**1050-S.E AMS KING S2771.1 - NOT FOR FLOOR USE**

**ESHB 1050** - S AMD **259**

By Senator King

**ADOPTED 03/31/2023**

On page 1, at the beginning of line 15, strike "$1,000,000" and insert "$2,000,000"

On page 1, line 16, after "apprentices." insert "For contracts advertised for bid on or after July 1, 2026, for all public works contracts awarded by a municipality estimated to cost $1,500,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices. For contracts advertised for bid on or after July 1, 2028, for all public works contracts awarded by a municipality estimated to cost $1,000,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices."

On page 4, line 36, after "(b)" insert "The department of labor and industries and the municipal research and services center shall provide training, information, and ongoing technical assistance to municipalities in order to comply with apprenticeship utilization requirements. Training must include, but not be limited to, department of labor and industries reporting requirements, contract administration including sample contract language, and best practices on how a municipality's governing authority must adopt apprenticeship guidelines, including procedures, rules, and instructions to ensure compliance relating to a contractor that seeks a good faith waiver of apprenticeship utilization requirements.

(c)"

On page 5, after line 33, insert the following:

"NEW SECTION. **Sec.**  (1) It is the intent of the legislature that apprenticeship utilization requirements lead to increased on-the-job training placements for construction apprentices and a growing and diversified pool of labor in Washington. Beginning July 1, 2024, the department of labor and industries must study and report on public works project outcomes related to apprenticeship utilization requirements, access to apprentices, and participation by women, minority, and veteran-owned businesses. The study and report must include projects completed between July 1, 2020, and June 30, 2025, as well as projects in progress as of June 30, 2025, for in progress projects that have available data. At a minimum, the study and report must:

(a) Delineate by project size and type of awarding entity, including the department of transportation, school districts, four-year institutions of higher education, and municipalities. Project outcomes for municipalities must be delineated by type of municipality;

(b) Include total project cost, the ratio of material to labor costs, apprentice hours worked by craft and percent of total hours worked, cost savings or increases from utilizing apprentices, number of projects achieving and not achieving apprentice utilization requirements, number of projects waiving apprentice utilization requirements for good faith efforts or other criteria deemed appropriate by the awarding agency with the reasons for the waivers, and the number and percentages of women, minority, and veteran-owned businesses as prime contractors or subcontractors and whether they were able to utilize apprentices;

(c) Include, by craft, the number and service area of construction apprenticeship programs, the number of training agents, and the number of construction apprentices;

(d) Analyze women, minority, and veteran-owned businesses' access to public works projects as a prime contractor or subcontractor, and access to apprentices. The analysis should include project data and consultation with the office of minority and women's business enterprises and women, minority, and veteran-owned businesses;

(e) Identify and analyze existing applications of apprenticeship utilization requirements by municipalities and for subcontractors beyond requirements specified in RCW 39.04.320;

(f) Include recommendations and best practices for increasing apprenticeship utilization and supporting women, minority, and veteran-owned businesses in accessing apprentices; and

(g) Include recommendations and best practices for extending apprenticeship utilization requirements to subcontractors.

(2) The report must be submitted to the office of financial management, the senate labor and commerce committee, the house labor and workplace standards committee, the house capital budget committee, the house local government committee, the senate state government and elections committee, and the senate local government, land use, and tribal affairs committee, or their successor committees, no later than December 1, 2025.

(3) This section expires December 1, 2026."

Renumber the remaining section consecutively and correct any internal references accordingly.

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On page 1, line 2 of the title, after "39.04.320;" strike "and providing an effective date" and insert "creating a new section; providing an effective date; and providing an expiration date"

EFFECT: (1) Phases-in the apprenticeship utilization requirements for municipalities, with the requirements applying to contracts of more than $2 million until July 1, 2026, contracts of more than $1.5 million from July 1, 2026, until July 1, 2028, and contracts of more than $1 million after July 1, 2028.

(2) Requires L&I and the Municipal Research and Services Center to provide training and technical assistance to municipalities to comply with apprenticeship utilization requirements. Requires the training to include reporting requirements, contract administration, and best practices regarding adopting apprenticeship guidelines.

(3) Requires L&I to conduct a study on public works project outcomes related to apprenticeship utilization requirements, access to apprentices, and participation by women, minority, and veteran-owned businesses. Specifies the types of data, analyses, and recommendations the study must include. Requires the report to be submitted to the Office of Financial Management and the Legislature by December 1, 2025.