

HB 2162 A STAFF MEASURE SUMMARY

Carrier: Rep. Barreto, Rep. Holvey

House Committee On Business and Labor

Action Date: 04/14/17
Action: Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)
Vote: 8-0-1-0
Yeas: 8 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Holvey, Kennemer
Exc: 1 - Heard
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
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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.

ISSUES DISCUSSED:

- Need to replace aging workforce
- Desire to follow increased Career Technical Education in high schools with increased opportunities for apprentices
- History of efforts to increase apprenticeship utilization
- West Coast states that set apprenticeship utilization standards
- Measure applies only to state public contracts
- Potential impact on subcontractors
- How apprenticeship utilization standards will be enforced

EFFECT OF AMENDMENT:

Removes language requiring state public contracting agency to require specification 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,

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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 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.