

## A-Engrossed House Bill 3881

Ordered by the House May 27  
Including House Amendments dated May 27

Sponsored by Representative BOWMAN, Senators JAMA, TAYLOR; Representatives FRAGALA, GAMBA, HUDSON, MUNOZ, NELSON, NOSSE, Senator BROADMAN

### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Adds some schools to what counts as a "qualifying agency" so that a requirement to use apprentices in school construction projects will apply to those schools. Takes effect 91 days after the session ends. (Flesch Readability Score: 62.6).

Adds school districts[, *education service districts and public charter schools*] **that apply for and receive a matching fund grant from the Department of Education** to the definition of "qualifying agency" for the purpose of applying apprenticeship requirements in connection with constructing public improvement projects. [*Specifies demonstrations that contractors must make to a qualifying agency as part of the qualifying agency's responsibility determination. Specifies exemptions for contractors that enter into project labor agreements with school districts*] **Provides that school districts that are qualifying agencies must retain in the school district general fund the amount of any reduction in payment to a contractor as a consequence of the contractor's failure to meet apprenticeship requirements.**

Takes effect on the 91st day following adjournment sine die.

### A BILL FOR AN ACT

Relating to workforce requirements for public improvements constructed by educational institutions; creating new provisions; amending ORS 279C.533; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 279C.533 is amended to read:

279C.533. (1) As used in this section:

(a) "Apprentice" has the meaning given that term in ORS 660.010.

(b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

(c) "Apprenticeship agreement" has the meaning given that term in ORS 660.010.

(d) "Apprenticeship training program" means the total system of apprenticeship that a particular local joint committee, as defined in ORS 660.010, operates, including the local joint committee's registered standards and all other terms and conditions for qualifying, recruiting, selecting, employing and training apprentices in an apprenticeable occupation.

(e) "Minority individual" has the meaning given that term in ORS 200.005.

(f)(A) "Qualifying agency" means:

[(A)] (i) A state contracting agency; [and]

[(B)] (ii) The Higher Education Coordinating Commission[.];

(iii) A public university listed in ORS 352.002; [and]

(iv) A community college district, as defined in ORS 341.005[.]; and

(v) **A school district, as defined in ORS 330.003, that applies for and receives a matching fund grant from the Department of Education under ORS 286A.801.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1       **(B) A commission, university, school or district listed in subparagraph (A) of this para-**  
 2 **graph is a qualifying agency only** to the extent that the commission, [the] university, school or  
 3 [the] district uses funds paid directly or indirectly from the State Treasury for all or a portion of the  
 4 construction costs of a public improvement.

5       (g) “Veteran” has the meaning given that term in ORS 408.225.

6       (h) “Woman” has the meaning given that term in ORS 200.005.

7       (2) A qualifying agency shall provide in each public improvement contract for which the con-  
 8 tract price exceeds \$3 million that the contractor shall:

9       (a) Employ apprentices to perform 12 percent or more of the work hours that workers in  
 10 apprenticeable occupations perform for each contract on the public improvement; and

11       (b) Require in each subcontract with a contract price of \$750,000 or more that the subcontractor  
 12 employ apprentices to perform 12 percent or more of the work hours that workers in apprenticeable  
 13 occupations perform on the subcontract.

14       (3) A contractor or subcontractor shall pay an apprentice for work on the public improvement  
 15 at the hourly rate to which the apprentice is entitled under an apprenticeship agreement or that the  
 16 apprenticeship training program specifies.

17       (4)(a) A qualifying agency shall require as a material provision of a public improvement contract  
 18 that the contractor establish and implement a plan for outreach to and recruitment and retention  
 19 of women, minority individuals and veterans to perform work under the public improvement con-  
 20 tract, with an aspirational target of having individuals in one or more of these groups to compose  
 21 at least 15 percent of the total number of workers who perform work under the public improvement  
 22 contract. A contractor’s plan for outreach, recruitment and retention must require the contractor  
 23 to, at a minimum:

24       (A) Advertise employment opportunities available under the public improvement contract in  
 25 general circulation publications, trade association publications and publications that serve an audi-  
 26 ence or readership that consists primarily of minority individuals, women or veterans;

27       (B) Follow up on the contractor’s initial solicitations of interest by contacting minority individ-  
 28 uals, women or veterans who expressed interest in or responded to the initial solicitation to deter-  
 29 mine with certainty whether the minority individual, woman or veteran is interested in the  
 30 opportunities described in subparagraph (A) of this paragraph;

31       (C) Provide all persons who express continued interest with adequate information about hiring  
 32 qualifications, pay rates, benefits, the expected duration of employment, work hours and other con-  
 33 ditions of employment under the public improvement contract;

34       (D) Make efforts to encourage minority individuals, women and veterans to seek employment  
 35 under the public improvement contract that the contractor may reasonably expect will produce a  
 36 level of participation that meets the aspirational target described in this paragraph; and

37       (E) Use the services of minority community organizations, local, state, federal and tribal gov-  
 38 ernments or other organizations that have recruiting, training and otherwise assisting minority in-  
 39 dividuals, women and veterans as the organization’s primary purpose or mission to assist the  
 40 contractor with outreach, recruitment and retention.

