



**Colorado
Legislative
Council
Staff**

HB17-1300

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0372
Prime Sponsor(s): Rep. Benavidez

Date: April 7, 2017
Bill Status: House Business Affairs
Fiscal Analyst: Kori Donaldson (303-866-4976)

BILL TOPIC: APPRENTICE UTILIZATION IN PUBLIC PROJECTS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Potential increase.	
Appropriation Required: None.		
Future Year Impacts: Potential ongoing expenditure increase.		

Summary of Legislation

The bill requires contractors employed on public projects expected to cost more than \$500,000, and not funded with federal dollars, to use apprentices enrolled in a registered apprenticeship program for at least 25 percent of the project workforce in apprenticeable occupations. A bid or proposal for such a project may only be considered if it indicates that at least 25 percent of the workforce in apprenticeable occupations will be hired to work on the project. The bill requires a contractor to submit an affidavit upon completion of a project stating that the apprenticeship requirements have been met.

Background

Apprenticeship program means a program registered with the Office of Apprenticeship in the U.S. Department of Labor. Some common apprenticeships in the construction industry include carpenters, electricians, painters, and plumbers. In federal fiscal year 2016, the U.S. Department of Labor reported that there were a total of 5,173 active apprentices and 204 registered apprenticeship programs in the state.

State Expenditures

The bill may increase state expenditures for public works projects. There may be less competition for projects if companies that would have otherwise bid on projects opt not to do so because they do not have registered apprenticeship programs (or do not employ subcontractors with registered apprenticeship programs) for some or all of the eligible trades. Reduced

competition may lead to higher overall bid amounts. Also, there may be additional labor costs associated with employing additional apprentices and paying for highly skilled workers to supervise apprentices. Agencies may increase project budgets to address these costs or may opt to reduce the scope of projects to stay within budget. The funding sources used for public works projects vary by project and affected agency.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

All