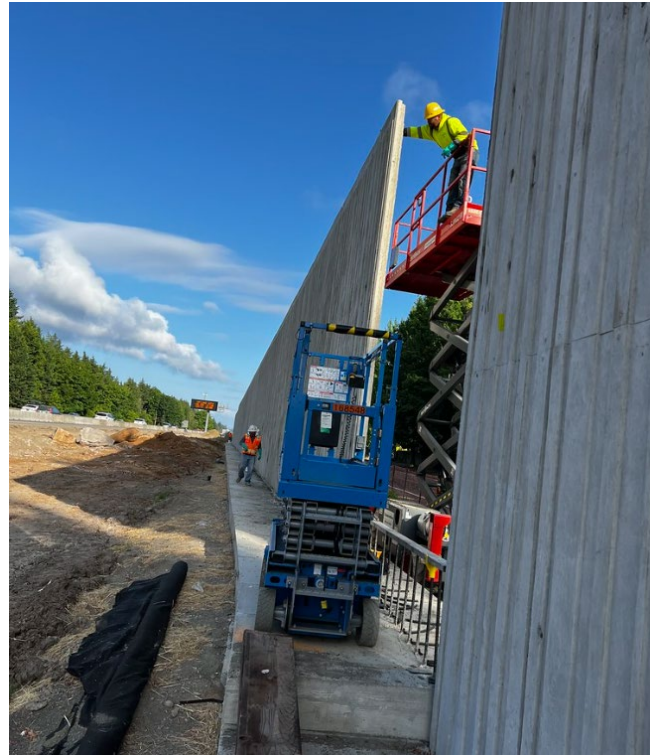


MEETING MINUTES

APPRENTICESHIP COMMITTEE



DATE:

December 4, 2024

TIME:

9:00-11:00am

MEETING LOCATION:

Microsoft Teams

ATTENDEES:

Chris Christopher

Jon Deffenbacher

Chris Tams

Heidi Jensen

Rebecca Howe

Travis Mahlum

Antonio Acosta

Ashley Bronson

Billy Wallace

Daniel Villao

Eddie Jezek

Erin Frasier

Heather Kurtenbach

Jerry Vanderwood

Jodie Harris

John Hurd

Julie Printz

Jim Kaltenbaugh

Pamp Maiers

Ryan Roberts

Valerie Whitman

MEETING MINUTES

PASS PROGRAM

PRESENTER:

Travis Mahlum

Travis provided some background information on the PASS Program, shared information and key dates for the 2025 RFQQ and also gave his contact information out to the group (Travis.Mahlum@wsdot.wa.gov), along with a link to the PASS Program pre-apprentice page: [PASS program pre-apprentice program opportunities | WSDOT](#)

PROGRAM UPDATES

PRESENTER:

Heidi Jensen

Heidi shared an updated spreadsheet for the completed contracts. All of the projects on this report have had their NOCs filed and approved by L&I. She briefly went over the data presentation.

Jerry asked why there was such a discrepancy between certified payrolls and affidavits? Heidi said that's a great question – when we initially transferred into PWIA we expected this discrepancy between the systems. We expected it to eventually resolve as projects moved entirely into PWIA, but for some reason it is still not aligning. She shared a document into the chat that was provided by L&I. There is an option to populate the affidavits from the certified payrolls, but a lot of folks are not using it. Jim added that sometimes the apprentice listed is not a qualified apprentice in Washington State.

Jerry said he has heard from some contractors who are concerned about this discrepancy as well. Lower-tier subs sometimes make the mistake of reporting an apprentice who is not an apprentice, and it's not noticed until the affidavit is filed. He asked if there is a way to catch these things sooner? (Jim said yes – if that is verified via the Apprentice Utilization Plan up front.) Valerie said that is not actually on the apprentice utilization plan – we don't ask the subs to be listed out at the beginning of the project. Heidi asked to verify – is that from our form? Would that be helpful to add? Valerie said no – a lot of times the union subcontractors don't have an established core of apprentices available. It would be most valuable to have PWIA catch this during the project rather than at the end. On bigger projects especially, it's more difficult to verify apprentices individually as a prime. It should be something that PWIA is doing, or gives us some kind of warning/flag. It would be great if the weekly data that we're using was accurate – it's very hard to figure out what to do a year or two later after the project is done and the hours are under goal. It can sometimes be years after the project is done before the prime submits their AWP and they realize the apprenticeship utilization is under goal. Would highly encourage WSDOT/L&I to figure out a way to remedy this.

Heidi said she will add this to the PWIA wish list we have going for the application.

Eddie asked, when WSDOT sees a delta in here – does that automatically trigger a prevailing wage investigation on that? If they were paid apprentice wage they would then be required to pay a journeyman wage.

