

# HOUSE BILL REPORT

## E2SSB 5600

---

---

### As Passed House - Amended:

March 3, 2022

**Title:** An act relating to the sustainability and expansion of state registered apprenticeship programs.

**Brief Description:** Concerning the sustainability and expansion of state registered apprenticeship programs.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Holy, Conway, Das, Dhingra, Hasegawa, Kuderer, Liias, Lovelett, Lovick, Randall, Rivers, Robinson, Saldaña, Salomon, Stanford, Trudeau, Wagoner, Warnick, Wellman and Wilson, C.).

### Brief History:

#### Committee Activity:

College & Workforce Development: 2/17/22, 2/23/22 [DP];

Appropriations: 2/25/22, 2/28/22 [DPA].

#### Floor Activity:

Passed House: 3/3/22, 94-4.

### Brief Summary of Engrossed Second Substitute Bill (As Amended by House)

- Requires the Washington State Apprenticeship and Training Council (Council) to establish industry sector-based platforms that promote industry review and collaboration for existing and newly registered apprenticeship programs.
- Requires the Governor to establish a committee to develop apprenticeship programs for state agencies.
- Requires apprenticeship programs seeking approval from the Council to provide an assessment for future sustainability and for the Council to consider additional factors in application reviews.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

- Requires the Department of Labor and Industries (L&I) to establish grant programs.
- Requires the L&I to conduct an apprentice retention study and an assessment of apprenticeship utilization in the private sector and in rural areas.
- Requires the Office of the Superintendent of Public Instruction to submit two studies: one on a high school career pathways day and one on identifying career and technical education that could become registered pre-apprenticeship programs.

---

## HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass. Signed by 7 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Hansen, Paul, Pollet and Sells.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Chandler, Hoff and Kraft.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member.

**Staff:** Megan Mulvihill (786-7304).

---

## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass as amended. Signed by 20 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Harris, Johnson, J., Lekanoff, Pollet, Ryu, Senn, Springer, Stonier, Sullivan and Tharinger.

**Minority Report:** Do not pass. Signed by 11 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Dye, Hoff, Rude, Schmick and Steele.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives MacEwen, Assistant Ranking Minority Member; Jacobsen.

**Staff:** Jackie Wheeler (786-7125).

**Background:**

### Registered Apprenticeships.

Apprenticeship programs enable individuals to learn trades and occupations through on-the-job training and related supplemental instruction (RSI). Journey-level craft persons or trade professionals generally supervise on-the-job training. Employer- or union-sponsored schools or community or technical colleges offer the technical instruction. Registered apprenticeship programs must have the following elements:

- a minimum of 2,000 hours of on-the-job training; and
- at least 144 hours of classroom instruction per 2,000 hours of on-the-job training per year.

Most registered apprenticeship programs take around two to five years to complete, and apprentices earn wages while learning their trade or occupation. Upon completing apprenticeship programs, apprentices receive completion certificates and are recognized nationwide as qualified journey-level workers. The certificates are issued by the Washington State Apprenticeship and Training Council (Council), which is the entity that establishes standards and registers apprenticeship programs. The Council is housed within the Washington State Department of Labor and Industries (L&I) and is certified by the United States Department of Labor to register apprenticeship programs.

### Apprenticeship Preparation Programs.

In 2012 the Council issued a recognition policy to put parameters around apprenticeship preparation programs. Apprenticeship preparation programs include pre-apprenticeship programs which often help candidates meet or exceed the minimum qualifications of entry for a registered apprenticeship program, many of which are highly competitive, and programs focused on providing career experience for high school students. Apprenticeship preparation programs vary, but most range from three to six months in length with either part-time or full-time requirements.

### **Summary of Amended Bill:**

#### Industry Sector-Based Platform.

For all active, registered apprenticeship programs, or when a new program gains approval, the Council must establish an economic or industry sector-based platform. Platforms may be in building trades, manufacturing and engineering, health care and behavioral health, education and early learning, information and communications technology, biotechnology and life sciences, hospitality, and maritime. Any platform established must have an equal number of employer and employee organization representatives and all must:

- promote collaboration with their economic or industry sector;
- periodically review the required classroom and on-the-job training standards for apprenticeship programs within their sector;
- collaborate with any relevant centers of excellence; and
- review and make recommendations on applications for new apprenticeship programs in the platform's sector to the Council.

