
Postsecondary Education & Workforce Committee

HB 1777

Brief Description: Concerning the requirements and process for approving and registering apprenticeship programs.

Sponsors: Representatives Schmidt, Walen, Reed, Rule, Tharinger, Ybarra, Nance, Doglio, Pollet, Gregerson, Reeves, Stonier, Griffey, Eslick, Volz, Dent, Stuebe, Ley, Klicker, Mendoza, Schmick, Connors, Rude, Keaton, Couture, Parshley, Jacobsen, Barnard, McClintock, Wylie, Barkis, Salahuddin, Street and Zahn.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Modifies the process by which the Washington State Apprenticeship and Training Council approves apprenticeship programs and considers competitor objections.
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Hearing Date: 2/11/25

Staff: Saranda Ross (786-7068).

Background:

Registered Apprenticeships.

Apprenticeship programs combine on-the-job training and classroom instruction, typically leading to a credential, certification, or journey-level status in a particular trade or profession. The Washington State Apprenticeship and Training Council (WSATC) is certified by the United States Department of Labor to register apprenticeship programs. The WSATC establishes program standards, approves training programs, issues completion certificates, offers advice and guidance on apprenticeships, and generally governs apprenticeship programs. The Department of Labor and Industries (L&I) implements and enforces the policy set by the WSATC.

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.

An apprenticeship program must have a sponsor, which could be an employer, union, or employer association, among others. Sponsors oversee every aspect of an apprenticeship program, from development to actual administration. In order to sponsor an apprenticeship program, the sponsor must create a written agreement, or "program standards," that are reviewed by L&I and approved by the WSATC. Program standards clearly outline how a program will operate and the expectations of the program and apprentices. Program standards cover several items, including: minimum qualifications; length of the training; related supplemental instruction (classroom or online instruction); skills required to complete the program; wage progression; geographical area for the program; ratios of apprentices to journey-level professionals; probationary periods and disciplinary procedures; and other significant sponsor responsibilities.

In addition to developing and implementing program standards, a program sponsor must:

- oversee on-the-job training and monitor attendance at related training classes;
- evaluate progress of apprentices before recommending advancement; and
- recommend award of the certificate of completion when an apprentice has satisfactorily completed the required course work and on-the-job training.

Newly approved apprenticeship programs must be represented by a unilateral or joint apprenticeship committee, which must be approved by the WSATC and be composed of an equal number of employer and employee representatives. Apprenticeship committees devise standards for apprenticeship programs and operate the programs in accordance with state law.

The process for submitting and reviewing a proposal for a new program and its standards, or any related revisions, is established through agency rules adopted by L&I. The WSATC generally approves or denies applications for apprenticeship programs at its regular quarterly meetings. If approved by the WSATC, a program becomes a registered apprenticeship program. Registered apprenticeship programs are subject to ongoing review and oversight by L&I and the WSATC.

The WSATC annually reports to the Legislature a list of apprenticeship programs that have applied for state approval, whether those applicant apprenticeship programs have been approved or not approved, and the reasons for any denials of approval by the WSATC.

Competitor Objections.

Competitors with a sufficient zone of interest may object to the approval of an apprenticeship program by the WSATC, requiring an adjudicative proceeding under the Administrative Procedure Act for the purposes of reviewing the application for registration. The competitor objection process is governed by rules adopted by L&I. Under those rules, a "competitor" refers to an apprenticeship program providing training in the same or similar occupation as one already existing in a certain geographic area. To determine whether a program provides training in the same or similar occupation, the WSATC may consider: approved apprenticeship standards; collective bargaining agreements; dictionaries of occupational titles; experts from organized labor, licensed contractors, and contractors' associations; recognized labor and management

industry practice; and the scope of work descriptions issued by L&I.

