

HB 3881-3
(LC 846)
4/7/25 (TSB/ps)

Requested by Representative ELMER

**PROPOSED AMENDMENTS TO
HOUSE BILL 3881**

1 On page 1 of the printed bill, delete lines 5 through 26 and delete pages
2 2 through 9 and insert:

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

4 “279C.533. (1) As used in this section:

5 “(a) ‘Apprentice’ has the meaning given that term in ORS 660.010.

6 “(b) ‘Apprenticeable occupation’ has the meaning given that term in ORS
7 660.010.

8 “(c) ‘Apprenticeship agreement’ has the meaning given that term in ORS
9 660.010.

10 “(d) ‘Apprenticeship training program’ means the total system of appren-
11 ticeship that a particular local joint committee, as defined in ORS 660.010,
12 operates, including the local joint committee’s registered standards and all
13 other terms and conditions for qualifying, recruiting, selecting, employing
14 and training apprentices in an apprenticeable occupation.

15 “(e) ‘Minority individual’ has the meaning given that term in ORS 200.005.

16 “(f)(A) ‘Qualifying agency’ means:

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

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

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

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

21 **“(v) A school district, as defined in ORS 330.003, that applies for a**

1 matching fund grant from the Department of Education under ORS
2 286A.801.

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

8 “(g) ‘Veteran’ has the meaning given that term in ORS 408.225.

9 “(h) ‘Woman’ has the meaning given that term in ORS 200.005.

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

13 “(a) Employ apprentices to perform 12 percent or more of the work hours
14 that workers in apprenticeable occupations perform for each contract on the
15 public improvement, **except that a school district described in subsection**
16 **(1)(f)(A)(v) of this section may provide in the public improvement**
17 **contract that the requirement set forth in this paragraph is an**
18 **aspirational target that the contractor should strive to meet; and**

19 “(b) Require in each subcontract with a contract price of \$750,000 or more
20 that the subcontractor employ apprentices to perform 12 percent or more of
21 the work hours that workers in apprenticeable occupations perform on the
22 subcontract, **except that under a public improvement contract with a**
23 **school district described in subsection (1)(f)(A)(v) of this section the**
24 **contractor may provide in the subcontract that the requirement set**
25 **forth in this paragraph is an aspirational target that the subcontractor**
26 **should strive to meet.**

27 “(3) A contractor or subcontractor shall pay an apprentice for work on
28 the public improvement at the hourly rate to which the apprentice is entitled
29 under an apprenticeship agreement or that the apprenticeship training pro-
30 gram specifies.

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

10 “(A) Advertise employment opportunities available under the public im-
11 provement contract in general circulation publications, trade association
12 publications and publications that serve an audience or readership that
13 consists primarily of minority individuals, women or veterans;

14 “(B) Follow up on the contractor’s initial solicitations of interest by
15 contacting minority individuals, women or veterans who expressed interest
16 in or responded to the initial solicitation to determine with certainty
17 whether the minority individual, woman or veteran is interested in the op-
18 portunities described in subparagraph (A) of this paragraph;

19 “(C) Provide all persons who express continued interest with adequate
20 information about hiring qualifications, pay rates, benefits, the expected du-
21 ration of employment, work hours and other conditions of employment under
22 the public improvement contract;

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

27 “(E) Use the services of minority community organizations, local, state,
28 federal and tribal governments or other organizations that have recruiting,
29 training and otherwise assisting minority individuals, women and veterans
30 as the organization’s primary purpose or mission to assist the contractor

1 with outreach, recruitment and retention.

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

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

8 “(5)(a) A contractor shall report the extent of the contractor’s compliance
9 with this section and the compliance of a subcontractor described in sub-
10 section (4)(c) of this section to the qualifying agency on forms, in a format
11 and with contents the Commissioner of the Bureau of Labor and Industries
12 specifies by rule, and at regular intervals that the qualifying agency specifies
13 in the public improvement contract.

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

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

25 “(B) The city or county in which the public improvement project is lo-
26 cated;

27 “(C) A detailed accounting of:

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

30 “(ii) The total number of hours of work that workers performed in each

1 apprenticeable trade or craft for each contract and subcontract on the public
2 improvement;

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

5 “(iv) The total number of hours of work that apprentices in each trade
6 or craft performed for each contract and subcontract on the public improve-
7 ment; and

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

19 “(6) At least 30 days before making any final payment to a contractor
20 under a public improvement contract, a qualifying agency shall determine
21 the extent of the contractor’s compliance with the requirements in sub-
22 sections (2) and (3) of this section. The qualifying agency shall base the
23 determination on the ratio between the actual number of work hours that
24 workers in apprenticeable occupations performed for each contract and sub-
25 contract on the public improvement and the actual number of work hours
26 that apprentices performed for each contract and subcontract on the public
27 improvement, as shown in reports the qualifying agency receives under sub-
28 section (5) of this section.

