

February 16, 2023

RE: Written Testimony on HB 2649

Dear Chair Holvey, Vice Chairs Sosa and Elmer, and Members of the Committee:

Associated General Contractors represents 790 members across the state and SW Washington, including small and large contractors, open and union, rural and urban contractors.

First, let me emphasize an important point: no one cares more about growing our workforce than the contractors who are limited on the ability to perform work by workforce constraints.

As you've heard from Asha Aiello during Wednesday's panel, AGC is committed to building the workforce pipeline and is putting the time, money and effort into increasing the visibility of the construction industry to students and young adults. It is our belief that this end of the pipeline is where the work needs to happen. We need to get kids interested in the trades and the construction industry from a younger age, making sure that they know the value of these jobs and the good, family wages they can make without going into debt with student loans.

However, increasing apprenticeship requirements like this bill does doesn't move the needle at the right end of the pipeline.

AGC has several issues with this bill. First, there needs to be a broader conversation before changing apprenticeship requirements. And then specifically with the bill: we have serious concerns with removing the ODOT exemption that currently exists, expanding these requirements to higher education projects, increasing the apprenticeship requirement, and penalizing contractors if they're unable to meet the apprenticeship requirements through no fault of their own.

To the history of this issue first. Last time changes were made to the state apprenticeship requirements, there was an extended discussion and cooperation between the affected parties to come up with a solution that increased apprenticeship requirements in a way that worked for the industry as a whole. The type of change contemplated in this bill needs similar discussion and work with all industry stakeholders to determine what changes will be both meaningful and practicable.

**2023 OFFICERS**

**Steve Malany**  
*President*

**Joel Frasier**  
*First*

*Vice President*

**Dylan Bochsler**  
*Second*

*Vice President*

**Brandon Flint**  
*Secretary*

**Joe McDonnell**  
*Treasurer*

**Scott Williams**  
*Immediate*

*Past President*

**EXECUTIVE DIRECTOR**

**Mike Salsgiver**



***The Voice & Choice of the Construction Industry!***

 @AGCOreCol •  agcorecol

Now to the specifics of the bill. First, we oppose removing the ODOT exemption. ODOT has its own apprenticeship program that has been successful at getting apprentices working on these jobs, while remaining attainable by highway contractors. ODOT has specific needs, due to the nature of the work they do. This has been recognized in the past, by the creation of this exemption. We believe that ODOT's program should stay exempt, so they can continue to do the great work they have been doing rather than being lumped in with other state agencies.

Second, we oppose expanding these requirements to higher education projects. When looking at community college projects in particular, these projects can be in smaller communities, which often don't have the same availability of apprenticeship programs. This makes it difficult for contractors in these rural areas to comply, especially for open shop contractors who are trying to perform this work in their own communities.

In talking to some of our contractors who do higher education projects, they noted that there is significant value placed on local constituencies and wanting to put money back into their communities, in particular when doing construction projects for community colleges. These new requirements don't work in rural communities, where there simply isn't the same access to apprentices as there are in more urban areas.

Third, we oppose increasing the apprenticeship requirement amount in 2025. It is problematic to arbitrarily increase the apprenticeship requirement to 15% two years from now without discussion on whether this is feasible. This needs to be looked at in light of other requirements that are also being discussed, or have already been passed, in the construction arena. For example, SB 420 passed in the 2021 session, which allows state and local governments to adopt community benefit contracts. These often include apprenticeship requirements. As more local governments are implementing their own apprenticeship requirements, there will be an even greater strain on the apprenticeship pipeline, which won't be able to produce enough apprentices for all the requirements. A broad industry conversation around these requirements would allow us to work through some of these issues.

Fourth, we oppose penalizing contractors when they're unable to meet the apprenticeship requirements. It is one thing to penalize contractors who are willfully choosing not to comply with requirements. However, the policy in this bill would penalize contractors, even when they have tried to get the requisite apprentices for a project but are unable to do so because the apprentices aren't available. When we know that there are not enough workers coming into the construction pipeline, it is unreasonable to penalize contractors for circumstances beyond their control. Especially when, as pointed out by Ms. Aiello during her

**2023 OFFICERS**

**Steve Malany**  
*President*

**Joel Frasier**  
*First  
Vice President*

**Dylan Bochsler**  
*Second  
Vice President*

**Brandon Flint**  
*Secretary*

**Joe McDonnell**  
*Treasurer*

**Scott Williams**  
*Immediate  
Past President*

**EXECUTIVE DIRECTOR**  
**Mike Salsgiver**

***The Voice & Choice of the Construction Industry!***

 @AGCOreCol •  agcorecol

presentation, there is significant work being done by the contractor community to increase the number of people entering the construction industry.

In summary, AGC strongly supports apprenticeship and bringing new folks into the construction industry. It is an essential priority for our membership. However, to create sweeping apprenticeship policy without engaging the entire contractor community in its creation will lead to unworkable and untenable requirements that penalize contractors for circumstances beyond their control.

Thank you for your consideration, and please feel free to reach out with any questions.

Best Regards,



Kirsten Adams  
Director and Counsel – Policy and Public Affairs

**2023 OFFICERS**

**Steve Malany**  
*President*

**Joel Frasier**  
*First  
Vice President*

**Dylan Bochsler**  
*Second  
Vice President*

**Brandon Flint**  
*Secretary*

**Joe McDonnell**  
*Treasurer*

**Scott Williams**  
*Immediate  
Past President*

**EXECUTIVE DIRECTOR**  
**Mike Salsgiver**



***The Voice & Choice of the Construction Industry!***

 @AGCOreCol •  agcorecol