



**Colorado
Legislative
Council
Staff**

HB17-1300

**FINAL
FISCAL NOTE**

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

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

Date: May 16, 2017
Bill Status: Postponed Indefinitely
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

This bill would have required 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, or to make a good faith effort to do so. A bid or proposal for such a project could only have been considered if it indicated that at least 25 percent of the workforce in apprenticeable occupations would be hired to work on the project. The bill required a contractor to submit an affidavit upon completion of a project stating that the apprenticeship requirements were met or, if the contractor was unable to comply with the this requirement, documentation of the contractor's good faith efforts to do so.

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

Reduced competition could have lead to higher overall bid amounts. Also, there may have been additional labor costs associated with employing additional apprentices and paying for highly skilled workers to supervise apprentices. Agencies may have increased project budgets to address these costs or may have opted 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 was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 1, 2017.

State and Local Government Contacts

All Departments