41       (b) A contractor shall demonstrate adequate good faith efforts to comply with the requirements  
 42 of paragraph (a)(A) to (E) of this subsection.

43       (c) A contractor shall require any subcontractor with which the contractor has a subcontract  
 44 with a contract price of \$750,000 or more to comply with the requirements set forth for the con-  
 45 tractor in paragraph (a) of this subsection.

(5)(a) A contractor shall report the extent of the contractor's compliance with this section and the compliance of a subcontractor described in subsection (4)(c) of this section to the qualifying agency on forms, in a format and with contents the Commissioner of the Bureau of Labor and Industries specifies by rule, and at regular intervals that the qualifying agency specifies in the public improvement contract.

(b) A qualifying agency shall require the contractor to submit for each contract and subcontract the report described in paragraph (a) of this subsection as part of, or as a supplement to, certified statements required under ORS 279C.845, shall require *[contractors]* **the contractor** to preserve the reports as provided for certified statements in ORS 279C.845 (5), may disclose the reports as provided in ORS 279C.845 (6) and may enforce a failure to submit a report as provided in ORS 279C.845 (7). The reports described in this subsection must include, at a minimum, for each contract or subcontract related to the public improvement contract:

(A) The name of or other identification for the public improvement project;

(B) The city or county in which the public improvement project is located;

(C) A detailed accounting of:

(i) The total number of hours of work that workers performed under each contract and subcontract;

(ii) The total number of hours of work that workers performed in each apprenticeable trade or craft for each contract and subcontract on the public improvement;

(iii) The total number of hours of work that apprentices performed for each contract and subcontract on the public improvement; and

(iv) The total number of hours of work that apprentices in each trade or craft performed for each contract and subcontract on the public improvement; and

(D) The total number of workers who performed construction work and the total numbers of minority individuals, women and veterans who performed construction work under the public improvement contract. A report under this subparagraph must separately list for each worker the worker's race, ethnicity, gender, veteran status and, as applicable, trade, craft or job category. The Commissioner of the Bureau of Labor and Industries by rule may specify a method for identifying, collecting and reporting the information required under this subparagraph, which may consist of methods the United States Equal Employment Opportunity Commission prescribes in regulations the United States Equal Employment Opportunity Commission adopts under Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e et seq.

(6) At least 30 days before making any final payment to a contractor under a public improvement contract, a qualifying agency shall determine the extent of the contractor's compliance with the requirements in subsections (2) and (3) of this section. The qualifying agency shall base the determination on the ratio between the actual number of work hours that workers in apprenticeable occupations performed for each contract and subcontract on the public improvement and the actual number of work hours that apprentices performed for each contract and subcontract on the public improvement, as shown in reports the qualifying agency receives under subsection (5) of this section.

(7)(a) Not later than 30 days after making a final payment to a contractor under a public improvement contract, a qualifying agency shall report to the Bureau of Labor and Industries the information the qualifying agency collected from the contractor under subsection (5) of this section, together with the qualifying agency's determination under subsection (6) of this section as to whether the contractor and any subcontractor met the requirements for employing and paying apprentices set forth in subsections (2) and (3) of this section. The bureau may specify the form and

1 contents of a report under this paragraph and may require the qualifying agency to also report ag-  
 2 gregated data.

3 (b) Not later than January 2 of each odd-numbered year, the bureau shall report to a committee  
 4 of the Legislative Assembly that considers matters related to apprenticeship and apprenticeship  
 5 utilization on public improvement contracts the following data concerning each public improvement  
 6 contract and subcontract that each qualifying agency completed within the previous two years:

7 (A) The total number of hours of work that workers performed for each contract or subcontract  
 8 on all public improvement projects;

9 (B) The total number of hours of work that workers performed in each apprenticeable trade and  
 10 craft for each contract and subcontract on all public improvement projects;

11 (C) The total number of hours of work that apprentices performed for each contract and sub-  
 12 contract on all public improvement projects;

13 (D) The total number of hours of work that apprentices in each apprenticeable trade or craft  
 14 performed for each contract and subcontract on all public improvement projects;

15 (E) The total number of minority individuals, women and veterans who performed work on the  
 16 public improvement projects; and

17 (F) Any additional information the bureau determines is necessary to carry out the purposes of  
 18 this section.

