

Multiple Agency Fiscal Note Summary

Bill Number: 1050 HB	Title: Apprenticeship utilization
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	2.2	0	0	829,000	4.3	0	0	902,000	4.3	0	0	902,000
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	2.5	724,900	724,900	724,900	2.5	724,900	724,900	724,900	2.5	724,900	724,900	724,900
Washington State University	.9	108,470	108,470	108,470	.9	108,470	108,470	108,470	.9	108,470	108,470	108,470
Eastern Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.1	20,016	20,016	20,016	.1	20,016	20,016	20,016	.1	20,016	20,016	20,016
Department of Transportation	4.3	0	0	1,058,000	4.2	0	0	1,036,000	4.2	0	0	1,036,000
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	10.0	853,386	853,386	2,740,386	12.0	853,386	853,386	2,791,386	12.0	853,386	853,386	2,791,386

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.
Department of Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.
School District Fiscal Note - SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.

Prepared by: Jennifer Masterson, OFM

Phone:
(360) 810-0117

Date Published:
Final 2/17/2023

Individual State Agency Fiscal Note

Revised

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 179-Department of Enterprise Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Hayley Tresenriter	Phone: (360) 407 9294	Date: 01/31/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 01/31/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 01/31/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec. 1. (1)(a)(iii) requires all public works contracts with a subcontractor estimated at \$200,000 to have a minimum apprenticeship utilization rate of 15%. This would require the Department of Enterprise Services to update our public works contract language; however, this can be done within routine business processes with no operating fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

DES assumes there would be some impact to subcontractors for managing their apprenticeships. The cost of these impacts

would be incorporated into the contractor bids, potentially raising the project's total cost. The expected impact is indeterminate.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	4.3	2.2	4.3	4.3
Account					
Public Works Administration Account-State 234-1	318,000	511,000	829,000	902,000	902,000
Total \$	318,000	511,000	829,000	902,000	902,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 02/17/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/17/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/17/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
234-1	Public Works Administration Account	State	318,000	511,000	829,000	902,000	902,000
Total \$			318,000	511,000	829,000	902,000	902,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.3	2.2	4.3	4.3
A-Salaries and Wages		295,000	295,000	590,000	590,000
B-Employee Benefits		114,000	114,000	228,000	228,000
C-Professional Service Contracts	318,000		318,000		
E-Goods and Other Services		60,000	60,000	80,000	80,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays		40,000	40,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	318,000	511,000	829,000	902,000	902,000

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 5	71,520		0.3	0.2	0.3	0.3
Program Specialist 3	69,756		4.0	2.0	4.0	4.0
Total FTEs			4.3	2.2	4.3	4.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill amends RCW 39.04.320, expanding apprenticeship utilization requirements (AURs) adding public works projects over \$1 million awarded by municipalities and all subcontractors with a contract over \$200,000 to the mandatory 15 percent AUR.

Section 1 of this bill takes effect July 1, 2024.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 amends RCW 39.04.320 to add public works projects over \$1 million awarded by municipalities to the list of projects with apprenticeship utilization requirements. It also adds any subcontractors with a contract over \$200,000 on a qualifying project to the list of contractors with mandatory 15 percent apprenticeship utilization requirements.

Section 2 makes Section 1 effective July 1, 2024.

II. B – Cash Receipt Impact

None.

II. C – Expenditures

This bill would require the Department of Labor & Industries (L&I) to begin verifying AURs on all public works projects over \$1 million awarded by municipalities and subcontractors with a contract of \$200,000 on a qualifying project in addition to the current list of contractors with a mandatory 15 percent AUR.

Appropriated – Operating Costs

Implementation of this bill affects the Prevailing Wage programs; therefore, expenditures will be increased in the Public Works Administration Account, fund 234. The following assumptions were used to estimate the resources requested to implement this bill.

Staffing

4.0 FTE, Program Specialist 3 (PS3), permanent effective July 1, 2024. Duties include: answering phone calls and emails related to apprentice utilization requirements (AURs). Review completed projects for AUR compliance for prime contractor and applicable subcontractors, review good faith efforts, contact awarding agencies for information, document results of reviews, compile data, contact contractors as needed, inform and educate awarding agencies/contractors of AUR requirements on public works projects and new laws, attend trainings and meetings.

