



Senate

General Assembly

File No. 639

January Session, 2003

Substitute Senate Bill No. 874

Senate, May 6, 2003

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT PRESERVING THE APPRENTICE TRAINING PROGRAM
WITHIN THE LABOR DEPARTMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) Each person who is
2 registered as an apprentice with the Labor Department before, on or
3 after the effective date of this act shall pay a fee of twenty dollars to the
4 Labor Department on or before July first of each year until (1) such
5 registration is withdrawn, or (2) such person has completed an
6 apprenticeship or is recognized or classified as a skilled person and
7 possesses a valid journeyman card of occupational license, if
8 required.

9 (b) (1) Each person that sponsors an apprenticeship program
10 registered with the Labor Department before, on or after the effective
11 date of this act and employs at least ten but less than twenty-five
12 employees, excluding apprentices, shall pay a fee of one hundred

13 dollars to the Labor Department on or before July first of each year
14 until such apprenticeship program is cancelled by the sponsor or
15 deregistered for cause by the Labor Department pursuant to section
16 31-51d-7 of the Regulations of Connecticut State Agencies.

17 (2) Each person that sponsors an apprenticeship program registered
18 with the Labor Department before, on or after the effective date of this
19 act and employs twenty-five or more employees, excluding
20 apprentices, shall pay a fee of two hundred dollars to the Labor
21 Department on or before July first of each year until such
22 apprenticeship program is cancelled by the sponsor or deregistered for
23 cause by the Labor Department pursuant to section 31-51d-7 of the
24 Regulations of Connecticut State Agencies.

25 (c) Any amount collected by the Labor Department pursuant to this
26 section shall be deposited in the General Fund and credited to a
27 separate nonlapsing appropriation to the Labor Department, for the
28 purpose of employing such personnel as the Labor Commissioner
29 deems necessary for the effective administration of the department's
30 apprentice training program and the administration of sections 31-51a
31 to 31-51d, inclusive, of the general statutes.

This act shall take effect as follows:	
Section 1	from passage

LAB *Joint Favorable Subst. C/R* FIN

FIN *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Impact
Department Labor	See Below

Municipal Impact: None

Explanation

The bill establishes an annual fee for individuals and sponsors in the Department of Labor’s (DOL) Apprenticeship program. In FY 02 there were an estimated 16,000 individuals that participated in the DOL’s Apprenticeship program (representing an estimated 3,000 employers). As a result of charging 16,000 apprentices a \$20 annual fee, \$320,000 would be generated and deposited into the nonlapsing account. However, it is anticipated that the 100% collection rate will not be reached and the revenue reduced accordingly.

It is uncertain the number of participating employers that fall within the two fee levels (\$100/\$200) and in particular those with less than 10 employees that would not be required to pay the fee. To the extent that at least 75% of the employers were charged a fee, less than \$450,000 would be generated. The revenue may vary due to a collection rate of less than 100% and the uncertainty of the number of participating employers that fall within the two fee levels (given the bill’s employee ranges).

Due to the bill’s provisions, revenue may be generated prior to July 1, 2003, and it is uncertain the ability of the department to handle this requirement prior to additional staff being provided (anticipated to be supported with funding from this new nonlapsing account). The

revenue deposited into the account shall support the operation of the department's apprentice training program. It should be noted that due to layoffs, 13 positions were eliminated in the department's Apprenticeship program. sHB 6548 (the budget bill) as favorably reported by the Appropriations Committee, includes funding of \$350,000 for 5 positions and Other Expenses costs in the Apprenticeship program (General Fund).

OLR Bill Analysis

sSB 874

***AN ACT PRESERVING THE APPRENTICE TRAINING PROGRAM
WITHIN THE LABOR DEPARTMENT*****SUMMARY:**

This bill establishes fees for individual apprentices and employers who sponsor apprentice programs registered with the Department of Labor (DOL). It requires (1) each apprentice to pay DOL an annual \$20 fee by July 1 and (2) each employer sponsoring a DOL-registered apprentice program to pay (a) \$100 a year if he employs from 10 to 24 employees and (b) \$200 a year if he employs 25 or more employees. (Apprentices are excluded from the employee count.) The fees collected must be deposited in the General Fund and credited to a separate, nonlapsing DOL appropriation in order to employ personnel, as the commissioner deems necessary, to administer the apprentice program.

EFFECTIVE DATE: Upon passage

FEE APPLICABILITY***Apprentices***

Each person registered as an apprentice with DOL before, on, or after the bill's effective date is required to pay the annual \$20 fee by July 1. He must pay the fee annually until (1) his registration is withdrawn; (2) he completes the apprenticeship; or (3) he is recognized or classified as a skilled person and possesses a valid journeyman card or occupational license, if necessary.

Employers

Each employer who sponsors a DOL-registered apprenticeship program on or after the bill's effective date must pay the fee by July 1 of each year until the employer cancels the apprenticeship program or DOL deregisters it for cause pursuant to regulations.

BACKGROUND

Related Bill

sSB 1077, which the Finance, Revenue and Bonding Committee reported favorably on April 24, also establishes fees by requiring (1) each apprentice to pay a \$25 annual fee and (2) each employer to pay a \$30 annual fee for each of his apprentices.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute Change of Reference
Yea 12 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report
Yea 41 Nay 1