

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 186
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB186-DOT-CAA-04-18-2025
Title: APPRENTICE LABOR IN PUBLIC PROJECTS
Sponsor: CARRICK
Requester: House Transportation

Department: Department of Transportation and Public Facilities
Appropriation: Administration and Support
Allocation: Contracting and Appeals
OMB Component Number: 2355

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? no
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial version, not applicable.

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Division: <u>Commissioner's Office</u>	Date: <u>04/18/2025</u>
Approved By: <u>Dom Pannone, Director</u>	Date: <u>04/18/25</u>
Agency: <u>Program Management and Administration</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB 186

Analysis

House Bill 186 requires the Department of Transportation and Public Facilities (DOT&PF) and the Department of Administration (DOA) to include a condition in all construction contracts exceeding \$2,500,000 that, to the extent practicable, at least 15 percent of labor hours must be performed by apprentices in specified occupations. Occupations affected include carpenters, electricians, equipment operators, mechanics, surveyors, truck drivers, welders, among others.

DOT&PF currently requires construction contractors to comply with numerous reporting requirements related to labor utilization, including apprentice participation, through existing certified payroll processes. Contractors are already mandated to submit certified payroll electronically through AASHTOWare and must comply with extensive Federal Highway Administration (FHWA) and Department of Labor reporting requirements. These requirements are detailed in competitive contracts such as an invitation to bid (ITB) posted to the online public notice (OPN) system.

DOT&PF anticipates being able to integrate the updated reporting requirements into the current system without the need for additional administrative staffing or substantial new administrative procedures. The minimal adjustments needed within existing digital interfaces and contractor accounting systems are manageable within current operational capacities. Consequently, the impact to DOT&PF operations resulting from HB 186 are projected to be de minimis.

The proposed bill also requires a report to the legislature, compiled by the Department of Labor and Workforce Development (DOL&WD), with assistance from DOT&PF, summarizing apprentice labor hours used between fiscal years 2026 and 2030. DOT&PF recognizes that this reporting is a one-time requirement due by September 1, 2030, and thus anticipates no substantial or ongoing fiscal obligation from this specific reporting requirement.

It will be important to engage with the contractors on updated apprentice thresholds and reporting requirements—particularly regarding the potential financial burden of reporting changes on smaller contractors and owner-operators—to ensure impacts do not create a barrier to participation in public construction contracts. While DOT&PF cannot speak for the contracting community, based on existing electronic reporting infrastructure and minimal anticipated administrative modifications, these concerns do not materially change the analysis of the fiscal impact to DOT&PF.

Therefore, DOT&PF submits a zero fiscal note for HB 186, reflecting the negligible incremental costs associated with implementing these requirements within the context of existing practices and infrastructure.