MEASURE SUMMARY

### House Committee On Labor and Workplace Standards

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**Action Date:** 04/09/25

**Action:** Without recommendation as to passage and be referred to Rules.

**Vote:** 4-3-0-0

**Yeas:** 4 - Fragala, Grayber, Munoz, Nelson

**Nays:** 3 - Boshart Davis, Elmer, Scharf

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Erin Seiler, LPRO Analyst

**Meeting Dates:** 3/19, 4/9

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#### WHAT THE MEASURE DOES:

The measure adds school districts, education service districts, and public charter schools to the definition of “qualifying agency” for the purpose of apprenticeship utilization requirements and requirement to establish and implement plan for outreach to and recruitment and retention of women, minority individuals, and veterans on public improvement projects. It requires a contractor demonstrate, as part of the qualifying agency’s process for determining a responsible bidder, material compliance with federal and state laws related to occupational and safety and health and wage rate and hours during the previous three years. The measure exempts school districts, education service districts, and public charter schools from requirements if a contractor enters into a project labor agreement. The measure applies to a solicitation for a public improvement project or public improvement contract that a qualifying agency enters into on or after January 1, 2026. The measure takes effect on the 91<sup>st</sup> day following adjournment sine die.

#### Detailed Summary:

Adds school districts, education service districts, and public charter schools to the definition of “qualifying agency” for the purpose of apprenticeship utilization requirements and requirement to establish and implement plan for outreach to and recruitment and retention of women, minority individuals, and veterans on public improvement projects, to the extent that all or some public funds are used for construction costs of public improvement project.

Requires school districts, education service districts, and public charter schools on public improvement project of \$3 million or more to require each contractor to employ apprentices to perform 15 percent or more of work hours that workers in apprenticeable occupations perform; requires each subcontractor, with contract price of \$750,000 or more, to employ apprentices to perform 15 percent or more of work hours that workers in apprenticeable occupations perform on public improvement; and requires each contractor and subcontractor to establish and implement plan for outreach to and recruitment and retention of women, minority individuals, and veterans to perform work.

The measure applies to a solicitation for a public improvement project or public improvement contract that a school district, education service district, and public charter school enters into on or after January 1, 2026.

#### ISSUES DISCUSSED:

- Expand work opportunities for apprentices and incentivizing support for apprenticeship training
- Apprentices experience challenges with consistent work results in apprentices not completing training
- Local funds utilized for school district capital construction projects
- Oregon School Capital Improvement Matching program

## **HB 3881 STAFF MEASURE SUMMARY**

- Other states with similar requirements
- Opportunities for wage advancement, skill development, and training with apprenticeship
- Project Labor Agreements
- Impact of apprenticeship utilization requirements on project costs
- Challenges for rural school districts to meet apprenticeship utilization requirements
- Support for technical education pathways, bringing students into the trade, and building local construction trade capacity
- Lack of apprentices in rural parts of the states

### **EFFECT OF AMENDMENT:**

No amendment.

### **BACKGROUND:**

ORS 279C.533 requires a qualifying agency on a public improvement project of \$3 million or more to require each contractor to employ apprentices to perform 12 percent or more of work hours that workers in apprenticeable occupations perform; requires each subcontractor, with contract price of \$750,000 or more, to employ apprentices to perform 12 percent or more of work hours that workers in apprenticeable occupations perform on public improvement; and requires each contractor and subcontractor to establish and implement plan for outreach to and recruitment and retention of women, minority individuals, and veterans to perform work. The apprenticeable utilization threshold increases to 15 percent January 1, 2027.

House Bill 3881 expands the definition of “qualifying agency” for the purposes of the apprenticeship utilization and outreach and recruitment requirements to include school districts, education service districts, and public charter schools.

ORS 279C.375 addresses the legal requirements and procedures for awarding public improvement contracts in Oregon. The statute includes the requirements a contracting agency utilizes for determining a responsible bidder as well as what a responsible bidder must demonstrate to the contracting agency. HB 3881 requires a contractor demonstrate, as part of the agency’s process for determining a responsible bidder, material compliance with federal and state laws related to occupational and safety and health and wage rate and hours during the previous three years.