19 (8)(a) A qualifying agency shall reduce the payment due under a public improvement contract  
 20 to a contractor that does not meet the requirements set forth under subsections (2) and (3) of this  
 21 section. The amount of the reduction must be equivalent to the difference between the total number  
 22 of work hours that apprentices in apprenticeable occupations should have performed on the public  
 23 improvement project to meet the requirement set forth in subsection (2) of this section less the total  
 24 number of work hours that apprentices in apprenticeable occupations actually performed on the  
 25 public improvement project, multiplied by \$15 per hour.

26 (b)(A) **Except as provided in subparagraph (B) of this paragraph**, the qualifying agency shall  
 27 pay the amount of the reduction under paragraph (a) of this subsection to the State Treasury to the  
 28 credit of the Bureau of Labor and Industries Account established under ORS 651.160. The bureau  
 29 shall use the amount deposited to fund expansions of apprenticeship training programs, with a focus  
 30 on programs in areas of this state where contractors did not meet the targets specified in subsection  
 31 (2) of this section.

32 **(B) If the qualifying agency is a school district described in subsection (1)(f)(A)(v) of this**  
 33 **section, the qualifying agency shall retain the amount of the reduction described in para-**  
 34 **graph (a) of this subsection and deposit the amount in the school district general fund.**

35 (c) A contractor, in a subcontract related to the contractor's public improvement contract, may  
 36 provide to the same extent described in paragraph (a) of this subsection for a reduction in the  
 37 amount due to the subcontractor if the subcontractor fails to perform the subcontract in accordance  
 38 with the contractor's requirements under subsections (2) and (3) of this section. The contractor may  
 39 also provide in the contract for a reduction in the amount due a subcontractor that fails to comply  
 40 with subsection (4)(c) of this section.

41 (9) This section does not apply to a public contract that a qualifying agency enters into under  
 42 ORS 279B.080.

43 **SECTION 2.** ORS 279C.533, as amended by section 2, chapter 504, Oregon Laws 2023, is  
 44 amended to read:

45 279C.533. (1) As used in this section:

(a) "Apprentice" has the meaning given that term in ORS 660.010.

(b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

(c) "Apprenticeship agreement" has the meaning given that term in ORS 660.010.

(d) "Apprenticeship training program" means the total system of apprenticeship that a particular local joint committee, as defined in ORS 660.010, operates, including the local joint committee's registered standards and all other terms and conditions for qualifying, recruiting, selecting, employing and training apprentices in an apprenticeable occupation.

(e) "Minority individual" has the meaning given that term in ORS 200.005.

(f)(A) "Qualifying agency" means:

[(A)] (i) A state contracting agency; [and]

[(B)] (ii) The Higher Education Coordinating Commission[,];

(iii) A public university listed in ORS 352.002; [and]

(iv) A community college district, as defined in ORS 341.005[,]; and

(v) **A school district, as defined in ORS 330.003, that applies for and receives a matching fund grant from the Department of Education under ORS 286A.801.**

**(B) A commission, university, school or district listed in subparagraph (A) of this paragraph is a qualifying agency only** to the extent that the commission, [the] university, **school** or [the] district uses funds paid directly or indirectly from the State Treasury for all or a portion of the construction costs of a public improvement.

(g) "Veteran" has the meaning given that term in ORS 408.225.

(h) "Woman" has the meaning given that term in ORS 200.005.

(2) A qualifying agency shall provide in each public improvement contract for which the contract price exceeds \$3 million that the contractor shall:

(a) Employ apprentices to perform 15 percent or more of the work hours that workers in apprenticeable occupations perform for each contract on the public improvement; and

(b) Require in each subcontract with a contract price of \$750,000 or more that the subcontractor employ apprentices to perform 15 percent or more of the work hours that workers in apprenticeable occupations perform on the subcontract.

(3) A contractor or subcontractor shall pay an apprentice for work on the public improvement at the hourly rate to which the apprentice is entitled under an apprenticeship agreement or that the apprenticeship training program specifies.

