

Multiple Agency Fiscal Note Summary

| | |
|-----------------------------------------------------|------------------------------------------|
| Bill Number: 1050 E S HB AMS KINC S2771.1 | Title: Apprenticeship utilization |
|-----------------------------------------------------|------------------------------------------|

Estimated Cash Receipts

NONE

| Agency Name | 2023-25 | | 2025-27 | | 2027-29 | |
|---------------------|------------------|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Local Gov. Courts | | | | | | |
| Loc School dist-SPI | No fiscal impact | | | | | |
| Local Gov. Other | | | | | | |
| Local Gov. Total | | | | | | |

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 | 5.5 | 0 | 0 | 1,645,000 | 4.4 | 0 | 0 | 946,000 | 2.1 | 0 | 0 | 454,000 |
| Superintendent of Public Instruction | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| University of Washington | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Washington State University | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Eastern Washington University | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Central Washington University | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| The Evergreen State College | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Western Washington University | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Department of Transportation | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Community and Technical College System | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Total \$ | 5.5 | 0 | 0 | 1,645,000 | 4.4 | 0 | 0 | 946,000 | 2.1 | 0 | 0 | 454,000 |

| 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 | No fiscal impact | | | | | | | | |
| 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 | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| 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 | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Eastern Washington University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Central Washington University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| The Evergreen State College | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Western Washington University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| 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 | No fiscal impact | | | | | | | | |
| Local Gov. Other | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Local Gov. Total | | | | | | | | | |

Estimated Capital Budget Breakout

| | | |
|---------------------------------------------|---------------------------------|-------------------------------------------|
| Prepared by: Jennifer Masterson, OFM | Phone: (360) 810-0117 | Date Published: Final 4/12/2023 |
|---------------------------------------------|---------------------------------|-------------------------------------------|

Individual State Agency Fiscal Note

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|-----------------------------------------------------|------------------------------------------|------------------------------------------------------|
| Bill Number: 1050 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 179-Department of Enterprise Services |
|-----------------------------------------------------|------------------------------------------|------------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Becky Guyer | Phone: (360) 407-9254 | Date: 04/05/2023 |
| Agency Approval: Ashley Howard | Phone: (360) 407-8159 | Date: 04/05/2023 |
| OFM Review: Jennifer Masterson | Phone: (360) 810-0117 | Date: 04/05/2023 |

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) amends RCW 39.04.320 to require public works contracts awarded by municipalities, estimated at \$2,000,000, to have a minimum apprenticeship utilization rate of 15%. Includes additional language that reduces the contract amount to \$1,500,000 after July 1, 2026, and then \$1,000,000 after July 1, 2028. This has no fiscal impact to Enterprise Service.

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 235-Department of Labor and Industries |
|--------------------------------------------------|------------------------------------------|-------------------------------------------------------|

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 | 0.3 | 10.7 | 5.5 | 4.4 | 2.1 |
| Account | | | | | |
| Public Works Administration Account-State 234-1 | 365,000 | 1,280,000 | 1,645,000 | 946,000 | 454,000 |
| Total \$ | 365,000 | 1,280,000 | 1,645,000 | 946,000 | 454,000 |

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Allison Kaech | Phone: 360-902-4530 | Date: 04/05/2023 |
| Agency Approval: Trent Howard | Phone: 360-902-6698 | Date: 04/05/2023 |
| OFM Review: Anna Minor | Phone: (360) 790-2951 | Date: 04/05/2023 |

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 | 365,000 | 1,280,000 | 1,645,000 | 946,000 | 454,000 |
| Total \$ | | | 365,000 | 1,280,000 | 1,645,000 | 946,000 | 454,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|-----------|-----------|---------|---------|
| FTE Staff Years | 0.3 | 10.7 | 5.5 | 4.4 | 2.1 |
| A-Salaries and Wages | 22,000 | 751,000 | 773,000 | 619,000 | 296,000 |
| B-Employee Benefits | 7,000 | 287,000 | 294,000 | 236,000 | 114,000 |
| C-Professional Service Contracts | 318,000 | | 318,000 | | |
| E-Goods and Other Services | 8,000 | 147,000 | 155,000 | 86,000 | 42,000 |
| G-Travel | | 5,000 | 5,000 | 5,000 | 2,000 |
| J-Capital Outlays | 10,000 | 90,000 | 100,000 | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 365,000 | 1,280,000 | 1,645,000 | 946,000 | 454,000 |

