

HB 2162 B STAFF MEASURE SUMMARY**Carrier:** Sen. Knopp**Senate Committee On Workforce****Action Date:** 05/31/17**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Gelser, Hansell, Knopp, Monnes Anderson, Taylor**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Debra Maryanov, LPRO Analyst**WHAT THE MEASURE DOES:**

Establishes apprenticeship requirements on state public works contracts. Requires state contracting agency to provide in public improvement contracts exceeding \$5 million that contractors, and any subcontractors of subcontracts over \$1 million or 25 percent of contract price, must employ apprentices to perform 10 percent of hours worked in apprenticeable occupations. Lowers contract price threshold to \$3 million in 2022, and increases required apprentice work hours to 12 percent. Requires Bureau of Labor and Industries to establish and provide staffing for advisory committee that monitors implementation and compliance. Exempts Department of Transportation and emergency procurements. Becomes operative January 1, 2018. Takes effect 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Recommendations of Joint Task Force on Apprenticeship in State Contracting (2013-14 interim)
- History of related legislative proposals in 2013 and 2015
- Current worker shortage in contracting industry

EFFECT OF AMENDMENT:

Adds requirement that state contracting agencies provide in public improvement contracts exceeding \$5 million that any subcontractors of subcontracts over \$1 million or 25 percent of contract price employ apprentices for 10 percent or more of hours worked in apprenticeable occupations. Increases required apprentice hours to 12 percent after January 1, 2022, for public improvement contracts exceeding \$3 million and subcontracts over \$1 million or 25 percent of contract price.

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-B requires a contractor who is awarded a state public improvement contract worth at least \$5

This Summary has not been adopted or officially endorsed by action of the committee.

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million, and a subcontractor with a subcontract worth over \$1 million or 25 percent of the contract price, 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.