29 “(7)(a) Not later than 30 days after making a final payment to a con-
30 tractor under a public improvement contract, a qualifying agency shall re-

1 port to the Bureau of Labor and Industries the information the qualifying
2 agency collected from the contractor under subsection (5) of this section,
3 together with the qualifying agency's determination under subsection (6) of
4 this section as to whether the contractor and any subcontractor met the re-
5 quirements for employing and paying apprentices set forth in subsections (2)
6 and (3) of this section. The bureau may specify the form and contents of a
7 report under this paragraph and may require the qualifying agency to also
8 report aggregated data.

9 “(b) Not later than January 2 of each odd-numbered year, the bureau shall
10 report to a committee of the Legislative Assembly that considers matters
11 related to apprenticeship and apprenticeship utilization on public improve-
12 ment contracts the following data concerning each public improvement con-
13 tract and subcontract that each qualifying agency completed within the
14 previous two years:

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

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

20 “(C) The total number of hours of work that apprentices performed for
21 each contract and subcontract on all public improvement projects;

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

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

27 “(F) Any additional information the bureau determines is necessary to
28 carry out the purposes of this section.

29 “(8)(a) **Except as provided in paragraph (c) of this subsection,** a
30 qualifying agency shall reduce the payment due under a public improvement

1 contract to a contractor that does not meet the requirements set forth under
2 subsections (2) and (3) of this section. The amount of the reduction must be
3 equivalent to the difference between the total number of work hours that
4 apprentices in apprenticeable occupations should have performed on the
5 public improvement project to meet the requirement set forth in subsection
6 (2) of this section less the total number of work hours that apprentices in
7 apprenticeable occupations actually performed on the public improvement
8 project, multiplied by \$15 per hour.

9 “(b) The qualifying agency shall pay the amount of the reduction under
10 paragraph (a) of this subsection to the State Treasury to the credit of the
11 Bureau of Labor and Industries Account established under ORS 651.160. The
12 bureau shall use the amount deposited to fund expansions of apprenticeship
13 training programs, with a focus on programs in areas of this state where
14 contractors did not meet the targets specified in subsection (2) of this sec-
15 tion.

16 **“(c) A qualifying agency that is a school district described in sub-**
17 **section (1)(f)(A)(v) of this section need not reduce a payment due un-**
18 **der a public improvement contract for the reasons set forth in**
19 **paragraph (a) of this subsection.**

20 “[~~(c)~~] (d) A contractor, in a subcontract related to the contractor’s public
21 improvement contract, may provide to the same extent described in para-
22 graph (a) of this subsection for a reduction in the amount due to the sub-
23 contractor if the subcontractor fails to perform the subcontract in
24 accordance with the contractor’s requirements under subsections (2) and (3)
25 of this section. The contractor may also provide in the contract for a re-
26 duction in the amount due a subcontractor that fails to comply with sub-
27 section (4)(c) of this section.

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

30 **“SECTION 2.** ORS 279C.533, as amended by section 2, chapter 504,

Oregon Laws 2023, 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 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

1 shall:

2 “(a) Employ apprentices to perform 15 percent or more of the work hours
3 that workers in apprenticeable occupations perform for each contract on the
4 public improvement, **except that a school district described in subsection**
5 **(1)(f)(A)(v) of this section may provide in the public improvement**
6 **contract that the requirement set forth in this paragraph is an**
7 **aspirational target that the contractor should strive to meet; and**

8 “(b) Require in each subcontract with a contract price of \$750,000 or more
9 that the subcontractor employ apprentices to perform 15 percent or more of
10 the work hours that workers in apprenticeable occupations perform on the
11 subcontract, **except that under a public improvement contract with a**
12 **school district described in subsection (1)(f)(A)(v) of this section the**
13 **contractor may provide in the subcontract that the requirement set**
14 **forth in this paragraph is an aspirational target that the subcontractor**
15 **should strive to meet.**

16 “(3) A contractor or subcontractor shall pay an apprentice for work on
17 the public improvement at the hourly rate to which the apprentice is entitled
18 under an apprenticeship agreement or that the apprenticeship training pro-
19 gram specifies.