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 | | 0.7 | 0.4 | 0.3 | 0.1 |
| Management Analyst 4 | 82,896 | 0.3 | 1.0 | 0.6 | 0.4 | |
| Program Specialist 3 | 69,756 | | 9.0 | 4.5 | 3.8 | 2.0 |
| Total FTEs | | 0.3 | 10.7 | 5.5 | 4.4 | 2.1 |

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 awarded by municipalities to the mandatory 15 percent AUR. Provides that any local laws ordinances more favorable to apprentices on municipal projects shall be in full effect and override the minimum requirements of this bill.

ESHB 1050 is different from ESHB AMS KING S2771.1 1050 in that it:

- Phases-in the apprenticeship utilization requirements for municipalities, with the requirements applying to contracts of more than \$2 million until July 1, 2026, contracts of more than \$1.5 million from July 1, 2026, until July 1, 2028, and contracts of more than \$1 million after July 1, 2028.
- Requires Labor & Industries (L&I) and the Municipal Research and Services Center to provide AUR training, information and technical assistance to municipalities. The training provided must include reporting requirements, contract administration, and best practices regarding adopting apprenticeship guidelines.
- Requires L&I to conduct a study on public works project outcomes related to AURs, access to apprentices, and participation by women, minority, and veteran-owned businesses. The report must be submitted to the Office of Financial Management and the Legislature by December 1, 2025.

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

Section 1

- Adds a 15% AUR to public works projects over \$1 million awarded by municipalities. Contracts over \$2,000,000 start July 1, 2026. Contracts over \$1,500,000 start July 1, 2026. Contracts over \$1,000,000 start July 1, 2028.
- Allows municipalities to adjust the criteria for AURs, which are subject to review by the municipality's legislative authority.
- Any local laws or ordinances more favorable to apprentices on municipal projects shall be in full effect and override the minimum requirements of this bill.

- AURs do not apply to housing authorities as defined in RCW 35.82.020.
- L&I would be responsible to provide AUR reporting information & technical assistance with AUR reporting. L&I also must collect relevant data outlined in this section
- DES would be required to provide AUR sample contract language & contract administration advice.
- Any local laws or ordinances more favorable to apprentices on municipal projects shall be in full effect and not be affected by the minimum requirements of this section.

Section 2

Starting July 1, 2024, L&I must perform a study covering apprenticeship & AURs. The study must include projects completed between July 1, 2020 and June 30, 2025 and in-progress projects as of June 30, 2025. L&I must submit the completed study to the Office of Financial Management and legislature no later than December 1, 2025.

The report must:

- Delineate by project size and type of awarding agency. Delineate project outcomes by type of municipality.
- Include total project cost, ratio of materials to labor hours, apprentice hours worked by craft and percent of total hours worked, cost savings or increases from utilizing apprentices, number of projects achieving and not achieving apprentice utilization rates, number of projects with good faith efforts with reasons for good faith efforts, and the number and percentage of women, minority, and veteran-owned businesses as contractors and whether they were able to utilize apprentices.
- Include, by craft, the number and service area of construction apprenticeship programs, the number of training agents, and the number of construction apprentices.
- Analyze women, minority, and veteran-owned businesses' access to public works projects and access to apprentices. The analysis should include project data and consultation with the Office of Minority and Women's Business Enterprises (OMWBE) and women, minority and veteran-owned businesses.
- Identify and analyze existing apprenticeship utilization requirements by municipalities and for subcontractors beyond requirements specified in RCW 39.04.320.

- Include recommendations and best practices for increasing apprenticeship utilization and accessing apprentices for women, minority, and veteran-owned businesses.
- Include recommendations and best practices for extending apprenticeship utilization requirements to subcontractors.

