

OFFICE OF FISCAL ANALYSIS

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sSB-471

AN ACT CONCERNING THE USE OF APPRENTICES ON PREVAILING WAGE PUBLIC WORKS PROJECTS.

OFA Fiscal Note

State Impact: Potential Cost, See Below

Municipal Impact: Potential Cost

Explanation

The bill phases in requirements for the usage of apprentices on certain prevailing wage public works projects.

Section 1 specifies a phase-in schedule for apprentice participation, requiring that on-site hours performed by apprentices increase from 5% in FY 28 to 15% in FY 30. Contractors and subcontractors who fail to adhere to these requirements will not be deemed responsible and qualified bidders. To the extent this results in a significant increase in the number of contractors or subcontractors participating in apprenticeship programs, there could be a potential cost to the Department of Labor (DOL) to expand the Office of Apprenticeship Training (OAT) beginning in FY 27¹. For reference, the average salary for a staff member in the OAT is \$90,000.

Section 2 establishes a civil penalty for noncompliant contractors or subcontractors of up to \$200 per hour for required apprentice hours not performed. This results in a potential revenue gain to the DOL to the

¹ The OAT currently has 12 staff members and administers 1,800 employers' apprenticeship programs.

extent noncompliance occurs and penalties are paid.

Sections 1, 4, and 5 also result in a potential cost to the state (including the constituent units of higher education) and municipalities to the extent contract costs increase as a result of the new requirements.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to increases in entities participating in apprenticeship programs, and the volume of violations and penalties collected.