

HB 2162 -5 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 5/15

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. Lowers threshold to \$3 million in 2022. Exempts Department of Transportation and emergency procurements. Becomes operative January 1, 2018. Takes effect 91st day following adjournment *sine die*.

- Minimal fiscal impact; no revenue impact
- House vote: 53-3

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-5 Replaces measure. Requires public contract bidders, for contracts \$5 million or more after January 1, 2019, 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 appropriates 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. Declares emergency, effective on passage. Previously proposed in 2015 regular legislative session (SB 809A).

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

House Bill 2162-A requires a contractor who is awarded a 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 on that contract. In 2022, the percentage increases to 12 percent and the contract size threshold drops to \$3 million. Contracts with the Department of Transportation are exempt, as are emergency procurements. The measure

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establishes an advisory committee to monitor implementation and compliance and to advise the Legislative Assembly on subsequent changes to improve implementation. The six-member advisory committee is appointed by the Governor and staffed by the Bureau of Labor and Industries.