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 by municipalities 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

2.0 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 with the addition of municipalities to AURs, there will be approximately 120-140 projects/subcontractors that will need to be reviewed each quarter.
- $130 \text{ average projects} / 70 \text{ reviews per PS3} = 1.86 \text{ FTE}$.

1.0 FTE, Management Analyst 4 (MA4), project, effective April 1, 2024 through April 1, 2026. Duties include providing daily operational supervision, training and guidance to seven project PS3s. Set up and administer stakeholder meetings, attend Washington State Apprenticeship & Training Council (WSATC) meetings, liaison between agency and local organizations. Responsible for managing development of the new study required by this bill, gathering data, providing status updates and presenting information. Ensure the required study achieves timely goals, issues are identified and resolved, and a thorough analysis is completed to include recommendations and best practices that will be incorporated into the final report due the Legislature and the Office of Financial Management (OFM) by December 1, 2025.

7.0 FTE, Program Specialist 3 (PS3), project, July 1, 2024 through December 31, 2025. Duties include: Research, gather, filter, organize, and present all data and information required in the study; Contact awarding agencies, prime contractors, and subcontractors to gather required data and project information; Attend Apprenticeship, Fraud Prevention & Labor Standards, agency, and WSATC meetings as required. Utilize the Prevailing Wage Intents and Affidavits (PWIA) system and the Apprenticeship Registration and Tracking System (ARTS) to assist with data gathering; Assist MA4 with information and reporting.

Workload indicators

This study will review and report on approximately 2,500 public works projects. The study timeline is July 1, 2024 through December 1, 2025. Each PS3 can complete all information gathering on an average of one project per day, which includes the following work:

- Research up to 20 employers to determine status of women, minority, and veteran-owned businesses and cross-check apprentice use and availability;
- Contact prime contractor and subcontractors to determine cost savings and increases from apprentices use;
- Gather and review project material costs;
- Attend meetings and assist MA4 with other required work streams;
- Organize all required info to complete the study.

This study will review and report on approximately 2,500 public works projects.

- Time for one (1) FTE to complete = 1 project per day
- Project time line 7/1/24 to 12/1/25 \approx 1.4 years
- Workdays in a year \approx 250 days
- 250 workdays x 1.4 years = 350 workdays to complete 2,500 public works projects
- 2,500 projects \div 350 workdays = 7.14 FTEs

Therefore, 7.0 FTEs will be required to complete the review of 2,500 public works projects.

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. | 1,000 | 64,000 | 39,000 | 12,300 | 12,300 | 12,300 |
| | Total: | \$1,000 | \$64,000 | \$39,000 | \$12,300 | \$12,300 | \$12,300 |

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

| | | |
|-----------------------------------------------------|------------------------------------------|---------------------------------------------------------|
| Bill Number: 1050 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 350-Superintendent of Public Instruction |
|-----------------------------------------------------|------------------------------------------|---------------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Kirti Vijay | Phone: 3607256261 | Date: 04/11/2023 |
| Agency Approval: Randy Newman | Phone: 360 725-6267 | Date: 04/11/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/12/2023 |

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 360-University of Washington |
|--------------------------------------------------|------------------------------------------|---------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Michael Lantz | Phone: 2065437466 | Date: 04/05/2023 |
| Agency Approval: Charlotte Shannon | Phone: 2066858868 | Date: 04/05/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/05/2023 |

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.

1050 ESHB AMS KING S2771.1 is an amendment to Engrossed Substitute House Bill 1050. The measure expands apprenticeship utilization requirements for public works projects.

Compared with the engrossed substitute, the amendment:

- (1) Phases-in the apprenticeship utilization requirements for municipalities, with the requirements applying to contracts of more than \$2 million until July 1, 2026, contracts of more than \$1.5 million from July 1, 2026, until July 1, 2028, and contracts of more than \$1 million after July 1, 2028.
- (2) Requires L&I and the Municipal Research and Services Center to provide training and technical assistance to municipalities to comply with apprenticeship utilization requirements. Requires the training to include reporting requirements, contract administration, and best practices regarding adopting apprenticeship guidelines.
- (3) Requires L&I to conduct a study on public works project outcomes related to apprenticeship utilization requirements access to apprentices, and participation by women, minority, and veteran owned businesses. Specifies the types of data, analyses, and recommendations the study must include. Requires the report to be submitted to the Office of Financial Management and the Legislature by December 1, 2025.