- Each PS3 can manage 70 reviews per quarter.
- L&I estimates there will be approximately 300 projects/subcontractors that will need to be reviewed each quarter.
- 300 projects / 70 reviews = 4.3 FTE.

Information Technology

Contract developers will be required to modify and enhance multiple internal systems Apprentice Registration and Tracking System (ARTS) and the Prevailing Wage, Intent & Affidavit (PWIA) system. This estimate includes the ability to track, maintain and report L&I’s verification efforts. This effort will take 12 months. This will also include QA. A total of \$317,000 is needed.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
234	Public Works Admin.	0	26,000	26,000	26,000	26,000	26,000
	Total:	\$0	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries’ indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Revised

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Kirti Vijay	Phone: 3607256261	Date: 01/31/2023
Agency Approval: Randy Newman	Phone: 360 725-6267	Date: 01/31/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/01/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The bill proposes to expand apprenticeship utilization requirements by amending RCW 39.04.320.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No impact to OSPI's cash receipts.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No impact to OSPI's operating budget.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

The proposed legislation does not impact the funding drivers of the grants administered by OSPI. Hence, the requirement for apprenticeship utilization does not change the funding allocations to the school districts. Therefore, there is no impact to OSPI's capital budget.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.5	2.5	2.5	2.5	2.5
Account					
General Fund-State 001-1	362,450	362,450	724,900	724,900	724,900
Total \$	362,450	362,450	724,900	724,900	724,900

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Michael Lantz	Phone: 2065437466	Date: 01/20/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 01/20/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

House Bill 1050 expands apprenticeship utilization requirements for public works projects, including for those at four-year higher education institutions. For each of the projects to which the bill applies, the University of Washington (UW) must ensure that its subcontractors meet the applicable requirement or one of the listed exceptions.

Section 1(1)(d)(iii) requires that 15 percent of work hours for subcontracted projects at four-year higher education institutions with an initial price of \$200,000 or more be performed by apprentices. This requirement is effective for contracts advertised for bid on or after July 1, 2024. This requirement can be adjusted for specific projects if there is 1) a demonstrated lack of available apprentices, 2) there is a disproportionately high ratio of material costs to labor hours, 3) participating contractors are unable to comply with the requirement but have demonstrated a good faith effort to do so, or 4) other criteria as determined by the awarding institution is met, subject to review by the Governor.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The UW estimates that approximately 120 project subcontracts per year across UW's three campuses will be covered by the new apprenticeship utilization requirement contained in HB 1050. This assumes that the bill is intended to apply to all public works subcontracts over \$200,000, and not a narrower category of projects.

A majority of the work related to this bill at the UW, approximately 1.5 FTE, will be performed by Project Integrators (annual salary: \$100,000, benefits rate: 31.8%). Project Integrators focus on the procurement of design and construction contracts and associated payments and billings. They will also be primarily responsible for ensuring that contractors meet the apprenticeship utilization requirement or one of the listed exceptions. An additional 1.0 FTE will be needed for Project Managers (annual salary: \$125,000, benefits rate: 31.8%), who are responsible for each overall project and will handle more complex issues in this area.

In total, we estimate the costs for these positions to the UW will be \$362,450 in each fiscal year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	362,450	362,450	724,900	724,900	724,900
Total \$			362,450	362,450	724,900	724,900	724,900

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.5	2.5	2.5	2.5	2.5
A-Salaries and Wages	275,000	275,000	550,000	550,000	550,000
B-Employee Benefits	87,450	87,450	174,900	174,900	174,900
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	362,450	362,450	724,900	724,900	724,900

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Project Integrator	100,000	1.5	1.5	1.5	1.5	1.5
Project Manager	125,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.5	2.5	2.5	2.5	2.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 365-Washington State University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.9	0.9	0.9	0.9	0.9
Account					
General Fund-State 001-1	54,235	54,235	108,470	108,470	108,470
Total \$	54,235	54,235	108,470	108,470	108,470

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Anne-Lise Brooks	Phone: 509-335-8815	Date: 01/24/2023
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/24/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

