

SENATE BILL REPORT

EHB 1849

As Reported by Senate Committee On:
Transportation, February 26, 2018

Title: An act relating to compliance with apprenticeship utilization requirements.

Brief Description: Addressing compliance with apprenticeship utilization requirements.

Sponsors: Representatives Sells, Doglio, Pollet, Ormsby, Tharinger and Farrell.

Brief History: Passed House: 3/01/17, 51-47; 2/08/18, 97-0.

Committee Activity: Transportation: 2/22/18, 2/26/18 [DP, w/oRec].

Brief Summary of Bill

- Requires public works contracts to contain apprenticeship utilization goals by cost value and, except for Department of Transportation (DOT) contracts, monetary penalties and incentives for not meeting the goals.
- Requires contracts to include specifications that a contractor or subcontractor may not be required to exceed the apprenticeship utilization requirements.
- Requires awarding agencies to monitor and report compliance by contractor and subcontractor to the Supervisor of Apprenticeship (Supervisor) for verification.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Chase, Cleveland, Dhingra, Fortunato, Liias, McCoy, Sheldon, Takko, Walsh and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator Zeiger.

Staff: Erica Bramlet (786-7321)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Apprenticeship Programs. Apprenticeship programs offer on-the-job training under the supervision of journey-level workers and require a certain number of instructional hours. The Washington State Apprenticeship and Training Council (Council), which is part of the Department of Labor and Industries (L&I), establishes standards for apprenticeship programs and approves training programs. Standards set by the Council address the allowable ratios of apprentices to journey-level workers, the type of work apprentices may do, and the required supervision of apprentices. An employer may partner with an approved apprenticeship program or develop its own, subject to approval of the Council. The Supervisor is appointed by the director of L&I. The Supervisor's duties include:

- encouraging and promoting apprenticeship programs that conform to state and federal standards;
- acting as secretary of the Council;
- registering, keeping record of, and terminating apprenticeship agreements; and
- issuing certificates of completion of apprenticeships.

Apprenticeship Utilization Requirements. In general, all public works that are estimated to cost \$1 million or more must require at least 15 percent of the labor hours be performed by apprentices enrolled in approved apprenticeship training programs. This requirement applies to contracts awarded by the state, school districts, and state four-year institutions of higher education. For DOT, apprenticeship utilization requirements apply to projects of \$3 million or more until 2020. After 2020, the utilization requirements for DOT apply to projects of \$2 million or more. Labor hours are the total hours of workers receiving an hourly wage who are directly employed upon the public works project. Labor hours include hours performed by workers employed by the contractor and all subcontractors working on the project. It does not include hours worked by foremen, superintendents, owners, and workers not required to be paid prevailing wage. Awarding agencies may adjust apprenticeship utilization requirements for certain reasons, such as an insufficient number of apprentices in a certain geographic area. The Department of Enterprise Services (DES) must provide information and technical assistance and collect certain data from agencies regarding apprenticeship utilization requirements.

Responsibility Criteria. A contractor bidding on a public works project must meet certain criteria, known as responsible bidder criteria, in order to be awarded a public works contract. One of the criteria is that the contractor must not have been found to be out of compliance for working apprentices out of ratio, without supervision, or outside their approved work processes, for the one-year period preceding the date of the bid solicitation.

Debarment. A contractor is debarred from bidding on any public works contract for one year if the contractor has committed any two of the following violations in a five-year period:

- filing a false payroll report;
- failing to obtain industrial insurance coverage;
- failing to register as a contractor; or
- working apprentices out of ratio, without supervision, or outside their approved work processes.

Summary of Bill: Within existing resources, awarding agencies are responsible for monitoring compliance with requirements regarding apprenticeship utilization hours and must report noncompliance by contractors and subcontractors to the Supervisor. Contracts

must include apprenticeship utilization goals by expected cost value, and, except for DOT contracts, monetary penalties and incentives for not meeting the goals. Public works contracts are required to specify that contractors and subcontractors may not be required to exceed apprenticeship utilization requirements.

The Supervisor must verify compliance by contractors, subcontractors, and awarding agencies and may coordinate with DES, DOT, the Office of the Superintendent of Public Instruction, and other agencies to track compliance. Compliance information must be made available to the Council and used to determine compliance for the purposes of responsibility criteria and debarment.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2020.

Staff Summary of Public Testimony: PRO: The bill is the same as the one passed by the Senate, and there is support for the bill.

Persons Testifying: PRO: Michael Transue, Mechanical Contractors Association of Western Washington.

Persons Signed In To Testify But Not Testifying: No one.