These changes will have no impact on the University of Washington. With the requirement that 15 percent of work on subcontracts over \$350,000 be performed by apprentices removed from the original bill, there is no longer a fiscal impact to the University from this measure.

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 365-Washington State University |
|--------------------------------------------------|------------------------------------------|------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Anne-Lise Brooks | Phone: 509-335-8815 | Date: 04/03/2023 |
| Agency Approval: Chris Jones | Phone: 509-335-9682 | Date: 04/03/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/04/2023 |

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.

Washington State University expects no fiscal impact to 1050 E S HB AMS KING S2771.1. The requirement/expansion of apprenticeship to subcontracts above \$200,000 in prior bills is not present in this version.

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 370-Eastern Washington University |
|--------------------------------------------------|------------------------------------------|--------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Keith Tyler | Phone: 509 359-2480 | Date: 04/03/2023 |
| Agency Approval: Alexandra Rosebrook | Phone: (509) 359-7364 | Date: 04/03/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/04/2023 |

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.

1050 ES HB AMS KING S2771.1 expands apprenticeship utilization requirements, amending RCW 39.04.320 and providing an effective date of July 1, 2024.

The current version of this bill phases in apprenticeship utilization requirements for municipalities, requires L&I and the Municipal Research and Services Center to provide training and technical assistance to municipalities to comply with requirements, and requires L&I to conduct a study on public works project outcomes related to apprenticeship utilization requirements, access to apprentices, and participation by women, minority, and veteran-owned businesses.

As the changes to the current bill do not have an effect on institutions of higher education, EWU anticipates no fiscal impact as with previous versions.

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 375-Central Washington University |
|--------------------------------------------------|------------------------------------------|--------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Erin Sargent | Phone: 509-963-2395 | Date: 04/05/2023 |
| Agency Approval: Lisa Plesha | Phone: (509) 963-1233 | Date: 04/05/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/05/2023 |

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 changes made by ES HB 1050 establish the minimum apprenticeship utilization requirements on public works contracts awarded by a municipality, and these changes pose no fiscal impact to Central Washington University.

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 376-The Evergreen State College |
|--------------------------------------------------|------------------------------------------|------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Dane Apalategui | Phone: 360-867-6517 | Date: 04/03/2023 |
| Agency Approval: Dane Apalategui | Phone: 360-867-6517 | Date: 04/03/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/04/2023 |

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.

ES HB AMS 1050 relates to expanding apprenticeship utilization requirements.

Increases the dollar amount from \$1,000,000 to \$2,000,000 for all public works projects awarded by a municipality to be applicable to this bill requirements.

Changes the effective date to on or after 7-1-2026 and changes the threshold to \$1,500,000 to be applicable to this bill requirements. This bill also adds another effective and threshold of on or after 7-1-2028 and \$1,000,000 to be applicable to this bill requirements.

Language was inserted to clarify training and technical assistance provided as part of this bill.

A new section 2 is added requiring that the Dept of Labor and Industries report on apprenticeship programs by December 1, 2025.

An Effect statement is also added at the end of the bill as follows:

EFFECT:

(1) Phases-in the apprenticeship utilization requirements for municipalities, with the requirements applying to contracts of more than \$2 million until July 1, 2026, contracts of more than \$1.5 million from July 1, 2026, until July 1, 2028, and contracts of more

than \$1 million after July 1, 2028.

(2) Requires L&I and the Municipal Research and Services Center to provide training and technical assistance to municipalities to

comply with apprenticeship utilization requirements. Requires the training to include reporting requirements, contract administration,

and best practices regarding adopting apprenticeship guidelines.

(3) Requires L&I to conduct a study on public works project outcomes related to apprenticeship utilization requirements, access

to apprentices, and participation by women, minority, and veteran owned businesses. Specifies the types of data, analyses, and

recommendations the study must include. Requires the report to be submitted to the Office of Financial Management and the Legislature

by December 1, 2025.

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.

ES HB 1050 relates to expanding apprenticeship utilization requirements.