House Bill 1050 amends RCW 39.04.320 to read that contracts advertised for bids by a four-year institution of higher education will have a requirement for all subcontractors on public works that no less than 15 percent of labor hours are performed by apprentices when the initial price is \$200,000 or more.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Salaries are estimated based on an assumption of 5-10 hours required per month to meet reporting requirements. Coordination with the contractor and subcontractor to provide verification and monitoring will be more labor intensive; WSU anticipates a contract assistant at .9 FTE.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	54,235	54,235	108,470	108,470	108,470
Total \$			54,235	54,235	108,470	108,470	108,470

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.9	0.9	0.9	0.9	0.9
A-Salaries and Wages	37,125	37,125	74,250	74,250	74,250
B-Employee Benefits	17,110	17,110	34,220	34,220	34,220
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	54,235	54,235	108,470	108,470	108,470

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Contracts Assistant	40,812	0.9	0.9	0.9	0.9	0.9
Contracts Manager	78,900	0.0	0.0	0.0	0.0	0.0
Total FTEs		0.9	0.9	0.9	0.9	0.9

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Washington State University assumes that contractors who must use apprentices on projects over \$200,000 will pass along their additional costs. It takes more of a contractor’s time to manage/oversee apprentices than it would fully licensed trades/construction workers who work capital projects. WSU estimates a 3% increase per project. On average, WSU has 10 capital projects per year that meet the \$200,000 threshold, and an average project is about \$3,000,000. While the impact is indeterminate, we estimate the total combined cost increase would be approximately \$900,000 per year ($\$3,000,000 \times 10 \times .03 = \$900,000$).

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 370-Eastern Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/20/2023
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/20/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Proposed HB 1050 – Amends RCW 39.04.320 Section 1(d)(iii) All subcontractors on public works projects with an initial subcontract price of \$200,000 or more have 15% of the labor hours performed by apprentices. This bill provides an effective date of July 1, 2024.

Eastern estimates that this will require a change in the bid and contract language which, will be absorbed within current resources, therefore, no fiscal impact is anticipated.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 375-Central Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 01/20/2023
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 01/20/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

HB 1050 intends to expand apprenticeship utilization requirements. Current legislation requires apprenticeship utilization rates based on the size of the project. Projects over \$3million must have at least 10%, over \$2million must have at least 12%, and over \$1million must have at least 15%. This bill adds an additional layer that for projects over \$200,000 in subcontractor costs at least 15% of the labor hours be performed by an apprentice.

In assessing the bill, CWU believes there will be minimal fiscal impact due to the size and nature of the capital projects we engage in during a biennium.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Central Washington University self performs some minor works projects that are in excess of \$200,000 where the bulk of the project costs is associated with equipment and not labor. Of those projects where there is a component of external contracting, CWU calculates the costs that might be passed onto us by the contractor for meeting the apprenticeship requirement would be negligible.

CWU assumes additional operational managing time at approximately .0031 FTE based on the average amount of Capital projects over the \$200k, for ensuring 15% of labor hours are being performed by apprentices. This level of effort is negligible and could be absorbed with current resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Central Washington University self performs some minor works projects that are in excess of \$200,000 where the bulk of the project costs is associated with equipment and not labor. Of those projects where there is a component of external contracting, CWU calculates the costs that might be passed onto us by the contractor for meeting the apprenticeship requirement would be negligible.

CWU currently has 5 minor works capital projects that meet the \$200,000 threshold outlined in the bill. These projects average \$550,000. CWU assumes that contractors would pass on the additional costs of utilizing apprentices, who represent less skilled labor than journey level or fully licensed construction workers, at a rate of 1.5% (or less). The additional average cost per project would be \$41,250 (5 x \$550,000 x 1.5%).

Capital costs to comply with this legislation are minimal and considered indeterminate as we cannot predict whether subcontractors would actually pass the cost to use apprentices on to CWU.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 376-The Evergreen State College
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 01/19/2023
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 01/19/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

HB 1050 relates to expanding apprenticeship utilization requirements.

Section 1 (1) (d) (iii) requires that for all contracts advertised or bid on after the effective date of this section, for all subcontractors on public works by an institution of higher education, with an initial subcontracted price of \$200,000 or more, no less than 15% of the labor hours must be performed by apprentices.

Section 1 (2) (a-d) offer options for remediation in situations where it is not possible to meet the requirement for certain reasons.

