

SENATE BILL REPORT

SB 5600

As Reported by Senate Committee On:
Labor, Commerce & Tribal Affairs, January 24, 2022
Ways & Means, February 7, 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: Senators Keiser, Holy, Conway, Das, Dhingra, Hasegawa, Kuderer, Lias, Lovelett, Lovick, Randall, Rivers, Robinson, Saldaña, Salomon, Stanford, Trudeau, Wagoner, Warnick, Wellman and Wilson, C..

Brief History:

Committee Activity: Labor, Commerce & Tribal Affairs: 1/13/22, 1/24/22 [DPS-WM, DNP, w/oRec].
Ways & Means: 2/04/22, 2/07/22 [DP2S, DNP, w/oRec].

Brief Summary of Second Substitute Bill

- Requires the Washington State Apprenticeship and Training Council (Apprenticeship Council) to establish sector-based platforms to promote industry collaboration and review classroom and on-the-job training standards for apprenticeship programs, review and recommend applications for new apprenticeship programs to the apprenticeship council, and collaborate with any relevant Centers of Excellence.
- Requires the Governor to establish a committee to develop apprenticeship programs for state agencies.
- Requires apprenticeship programs seeking approval to provide an assessment for future sustainability .
- Requires the Apprenticeship Council, when evaluating applications for

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new apprenticeship programs, to consider whether graduating apprentices will move toward a living wage, the availability of a career ladder to graduating apprentices, or the existence of non-wage benefits as factors in the approval process.

- Requires the Department of Labor and Industries to assess the lack of local apprenticeship programs in rural communities and the logistical burdens apprentices in those areas encounter and to develop policy options for alleviating these issues.
- Establishes several grants for technology and remote learning infrastructure modernization, wrap-around support services for apprentices, and updating necessary equipment in apprenticeship programs.

SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

Majority Report: That Substitute Senate Bill No. 5600 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Conway, Vice Chair, Labor; Stanford, Vice Chair, Commerce & Tribal Affairs; Rivers, Robinson and Saldaña.

Minority Report: Do not pass.

Signed by Senator Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators King, Ranking Member; Braun.

Staff: Jarrett Sacks (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5600 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Brown, Assistant Ranking Member, Operating; Billig, Carlyle, Conway, Dhingra, Hasegawa, Hunt, Keiser, Mullet, Pedersen, Rivers, Van De Wege and Wellman.

Minority Report: Do not pass.

Signed by Senators Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital.

Minority Report: That it be referred without recommendation.

Signed by Senators Wilson, L., Ranking Member; Braun, Gildon, Muzzall, Wagoner and Warnick.

Staff: Trevor Press (786-7446)

Background: The Washington State Apprenticeship and Training Council (Apprenticeship Council), which is part of the Department of Labor and Industries (L&I), establishes apprenticeship program standards, approves apprenticeship training programs, issues completion certificates, and otherwise governs the programs. The Apprenticeship Council currently has several subcommittees, including subcommittees on electrical apprenticeships, childcare in the trades, and compliance review and retention. To be eligible for registration, apprenticeship program standards must conform to the rules established by the Apprenticeship Council.

Summary of Bill (Second Substitute): Subcommittees and Work Groups. Beginning July 1, 2023, the Apprenticeship Council is required to establish economic or industry sector-based platforms to promote collaboration within each industry, review the required classroom and on-the-job training standards for apprenticeship programs in each industry, review and recommend applications for new apprenticeship programs to the apprenticeship council, and collaborate with any relevant Centers of Excellence. Each platform must have an equal number of employer and employee organization representatives. The platforms may be established in the following areas:

- the building trades;
- manufacturing and engineering;
- health care and behavioral health;
- education and early learning;
- information and communications technology;
- biotechnology and life sciences;
- hospitality;
- state agencies;
- maritime; and
- other identified economic or industry growth sectors.

L&I must assign an industry liaison to each platform. Each platform must report to the Apprenticeship Council at least annually on the participation in existing apprenticeship programs, the progress in developing new apprenticeship programs, and any review of required classroom and on-the-job training standards.

