Washington State Department of
Labor & Industries

# *Apprentice Utilization Study*

## *Fiscal Year (FY) 2025*

## *Report to the Legislature and Governor*

**December 2025**

**Available online at:** Lni.wa.gov/LegReports

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# Executive Summary

In 2023, the Department of Labor & Industries (L&I) was directed under ESHB 1050, section 2 (Chapter 342, Laws of 2023), to study and report on specific apprentice utilization data for public works construction projects conducted by the Department of Transportation, school districts, four-year higher-educational institutions, and municipalities.

Consistent with that legislation, this report focuses on participant outcomes, barriers, and best practices as they pertain to small, minority, women, and veteran owned businesses (MWVBE) for public works construction projects with a bid due date on or after Feb. 1, 2020, and completed between July 1, 2020, and June 30, 2025. The report synthesizes findings based on data provided by contractors to the Washington state prevailing wage system and from feedback contractors and apprentice system professionals provided through a survey. It also identifies best practices and provides recommendations, as required by the statute.

Contractor input for this study reflects the opinions and circumstances of individuals solicited and queried within scope of ESHB 1050. Feedback may or may not extend to the experience of all public works contractors or topics and has not been validated by the department.

Of the 662 projects reviewed over a five-year period, L&I found:

- 46% (303) achieved at least a 15% Apprentice Utilization Rate (AUR);
- 34% (226) were exempt from the requirement due to making good faith efforts[1]; and
- 20% (133) did not meet the required AUR while not granted a good faith effort waiver.

Additionally, study participants with projects granted an exemption from AUR based on a good faith effort reported having trouble when seeking to comply with AUR requirements. Barriers included limited access to apprentices (meaning the jobsite location was inconvenient), commute too lengthy, or other travel-related issues such as: too few apprentices available in a geographic area with project-specific skills; the overall impact of adding apprentices to specialized, experienced crews and small crew size; lack of apprenticeship programs; and worker shortages.

Programmatic and systemic barriers to hiring apprentices were also reported. This appeared to apply to small contractors (10 or fewer employees) rather than to their connection to or identification with an MWVBE category. Generally, study participants framed issues as advantageous to large or union contractors under the current system, but disadvantageous to small and/or non-union contractors. Common systems barriers identified included an apprentice supply-demand mismatch, an apprentice system that reflects a union bias, disproportionate penalties (in terms of impact relative to contractor size), administrative complexity, and lack of targeted supports (both exclusions from some requirements and incentives to encourage participation) for small business, minority, women, veteran, and tribal contractors.

These perceived and real barriers are likely to contribute to decreased MWVBE participation, especially for small businesses and prime contractors involved in public works and apprenticeship programs.

As part of the study, L&I is required to include recommendations and best practices for increasing apprentice utilization, supporting small, women, minority, and veteran owned businesses to access apprentices, and for extending AUR to subcontractors. The following best practices and recommendations were developed based on contractor surveys and feedback sessions, and consultations with awarding agency and apprenticeship professionals.

[1] If a contract cannot meet the 15% apprentice requirement on a project; despite trying, a good faith effort exemption may be requested (see pg. 11).

## Best Practices and Trends

- As a best practice, some municipalities provide local leadership to achieve results through higher utilization targets, local economy-specific goals, and meaningful incentives.
- Contractors sharing technical assistance and mentoring with colleagues improves navigation of AUR requirements.
- As a best practice, some awarding agencies use retention-focused strategies to promote workforce stability.
- While some contractors have noted that they are improving apprentice acquisition strategies, others acknowledge that their challenge to find apprentices continues, due to the apparent permanence of conditions such as specialized occupation or remote jobsites.

## Recommendations

1. Increase AUR training efforts and educational opportunities by awarding agencies, Municipal Research Services Center (MRSC), and state agencies to support businesses in accessing apprentices and meeting AUR.
2. Extend AUR to certain subcontractors specifically aimed at benefiting apprentices. For projects currently subject to AUR, extend the 15% requirement for apprentice use to subcontractors with contracts estimated at $500,000 or more. This would affect projects of generally 5,000 hours or more and would result in an estimated additional 750 apprentice hours on these hours. It would also nearly double the number of contractors impacted, based on prior participation figures.
3. Encourage awarding agencies to adopt standardized AUR program design and implementation to improve compliance experience for contractors working in multiple regions across the state.
4. Support collaboration among awarding agencies, contractors, training agents, and programs to strengthen the human infrastructure of the apprenticeship system.

Additional suggestions that were gathered during feedback sessions from contractors are included starting on pg. 18, including both recommendations for apprenticeship programs and the public works system.

# Introduction

Washington state first mandated the use of apprentices on public works projects in 2005 through the implementation of RCW 39.04.320. The law was established to "promote and ensure transparency, fairness, and accountability in the procurement of public works projects." It requires that for certain public works projects, not less than 15% of the labor hours are performed by apprentices. This is referred to as the "apprentice utilization rate," or AUR.