We feel it is important to note that, while the direct cost to Evergreen is minimal, construction costs will increase due to the fewer number of contractors available to bid on our projects because they do not have robust apprenticeship programs that would meet the requirements of this bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
Account					
General Fund-State 001-1	10,008	10,008	20,016	20,016	20,016
Total \$	10,008	10,008	20,016	20,016	20,016

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 01/24/2023
Agency Approval: Kimberley Ayre	Phone: 3606503377	Date: 01/24/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1:

(d)(i) For contracts advertised for bid on or after January 1, 132010, for all public works by a four-year institution of higher education estimated to cost ((three million dollars)) \$3,000,000 or more, all specifications must require that no less than ((ten)) 10 percent of the labor hours be performed by apprentices.

(ii) For contracts advertised for bid on or after January 1, 2011, for all public works by a four-year institution of higher education estimated to cost ((two million dollars)) \$2,000,000 or more, all specifications must require that no less than ((twelve)) 12 percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after January 1, 2012, for all public works by a four-year institution of higher education estimated to cost ((one million dollars)) \$1,000,000 or more, all specifications must require that no less than ((fifteen)) 15 percent of the labor hours be performed by apprentices. For contracts advertised for bid on or after the effective date of this section, for all subcontractors on public works by a four-year institution of higher education with an initial subcontract price of \$200,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

(2) Awarding entities may adjust the requirements of this section for a specific project for the following reasons:

(a) The demonstrated lack of availability of apprentices in specific geographic areas;

(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation;

(c) Participating contractors have demonstrated a good faith effort to comply with the requirements of RCW 39.04.300 and 39.04.310 and this section; or

(d) Other criteria the awarding entity deems appropriate, which are subject to review by the office of the governor.

(3) The secretary of the department of transportation shall adjust the requirements of this section for a specific project for the following reasons:

(a) The demonstrated lack of availability of apprentices in specific geographic areas; or

(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation.

(4)(a) This section applies to public works contracts awarded by the state, to public works contracts awarded by school districts, ((and)) to public works contracts awarded by state four-year institutions of higher education, and to public works contracts awarded by a municipality. However, this section does not apply to contracts awarded by state agencies headed by a separately elected public official.

Section 2 (1) of this act takes effect July 1, 2024

WWU is estimating that .1 FTE of a budget analyst position would be needed to:

1) confirm if subcontractors have contracts with general contractors (GC) valued over \$200k (WWU only directly

contracts with GCs, not subcontractors, and extra coordination is required with the GCs) and
 2) review each PayApp to ensure the apprenticeship reporting meets the RCWs.
 3) The additional reporting for subcontracts over \$200k may result in minor increases in bids we receive from bidders for our public works projects. Overall, this increase would be difficult to prove and, therefore, we would consider the loss in revenue, or increase in project-related expenses, to be de minimus.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

We are estimating that .1 FTE of a budget analyst position would be needed to:

- 1) confirm if subcontractors have contracts with general contractors (GCs) valued over \$200k (WWU only directly contracts with GCs, not subcontractors, and extra coordination would be required with the GCs) and
- 2) review each PayApp to ensure the apprenticeship reporting meets the RCWs.

Salary calculated at the base rate of \$76,401 at .1 FTE and 31% benefits. Yearly cost of living increase is not reflected.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	10,008	10,008	20,016	20,016	20,016
Total \$			10,008	10,008	20,016	20,016	20,016

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	7,640	7,640	15,280	15,280	15,280
B-Employee Benefits	2,368	2,368	4,736	4,736	4,736
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	10,008	10,008	20,016	20,016	20,016

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Budget Analyst	76,401	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.1	0.1	0.1	0.1	0.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

The additional reporting for subcontracts over \$200k may result in minor increases in bids we receive from bidders for our public works projects, thus increasing overall capital project costs. The exact fiscal impact of this potential increase is indeterminate at this time.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.4	4.2	4.3	4.2	4.2
Account					
Motor Vehicle Account-State -1	540,000	518,000	1,058,000	1,036,000	1,036,000
Total \$	540,000	518,000	1,058,000	1,036,000	1,036,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Jim Cuthbertson	Phone: 360-705-7825	Date: 01/23/2023
Agency Approval: Jon Deffenbacher	Phone: 360-7057829	Date: 01/23/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/23/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached WSDOT fiscal note.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached WSDOT fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	540,000	518,000	1,058,000	1,036,000	1,036,000
Total \$			540,000	518,000	1,058,000	1,036,000	1,036,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.4	4.2	4.3	4.2	4.2
A-Salaries and Wages	394,000	378,000	772,000	756,000	756,000
B-Employee Benefits	146,000	140,000	286,000	280,000	280,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	540,000	518,000	1,058,000	1,036,000	1,036,000