The Governor must establish a committee of state agency human resources managers to undertake the development of appropriate apprenticeship programs for state agencies. The committee must involve the exclusive collective bargaining representatives as potential pathways are considered and developed. The committee must consult public sector agencies that conduct work study programs that enable high school graduates to achieve entry-level employment and placement in registered apprenticeship programs. The current registered

apprenticeship program for industrial insurance at L&I must be consulted as a model for other agencies.

L&I must consult the U.S. Department of Labor about opportunities for employers to participate in apprenticeship programs and to pursue federal grants on behalf of state registered apprentices and apprenticeship programs.

Apprenticeship Program Eligibility. L&I must require apprenticeship programs seeking approval to provide an assessment for future sustainability of the program.

When evaluating applications for new apprenticeship programs, the Apprenticeship Council must consider whether graduating apprentices will move toward a living wage, the availability of a career ladder to graduating apprentices, or the existence of non-wage benefits as factors in the approval process.

Grant Programs. The bill establishes a grant program for technology and remote learning infrastructure modernization. Subject to the availability of appropriated funds, L&I may award one-time grants to state registered apprenticeship programs for modernizing technology and remote learning infrastructure.

The bill also establishes a grant program for wrap-around support services to mitigate barriers to beginning or participating in state registered apprenticeship programs. Support services include provisions for child care, health care, transportation to job sites, and other support services necessary to mitigate barriers to starting or participating in apprenticeship programs. Subject to availability of appropriated funds, L&I may award grants to nonprofit organizations and apprenticeship training committees that provide or connect apprentices to wrap-around support services, including child care, professional clothing, required tools, or transportation.

The bill also establishes a grant program for updating equipment in state registered apprenticeship programs. Subject to the availability of appropriated funds, L&I may award grants to state registered apprenticeship programs or Apprenticeship Council recognized apprenticeship preparation programs to upgrade equipment necessary for the program.

No workers' compensation funds may be used in funding the grants established in the bill.

Studies and Reports. L&I must conduct an apprentice retention study by collecting data from apprentices that are six months into their apprenticeships on the barriers and challenges new apprentices encounter that may prevent them from continuing their apprenticeships. L&I must aggregate the data by trade and post it on a dashboard on its public website annually. L&I must use the data to work with apprenticeship coordinators to implement an early alert response system to connect apprentices with support and wrap-around services. By December 1, 2026, L&I must report its findings to the Legislature.

L&I must also develop a list of options for incentivizing apprenticeship utilization in the private sector, especially in nontraditional industries or smaller employers that have lower apprenticeship utilization rates. L&I must also assess the lack of local apprenticeship programs in rural communities and the logistical burdens apprentices in rural communities encounter in participating in approved apprenticeship programs and to develop policy options for alleviating these issues. By September 30, 2023, L&I must submit a report to the Legislature detailing the list of options for incentivizing apprenticeship utilization and the policy option recommendations addressing apprenticeship issues in rural communities.

By December 1, 2022, the Office of the Superintendent of Public Instruction (OSPI), in collaboration with Career Connect Washington, must submit a report to the Legislature detailing the requirements and options for, and any barriers to, high schools having a career pathways day once per year for students in their junior year.

By December 1, 2022, OSPI in collaboration with L&I, must submit a report to the Legislature to identify opportunities and challenges for expansion, enhancement, and sustainability of high quality career and technical education. The report must identify existing state registered preapprenticeship programs and existing high school career and technical education programs that could be eligible to become state registered preapprenticeship programs.

Other Provisions. Subject to the availability of appropriated funds, L&I must provide vouchers to cover the cost of driver's education courses for minors enrolled in state registered apprenticeship programs. No workers' compensation funds may be used in funding the voucher program.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

Requires the economic or industry sector-based platforms established under the bill to have an equal number of employer and employee organization representatives.

Adds reviewing applications for new apprenticeship programs and making recommendations on the applications to the apprenticeship council to the duties of the economic or industry sector-based platforms.

Requires the committee established by the Governor to develop state agency apprenticeship programs to consult public sector agencies that conduct work study programs that enable high school graduates to achieve entry-level employment and placement in registered apprenticeship programs.