The L&I must assign an industry liaison to support each platform, and each platform must annually report to the Council on participation in apprenticeship programs, progress in developing new apprenticeships, and any review of required classroom and on-the-job training standards. The L&I must consult with the United States Department of Labor about opportunities for Washington employers to participate in apprenticeships and to pursue federal grants for apprentices and apprenticeships.

#### Committee for State Agency Apprenticeships.

The Governor must establish a committee of state agency human resources managers to develop apprenticeship programs for state agencies. The committee will involve the exclusive collective bargaining representatives and public sector agencies conducting work study programs that enable high school graduates to achieve entry-level employment and placement in apprenticeships as potential apprenticeship pathways are considered and developed. The industrial insurance apprenticeship program at the L&I must be used as a model.

#### Future Sustainability Assessment.

New apprenticeship programs seeking approval from the Council must provide a future sustainability assessment. When evaluating applications, the Council must consider whether graduating apprentices will move toward a living wage, if there is a career ladder available, or the existence of other nonwage benefits as factors in the approval process. The Council must annually report, beginning December 15, 2022, to the Legislature on a list of apprenticeship programs that applied for state approval, whether the programs were approved or denied, and the reasons for any denials.

#### Grant Programs.

Subject to appropriations, the L&I is responsible for managing, overseeing, establishing application procedures and criteria, and awarding grants for the following newly established grant programs:

1. A grant program for technology and remote learning infrastructure modernization of state registered apprenticeship programs. Grant applicants must include a plan to sustain the technology and remote learning infrastructure over time.
2. A grant program for wrap-around support services to mitigate barriers to beginning or participating in apprenticeship programs.
3. A grant program for updating equipment in apprenticeship programs.

Subject to appropriation, the L&I must establish application and award procedures to provide vouchers to cover the cost of driver's education courses for minors enrolled in apprenticeship programs.

#### Apprentice Retention Study.

The L&I must conduct an apprentice retention study of registered apprentices. The study must collect data from apprentices that are six months into their apprenticeship on the barriers and challenges new apprentices encounter that may prevent them from continuing.

The L&I must aggregate the data collected by trade and annually post the data on its website in a data dashboard. The L&I must use the data collected to work with apprenticeship coordinators to implement an early alert response system to connect apprentices with needed support and wrap-around services. A report by L&I is due to the Legislature by December 1, 2026, on the key findings and recommendations on the barriers and challenges in retaining apprentices. The study expires December 31, 2027.

Study for Apprenticeship Utilization.

The L&I must develop a list of options for incentivizing apprenticeship use in the private sector, especially in nontraditional industries or smaller employers that have lower apprenticeship utilization rates. The L&I is also tasked with assessing the lack of local apprenticeship programs in rural communities and the logistical burdens, including travel time, and developing policy options for alleviating these issues. The L&I must submit a report to the Legislature by September 30, 2023, detailing the list of options for incentivizing apprenticeship utilization and policy recommendations. This requirement expires December 31, 2023.

The Office of the Superintendent of Public Instruction Reports.

The Office of the Superintendent of Public Instruction (OSPI), in collaboration with Career Connect Washington, must submit a report to the Legislature by December 1, 2022, detailing the requirements for, options for, barriers to, and any legislative actions necessary for high schools to have an annual career pathways day for students in their junior year. Also by December 1, 2022, the OSPI, in collaboration with L&I, must submit a legislative report identifying opportunities and challenges for expansion, enhancement, and sustainability of high quality career and technical education. The report must identify existing pre-apprenticeship programs and existing career and technical education programs that could become registered pre-apprenticeship programs. The reporting requirements expire December 31, 2023.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 2, relating to industry sector-based platforms, which takes effect July 1, 2023. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony (College & Workforce Development):**

(In support) There is an incredible interest in nontraditional apprenticeship programs, such as in the areas of healthcare, information technology, education, and state government. Apprentices are paid to learn, and they have classroom hours and on-the-job training which allow for a more diverse workforce. Apprentices obtain wages and benefits afterwards with an employment rate of 80 percent without taking on lots of student loan debt. There are

opportunities to open up pipelines into occupations that have been closed off to certain individuals for many years. It is also a way for 60 percent of Washington's high school students who do not go to college to benefit from a real profession because once a person is credentialed, they can work anywhere. They are not tied to one employer or one location. The economic sector platforms will allow different apprenticeship programs to collaborate and learn from each other by sharing new technologies and continuing education needs. The grant funds that are set up will allow apprenticeship programs to set up remote learning infrastructure, which will help rural areas and allow programs to adjust to challenges of the pandemic. While apprenticeships traditionally are hands-on, a lot of the learning is knowledge and theory based, so programs want to take advantage of remote learning. Funding wrap around supports like child care will help individuals entering apprenticeship programs to be successful, thereby improving retention. This is seed money for new programs to get up and running, but the hope is that these programs will become self-sustaining over time. The apprentice retention study, data dashboard, and alert system are supports not seen anywhere in the country.