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Transportation Engineer 3	90,888	4.4	4.2	4.3	4.2	4.2
Total FTEs		4.4	4.2	4.3	4.2	4.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: HB 1050	Title: Apprenticeship Utilization r	Agency: 405-Department of Transportation
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Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain in section II. A)
If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)

- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- Capital budget impact, **complete Part IV**
- Requires new rule making, **complete Part V**
- Revised

The cash receipts and expenditure estimates on this fiscal template represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Dollars in Thousands

	2023-25 Biennium		2025-27 Biennium		202-297 Biennium		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
Expenditures							
108-1-MOTOR VEHICLE	\$540	\$518	\$518	\$518	\$518	\$518	
Total Expenditures	\$540	\$518	\$518	\$518	\$518	\$518	
Biennial Totals	\$1,058		\$1,036		\$1,036		
FTEs	Salary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Transportation Engineer 3	\$90,888	4.4	4.2	4.2	4.2	4.2	4.2
Annual Average		4.3		4.2		4.2	
Objects of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
A - SALARIES AND WAGES	\$394	\$378	\$378	\$378	\$378	\$378	
B - EMPLOYEE BENEFITS	\$146	\$140	\$140	\$140	\$140	\$140	
Expenditures by Program	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
PROGRAM I-CAP							
PROGRAM P-CAP							

Agency Assumptions

N/A

Agency Contacts:

Preparer: Jim Cuthbertson	Phone: 360-870-1108	Date: 01/19/2023
Approval: John Deffenbacher	Phone: 360-705-7829	Date: 01/19/2023
Budget Manager: Doug Clouse	Phone: 360-705-7535	Date: 01/19/2023

Part II: Narrative Explanation

Individual State Agency Fiscal Note

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency. List the sections that have fiscal impact to WSDOT only. E.g., "Section 3 directs the Department to ..." No summarizing, no interpreting, and save any background context for the revenue and expenditure parts.

Section 1 amends RCW 39.04.320 and 2018 c 244 s 1.

Section 1 (1) (b) (v) requires all public works contracts advertised for bid by the Washington State Department of Transportation that are estimated to cost \$2 million or more, contain the requirement that no less than 15% of labor hours be performed by apprentices. And, also adds to this section that all subcontractors on public works by the department with an initial subcontract price of \$200,000 or more, all specifications require that no less than 15% of the labor hours be performed by apprentices.

Section 1 (1) (a) (iii) requires that all public works contract subcontracts with an initial price of \$200,000 or more must include specifications that no less than 15% of the hours be performed by apprentices.

Section 1(3) states that the WSDOT Secretary may adjust the requirements of this section for a specific project, if the department can demonstrate:

- The lack of available apprentices in the specific geographic area.
- An excessively high percentage of material costs to labor hours that would makes the required minimum levels of apprentice participation impractical.

Section 1(4) (b) adds municipalities to the section. This section states that, within existing resources, awarding agencies and municipalities are responsible for monitoring the use of apprenticeship hours by contractor. Requires that contracts include a detailed line item that specifies apprenticeship use goals should be met, monetary incentives for meeting goals, monetary penalties for not meeting goals, and an estimated cost value associated with meeting the goals must be included in the bid. Requires awarding agencies and municipalities to report apprentice utilization hours by contractor and subcontractor to the supervisor of apprenticeship at the department of labor and industries by final project acceptance.

Section 1(4) (c) states that WSDOT may use its three-strike system for ensuring compliance in lieu of monetary penalty.

Section 1 (8) states all contracts subject to this section must include conditions that contractors or subcontractors may not be required to exceed these apprenticeship utilization requirements.

Section 1 (9) establishes the minimum apprenticeship use requirements on public works contracts Any related local laws or ordinances that are more favorable to apprentices than the minimum requirements shall remain in effect and may be enforced.