Heidi said she is not sure what steps L&I would take at that point – best guess is it would be a contract by contract issue. From WSDOT point of view, we'd get a call from L&I asking why we don't have a GFE on file and we'd have to go through on a case-by-case basis. We would rely on L&I to continue with that. Eddie then directed his question toward L&I instead – Jim responded not necessarily. Jim said sometimes they're listed as an apprentice but actually paid journey level wages because they know they don't have the supporting documentation. There is a myriad of reasons why these two numbers are different but these are the most common scenarios.

Heidi noted that if we did notice there were apprentices being used that worked out of class that were indeed entitled to journey level wages, we would pursue that during the contract with L&I.

Billy said the discrepancy between these numbers is concerning, and it seems that it seems to have grown since the last meeting. Do we need to bring L&I into this? There was some general group discussion, and Valerie asked if this seems to correlate to the GFEs and contractors not doing the work to get the apprentices.

Heidi shared the updated Apprenticeship GSP in track changes, which highlights some of the expanded requirements of GFEs. These updates are intended to ensure every avenue was pursued to attempt to meet the goal. She then shared the corresponding Construction Manual section that provides guidance to our Project Offices, to help guide and train our staff on what to look for.

Valerie asked about the new goal that requires goal to be met on all projects or only projects advertised after a certain date. (Only for projects advertised after date of GSP, which went into effect on September 3, 2024.)

Heidi shared some more details on the data on the spreadsheet. 33% of projects met the goal through labor hours and 67% met the goal through GFE.

Heather asked Heidi to explain what the strike letter issued is. Heidi said that we use the strike letter when the contractor is not meeting the goals – if they don't meet a goal on a project, and a GFE is not approved, we issue a strike letter. Heather asked, once three strikes are reached, is that being followed through with and taken care of through the consequences outlined in the process? Heidi said the strikes mean that you're monitored closely for the first two strikes – if we get to the third strike letter, we have the option to suspend prequalification. Chris said he doesn't think we've actually had anyone get to that third strike yet – the contractor takes it seriously and does what they need to do to come into compliance.

Billy asked about a specific contract – one contractor claimed 19% but actually came in at 0%. Heidi clarified that this is not at contract completion yet so these numbers could still change.

Valerie asked if there was concern within WSDOT that this would slow down contract closeout? There is concern with lower-tier subs that she will never get good faith effort information from. Heidi said there is some concern, and we are likely to go through some growing pains as we adapt to the new GSP. Please let us know if you see anything that's not working. Billy said basically that means don't panic, this is just a measuring stick to see how we are doing on this project.

Eddie asked, if you have a contractor who is misclassifying their workers and awarding out of scope, are they being allowed a good faith effort? Heidi said at the end of the day, if L&I determines that workers are being worked out of scope, we would go back and let the contractor know that they need to pay the workers journey level wages. These hours would then be required to be removed from apprenticeship reporting, and they would still be required to make those hours up. They wouldn't necessarily be denied a GFE automatically, but they would have to tell the story very well. Eddie said he hopes there is

a strict glass that is looked through for these GFEs, as contractors acting in bad faith are breaking the rules on purpose when they behave a certain way.

Heidi returned to presenting the data on the report. Please let Heidi know if anyone would like to receive these reports directly (already has Valerie listed to receive) – Billy said that it is nice to have this data beforehand. Daniel Villao asked in the chat if he could also receive these reports at daniel@ipartnerships.net.

ACTION ITEMS

Heidi will update the PWIA “wish list” to include the ability to monitor apprentice data more accurately throughout the life of the project, rather than needing to wait until the end.

PROPOSED RCW UPDATES TO APPRENTICESHIP

PRESENTER:

Erin Frasier

Erin shared her screen. They have been working on a piece of legislation for several sessions now, and she wanted to highlight some changes regarding apprenticeship. In the current statute, the awarding agency can require a plan if they aren't meeting requirements. The proposed legislation requires an apprentice utilization plan up front, using a pre-approved template provided by L&I. Some stakeholders have said they would prefer a standardized plan developed by L&I so that they don't have to use different versions of plans between awarding agencies – however some have expressed that awarding agencies should be allowed to use their own as well. The proposed language allows L&I to approve an awarding agency template as well. Completed apprentice utilization plans would be posted publicly on the L&I web site. Erin asked the group if they had any comments based on the updates shown on the screen.

Billy asked Jerry, and possibly Valerie – how do you guys feel about that, having a standardized form like that? Valerie replied that we've had one with WSDOT that covers most of it. How the contractor will recruit/retain apprentices seems to be a pre-emptive GFE. My concern is, as this drills down to the subs, what we are going to get back from them, and is it going to cause the plan to get rejected in some cases? For the most part doesn't have a problem with this, but unsure of exactly what you are wanting to see at this step.

Erin thanked Valerie for her input, and said she made a good point about whether we need to establish these minimums in statute or not. What we are striving for in this is to make sure that the apprentice utilization requirements are understood, and we're using it as an educational tool too.

Jon said he had some concerns as well, regarding the language on recruiting/retaining – it's not black and white on what we will accept or reject. We may need to work more with L&I on what the appropriate threshold would be for acceptance or rejection.

