

HOUSE BILL REPORT

E2SSB 6480

As Passed House:

March 1, 2006

Title: An act relating to apprenticeship utilization requirements for department of transportation public works projects.

Brief Description: Modifying public works apprenticeship utilization requirements.

Sponsors: By Senate Committee on Transportation (originally sponsored by Senators Kohl-Welles, Haugen, Brown and Keiser; by request of Department of Transportation).

Brief History:

Committee Activity:

Commerce & Labor: 2/22/06, 2/23/06 [DP].

Floor Activity:

Passed House: 3/1/06, 71-27.

Brief Summary of Engrossed Second Substitute Bill

- Extends apprenticeship utilization requirements to public works contracts awarded by the Department of Transportation.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Hudgins, Kenney and McCoy.

Minority Report: Do not pass. Signed by 3 members: Representatives Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member and Crouse.

Staff: Jill Reinmuth (786-7134).

Background:

State agencies under the Governor's authority must require that apprentices enrolled in state-approved apprenticeship training programs participate in public works projects. This requirement was originally established in an executive order issued in 2000, and later codified in legislation enacted in 2005.

For public works estimated to cost \$1 million or more, the specifications must require that no less than 15 percent of the labor hours be performed by apprentices enrolled in state-approved apprenticeship training programs. This apprenticeship utilization requirement applies to

public works contracts awarded by state agencies, but not state four-year institutions of higher education, state agencies headed by a separately elected public official, or the Department of Transportation.

Awarding agencies may adjust this apprenticeship utilization requirement for specific projects for the following reasons:

- 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 apprenticeship utilization requirement; or
- other criteria the agency director deems appropriate, subject to prior review by the office of the Governor.

Summary of Bill:

The Legislature expresses its intent to assist returning veterans. The apprenticeship utilization requirement for other public works projects by the state is made applicable to Department of Transportation projects.

Legislative Statement and Intent

The Legislature intends to assist returning veterans through programs such as "Helmets to Hardhats," and with apprenticeship placement career opportunities. ("Helmets to Hardhats" is a program sponsored by building and construction trades organizations and their employer associations. It is administered by a not-for-profit trust directed by a joint labor-management construction industry committee.)

Apprenticeship Utilization

All specifications for public works by the Department of Transportation must require that apprentices enrolled in state-approved apprenticeship training programs participate in the projects as follows:

- no less than 10 percent of total labor hours for contracts estimated to cost more than \$5 million advertised for bid on or after July 1, 2007, and before July 1, 2008;
- no less than 12 percent of total labor hours for contracts estimated to cost more than \$3 million advertised for bid on or after July 1, 2008, and before July 1, 2009; and
- no less than 15 percent of total labor hours for contracts estimated to cost more than \$2 million advertised for bid on or after July 1, 2009.

The Department of Transportation must adjust this apprenticeship utilization requirement for specific projects for the following reasons:

- a demonstrated lack of availability of apprentices in specific geographic areas; or
- a disproportionately high ratio of material costs to labor hours, which makes the minimum apprentice participation requirement not feasible.

Advisory Committee

The Secretary of Transportation must establish an apprenticeship utilization advisory committee. The committee must consist of equal numbers of contractor and labor representatives. The committee also must include statewide geographic representation and at least one contractor representative with less than 35 employees. The committee must meet regularly to discuss implementation of the apprenticeship utilization requirements, including the process used to adjust the requirements. The committee must report to the Legislature by January 1, 2008 on the effects of the apprentice labor requirement on transportation projects and the availability of apprentice labor and programs statewide.

Outreach Effort

The Apprenticeship and Training Council (Council) must coordinate an outreach effort to educate returning veterans about apprenticeship and career opportunities in the construction industry. The Council is directed to coordinate the effort with apprenticeship programs, other state agencies, and contractor and labor representatives.

Appropriation: None.

Fiscal Note: Available on Senate Bill 6480.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill will strengthen our ability to have a trained and capable workforce that can deliver projects skillfully and safely. This bill will help address the shortage in the construction workforce. There has been much work on this bill by the contractors and the trades, and there is now a consensus. This bill gets us where we need to go. The bill should move forward in its current form.

The parties have come together before, recognizing the importance of transportation projects to our economy and our workforce. The parties worked together on the bill. The parties will continue working together on the advisory committee to plan for implementation of the requirements.

Other important pieces include bringing veterans into apprenticeship programs via the Helmets to Hardhats program and bringing training to contractors across the state where they need it.

Testimony Against: We support apprenticeship. We oppose apprenticeship utilization requirements. These requirements result in micro-management of private businesses. Our

apprentices are trained in each facet of industry. If we are forced to put them on public jobs instead of private jobs, it will make us non-competitive. We will not be able to place the worker where we think it is best for them to be. The bill does not prohibit loading all of the apprentice hours on one trade.

Persons Testifying: (In support) Doug McDonald, Secretary of Transportation; Dave Johnson, Washington State Building and Construction Trades Council; Duke Schaub, Associated General Contractors; Tom Gaetz, Washington Asphalt Paving Association; Bob Abbott, Washington and Northern Idaho District Council of Laborers; and John Littel, Northwest Carpenters Union.

(Opposed) Larry Stevens, National Electrical Contractors Association and Mechanical Contractors Association.

Persons Signed In To Testify But Not Testifying: None.