II. B – Cash Receipts Impact

Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

N/A

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Currently, RCW 39.04 requires WSDOT public works contracts over \$2 million must include the apprenticeship use requirement that 15% of labor hours be performed by apprentices. The proposed amendment adds a 15% apprenticeship

Individual State Agency Fiscal Note

requirement to public works subcontracts valued at \$200,000 or more. As a contracting agency, the department will be required to monitor apprenticeship use, review, and approve apprenticeship utilization plans, and ensure compliance with prevailing wage requirements when processing payments to prime contractors. The department will also need to account for and evaluate apprentice utilization when completing Prime Contractor Performance Reports. WSDOT’s Construction Office estimates three hours per week of additional work in each of the 48 project offices across the state. This will amount to 4.4 FTEs the first fiscal year and 4.2 FTEs ongoing at a Transportation Engineer 3 classification.

The department will have a one-time expenditure associated with implementation of the legislation. These expenses are associated with the revision of policy, and would include the editing manuals, developing specifications, and education and outreach. After implementation, WSDOT will have ongoing recurring expenses associated with the monitoring and reporting requirements of the legislation.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
FTE	4.4	4.2	4.2	4.2	4.2	4.2
One-Time Cost	\$22,000	\$0	\$0	\$0	\$0	\$0
Ongoing Cost	518,000	518,000	518,000	518,000	518,000	518,000
Total	\$540,000	\$518,000	\$518,000	\$518,000	\$518,000	\$518,000

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

N/A

Individual State Agency Fiscal Note

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: 699-Community and Technica College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 01/18/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 01/18/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/18/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill would establish minimum apprenticeship utilization requirements on public works contracts awarded by municipalities, school districts, four-year institutions of higher education and the Department of Transportation.

All subcontractors on public works for the entities listed above, with an initial subcontract price of \$200,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No expenditure impact.

The Department of Enterprise Services awards and manages public works contracts on behalf of the community and technical colleges. Apprenticeship utilization requirements already apply to public works contracts awarded by the state.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1050 HB

Title: Apprenticeship utilization

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Indeterminate impacts for public works exceeding thresholds established by the legislation
- Counties: Same as above
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Brandon Rountree	Phone: (360) 999-7103	Date: 01/24/2023
Leg. Committee Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/24/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 01/26/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation would amend RCW 39.04.320, related to apprenticeship training programs and public works contracts for municipalities. The effective date would be July 1, 2022.

In all public works projects estimated to cost \$1 million or more, current law requires at least 15 percent of the labor hours be performed by apprentices. The law would stipulate that all public works contracts awarded by a municipality costing \$1 million or more require at least 15 percent of the labor hours to be performed by apprentices. Additionally, the legislation would require that at least 15 percent of subcontractor labor hours for public works costing \$200,000 or more must be performed by apprentices.

Municipalities would be responsible for monitoring apprenticeship utilization hours by the contractors and include a specific line item in the contract specifying 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 to be included in the bid associated with meeting the goals. The municipality must report the apprenticeship utilization by contractor and subcontractor to the supervisor of apprenticeship at the Department of Labor and Industries (L&I) by final project acceptance.

The Department of Enterprise Services (DES) must provide information and technical assistance to municipalities and DES collected data for relevant projects. Section 1(5)(a) outlines the required data to be collected. Section (1)(7) DES and the L&I are required to compile and summarize the data when requested by the legislature for both state agencies (current law) and municipalities (proposed legislation).

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would result in indeterminate impacts to local government expenditures. Potential impacts could be significant.

For the purposes of this fiscal note, local government takes on the application assumptions put forward by the Department of Labor & Industries:

The Department of Labor & Industries (L&I) would be required to begin verifying AURs on all public works projects over \$1 million awarded by municipalities and subcontractors with a contract of \$200,000 on a qualifying project in addition to the current list of contractors with a mandatory 15 percent AUR.

INCREASED BID COSTS

It is anticipated enactment of this bill will result in higher administrative costs for the prime contractor, which will be passed on to public works projects in the form of higher bids. Local jurisdictions have reported an expected increase range of 5 to 10 percent per bid. This cost would vary dependent on the type, scale and other requirements of an individual project. Reasons include:

- The increased administrative effort to obtain and maintain apprentices, and to track and report progress toward apprenticeship requirements.
- Increased labor costs on certain projects in order to maintain the proper journeyman to apprentice ratios.
- The cost to access/join apprenticeship programs.

