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**Commerce & Labor Committee**

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**HB 1028**

**Brief Description:** Providing for apprenticeship utilization requirements on public works projects.

**Sponsors:** Representatives Conway, Hankins, Sells, Simpson, Wood, Campbell, Santos, Green, McIntire, Morrell, Kenney, B. Sullivan, McCoy, Hasegawa, Chase and Ormsby; by request of Governor Locke.

**Brief Summary of Bill**

- Requires that no less than 15 percent of total labor hours on state public works projects that are estimated to cost \$1 million or more be performed by apprentices.
- Permits awarding agencies to adjust apprentice utilization requirements for specified reasons.

**Hearing Date:** 1/19/05

**Staff:** Jill Reinmuth (786-7134).

**Background:**

Under Executive Order 00-01, state agencies under the Governor's authority must require that apprentices enrolled in state-approved apprenticeship training programs participate in public works projects.

Requirements for Apprentice Utilization

The requirements for apprentice utilization are as follows:

- Ten percent of total labor hours for contracts of more than \$2 million awarded from July 1, 2000, through December 31, 2002;
- Twelve percent of total labor hours for contracts of more than \$2 million awarded from January 1, 2003, through December 31, 2003; and
- Fifteen percent of total labor hours for contracts of more than \$1 million awarded from January 1, 2004, forward.

Adjustments to Utilization Requirements

Agency directors are permitted to adjust these requirements for specific projects for the following reasons:

- A demonstrated lack of availability of apprentices in specific geographic areas;
- A disproportionately high ratio of material costs to labor hours;
- A demonstrated good faith effort by participating contractors to comply with the requirements of Executive Order 00-01; or
- Other criteria the agency director deems appropriate, subject to prior review by the Office of the Governor.

### **Summary of Bill:**

The requirement for apprentice utilization in public works projects and reasons for adjusting the requirement, as set forth in Executive Order 00-01, are codified.

### Requirement for Apprentice Utilization

For public works estimated to cost \$1 million or more, the specifications must require that no less than 15 percent of the labor hours be performed by apprentices enrolled in state-approved apprenticeship training programs. This apprentice utilization requirement applies to public works contracts awarded by state agencies except for state four-year institutions of higher education, state agencies headed by a separately elected public official, and the Department of Transportation. This apprentice utilization requirement is consistent with the requirement in Executive Order 00-01.

### Adjustments to Utilization Requirement

Awarding agencies may adjust this apprentice utilization requirement for specific projects for the same reasons as specified in Executive Order 00-01.

### Reporting Requirements

The Department of General Administration, with the assistance of the Department of Labor and Industries, must provide information and technical assistance to affected agencies. The Department of General Administration also must collect certain data on covered projects from affected agencies.

At the request of the Senate Commerce & Trade Committee, the House Commerce & Labor Committee, or their successors, and the Governor, the Department of General Administration and the Department of Labor and Industries must compile and summarize the data and provide a joint report to both committees. The report must include recommendations on modifications or improvements to the apprentice utilization program, and information on skill shortages in each trade or craft.

**Rules Authority:** The bill does not contain provisions addressing the rule-making powers of an agency.

**Appropriation:** None.

**Fiscal Note:** Requested on January 10, 2005.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.