(4)(a) A qualifying agency shall require as a material provision of a public improvement contract that the contractor establish and implement a plan for outreach to and recruitment and retention of women, minority individuals and veterans to perform work under the public improvement contract, with an aspirational target of having individuals in one or more of these groups to compose at least 15 percent of the total number of workers who perform work under the public improvement contract. A contractor's plan for outreach, recruitment and retention must require the contractor to, at a minimum:

(A) Advertise employment opportunities available under the public improvement contract in general circulation publications, trade association publications and publications that serve an audience or readership that consists primarily of minority individuals, women or veterans;

(B) Follow up on the contractor's initial solicitations of interest by contacting minority individuals, women or veterans who expressed interest in or responded to the initial solicitation to determine with certainty whether the minority individual, woman or veteran is interested in the opportunities described in subparagraph (A) of this paragraph;

(C) Provide all persons who express continued interest with adequate information about hiring qualifications, pay rates, benefits, the expected duration of employment, work hours and other conditions of employment under the public improvement contract;

(D) Make efforts to encourage minority individuals, women and veterans to seek employment under the public improvement contract that the contractor may reasonably expect will produce a level of participation that meets the aspirational target described in this paragraph; and

(E) Use the services of minority community organizations, local, state, federal and tribal governments or other organizations that have recruiting, training and otherwise assisting minority individuals, women and veterans as the organization's primary purpose or mission to assist the contractor with outreach, recruitment and retention.

(b) A contractor shall demonstrate adequate good faith efforts to comply with the requirements of paragraph (a)(A) to (E) of this subsection.

(c) A contractor shall require any subcontractor with which the contractor has a subcontract with a contract price of \$750,000 or more to comply with the requirements set forth for the contractor in paragraph (a) of this subsection.

(5)(a) A contractor shall report the extent of the contractor's compliance with this section and the compliance of a subcontractor described in subsection (4)(c) of this section to the qualifying agency on forms, in a format and with contents the Commissioner of the Bureau of Labor and Industries specifies by rule, and at regular intervals that the qualifying agency specifies in the public improvement contract.

(b) A qualifying agency shall require the contractor to submit for each contract and subcontract the report described in paragraph (a) of this subsection as part of, or as a supplement to, certified statements required under ORS 279C.845, shall require *[contractors]* **the contractor** to preserve the reports as provided for certified statements in ORS 279C.845 (5), may disclose the reports as provided in ORS 279C.845 (6) and may enforce a failure to submit a report as provided in ORS 279C.845 (7). The reports described in this subsection must include, at a minimum, for each contract or subcontract related to the public improvement contract:

(A) The name of or other identification for the public improvement project;

(B) The city or county in which the public improvement project is located;

(C) A detailed accounting of:

(i) The total number of hours of work that workers performed under each contract and subcontract;

(ii) The total number of hours of work that workers performed in each apprenticeable trade or craft for each contract and subcontract on the public improvement;

(iii) The total number of hours of work that apprentices performed for each contract and subcontract on the public improvement; and

(iv) The total number of hours of work that apprentices in each trade or craft performed for each contract and subcontract on the public improvement; and

(D) The total number of workers who performed construction work and the total numbers of minority individuals, women and veterans who performed construction work under the public improvement contract. A report under this subparagraph must separately list for each worker the worker's race, ethnicity, gender, veteran status and, as applicable, trade, craft or job category. The Commissioner of the Bureau of Labor and Industries by rule may specify a method for identifying, collecting and reporting the information required under this subparagraph, which may consist of methods the United States Equal Employment Opportunity Commission prescribes in regulations the

1 United States Equal Employment Opportunity Commission adopts under Title VII of the Civil Rights  
2 Act of 1964, 42 U.S.C. 2000e et seq.

3 (6) At least 30 days before making any final payment to a contractor under a public improve-  
4 ment contract, a qualifying agency shall determine the extent of the contractor's compliance with  
5 the requirements in subsections (2) and (3) of this section. The qualifying agency shall base the  
6 determination on the ratio between the actual number of work hours that workers in apprenticeable  
7 occupations performed for each contract and subcontract on the public improvement and the actual  
8 number of work hours that apprentices performed for each contract and subcontract on the public  
9 improvement, as shown in reports the qualifying agency receives under subsection (5) of this section.

10 (7)(a) Not later than 30 days after making a final payment to a contractor under a public im-  
11 provement contract, a qualifying agency shall report to the Bureau of Labor and Industries the in-  
12 formation the qualifying agency collected from the contractor under subsection (5) of this section,  
13 together with the qualifying agency's determination under subsection (6) of this section as to  
14 whether the contractor and any subcontractor met the requirements for employing and paying ap-  
15 prentices set forth in subsections (2) and (3) of this section. The bureau may specify the form and  
16 contents of a report under this paragraph and may require the qualifying agency to also report ag-  
17 gregated data.