Additionally, it is not standard practice to name subcontractors during the bidding process. This could cause complications within the duration of a project and have a negative impact upon bids and change orders. For example, certain contractors may bid their subcontracted work to staying under the threshold, only to necessitate adding to the costs through change order later in the project.

OTHER COST IMPACT CONSIDERATIONS

Other challenges impact the cost of subcontractors required to meet an apprenticeship labor threshold of 15% include:

- Difficulty for smaller contractors to meet the requirement, as certain trades may not have the proper journeyman to apprentice ratios at this level;
- Reduce opportunities for small contractors, as certain prime contractors may limit their use of subcontractors to avoid the administrative impacts of the 15% requirement;
- Have a negative impact upon bids and change orders, as certain contractors may intentionally bid their subcontracted work to stay under the threshold, only to add to the costs through change order later in the project.
- Limit competition of the bidding process, with the potential for a higher impact in rural geographies.
- The proposed legislation does have stipulations that would adjust requirements, however, it can be anticipated that the exemption process would also incur indeterminate costs.

LOCAL EXAMPLES

Local municipalities anticipate challenges meeting apprenticeship requirements as demonstrated through current local requirements and documented challenges. For example:

Example 1:

Snohomish County has required 15% apprenticeship on County projects for several years. The County has recently amended their overall requirement for apprenticeship labor, raising the threshold for apprenticeship requirements being applied from projects costing \$250,000 to being applied to projects costing \$1M. Apprenticeship requirements in the County for obtaining a waiver are more restrictive than what is written in legislation. The County has supplemental bidder responsibility criteria, causing bidders to be found non-responsive if they have failed to meet apprenticeship requirements on any project during the two years prior to the bid. Therefore, if subcontractor fails to meet the 15% requirement, there is the implication that the prime and sub-contractors would not be eligible to bid on Snohomish County projects for a period of two years. Snohomish County notes that in their experience, it is often very difficult to obtain 15% apprenticeship on smaller projects.

Example 2:

The City of Vancouver currently has an apprenticeship requirement. The apprenticeship program is scaled based on estimated project value (starting at \$500K) and ranges from 3% to 8% for contracts over \$12M. The program requires contractor's to quantify the cost of apprenticeship utilization on the project. Apprenticeship information is collected through prime contractors that in turn, also may collect information from subcontractors.

Four of the nine projects in 2020 exceeded the \$1 million dollars proposed by HB 1308. For those four projects, the cost of the programs ranged from \$7,000 - \$25,190, with an average cost of \$10,183. These projects had apprenticeship goals of 3-5%. Vancouver reports that their current utilization goals can be challenging.

ASSUMPTION: The impacts in this section were initially estimated in association with HB 1308 (2021). The Local Government Fiscal Note Program assumes that such costs would be similar in a job market with an abundance of talent. In a tighter job market, higher bid cost and other cost impacts would be likely, but will vary depending upon volatile labor conditions and cannot be predicted in advance. Therefore these potential cost fluctuations are indeterminate

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would not impact local government revenue.

SOURCES

Local Government Fiscal Note HB 1308 (2021)

The City of Vancouver

Okanogan County

Snohomish County

Individual State Agency Fiscal Note

Revised

Bill Number: 1050 HB	Title: Apprenticeship utilization	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Kirti Vijay	Phone: 3607256261	Date: 01/31/2023
Agency Approval: Randy Newman	Phone: 360 725-6267	Date: 01/31/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/01/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The proposed legislation is trying to expand the apprenticeship utilization requirements.

Sec. 1 (1)(a)(ii) states that all public works contracts awarded by a municipality estimated to cost \$1,000,000 or more must require at least 15% of labor hours to be performed by apprentices.

Sec. 1 (1)(a)(iii) requires that all subcontractors on public works with an initial subcontract price of \$200,000 or more must require at least 15% of labor hours to be performed by apprentices.

Sec. 1 (1)(d)(iii) specifies that all subcontractors on public works by a four-year institution of higher education with an initial subcontract price of \$200,000 or more must require at least 15% of labor hours to be performed by apprentices.

Sec. 1 (9) establishes the minimum apprenticeship utilization requirements. However, if any local standards or requirements relating to apprenticeship utilization are more favorable to apprentices than the minimum requirements of the proposed legislation, then the more favorable laws apply and may be enforced as provided by law.

