Illinois Environmental Protection Agency

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Important Supplemental Information Regarding the New Illinois Apprenticeship Initiative Requirement

The Apprenticeship Initiative is a new, state-wide requirement administered by the IL Department of Commerce and Economic Opportunity (DCEO). Forms for this program were created by DCEO and refer to payment of IL Prevailing Wages. Be advised that the loan rules require contractors pay wages in accordance with the Davis-Bacon Act (40 USC 3141 through 3148) as defined by the U.S. Department of Labor. **All IEPA loan projects are subject to the federal Davis-Bacon Wage Rates.**

Instructions for USEPA's Signage Requirement is also contained in this supplement.

Illinois Works Jobs Program Act Apprenticeship Initiative

Information for Loan Applicants

Summary: The Illinois Works Jobs Program Act, 30 ILCS 559/Art. 20, is a statewide initiative to ensure that all Illinois residents have access to State capital projects, careers in the construction industry, and to provide contracting and employment opportunities to historically underrepresented populations in the construction industry. This will be accomplished through three programs created by the Illinois Works Jobs Program Act: the Illinois Works Apprenticeship Initiative, the Illinois Works Pre-Apprenticeship Program, and the Illinois Works Bid Credit Program. Additional information is available at the following website: **dceo.illinois.gov/illinoisworks.html**

The goal of the Illinois Works Apprenticeship Initiative ("10% apprenticeship goal") is that for projects estimated to cost $500,000 or more, apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. The 10% apprenticeship goal applies to projects being paid for in whole or in part by appropriated capital funds to construct a public work either through a contract or grant issued by a State agency. A determination was made that this requirement also applies to IEPA loans.

Certification of Apprentices: Apprentices are required to be U.S. Dept. of Labor certified (not limited to pre-apprentice program graduates).

Applicability

If a project is estimated to received $500,000 or more of State Capital Funding:

If the state's contribution to the project amount equals 50% or more of the cost for the project, the 10% apprenticeship requirement applies to all prevailing wage eligible work performed by contractors on the public works project.

If the state's contribution to the project is less than 50% of the cost for the project, the 10% apprenticeship requirement applies only to prevailing wage eligible work being funded from state funds.

The project has less than $500,000 of State Capital Funding, but the total estimated cost is $500,000 or more:

If the state's contribution to the project amount equals 50% or more of the estimated cost for the project, the 10% apprenticeship requirement applies to all prevailing wage eligible work performed by contractors on the public works project.

If the state's contribution to the project is less than 50% of the estimated cost for the project, the 10% apprenticeship requirement does not apply.

Total Estimated Project Cost is less than $500,000: The 10% apprenticeship requirement does not apply.

Waivers from the Requirements: If goals cannot be met, the state has discretion to grant waivers, reductions. The basis for waiver/reduction includes insufficient apprentices available (contractor documentation required), reasonable requirements of a contract do not allow the goal to be met, disproportionately high ratio of material costs to labor hours makes meeting the goal infeasible, or goal conflicts with existing federal or local requirements. Requests for waivers can be made at any time but should be made as soon as the loan applicant/loan recipient knows a waiver/reduction is needed.

Instructions

1. **If the requirements are NOT applicable to the project:**
    a. Loan applicant completes the "IL Works Budget Supplement Form" after bids are open and an accurate cost estimate may be determined. IEPA reviews and certifies the form.

2. **If requirements are applicable to the project:**
    a. Loan applicant completes the "IL Works Budget Supplement Form" after bids are open and an accurate project cost estimate may be determined.
    b. Loan applicant completes the form for the project that will be funded. This includes:
        i. defining the project for which public funding is being requested,
        ii. providing the total cost of the project, by funding source on the form. Project's cost estimates should be backed with the individual's credentials, or proof of due diligence,
        iii. identifies if the total funding reaches the $500,000 threshold,
        iv. identifies if the 10% apprenticeship goal applies to all prevailing wage work performed on the project, or just the prevailing wage work funded by State funds,
        v. provides estimate of hours by prevailing wage class,
        vi. loan applicant submits the completed form to Bill Jankousky, IEPA within 90 days of loan agreement execution. May be submitted any time after bids are opened.
    c. IEPA reviews and certifies IL Works Budget Supplement. If IL Works applies, IEPA sends form to DCEO, the Illinois Works Office: CEO.ILWorks@illinois.gov.
    d. Loan applicant may complete a waiver/reduction request at any time. IEPA will not delay agreements while waivers/reductions are being negotiated.
        i. Loan applicant submits waiver request to Bill Jankousky, IEPA. Agency reviews request and makes a recommendation to DCEO.
        ii. Loan applicant may negotiate directly with DCEO on a waiver/reduction.
        iii. If the loan applicant determines during the loan construction term that it cannot meet the applicable apprenticeship goal, the loan applicant must request a waiver or reduction as soon as the applicant knows the apprenticeship goal will not be met.
            1. To maintain records for changes to an approved waiver/reduction, a new waiver/ reduction must be filed to adjust an agreed-upon goal.

3. **The apprenticeship initiative & the loan agreement:**
    a. Loan agreement is established with IL Works reporting and compliance requirements.
        i. IEPA must include a provision in the loan agreement that reporting on the apprenticeship goal will continue until the project is complete (if the threshold in the rules is met) even if that goes beyond the loan construction term.
        ii. Delinquency in reporting may result in the IEPA initiating compliance enforcement per the State's GATA policy.
    b. Loan recipient provides quarterly labor hour reporting to the IEPA using the Reporting Template.
        i. Agency monitors compliance with the apprenticeship goal - per the default 10% or the reduction amount granted by DCEO.
    c. Certification to be completed by the loan applicant and sent to DCEO and the IEPA at the end of the construction period.
    d. If the project for which the loan applicant received funding lasts beyond the term of the loan agreement:
        i. Reporting of apprenticeship hours must continue until the project is complete (if the threshold in the rules is met).
        ii. Additional certification to be completed by the loan applicant sent to DCEO and IEPA at the end of the project itself.

Very Important: Projects funded by SRF loans require the utilization of federal Davis Bacon Wage Rates. DCEO documents refer to IL Prevailing Wages. Davis Bacon wages must be paid on all SRF loan funded projects.