

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 250** SLS 20RS 177  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 22, 2020 6:04 AM	<b>Author:</b> CARTER, TROY
<b>Dept./Agy.:</b> Facility Planning and Control/Workforce Commission	
<b>Subject:</b> Requires 2% of man hours for capital projects to	<b>Analyst:</b> Alan M. Boxberger

EMPLOYMENT OR SEE FISC NOTE GF EX Page 1 of 1

Requires a contractor for a state capital outlay project to designate no less than two percent of man-hours in any apprenticeable occupation to registered apprentices. (8/1/20)

Present law provides for apprenticeship agreements and provides that the Office of Facility Planning and Control (FP&C) of the Division of Administration (DOA) shall establish standards and criteria for capital outlay projects. Proposed law requires that any employer who is awarded a contract by the state to construct a capital outlay project will designate no less than 2% of the man-hours in any apprenticeable occupation, as defined by the U.S. Department of Labor, to registered apprentices; requires that the state director of apprenticeship also approve the apprenticeship agreements; provides that if the director of the La Workforce Commission determines that an insufficient number of registered apprentices is available for a particular capital outlay project, the executive director will certify the number of registered apprentices available for the project and issue a waiver for the remaining number of jobs; requires FP&C to set standards for compliance with requirement for hiring apprentices; and provides that beginning August 1, 2020, DOA shall require each contractor for a capital outlay project to meet the 2% of man-hours requirement and meet the standards and requirements of the apprenticeship program.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**

Proposed law may result in additional recurring personal services SGF expenditures for the Office of Facility Planning and Control (FP&C) and will increase the workload of both FP&C and the Louisiana Workforce Commission (LWC). Proposed law will result in a one-time workload increase for the office FP&C, presumably in collaboration with LWC, associated with establishing standards and criteria for capital outlay projects with respect to the proposed apprenticeship agreements and requirements.

FP&C reports that it may be required to add an additional FP&C Project Manager at an annual personal services cost of \$115,128, and an Administrative Program Specialist B at an annual personal services cost of \$55,504, as well as incur additional estimated expenditures of \$1,675 annually for operating services and equipment to support these personnel. These expenditures are assumed to be SGF. FP&C reports that it may require these personnel to establish the standards and monitor compliance with the new apprenticeship man-hours requirement, noting that otherwise current project managers would also take on compliance duties.

*NOTE: The LFO cannot corroborate the need for the specified additional personnel or budgetary resources related to the provisions of proposed law. Once the standards are established and apprenticeship man-hours are included in future capital outlay contracts, the workload related to compliance monitoring could be minimized. Additionally, the director of apprenticeship, who is an employee of the Louisiana Workforce Commission, will be responsible for approving all apprenticeship agreements with said contractors. The specific responsibilities for each party (FP&C or LWC) will have to be delineated while establishing standards and practices. Each capital project currently has one project manager assigned to monitor both construction and related state requirements. These individuals could potentially absorb compliance monitoring regarding apprenticeships as part of their other existing duties, although this workload impact could be significant depending on the size, scale and workforce related to the project. This would still create an increased workload impact, but may not require two additional full T.O. positions. However, to the extent compliance monitoring may create a significant workload increase FP&C may require additional budgetary and personnel resources as suggested.*

LWC reports that it will be able to absorb any additional workload requirements utilizing existing budgetary and personnel resources. The director of apprenticeship is an LWC employee and the duties and responsibilities of this position are similar to those outlined in proposed law and can be absorbed in the normal course and scope of the position's responsibilities.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S &amp; H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S &amp; H}</p>	<p><u>Dual Referral Rules</u></p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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*Evan Brasseaux*  
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