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

29 “(A) Advertise employment opportunities available under the public im-
30 provement contract in general circulation publications, trade association

1 publications and publications that serve an audience or readership that
2 consists primarily of minority individuals, women or veterans;

3 “(B) Follow up on the contractor’s initial solicitations of interest by
4 contacting minority individuals, women or veterans who expressed interest
5 in or responded to the initial solicitation to determine with certainty
6 whether the minority individual, woman or veteran is interested in the op-
7 portunities described in subparagraph (A) of this paragraph;

8 “(C) Provide all persons who express continued interest with adequate
9 information about hiring qualifications, pay rates, benefits, the expected du-
10 ration of employment, work hours and other conditions of employment under
11 the public improvement contract;

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

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

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

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

27 “(5)(a) A contractor shall report the extent of the contractor’s compliance
28 with this section and the compliance of a subcontractor described in sub-
29 section (4)(c) of this section to the qualifying agency on forms, in a format
30 and with contents the Commissioner of the Bureau of Labor and Industries

1 specifies by rule, and at regular intervals that the qualifying agency specifies
2 in the public improvement contract.

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

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

14 “(B) The city or county in which the public improvement project is lo-
15 cated;

16 “(C) A detailed accounting of:

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

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

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

24 “(iv) The total number of hours of work that apprentices in each trade
25 or craft performed for each contract and subcontract on the public improve-
26 ment; and

27 “(D) The total number of workers who performed construction work and
28 the total numbers of minority individuals, women and veterans who per-
29 formed construction work under the public improvement contract. A report
30 under this subparagraph must separately list for each worker the worker’s

1 race, ethnicity, gender, veteran status and, as applicable, trade, craft or job
2 category. The Commissioner of the Bureau of Labor and Industries by rule
3 may specify a method for identifying, collecting and reporting the informa-
4 tion required under this subparagraph, which may consist of methods the
5 United States Equal Employment Opportunity Commission prescribes in
6 regulations the United States Equal Employment Opportunity Commission
7 adopts under Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e et seq.

8 “(6) At least 30 days before making any final payment to a contractor
9 under a public improvement contract, a qualifying agency shall determine
10 the extent of the contractor’s compliance with the requirements in sub-
11 sections (2) and (3) of this section. The qualifying agency shall base the
12 determination on the ratio between the actual number of work hours that
13 workers in apprenticeable occupations performed for each contract and sub-
14 contract on the public improvement and the actual number of work hours
15 that apprentices performed for each contract and subcontract on the public
16 improvement, as shown in reports the qualifying agency receives under sub-
17 section (5) of this section.

18 “(7)(a) Not later than 30 days after making a final payment to a con-
19 tractor under a public improvement contract, a qualifying agency shall re-
20 port to the Bureau of Labor and Industries the information the qualifying
21 agency collected from the contractor under subsection (5) of this section,
22 together with the qualifying agency’s determination under subsection (6) of
23 this section as to whether the contractor and any subcontractor met the re-
24 quirements for employing and paying apprentices set forth in subsections (2)
25 and (3) of this section. The bureau may specify the form and contents of a
26 report under this paragraph and may require the qualifying agency to also
27 report aggregated data.

28 “(b) Not later than January 2 of each odd-numbered year, the bureau shall
29 report to a committee of the Legislative Assembly that considers matters
30 related to apprenticeship and apprenticeship utilization on public improve-

1 ment contracts the following data concerning each public improvement con-
2 tract and subcontract that each qualifying agency completed within the
3 previous two years:

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

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

9 “(C) The total number of hours of work that apprentices performed for
10 each contract and subcontract on all public improvement projects;

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

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

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

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

28 “(b) The qualifying agency shall pay the amount of the reduction under
29 paragraph (a) of this subsection to the State Treasury to the credit of the
30 Bureau of Labor and Industries Account established under ORS 651.160. The

bureau shall use the amount deposited to fund expansions of apprenticeship training programs, with a focus on programs in areas of this state where contractors did not meet the targets specified in subsection (2) of this section.

“(c) A qualifying agency that is a school district described in subsection (1)(f)(A)(v) of this section need not reduce a payment due under a public improvement contract for the reasons set forth in paragraph (a) of this subsection.

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

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

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

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

“(2) The Attorney General, the Commissioner of the Bureau of Labor and Industries, the Director of the Oregon Department of Administrative Services, the Director of Transportation and a qualifying agency, as defined in ORS 279C.533, as amended by sections 1 and 2 of

1 this 2025 Act, that adopts rules under ORS 279A.065 or 279A.070, or
2 under another provision of law that provides for adopting rules related
3 to public contracting, may adopt rules and take any other action be-
4 fore the operative date specified in subsection (1) of this section that
5 is necessary to enable the Attorney General, the commissioner, the
6 directors or the qualifying agency, on and after the operative date
7 specified in subsection (1) of this section, to undertake and exercise
8 all of the duties, functions and powers conferred on the Attorney
9 General, the commissioner, the directors or the qualifying agency un-
10 der the amendments to ORS 279C.533 by sections 1 and 2 of this 2025
11 Act.

12 “SECTION 5. This 2025 Act takes effect on the 91st day after the
13 date on which the 2025 regular session of the Eighty-third Legislative
14 Assembly adjourns sine die.”.
