

SENATE BILL REPORT

SB 6565

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, February 7, 2002

Title: An act relating to apprenticeship utilization requirements.

Brief Description: Establishing apprenticeship utilization requirements for public works.

Sponsors: Senators Costa, Winsley, Gardner, Thibaudeau, Kastama, Keiser and Franklin.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/29/02, 2/7/02 [DP, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Fairley, Franklin, Gardner, Rasmussen, Regala and Winsley.

Minority Report: Do not pass.

Signed by Senators Hochstatter and Honeyford.

Staff: Kim Johnson (786-7486)

Background: Apprenticeship is a combination of on-the-job training and related instruction in which workers learn the practical and theoretical aspects of a highly skilled occupation. The Department of Labor and Industries and the state Apprenticeship Council oversee Washington's apprenticeship programs.

There is concern that there may be an inadequate supply of skilled construction workers in Washington. Greater participation of apprentices in public works projects may help to increase the supply of these workers.

Summary of Bill: From July 1, 2002 through December 31, 2002, all contracts for public works projects estimated to cost \$2 million or more must require that at least 10 percent of labor hours per trade are performed by apprentices. The term "labor hours" includes all hours performed by workers employed by contractors or subcontractors working on the project, but does not include hours worked by foremen, superintendents, owners, or workers who are not subject to prevailing wage requirements.

From January 1, 2003 through December 31, 2003, this requirement increases to 12 percent of labor hours per trade.

Beginning January 1, 2004, all contracts for public works projects estimated to cost \$1 million or more must require that at least 15 percent of labor hours per trade are performed by apprentices.

These requirements can be waived if agency directors demonstrate that there is a lack of available apprentices for a given project, if there is a disproportionately high ratio of material costs to labor hours, or if agency directors make other arguments that are accepted by the Department of Labor and Industries.

Failure to comply with the specified apprenticeship requirements is a breach of contract, and can be considered as evidence of a contractor's qualification for award of future contracts.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Apprenticeship programs help to maintain a skilled workforce. There is a growing gap between the supply of skilled workers and the jobs needing to be filled. This bill would actually decrease costs because apprentice's wages are lower than wages for journeymen.

Testimony Against: There is not a shortage of skilled laborers in Washington. This bill may force employers to lay off of journeymen in order to hire the number of apprentices the new law would require. There are not enough exceptions in the bill for circumstances, such as the inability of an employer to find enough apprentices to fill the specialized trade positions necessary to comply with the new law.

Testified: Roger Boatwright, WA State Building and Construction Trades (pro); David Johnson, Ironworkers #86 (pro); Marie Gustin, National Assn. of Women in Construction (pro); David Gent, David Spivey, Dean Smith, Wilder Construction Co, Asphalt Paving Assn. (con).