
Capital Budget Committee

HB 1050

Brief Description: Expanding apprenticeship utilization requirements.

Sponsors: Representatives Riccelli, Berry, Simmons, Ryu, Goodman, Reed, Ramel, Lekanoff, Pollet, Street, Doglio, Donaghy, Wylie, Santos, Ormsby and Fosse.

Brief Summary of Bill

- Requires public works contracts awarded by a municipality that cost more than \$1 million to include specifications that no less than 15 percent of the labor hours be performed by apprentices.
- Requires subcontracts of public works contracts with an initial subcontract price of \$200,000 or more to include specifications that no less than 15 percent of the labor hours be performed by apprentices.
- Requires municipalities to monitor and report their apprentice utilization hours by contractor and subcontractor.

Hearing Date: 1/19/23

Staff: Kelci Karl-Robinson (786-7116).

Background:

The Washington State Apprenticeship and Training Council, which is part of the Department of Labor and Industries, establishes apprenticeship program standards, approves apprenticeship training programs, and otherwise governs the programs.

Public works that are estimated to cost \$1 million or more must require that at least 15 percent of the labor hours be performed by apprentices enrolled in approved apprenticeship training programs. This requirement applies to public works contracts awarded by state agencies, school

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districts, and four-year institutions of higher education. It does not apply to agencies that are headed by a separately elected official. For public works by the Department of Transportation, the requirement applies to public works estimated to cost \$2 million or more.

Awarding entities may adjust the apprentice utilization requirement for specific projects for reasons to include:

- a demonstrated lack of availability of apprentices in specific geographic areas;
- a disproportionately high ratio of material costs to labor hours;
- a demonstrated good faith effort by participating contractors to comply with the apprentice utilization requirement; or
- other criteria the entity deems appropriate, subject to review by the Office of the Governor.

The awarding entity of the public work contract, within existing resources, must monitor contractor and subcontractor apprenticeship hours. Contracts must specify that apprenticeship utilization goals should be met, monetary incentives for meeting the goals, monetary penalties for not meeting the goals, and an expected cost value included in the bid associated with meeting the goal. The contractor must report any noncompliance no later than the final project acceptance to the Department of Labor and Industries.

Contractors may be disqualified from bidding on public works if they have been found to be out of compliance with certain apprentice requirements.

A public work means all work, construction, alteration, repair, or improvement that is executed at the cost of the state or a local public agency.

A municipality includes every city, county, town, port district, district, or other public agency authorized by law to require the execution of public work, except districts associated with drainage, diking, irrigation, or reclamation of undeveloped land.

Summary of Bill:

Public works contracts awarded by a municipality that cost more than \$1 million must require no less than 15 percent of the hours be performed by apprentices. The contracts must include goals and monetary incentives and penalties for meeting the goals. Municipalities, within existing resources, must monitor and report apprentice utilization hours by contractor and subcontractor. Any local laws or ordinances that are more favorable to apprentices than the new requirements shall remain in effect.

Subcontracts of public works contracts with an initial subcontract price of \$200,000 or more must include specifications that no less than 15 percent of the labor hours be performed by apprentices.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2024.