Section 1 (a) (iii) removes the requirement listed in the summary of Section 1 (1) (d) below.

This version of the bill does not include the minor works stipulation that might have created fiscal impact for Evergreen, so we expect no fiscal impact from this bill.

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

Revised

| | | |
|-----------------------------------------------------|------------------------------------------|-----------------------------------------------------|
| Bill Number: 1050 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 380-Western Washington University |
|-----------------------------------------------------|------------------------------------------|-----------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Gena Mikkelsen | Phone: 3606507412 | Date: 04/04/2023 |
| Agency Approval: Kimberley Ayre | Phone: 3606503377 | Date: 04/04/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/04/2023 |

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.

WWU sees no fiscal impact from this bill and the new addition will not cause any new fiscal responsibilities for the university.

Removed: Section 1 (iii) (iii) As of the effective date of this section, for all subcontractors on public works with an initial subcontract price of \$350,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

Removed: Section 1 (v) As of the effective date of this section, for all subcontractors on public works by the department of transportation with an initial subcontract price of \$350,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

Removed: Section 1 (iv) For contracts advertised for bid on or after the effective date of this section, for all subcontractors on public works by a school district with an initial subcontract price of \$350,000 or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

Removed: Section 1 (10) (10) It is the responsibility and obligation of each contractor and subcontractor to comply with the requirements under this section and no contractor or subcontractor is accountable for or vicariously liable for the failure of any other contractor or subcontractor to comply with the minimum apprenticeship utilization requirements of this section.

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 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 405-Department of Transportation |
|-----------------------------------------------------|------------------------------------------|----------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Jim Cuthbertson | Phone: 360-705-7825 | Date: 04/04/2023 |
| Agency Approval: Jon Deffenbacher | Phone: 360-7057829 | Date: 04/04/2023 |
| OFM Review: Maria Thomas | Phone: (360) 229-4717 | Date: 04/04/2023 |

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.

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: ESHB 1050 | Title: Apprenticeship Utilization | Agency: 405-Department of Transportation |
|-------------------------------|------------------------------------------|-------------------------------------------------|

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.

Agency Assumptions

N/A

Agency Contacts:

| | | |
|------------------------------|---------------------|----------------|
| Preparer: Jim Cuthbertson | Phone: 360-870-1108 | Date: 04/04/23 |
| Approval: John Deffenbacher | Phone: 360-705-7829 | Date: 04/04/23 |
| Budget Manager: Chad Johnson | Phone: 360-259-3886 | Date: 04/04/23 |

Individual State Agency Fiscal Note

Part II: Narrative Explanation

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.

The proposed legislation Engrossed Substitute House Bill 1050 (ESHB 1050) would expand on current public works project contract requirements for apprenticeship utilization. The bill would require a minimum of 15% of the labor be performed by apprentices on public works projects awarded by a municipality that are estimated to cost over \$2 million. The legislation would also continue to phase-in additional apprentice utilization requirements through July 1, 2028, on lower cost municipal public works contracts.

The striker amendment (AMS King S2771.1) to ESHB 1050 does not create any additional work for the Washington State Department of Transportation, nor does it alter any of the department's responsibilities. The proposed legislation with the striking amendment continues to align with the department's current policies, procedures, and practices regarding apprenticeship utilization requirements, therefore WSDOT's assumptions remain unchanged. There is no fiscal impact to the department.

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.

N/A

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

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

Individual State Agency Fiscal Note

| | | |
|--------------------------------------------------|------------------------------------------|----------------------------------------------------------|
| Bill Number: 1050 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: 699-Community and Technica College System |
|--------------------------------------------------|------------------------------------------|----------------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Brian Myhre | Phone: 360-704-4413 | Date: 04/03/2023 |
| Agency Approval: Cherie Berthon | Phone: 360-704-1023 | Date: 04/03/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/04/2023 |

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 engrossed substitute as amended differs from the engrossed substitute bill in several ways, including:

- Phases-in the apprenticeship utilization requirements for municipalities.
- Requires the Department of Labor and Industries and Municipal Research and Services Center to provide training and technical assistance to municipalities to comply with apprenticeship utilization requirements.
- Requires the Department of Labor and Industries to conduct a study on public works project outcomes related to apprenticeship utilization requirements.