18 (b) Not later than January 2 of each odd-numbered year, the bureau shall report to a committee  
19 of the Legislative Assembly that considers matters related to apprenticeship and apprenticeship  
20 utilization on public improvement contracts the following data concerning each public improvement  
21 contract and subcontract that each qualifying agency completed within the previous two years:

22 (A) The total number of hours of work that workers performed for each contract or subcontract  
23 on all public improvement projects;

24 (B) The total number of hours of work that workers performed in each apprenticeable trade or  
25 craft for each contract and subcontract on all public improvement projects;

26 (C) The total number of hours of work that apprentices performed for each contract and sub-  
27 contract on all public improvement projects;

28 (D) The total number of hours of work that apprentices in each apprenticeable trade or craft  
29 performed for each contract and subcontract on all public improvement projects;

30 (E) The total number of minority individuals, women and veterans who performed work on the  
31 public improvement projects; and

32 (F) Any additional information the bureau determines is necessary to carry out the purposes of  
33 this section.

34 (8)(a) A qualifying agency shall reduce the payment due under a public improvement contract  
35 to a contractor that does not meet the requirements set forth under subsections (2) and (3) of this  
36 section. The amount of the reduction must be equivalent to the difference between the total number  
37 of work hours that apprentices in apprenticeable occupations should have performed on the public  
38 improvement project to meet the requirement set forth in subsection (2) of this section less the total  
39 number of work hours that apprentices in apprenticeable occupations actually performed on the  
40 public improvement project, multiplied by \$15 per hour.

41 (b)(A) **Except as provided in subparagraph (B) of this paragraph**, the qualifying agency shall  
42 pay the amount of the reduction under paragraph (a) of this subsection to the State Treasury to the  
43 credit of the Bureau of Labor and Industries Account established under ORS 651.160. The bureau  
44 shall use the amount deposited to fund expansions of apprenticeship training programs, with a focus  
45 on programs in areas of this state where contractors did not meet the targets specified in subsection

1 (2) of this section.

2 **(B) If the qualifying agency is a school district described in subsection (1)(f)(A)(v) of this**  
3 **section, the qualifying agency shall retain the amount of the reduction described in para-**  
4 **graph (a) of this subsection and deposit the amount in the school district general fund.**

5 (c) A contractor, in a subcontract related to the contractor's public improvement contract, may  
6 provide to the same extent described in paragraph (a) of this subsection for a reduction in the  
7 amount due to the subcontractor if the subcontractor fails to perform the subcontract in accordance  
8 with the contractor's requirements under subsections (2) and (3) of this section. The contractor may  
9 also provide in the contract for a reduction in the amount due a subcontractor that fails to comply  
10 with subsection (4)(c) of this section.

11 (9) This section does not apply to a public contract that a qualifying agency enters into under  
12 ORS 279B.080.

13 **SECTION 3. The amendments to ORS 279C.533 by sections 1 and 2 of this 2025 Act apply**  
14 **to a procurement for a public improvement that a qualifying agency solicits, or, if the qual-**  
15 **ifying agency does not solicit the procurement, to a public improvement contract into which**  
16 **the qualifying agency enters on or after the operative date specified in section 4 of this 2025**  
17 **Act.**

18 **SECTION 4. (1) The amendments to ORS 279C.533 by sections 1 and 2 of this 2025 Act**  
19 **become operative on January 1, 2026.**

20 (2) The Attorney General, the Commissioner of the Bureau of Labor and Industries, the  
21 Director of the Oregon Department of Administrative Services, the Director of Transporta-  
22 tion and a qualifying agency, as defined in ORS 279C.533, as amended by sections 1 and 2 of  
23 this 2025 Act, that adopts rules under ORS 279A.065 or 279A.070, or under another provision  
24 of law that provides for adopting rules related to public contracting, may adopt rules and  
25 take any other action before the operative date specified in subsection (1) of this section that  
26 is necessary to enable the Attorney General, the commissioner, the directors or the quali-  
27 fying agency, on and after the operative date specified in subsection (1) of this section, to  
28 undertake and exercise all of the duties, functions and powers conferred on the Attorney  
29 General, the commissioner, the directors or the qualifying agency under the amendments to  
30 ORS 279C.533 by sections 1 and 2 of this 2025 Act.

31 **SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
32 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**