

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 2128
Version:	Committee Substitute
Author:	Rep. Jackson & Sen. Myers
Date:	April 16, 2010
Impact:	\$0

Bill Summary

Research Analyst: Arnella Karges

The Committee Substitute for SB2128 amends the definition of “qualified federal contract” as used in the Oklahoma Quality Jobs Program Act to require that federal contracts and subcontracts qualify for incentives only if the contract involves services that are capable of being accomplished without Oklahoma workers and is performed by an Oklahoma workforce. The measure also requires that federal contractors and subcontractors offer a basic health benefits plan, as defined in the act, to their employees within 180 days of employment in order to qualify for incentives.

The measure also amends the definition of “total qualified labor hours” to mean hours performed by an Oklahoma workforce. The measure adds a definition for “qualified federal contractor” to mean a business maintaining a prime contract with the federal government that adds to the contract by performing at least 8% of the total labor. The measure also increases the cap on the required average annual wage for federal contractors’ and subcontractors’ employees to be at least \$29,409 (an increase from the current \$25,000 requirement) to qualify for incentives and for subcontractor work to pay \$31 per hour (an increase from \$26/hour).

The measure establishes a threshold for annual gross qualified labor hours to be \$2.5 million within three years of the start date in order to be eligible for continued incentive payments and requires the Oklahoma Department of Commerce to verify the federal contractor or subcontractor is not receiving incentive payments through other state programs for the same project.

The Title is restored on the Committee Substitute for SB2128.

Fiscal Summary

Fiscal Analyst: Diane Thomas

CS for ESB 2128 modifies the Oklahoma Quality Jobs incentive by amending language relating to qualified federal contracts including:

Section 1 specifies that for a federal contract to qualify for the Quality Jobs Incentive, the federal contractor and subcontractor must verify they will offer (within 180 days of employment) basic health benefits for their employees.

Section 2:

- Requires federal contractors to apply to the Department of Commerce within 180 days following the date the contract was awarded or renewed;
- Increases the average wage ceiling from \$25,000 to \$29,409;
- Increases the minimum average qualified labor rate for subcontractors from \$26 to \$31 per hour;
- Requires federal contractors have annual verified gross labor hours of at least \$2.5 million to continue incentive payments; and
- Provides the Department of Commerce follow further requirements to determine the federal contractors are not receiving payment from more than one Quality Jobs program for the same services.

Fiscal Analysis

No reduction in revenue is estimated as a result of this measure due to the revenue neutral features of the Quality Jobs Incentive Act.

Long Term Fiscal Considerations

None.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director