There was some discussion on whether within 30 days of award was an appropriate timeframe for submitting the plan.

Jerry said we have talked about how apprenticeable occupations isn't necessarily the same thing as total labor hours for apprentice purposes. In order to get to 15% of total labor hours, the percentage of apprenticeable occupations might need to be higher than

the actual goal to make up the total labor hours. Valerie agreed with Jerry – the project is actually held to a different standard and is required to look at everything that goes into certified payrolls and not just apprenticeable occupations. (On a wish list side note: it would be nice to look at doing a 15% goal for apprenticeable occupations and not overall work.)

Eddie said, couldn't we make it simpler from WSDOT's perspective just to say – if you intend to bid on a project for work that is apprenticeable, that you must be a training agent?

Erin said from a state perspective (not WSDOT-specific), the original language did include training agent language. There were several unintended impacts with that leading to its removal from draft – for one, there is other RCW language that states that anything that applies to the prime also applies to the subs, and that was not our intent. Also, if the prime bidder is not the one doing the work, requiring them to be a training agent is not very effective.

Billy thanked the group for their input on all of this. This is why we're here and we want to put people to work.

Chris thanked Erin for her willingness to share and discuss.

Jerry added that legislation such as this wouldn't just impact WSDOT projects – with recent expansion of these requirements to local municipalities there will be a learning curve, so it would be good to be mindful of that perspective as well.

ACTION ITEMS

Erin asked the group to feel free to send any feedback she could consider for addition into the bill.

UPCOMING CHALLENGES

PRESENTER:

Chris Christopher

Chris updated the group on current budget issues happening at the State. We received a letter from OFM in early November directing agencies to consider cost-saving measures. If we were to deliver everything that we've been legislatively directed to deliver, we'd be about \$2 billion short on what we are required to do. That shortfall is related to three things: (1) there is not as much revenue coming in as projected, largely due to more fuel-efficient and electric vehicles, (2) projects are costing a lot more than they did a few years ago, and (3) there were a couple of very large projects that moved forward with unclear funding sources. We have to figure out how do we either reduce to meet shortfalls (pushing projects out, etc.) or meeting current goals if a new revenue source can be identified. We've elected to pause current advertisements until we have more clear direction from the legislature on what they want us to do.

We also got a letter from the governor's office earlier this week directing us to freeze nonessential spending, hiring, etc. There are a lot of challenges that this presents, and we are now spending a lot of time reevaluating spending.

In our budget request for the 2025-2027 session – we identified \$20-25 billion of additional funding needs for fish passage, maintenance requirements, preservation, vessel replacement/electrification. All of that is occurring in this broader backdrop of the general fund being up to \$12 billion short of expectations. This is likely going to be a very challenging session for our legislature.

Jerry said, in regards to pausing of projects – what “unpauses” a project? Are you literally saying legislature needs to pass new revenue to move these forward, or do they simply need to re-prioritize them to go forward? What triggers an “unpause”?

Chris said he's unsure exactly what will trigger that unpause. At this point if we do everything as directed by the legislature, we are already \$2 billion short. We are looking for direction on what to do in this shorter term for these smaller projects as well. We don't quite know what unpasing will look like – hopefully we will get some clarity on the near-term outlook soon.

Billy shared with the group that the gas revenue is likely to be down 6% in the near future. We are looking at not building transportation packages anymore – but that being said, we need to fund transportation. We don't have the money, but we have these projects that we've started and need to finish. We have maintenance and preservation that need to be addressed as well. He discussed possibly using vehicle registration taxes to the transportation fund, but that would have to be a slower approach to not disrupt the general fund as well. Group members shared that the Road Usage Charge proposals are not going over well – at this point it's a nonstarter.

Valerie said that given that this is a long session, it could be several months before the work is unpaused. The first casualties of a long pause will be the apprentices and DBEs. Depending on how long the legislature takes it could be upwards of a year before things get rolling again – there needs to be acknowledgement from WSDOT. We can't keep seeing increased requirements if this is in our immediate future.

Billy agreed with Valerie – how do you keep apprentices in the pipeline to become journeymen, if the work dries up for a time? We are hoping to be allowed more time to address the culvert requirements as well.

Heather said the good news is that there is not a workforce shortage with our labor partners. We have folks ready to work, and we just need the jobs to send our people to.

Billy said we are aiming for \$20 billion dollar funding, but it's going to be a big lift.

Chris said we hope that the pause is lifted sooner rather than later, but the 2025 construction season could be bleak depending on when these decisions are made. However we are going to weather this storm – we are just going to be going through this tunnel of chaos for a while this is figured out. Billy agreed – clean air, clean water and transportation were the top three priorities.

NEXT MEETING

Heidi Jensen

The group agreed on the next meeting date:

- Tuesday, May 27, 2025 at 9:00am. Invite to follow.

Meeting adjourned at 10:40am.