If a competitor objects to the proposed standards, proposed amendments to existing standards, or initial committee, the competitor must provide timely and specific objections in writing to the apprenticeship supervisor 20 calendar days prior to the next regular quarterly meeting. If an objection is filed, L&I notifies the program sponsor within two business days and forwards the matter to the WSATC. Then, the WSATC has two options: adjudicate the matter itself or refer the matter to the Office of Administrative Hearings (OAH) for initial adjudication.

If the WSATC decides to adjudicate all or part of the objection, a hearing on the objection must take place at the regular quarterly meeting or at a special meeting convened for purposes of hearing the objection. L&I must notify the competitor making the objection and the program sponsor that the objection is on the agenda for consideration and shall give its recommendation 10 calendar days prior to the original scheduled date of the regular quarterly WSATC meeting. If the WSATC decides to refer all or part of the objections to the OAH, the WSATC must identify the specific matters on which the WSATC is requesting the OAH to provide findings and conclusions for the initial order.

L&I may attempt to facilitate a resolution to any objections during the adjudication process.

In 2024 17 new programs applied for approval. Of those, nine were approved, four withdrew their application, and four are awaiting an adjudicative hearing. Competitor objections were filed against 10 applications. An additional six applications were left over from 2023. Of those, four were approved, one was denied, and one is awaiting an adjudicative hearing on an objection. For comparison purposes, in federal fiscal year 2021 2,879 new apprenticeship programs were approved for a total of 27,385 approved programs across all states.

Summary of Bill:

Apprenticeship Approval.

The WSATC apprenticeship program review and approval process is modified. Rather than using discretion, the WSATC must approve and register apprenticeship programs that meet the apprenticeship committee and program standards required in statute and adopted by the WSATC. Initial registration is provisional for 12 months, at which time registration must be made permanent unless:

- provisional registration is extended for adjudication or mediation of a competitor objection;
- provisional approval is extended through training to address deficiencies identified by L&I in a performance review; or
- registration is rescinded based on a compliance review.

Competitor Objections.

The WSATC must expedite consideration of approval for apprenticeship programs approved by the federal government, including those administered by tribal or nontribal entities and

organizations. In expediting considerations, the WSATC must limit review of the program, including consideration of competitor objections, to those elements where state law and rules specifically impose greater or unique requirements as compared to federal law.

Competitor objections may be filed within 30 days after the WSATC's provisional approval of a new apprenticeship committee or standards. Objections must comply with the standards adopted by the WSATC and L&I, and can include voluntary mediation. Provisional status may be extended in six-month intervals to accommodate the objection process and registration must remain provisional until any objections have been adjudicated, resolved, or withdrawn.

If the WSATC or an administrative law judge finds that a competitor's objection was not substantially justified, then the WSATC or judge may require the competitor to pay the applicant's reasonable attorneys' fees and costs. A competitor objection is substantially justified if it had a reasonable basis in law or fact at the time that it was filed.

The WSATC may impose sanctions if a competitor has filed two or more frivolous objections. Sanctions may include: payment of the applicant's or applicants' reasonable attorneys' fees and costs; a monetary penalty not to exceed \$10,000 payable to L&I; or other appropriate sanctions as determined by the WSATC. An objection is frivolous if it is not substantially justified, does not comply with the WSATC's requirements for objections including: failing to identify the specific standards proposed by the applicant in relation to a specific administrative rule or standard; or the competitor knowingly objected to a standard that is identical or substantively the same as an approved standard of an existing apprenticeship committee.

Report to the Legislature.

The WSATC annual report to the Legislature is modified to include:

- a list of apprenticeship programs that have applied for state approval, including the status of provisional or permanent approval for each program, the reasons for any denials, and the status of competitor objections; and
- an analysis of the state's approval rate of proposed apprenticeship programs, including a comparison to the approval rate of the federal office of apprenticeship and the approval rate of all states with federally recognized state apprenticeship agencies during the same time period.

Recodification.

The chapter pertaining to apprenticeships is recodified in a new chapter under the title pertaining to higher education.

Appropriation: None.

Fiscal Note: Requested on February 8, 2025.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.