

HB 2162 -1, -4 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/22, 4/14

WHAT THE MEASURE DOES:

Requires state contracting agency to require contractor to employ apprentices to perform 10 percent of work hours that workers in apprenticeable occupations perform. Increases employment requirement to 12 percent in 2022. Requires Bureau of Labor and Industries to establish and provide staffing for advisory committee that monitors implementation and compliance. Applies to public improvement contracts with price exceeding \$5 million and exempts Department of Transportation. Becomes operative January 1, 2018. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Requires public contract bidders, for contracts \$5 million or more after January 1, 2019, and for contracts of \$3 million or more after January 1, 2023, 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. 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 Legislative Assembly by December 31, 2024, any reductions deemed necessary in estimated contract price that triggers requirements.

-4 Removes language requiring state public contracting agency to require in public improvement contract that agency will pay contractor for total number of work hours that apprentice performs. Provides exemption for emergency procurements.

BACKGROUND:

Apprenticeships are occupational career training that combines 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 be 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 are typically two to five years long, depending on industry requirements. The Apprenticeship and Training Division of the Bureau of Labor and Industries, registers apprentices. This Summary has not been adopted or officially endorsed by action of the committee.

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

House Bill 2162 requires contractors who are awarded state public improvement contract worth at least \$5 million to employ apprentices to perform 10 percent of the work hours that workers in apprenticeable occupations perform. The percentage increases to 12 in 2022. Contracts with the Department of Transportation are exempt. The measure establishes an advisory committee to monitor implementation and compliance and to advise the Legislative Assembly on subsequent changes to improve implementation. The six-member committee is appointed by the Governor and staffed by the Bureau of Labor and Industries.