

March 3, 2023

RE: Written Testimony on SB 518

Dear Chair Dembrow, Vice Chair Weber, and Members of the Committee:

Associated General Contractors represents 790 members across the state and SW Washington, including small and large contractors, open and union, rural and urban contractors.

First, let me emphasize an important point: no one cares more about growing our workforce than the contractors who have limited ability to perform work because of workforce constraints.

AGC is committed to building the workforce pipeline and is putting the time, money and effort into increasing the visibility of the construction industry to students and young adults. It is our belief that this end of the pipeline is where the work needs to happen. We need to get kids interested in the trades and the construction industry from a younger age, making sure that they know the value of these jobs and the good, family wages they can make without going into debt with student loans.

However, increasing apprenticeship requirements like this bill does doesn't move the needle at the right end of the pipeline.

AGC has several issues with this bill. First, there needs to be a broader conversation before changing apprenticeship requirements. We are also opposed to changing the threshold for projects from \$8 million to \$200,000, to increasing the apprenticeship requirement to 15%, and to expanding these requirements to K12 projects, both apprenticeship requirements and training agent requirements.

To the history of this issue first. Last time changes were made to the state apprenticeship requirements, there was an extended discussion and cooperation between the affected parties to come up with a solution that increased apprenticeship requirements in a way that worked for the industry as a whole. The type of change contemplated in this bill needs similar discussion and work with all industry stakeholders to determine what changes will be both meaningful and practicable.

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Now to the specifics of the bill. First, we oppose moving the threshold from \$8 million to \$200,000. With this decrease, almost all projects will be subject to these requirements. This is particularly problematic because these much smaller projects are often done with very small crews, making it difficult or impossible to have the apprenticeship ratios in an efficient and practical manner. Also, this will negatively impact smaller contractors in more rural areas who are looking to bid on these projects, because they have a harder time meeting the training agent requirement. By decreasing the project threshold, there will be even more projects that these local contractors will be unable to bid on.

Second, we oppose increasing the apprenticeship requirement amount to 15%. It is problematic to arbitrarily increase the apprenticeship requirement to 15% without discussion on whether this is feasible. This needs to be looked at in light of other requirements that are also being discussed, or have already been passed, in the construction arena. For example, SB 420 passed in the 2021 session, which allows state and local governments to adopt community benefit contracts. These often include apprenticeship requirements. As more local governments are implementing their own apprenticeship requirements, there will be an even greater strain on the apprenticeship pipeline, which won't be able to produce enough apprentices for all the requirements. A broad industry conversation around these requirements would allow us to work through some of these issues.

Third, we oppose expanding these requirements to K12 projects. While we have concerns about the higher education projects, these concerns are magnified when talking about K12 projects. These projects occur in every small town in the state, and are far more numerous than higher education projects. As a result, the impact on our smaller contractor members is even more pronounced. It is difficult for small, rural, open shop contractors to become training agents. Because of this difficulty, many contractors who have not been able to become training agents will not be able to bid on these projects. In many cases, these contractors have been active in their communities, working to help get funding for these school projects and part of the planning process. Then, with mandates like these in place, they will be unable to bid on these projects that they have helped come to fruition.

In summary, AGC strongly supports apprenticeship and bringing new folks into the construction industry. It is an essential priority for our membership. However, to create sweeping apprenticeship policy without engaging the entire contractor community in its creation will lead to unworkable and untenable requirements that penalize contractors for circumstances beyond their control.

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Thank you for your consideration, and please feel free to reach out with any questions.

Best Regards,



Kirsten Adams
Director and Counsel – Policy and Public Affairs

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