

SENATE BILL REPORT

HB 1849

As of March 20, 2017

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.

Committee Activity: Transportation: 3/20/17.

Brief Summary of Bill

- Provides direction to awarding agencies and the Department of Labor & Industries to monitor and report on contractor and subcontractor apprenticeship utilization.
- Clarifies that any one contractor or subcontractor cannot be required to exceed the apprenticeship utilization requirements.
- Instructs awarding agencies to consider the achievement of apprenticeship utilization goals as a positive factor in determining bidder responsibility.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Erica Bramlet (786-7321)

Background: Apprenticeship Regulation. Apprenticeships require at least a year of full-time, on-the-job training under the supervision of journey-level workers. The Apprenticeship & Training Council under the Washington State Department of Labor & Industries (L&I) regulates apprenticeship programs, including the ratio of supervisors to apprentices and the type of work apprentices can perform.

Current law requires that all Washington State Department of Transportation (WSDOT) contracts over \$3 million have 15 percent of the labor hours performed by apprentices. After July 1, 2020, the project cost threshold lowers to \$2 million. School districts and four-year institutions of higher education have a project cost threshold of \$1 million. Awarding entities can adjust the 15 percent apprenticeship requirement if there is a lack of apprentice

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availability in a specific geographical area, a high ratio of material to labor costs which make the apprentice requirements unfeasible, or if the contractors have demonstrated a good faith effort to comply. WSDOT currently collects apprenticeship utilization data by overall contractor, and manages compliance internally.

Responsible Bidder Criteria. Under current law, a bidder must meet the following requirements to be considered a responsible bidder qualified to be awarded a public works contract:

- be a registered contractor;
- have a current state Unified Business Identifier number;
- have industrial insurance coverage for Washington employees if applicable;
- not be disqualified from bidding for being unlicensed or not keeping accurate wage records;
- have maintained compliance with the Apprenticeship & Training Council's supervisor ratio and work type regulations for the year prior to the bid solicitation; and
- meet any supplemental criteria established by the awarding agency.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Striking Amendment): Awarding agencies are responsible for monitoring and reporting apprenticeship utilization hours by contractor and subcontractor to L&I at the end of a project. The supervisor of apprenticeship at L&I must make this information available to the Apprenticeship & Training Council for determination of compliance by contractor, subcontractor, and awarding agency.

All contracts must specify that any one contractor or subcontractor may not be required to exceed the relevant apprenticeship utilization requirements.

In determining responsible bidder criteria before awarding a contract, agencies are directed to consider the achievement of the apprenticeship utilization requirements as a positive factor.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Proposed Striking Amendment: PRO: These apprenticeship standards are sound public policy and necessary to build a skilled workforce and meet the goal of industry-wide apprenticeship. The requirements are not currently being met by all, and this version of the bill represents a compromise with industry partners that will incentivize contractors to meet the standards rather than punish those who do not. The Connecting Washington package represents a training opportunity for apprentices across the state. This bill would help maintain compliance by allowing the data to be monitored. The bill provides that no single contractor should be required to do more than 15 percent

apprenticeship, but they could voluntarily, which prevents the requirement from being piled on to a single trade.

CON: A "carrot" is better than a "stick" in this instance, but the bill needs more work. Contractors want to use apprentices and they do, but contractors in many areas of the state would be treated unfairly with this bill, as it is harder to meet the standards there. Since the language directing awarding agencies to consider meeting the requirements a positive factor when awarding projects is more vague, it could result in a greater consequence and uncertainty in how to recover responsible bidder status if a contractor does not meet it for a certain amount of time. Contractors don't need more oversight to meet apprenticeship goals, and are already exceeding the goal in the highways department. The Legislature should use the money this bill would cost and invest it in recruiting veterans and kids in school into the trades program to expand the base of apprentices.

Persons Testifying: PRO: Scott Middleton, MCA of Western Washington; Neil Hartman, Washington State Building & Construction Trades Council.

CON: Jerry VanderWood, AGC; Tom Gaetz, WA Asphalt Pavement Assn; Bob Battles, AWB.

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