



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1278

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-0933	Date:	May 23, 2018
Prime Sponsors:	Rep. Benavidez Sen. Moreno	Bill Status:	Postponed Indefinitely
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Bill Topic: APPRENTICE UTILIZATION IN PUBLIC PROJECTS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>indeterminate</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have required that apprentices be employed on most state construction projects costing more than \$500,000. The bill may have increased state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill requires contractors employed by state agencies on public projects expected to cost more than \$500,000, awarded through competitive sealed bid, and not funded with federal monies, to use apprentices enrolled in a registered apprenticeship program for at least 25 percent of the 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 that it complied with the requirements of the bill or made a good faith effort to do so. The bill allows a contractor to require its subcontractors to comply with the requirements of the bill through a private contract.

State Expenditures

The bill may increase state expenditures for some state construction projects. There may be less competition for projects if companies that would have otherwise bid on qualifying projects opt not to do so because they do not have a registered apprenticeship program (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. Although the wages paid to apprentices may be lower than those of other workers, there may be additional labor costs associated with employing more apprentices to replace skilled workers 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 state construction projects vary by project and affected agency.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on April 16, 2018.

State and Local Government Contacts

State Agencies