These changes would not change the fiscal impact to the community and technical college system when compared to the prior bill.

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.

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.

Section 2 of the bill as amended would have the Department of Labor and Industries conduct a study on public works project outcomes related to apprenticeship utilization requirements. It is assumed that any information required for the study would be provided by DES.

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 E S HB AM; KING S2771.1 | 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: the increase in bid costs for local governments; number of qualified municipal projects; number of municipalities with existing apprenticeship requirements; work hours required for L&I and the Municipal Research and Services Center training; cost to municipalities for implementing process changes needed to comply with required reporting standards

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: 04/04/2023 |
| Leg. Committee Contact: | Phone: | Date: 03/31/2023 |
| Agency Approval: Allan Johnson | Phone: 360-725-5033 | Date: 04/04/2023 |
| OFM Review: Jennifer Masterson | Phone: (360) 810-0117 | Date: 04/04/2023 |

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Phases-in the apprenticeship utilization requirements for municipalities, with the requirements applying to contracts of more than \$2 million until July 1, 2026, contracts of more than \$1.5 million from July 1, 2026, until July 1, 2028, and contracts of more than \$1 million after July 1, 2028.

Requires L&I and the Municipal Research and Services Center to provide training and technical assistance to municipalities to comply with apprenticeship utilization requirements. Requires the training to include reporting requirements, contract administration, and best practices regarding adopting apprenticeship guidelines.

Requires L&I to conduct a study on public works project outcomes related to apprenticeship utilization requirements, access to apprentices, and participation by women, minority, and veteran-owned businesses. Specifies the types of data, analyses, and recommendations the study must include. Requires the report to be submitted to the Office of Financial Management and the Legislature by December 1, 2025.

SUMMARY OF CURRENT BILL:

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 \$2 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 \$2 million or more require at least 15 percent of the labor hours to be performed by apprentices.

On or after July 1, 2026, all public works projects estimated to cost \$1.5 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 \$1.5 million or more require at least 15 percent of the labor hours to be performed by apprentices.

On or after July 1, 2025, 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.

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.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Municipalities participating in L&I's and the Municipal Research and Services Center's training could see indeterminate expenditure increases due to the work time required to participate in the training and implement process changes need to comply with apprenticeship utilization requirements.

EXPENDITURE IMPACTS OF CURRENT BILL:

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.

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.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

No changes were made between versions that would change the revenue impact of the bill.

REVENUE IMPACTS OF CURRENT BILL:

This legislation would not impact local government revenue.

SOURCES

- Local Government Fiscal Note HB 1308 (2021)
- Local Government Fiscal Note HB 1050 (2023)
- Local Government Fiscal Note ES HB 1050 (2023)
- The City of Vancouver
- Okanogan County
- Snohomish County
- Washington State Association of Counties (WSAC)
- Association of Washington State Cities (AWC)

Individual State Agency Fiscal Note

| | | |
|-----------------------------------------------------|------------------------------------------|---------------------------------------------------------|
| Bill Number: 1050 E S HB AM; KING S2771.1 | Title: Apprenticeship utilization | Agency: SDF-School District Fiscal Note - SPI |
|-----------------------------------------------------|------------------------------------------|---------------------------------------------------------|

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: | Phone: | Date: 03/31/2023 |
| Agency Preparation: Kirti Vijay | Phone: 3607256261 | Date: 04/11/2023 |
| Agency Approval: Randy Newman | Phone: 360 725-6267 | Date: 04/11/2023 |
| OFM Review: Kelsey Rote | Phone: (360) 000-0000 | Date: 04/12/2023 |

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.

Compared to the engrossed substitute house bill, this version eliminates any fiscal impact that the bill would have on the local school districts.

Sec. 2(1)(a) specifies that the public works projects awarded by the school districts must be delineated by project size and details of the outcomes related to apprenticeship utilization requirements, access to apprentices, and participation by women, minority, and veteran-owned businesses must be studied and reported by the department of labor and industries.

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

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

No impact to local school districts' 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.