Sec. 2 describes that the bill would take effect on July 1, 2024.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No impact to local school districts' cash receipts.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No impact to local school districts' operating budget.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

The proposed legislation aims to expand the apprenticeship utilization for public works projects awarded by school districts which are above certain thresholds. However, the number of such public works contracts to be awarded is unknown and can only be estimated. Hence, the capital budget impact is indeterminate.

For the purposes of discussion, the trade of carpentry is considered. The United States Department of Labor's Bureau of Labor Statistics pegs the hourly mean wage for carpenters in Washington state at \$31.86. The Washington State Department of Labor & Industries states that the average apprenticeship hourly wage of carpenters is \$44.25. The difference in the basic wages amounts to the additional labor costs and is used to calculate the additional cost of benefits. Both of these are then applied to the mandatory minimum of 15% of labor hours, calculated as a percentage of the total construction cost.

Thereafter, the additional cost of expanding the apprenticeship utilization is extrapolated to the estimated small district modernization projects over \$1,000,000 and school construction assistance programs projects. The following are the estimates of additional cost due to expanding the apprenticeship utilization.

FY 2024 - \$ 14,423,000
FY 2025 - \$ 23,058,000
FY 2026 - \$ 31,233,000
FY 2027 - \$ 30,454,000
FY 2028 - \$ 34,147,000
FY 2029 - \$ 33,511,000
FY 2030 - \$ 37,354,000
FY 2031 - \$ 36,875,000
FY 2032 - \$ 40,884,000
FY 2033 - \$ 40,578,000

See attachment 1 for detailed calculations.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Office of Superintendent of Public Instruction
 HB 1050 Expanding Apprenticeship Utilization Requirements - Attachment 1

Calculation of additional costs due to increased apprenticeship utilization	2023-25 Biennium		2025-27 Biennium		2027-29 Biennium		2029-31 Biennium		2031-33 Biennium	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Small District Modernization										
Small District Modernization Project Requests	\$ 116,158,000		\$ 116,158,000		\$ 116,158,000		\$ 116,158,000		\$ 116,158,000	
Estimated Additional Cost of Labor to Public Works Contract	2%		2%		2%		2%		2%	
Estimated Additional Project Cost due to HB 1050	\$ 2,208,454		\$ 2,208,454		\$ 2,208,454		\$ 2,208,454		\$ 2,208,454	
School Construction Assistance Program										
Estimated School Construction Assistance Program Project Requests	\$ 644,844,132	\$ 1,216,592,140	\$ 1,531,788,451	\$ 1,606,834,421	\$ 1,685,559,627	\$ 1,768,146,725	\$ 1,854,778,373	\$ 1,945,663,323	\$ 2,041,010,324	\$ 2,141,028,127
Estimated Additional Cost of Labor to Public Works Contract	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Estimated Additional Project Cost due to HB 1050	\$ 12,260,099	\$ 23,130,458	\$ 29,123,128	\$ 30,549,939	\$ 32,046,702	\$ 33,616,890	\$ 35,263,974	\$ 36,991,924	\$ 38,804,709	\$ 40,706,297
Total Additional Costs due to increased apprenticeship utilization	\$ 14,469,000	\$ 23,130,000	\$ 31,332,000	\$ 30,550,000	\$ 34,255,000	\$ 33,617,000	\$ 37,472,000	\$ 36,992,000	\$ 41,013,000	\$ 40,706,000
Biennial Costs	\$ 37,599,000									

Calculation of Apprenticeship Utilization to Sub-Contractors Impact	
Methodology	
Public Works Construction Contract Estimate	\$ 1,000,000
Assumed Labor Percentage of Construction Contract	25%
Estimated Labor Cost	\$ 250,000
Estimated Sub-Contractor Labor Completed by Apprentices	15%
Estimated Cost of Labor Completed by Apprentices	\$ 37,500
Wage Difference Percentage	39%
Additional Labor (Salary) Costs	\$ 14,635
Estimated Labor (Benefit) Percentage	30%
Additional Labor (Benefit) Costs	\$ 4,388
Total Additional Labor Costs (Salary and Benefits)	\$ 19,013
Estimated Additional Cost of Labor to Public Works Contract	2%