

The need for open and transparent apprenticeship programs in Washington State

Washington has significantly higher training costs than other areas in the United States due to the state's overly complex and expensive apprenticeship regulations

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Key Findings

1. **HB 1050 will drive up the cost of public works projects.**
2. **Restricting public contracts to bidders that have 15% of their workforce as apprenticeships, is anti-competitive and discriminatory against private contractors.**
3. **Expansion of restrictive oversight into new business sectors is unnecessary and will restrict job opportunities.**

Introduction

The Washington State Apprenticeship Council (WSATC), which is part of the Department of Labor and Industries (L&I), oversees state-run apprenticeship programs for a specific set of industries in Washington State.

For many trade industries in Washington, state run apprenticeship programs are the gateway for workers seeking skilled licensing and better job opportunities.

Recent legislation, specifically HB 1050, passed by the Washington State Legislature will restrict which companies are allowed to bid on public contracts, limiting the successful bidding contractors to mostly labor unions and making it difficult for open shop, non-union contractors to compete.¹

Washington State Apprenticeship Council and HB 1050

HB 1050 will allow the Washington State Apprenticeship Council (WSATC), wide regulatory authority over public works contracts, including a 15% apprentice requirement for contracts over \$1 million. While apprenticeship jobs are a good way to train new employees, the 15% apprenticeship requirement can only be met by the largest contractors with the ability to absorb the additional cost of an apprenticeship program. The majority of these contractors that can satisfy this requirement are labor unions. Private contractors will find it difficult, if not impossible, to meet the costly 15% apprenticeship requirement.

The effect of this rule is to discriminate against Washington workers who happen not to belong to a union.

Spokane passed a similar ordinance to HB 1050 in 2015 which has failed to realize the goals of the program and has driven up the cost of construction.² HB 1050, while not identical to the Spokane Public Works Apprentice Program, will have a similar negative effect on public works contracts, limiting who can qualify for the contracts by discriminating against those who are not affiliated with a union.

The WSATC board is made up of industry representatives and labor unions. Labor union representatives have the majority vote and control the Council. WSATC was strongly supportive of HB 1050's passage because union members on the Council stand to benefit directly.

1 "Expanding apprenticeship utilization requirements", House Bill 1050, accessed April 2023, <https://app.leg.wa.gov/billsummary?BillNumber=1050&Initiative=false&Year=2023>.

2 "Spokane's apprentice standards to hinder contractors, some say", Erica Bullock, Journal of Business, accessed April 2023, <https://www.spokanejournal.com/local-news/spokanes-apprentice-standards-to-hinder-contractors-some-say/>.

The electrical and electrician industry is an existing certification program that has limited the number of available workers. The electrical certification program a worker must complete to move from a trainee to electrical journeyman, and ultimately onto master electrician, requires multiple hours of on-the-job training and a state-sponsored training program overseen by WSATC.

While this creates a standard approach to training and standards across the industry, it also limits the potential job opportunities for electricians. Partially due to the pandemic, partially due to retirement and partially because only two organizations, International Brotherhood of Electrical Workers union (IBEW) and the Construction Industry Training Council (CITC), offer the certification programs for new recruits, Washington is now facing an industry shortage of electricians. SB 6126, which was signed into law in 2018, allows only state-approved programs to offer certification, creating a virtual monopoly for CITC and IBEW on the certification process.³⁴

WSATC is also asking for legislative authority to expand its charter to create apprenticeship programs in several new industry sectors. The proposal lists the sectors under consideration as;

Building Trades, Manufacturing and Engineering, Health Care and Behavioral Health, Education and Early Learning, Information and Communications Technology (ICT), Biotechnology and Life Sciences, Creative Economy, Hospitality, and Personal Services.

These are job sectors that currently do not require state certification for employment and have functioned successfully without government oversight for decades, without experiencing any problems or restrictions.

Union influence over certification programs

While HB 1050 affects apprenticeship requirements for public works projects, taking other currently proposed legislation would expand WSATC authority and work limitations into other industry sectors.

For an organization to become qualified to offer certifications, WSATC must approve the certification program organization. WSATC is mostly made up of union members with a vested interest in keeping the certification process under tight union control, and the qualification process is arduous and very difficult to achieve. CITC took over two decades ago and imposes enormous cost to achieve certification. The high bar to entry discourages many organizations from attempting to gain a certification status. As a result many young workers are denied opportunities to advance in their profession.

The goal of the IBEW union is to expand its influence into new industry sectors that are currently non-unionized and to limit job opportunities to union members only. The union's policy is to deny work opportunities to non-union workers. Additionally, certification of new business sectors will not be free. Each employer will have to pay for the training of their own employees. The training courses will be run by the certification bodies, CITC and the IBEW, which will directly benefit by charging fees to employers.

With tech giants like Microsoft and Amazon being headquartered in Washington state, the expansion of certification requirements into Information and Communications Technology (ICT) will create significant barriers to entry for new software developers, data center operations engineers and technical program managers.

Similarly, the hospitality sector, whose labor pool has been particularly hit hard with the state's pandemic lockdown mandates, will be handicapped still further if an apprenticeship program for workers is implemented.

HB 1050 is an expansion of the influence the WSATC has over who and where employees can work.

The combination of WSATC overseeing apprenticeship programs and the passage of HB 1050 will drive up the cost of public works

3 "The Severe Electrician Shortage in America of 2021: Is there an end in sight?", Eric A. Feinberg, QMerit, accessed April 2023, <https://qmerit.com/blog/the-severe-electrician-shortage-in-america-of-2021-is-there-an-end-in-sight/>.

4 "Requiring completion of an apprenticeship program to receive a journey level electrician certificate of competency", Senate Bill 6126, accessed April 2023, [Senate Bill 6126](#).

projects and reduce competition. The bill also creates a conflict of interest, because the union member who make up the controlling majority of the WSATC stand to benefit directly and financially from the mandated provisions of the bill.

Policy Recommendations

HB 1050 is an attempt to control job creation and where employees can work. The 15% apprenticeship requirement should be repealed and the policy of discriminating against non-union workers should be ended.

Washington State Apprenticeship Council needs to streamline the process to allow other certification providers to join the WSATC board to expand apprenticeship opportunities.

Conclusion

Washington State Apprenticeship Council oversight expansion into different industry sectors is not required and a 15% apprenticeship requirement to be successful in bidding public works contracts is not required and should be explicitly excluded from any legislative authority L&I and the WSATC has. The expansion is a brazen tax and authority grab by unionized organizations to control the private business sector force workers seeking employment into union membership.

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