Requires L&I to assess the lack of local apprenticeship programs in rural communities and the logistical burdens apprentices in rural communities encounter in participating in approved apprenticeship programs and to develop policy options for alleviating these issues

and requires L&I to include these policy recommendations in a report to the Legislature.

Requires OSPI and L&I to submit a report to the Legislature on expanding, enhancing, and the sustainability of career and technical education and to identify existing programs that could be eligible to become state registered preapprenticeship programs.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & TRIBAL AFFAIRS COMMITTEE (First Substitute):

The Apprenticeship Council is required to establish economic or industry sector-based platforms, rather than subcommittees, for any existing active registered apprenticeship programs or when a new program gains approval. The language regarding the industries for the platforms is made permissive rather than mandatory. The platforms are required to promote collaboration in their industries, periodically review the classroom and on-the-job training standards for the programs in their industries, and collaborate with any relevant Centers of Excellence. Implementation of provisions related to establishing the industry platforms is delayed until July 1, 2023.

Programs seeking approval are required to submit an assessment, rather than a plan, for the future sustainability of the program. The provision requiring an apprenticeship program seeking approval to demonstrate that, within 10 years of approval, the program will be financially sustainable independent of any state funds provided to start the program is removed. The Apprenticeship Council, when evaluating applications for new apprenticeship programs, is required to consider whether graduates will move toward a living wage rather than earn a living wage.

L&I is required to consult the U.S. Department of Labor about opportunities for employers to participate in apprenticeship programs and pursue federal grants on behalf of apprentices and programs.

Non-joint apprenticeship programs are eligible for the grants in the bill, rather than only joint programs. Workers' compensation funds are prohibited from being used to fund the grant programs. The term existing is removed in reference to programs that are eligible to receive the grants. Individuals in Apprenticeship Council recognized apprenticeship preparation programs are made eligible to receive the wrap-around services grant.

Smaller employers are added to the types of entities L&I should include in the list of apprenticeship utilization options it is required to develop. The due date for L&I's report to the Legislature on options for apprenticeship utilization is delayed to September 30, 2023.

Eligibility for the driver's education vouchers is changed from students enrolled in state registered youth apprenticeship programs to minors enrolled in state registered apprenticeship programs

Language is modified around the involvement of collective bargaining representatives in the committee on state agency apprenticeships the Governor is required to establish.

The requirement that the career pathways day be on a teacher professional development day for the purposes of the Office of the Superintendent of Public Instruction's report to the Legislature detailing the requirements, options, and barriers for high schools having a career pathways day once per year for juniors in high school is removed.

Provisions are added to the intent section.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill (Labor, Commerce & Tribal Affairs): *The committee recommended a different version of the bill than what was heard.*

PRO: Many Americans quit their jobs during the pandemic, and apprenticeships can help fix the labor shortage. Apprenticeships are a way to connect people currently earning low wages with higher earning jobs. There are good examples of apprenticeships in nontraditional fields with career ladders that allow people to earn better credentials. Washington compares well with other states based on number of apprentices and wage outcomes. Wrap-around support services that are in the bill are critical to individuals completing apprenticeships. The grant programs are much needed, and having the money go directly to the programs is good because many times they have to go through the community colleges to upgrade equipment. Opening up state agency apprenticeships may be a good way to solve staffing problems at certain agencies.

CON: There is no definition of living wage, which may delay approval of programs. The bill should also allow grant funding to go to new programs instead of only existing programs. Also, the grant programs should not be limited to only joint programs. Federal reciprocity should be included in the bill. Apprenticeships take too long to be approved and there are no assurances that, after spending the money to start a program, that it will be approved. There are ways to fix the shortage of programs, such as allowing multiple per geographic region, that the bill does not do.

OTHER: The bill should not restrict funding to joint programs. The language regarding future sustainability could put funding at risk. The subcommittees in the bill may duplicate the work of the centers of excellence. Addressing curricula should be left to the colleges.

The bill should address rural communities and rural challenges because apprenticeships are not readily available in rural areas.

