

STAFF MEASURE SUMMARY**Senate Committee On Workforce****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 04/20/15**Action:** Do Pass With Amendments And Requesting Referral To Ways And Means.
(Printed A-Engrossed.)**Meeting Dates:** 03/11, 03/23, 04/20**Vote:**

Yeas: 3 - Dembrow, Gelser, Rosenbaum

Nays: 2 - Knopp, Thatcher

Prepared By: Matthew Germer, Committee Administrator

WHAT THE MEASURE DOES:

Requires public contract bidders, for contracts \$5 million or more after January 1, 2017, and for contracts of \$3 million or more after January 1, 2021, to demonstrate responsibility by employing apprentices for 10 percent or more of the hours employees worked during the previous calendar year or by belonging to a local joint committee whose training agents employed apprentices for 10 percent or more of hours that training agents' employees worked on contracts in the previous calendar year. Grants Commissioner of Bureau of Labor and Industries discretion in setting percentage at which a public agency may determine public contract bidder responsibility. Requires contracting agency to base responsibility determination on bidder's status as approved training agent or on local joint committee training agents. Requires contractors and subcontractors to submit compliance statements and appropriate money to the Bureau to enforce compliance. Requires local joint training committee to report to Bureau hours worked by apprentices and journeyworkers, and requires Bureau to publish hours on its website. Requires Commissioner to recommend to the Legislative Assembly by December 31, 2022, any reductions in the estimated contract price at which this Act should apply. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Purpose of the measure
- 10 percent apprenticeship threshold
- \$1 million contract threshold
- Need for CTE investment
- Relationship between general contractors and sub-contractors relating to apprenticeship

EFFECT OF COMMITTEE AMENDMENT:

Applies to public contracts \$5 million or greater starting January 1, 2017 and to public contracts \$3 million or greater starting January 1, 2021. Requires Commissioner of Bureau of Labor and Industries to recommend to the Legislative Assembly by December 31, 2022, any reductions in the estimated contract price to which this Act should apply.

BACKGROUND:

Apprenticeships are occupational career training that combines supervised on-the-job training experience with classroom instruction. Apprentices usually begin at half the salary of certified "journey" workers. Apprenticeship committees, made up of employee and employer representatives, operate apprenticeship programs. The waiting period for acceptance into an apprenticeship may last up to two years as it is a highly competitive process. If a candidate is qualified, the candidate is added to a pool of eligible apprentices. As apprenticeship vacancies become available, candidates are selected from the pool. Apprenticeships typically last for two to five years, depending on industry requirements. The Apprenticeship and Training Division, a division of the Bureau of Labor and Industries,

registers apprentices, works with industry to establish apprenticeship programs and monitors apprenticeship committee compliance.

Senate Bill 809-A requires public contract bidders, for contracts \$5 million or more, to demonstrate responsibility by employing apprentices for 10 percent or more of the hours that the bidder's employees worked on contracts during the previous calendar year or by belonging to a local joint committee whose training agents employed apprentices for 10 percent or more of hours that training agents' employees worked on contracts in the previous calendar year. In 2021, the requirements apply to contracts of \$3 million or more.