Apprenticeships have a large return on investment and a higher retention rate than other education programs. After 12 months, the median salary is \$107,000 and the net return on investment to tax payers is \$7.80 for each \$1 the state spends compared to \$2.20 to \$1 for other professional-technical programs. A skilled workforce is what businesses look for when relocating. The qualitative return on investment is also immense. This proposal helps those successful programs grow capacity to meet employment needs of businesses while helping establish apprenticeships in new industries, such as within state agencies. This could work especially well for information technology. Another great example is the model at the Juvenile Rehabilitation Administration. The healthcare apprenticeship programs have more applicants than resources. Fifty-four percent of the healthcare apprentices identified as BIPOC.

Washington has higher apprenticeship standards than federal standards. Washington leads the nation in terms of apprenticeship outcomes. Federal standards are not always standards to strive for and an example is the federal minimum wage. Washington's apprenticeship system is industry-driven and engaged. There have been laws passed in the last couple of years that effect specific industries which are issues that should be addressed, but this proposal creates new capacity to grow apprenticeships as a whole.

(Opposed) None.

(Other) The intent of the proposal is agreed upon because there is an immediate and long-term need for more apprentices, but it is missing a key element: the ability to grant recognition of federally approved apprenticeship programs. There is concern about the fairness and efficiency of the current approval process of the Council. The Council's approval framework is outdated and has not met the current need for apprenticeship programs in the state. From a safety standpoint, if the state is going to mandate that certain workers go through an apprenticeship program, the state should be approving as many

apprenticeship programs as possible to ensure a safe and available workforce. An example is refinery workers who are sought out around the country with a highly specialized workforce, yet the federal program is not recognized in Washington. There is a shortage of 2,200 training agents for electrical apprentices. Montana has over 800 active apprenticeship programs, California and Michigan each have over 1,000 active programs, yet Washington has only 180 registered apprenticeship programs across 400 different occupations. Federal reciprocity should be recognized as it is in 26 other states. If quality programs are working well in other states they should be good enough for Washington as well. If you can install a heating, ventilation, and air conditioning system in New Jersey, you can do it in Washington. Whether an apprenticeship program is considered union or nonunion should never be a factor in approval. That is the individual apprentice's choice to make. There should be work done in the interim to review the current apprenticeship approval process to see how it could be made more competitive, efficient, fair, and robust. Otherwise, there is concern about expanding a broken system to new industries.

**Staff Summary of Public Testimony (Appropriations):**

(In support) The Senate carefully crafted this bill and made adjustments to the policy to address concerns of employers and apprenticeship programs across the state. This bill will allow current apprenticeship programs to grow in capacity and efficacy while also helping to develop new programs in industries that have not traditionally benefited from apprenticeships. The "earn while you learn" model will provide more opportunities for learners in a high-quality, well-trained workforce without the need for student debt, while preserving the quality standards expected of apprenticeships in the state.

(Opposed) None.

**Persons Testifying (College & Workforce Development):** (In support) Senator Karen Keiser, prime sponsor; Dan Glen, Plumbers and Steamfitters Local 598 JATC; Joe Kendo, Washington State Labor Council and American Federation of Labor and Congress of Industrial Organizations; Megan Clark, Apprenticeship and Nontraditional Employment for Women; Shana Peschek, Machinists Institute; Erin Frasier, Washington State Building and Construction Trades Council; Carmen Diaz-Reddick, Service Employees International Union Healthcare 1199 NW; Matt Zuvich, Washington Federation of State Employees; and Jody Robbins and Tammy Fellin, Department of Labor and Industries.

(Other) Tom Wolf, BP America; Josie Cummings, Building Industry Association of Washington; Sophia Steele, Associated Builders and Contractors of Washington; and Carolyn Logue, Washington Air Conditioning Contractors Association.

**Persons Testifying (Appropriations):** Joe Kendo, Washington State Labor Council and American Federation of Labor and Congress of Industrial Organizations.

**Persons Signed In To Testify But Not Testifying (College & Workforce Development):**

None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.