Persons Testifying (Labor, Commerce & Tribal Affairs): PRO: Senator Karen Keiser, Prime Sponsor; Jody Robbins, Labor & Industries, Apprenticeship Program Manager; Tammy Fellin, Labor & Industries; Brandon Anderson, SPEEA (the Society of Professional Engineering Employees in Aerospace); Brian Considine, Department of Natural Resources; Simone Boe, Washington Education Association; Karen Dove, ANEW; Heather Kurtenbach, Ironworkers local 86; Jeremy Clevenger, Washington State Apprenticeship Coordinators Association; Joe Kendo, Washington State Labor Council, AFL-CIO; Laura Hopkins, Health Care Apprenticeship Consortium; Le'Nae Jackson, SEIU Healthcare 1199NW; Evan Woods, WeTrain Washington; Matt Zuvich, Washington Federation of State Employees; Harry Thompson, IBEW local 46; Misha Lujan, Economic Alliance Snohomish County; Jeff Holy, Washington State Senator District 6.

CON: Sophia Steele, Associated Builders and Contractors of Western Washington; Josie Cummings, Building Industry Association of Washington; Katie Doyle, Washington Hospitality Association; Tom Wolf, bp America; Robert Battles, Association of Washington Business (AWB); Carolyn Logue, WA Air Conditioning Contractors Association.

OTHER: Genevieve Howard, State Board for Community and Technical Colleges; Colleen McAleer, Clallam County Economic Development Council & Port of Port Angeles Commissioner; William Dowling, Olympic Workforce Development Council; Molly Jones, Washington Technology Industry Association; Lynn Strickland, Aerospace Joint Apprenticeship Committee (AJAC).

Persons Signed In To Testify But Not Testifying (Labor, Commerce & Tribal Affairs): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: The return on investment around apprenticeships is \$7.80 to \$1. The median annual income of a person exiting an apprenticeship is enough to sustain a family. Funding that supports apprenticeships is life-changing. The workforce need in the health care sector is staggering and there are many occupations that do not have apprenticeships and have high equipment and technology needs that could benefit from this bill. The top three requests for support from apprenticeship programs are addressed in this bill through grant opportunities. All aspects of this bill are crucial. Tools and assistance must be secured before starting work and many people can't afford these. The wrap-around support grants in this bill are extremely important. We are pleased that the bill has grants for equipment and wrap-around services as nursing programs are often more costly than other programs. A well-funded apprenticeship program for long-term care nurses can help with staffing shortages. This bill invests in rebuilding our workforce and we appreciate the expansion of apprenticeships to new areas that have staffing shortages.

CON: We need to ease the cost of the state and expand the ability for apprenticeship. We need federal reciprocity with apprenticeship programs. We need more flexibility with people trying to get into these careers. We need to have both a short term and a long-term look at whether an apprenticeship is worth support. This bill does not address the current flaws in the apprenticeship program approval process. There is a shortage of training agents. Please add language for a federal reciprocity program. There are not many apprenticeship options that people know about. It is almost impossible for a non-union apprenticeship program to get approved. We want to see more opportunities for apprenticeships in rural areas.

OTHER: Apprenticeships are good and the direction that the bill is going is good but there are some concerns. We would like the federal reciprocity portion of the bill added back in. There are some fundamental concerns on how the programs in this bill are designed. We agree with the intent of the legislation. We find the lack of federal reciprocity to be challenging for current workers.

Persons Testifying (Ways & Means): PRO: Jessa Lewis, Blue Collar Fund; Paula Meyer, Nursing Care Quality Assurance Commission; Simone Boe, Washington Education Association; Shana Peschek, Machinists Institute; Laura Hopkins, Health Care Apprenticeship Consortium; Erin Frasier, Washington State Building and Construction Trades Council.

CON: Josie Cummings, Building Industry Association of Washington; Carolyn Logue, WA Air Conditioning Contractors Association ; Sophia Steele, Associated Builders and Contractors of Washington.

OTHER: Kim Clauson, bp America; Robert Battles, Association of Washington Business (AWB).

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.