Following the implementation of the state's apprentice utilization initiative, several counties and municipalities voluntarily developed their own AUR using a similar framework as the state, while adding local requirements that support community initiatives or address challenges experienced in their respective regions, such as economic decline or trades disparities.

Initially, AUR was applied to certain state agencies (including the Department of Transportation [WSDOT], school districts, and four-year higher education institutions) on large projects. After 2005, the mandate expanded to include more projects by lowering project cost thresholds. The most recent change became effective July 1, 2024, through Engrossed Substitute House Bill (ESHB) 1050, which extended apprentice utilization to municipalities (cities, counties, port districts, etc.) and specified the application of project cost thresholds that decrease over time. The project data for this report includes those reporting to awarding agencies serving state agencies (not limited to WSDOT), school districts, and four-year institutions of higher education.

Recognizing that apprentice utilization requirements lead to increased on-the-job training placements for construction apprentices, and a growing and diversified pool of labor in Washington, the legislation called for L&I to conduct a study of apprentice utilization outcomes, access to apprentices, and participation by small, women, minority, and veteran owned businesses. It also directed the department to include recommendations and best practices for increasing apprentice utilization; supporting women, minority, and veteran owned businesses in accessing apprentices; and extending apprentice utilization requirements to subcontractors.

## Report Focus: Apprentice Utilization Outcomes, Access to Apprentices, and Participation

To develop these recommendations and best practices, ESHB 1050 directed specific data, projects, and time periods be included in this report. Those are defined as projects completed before July 1, 2025, with a bid due date on/after Feb. 1, 2020, and projects in progress after that. Data elements are:

1. Projects costs and savings. (See Appendix A.).
    - Size (contractor count, contract total).
    - Awarding agency type (school districts, four-year higher-ed, WSDOT).
    - Project cost (contract total).
    - Labor cost (total labor hours).
    - Ratio of labor costs to project total cost.
    - Cost savings or increases (raw labor savings).
2. Crafts (Trade): hours, utilization and savings. (See Appendix A.)
    - Apprentice hours and wages.
    - Utilization (rates).
    - Cost savings or increases (raw labor savings).

3. AUR Achievement, Good Faith Efforts (featured in body of report).
    - Projects summarized by awarding agency.
    - Utilization.
    - Designation of Achievement (achieving, not achieving/GFE, not achieving/No GFE).
    - Achievement and Good Faith Effort.
    - Reasons for Good Faith Effort waiver application.
4. Number and percentages of women, minority, and veteran owned businesses, prime contractors, and subcontractors (featured in body of report).
    - Projects summarized by prime and subcontractors.
    - Categorized by women, minority, and veteran owned businesses.
    - Apprentice utilization and counts.
5. Construction apprenticeship programs. (See Appendix B.)
    - Grouped by craft (trade), the number of:
    - Apprenticeship programs.
    - Training Agents.
    - Construction Apprentices.
6. Recommendations and best practices for increasing apprentice utilization and supporting women, minority, and veteran owned businesses in accessing apprentices (featured in body of report).
7. Best practices for extending apprentice utilization requirements to subcontractors (featured in body of report).
8. Identify/analyze existing apprentice requirements by municipalities and for subcontractors beyond requirements specified in RCW 39.04.320 (featured in body of report).

# Data and Analysis

The project and wage and hour data presented covers public works projects completed between 2020 and first-quarter 2025. The projects must have had a contract total of $1 million or more and were, therefore, qualified for inclusion under apprentice utilization requirements.

The information featuring projects, contractors, and trades including wage, hour, and project demographics is reported by contractors through L&I's prevailing wage data portal. Figures used for calculation were attested to in an affidavit by the contractors that provided them.

The term 'Trade' is used in the report, in place of the term 'Craft', which is referred to in the legislation. The department does not use either term. The Prevailing Wage Program abides by definitions set forth in the Washington Administrative Code which identify Trades as 'Scopes of Work' bundled by the type of work performed as described therein (WAC 296-127). While Apprenticeship standards largely rely on Standard Occupational Classification System Codes (SOC) as reported in the Apprentice Registration Tracking System for Trades. Both data sources are used in this report and include slightly different characteristics.

The information related to project cost and savings information, required by ESHB 1050, focuses on project-specific details. Appendix A is the list of 662 projects, which are delineated by the following:

- Size (contractor count, contract total).
- Awarding agency type (school districts, four-year higher-ed, WSDOT).
- Project cost (contract total reported by contractor).
- Labor cost (total labor hours reported by contractor).
- Ratio of labor costs to project total cost.
- Cost savings or increases.

The ratio calculation of labor costs to total project costs uses the combined apprentice and journey worker wage amounts.

While the legislation requires L&I to report cost savings or increases from using apprentices, no method for determining those amounts is indicated. The department relied on a measure of "raw labor savings," which is the difference between journey worker hourly wage and apprentice hourly wage multiplied by the number of apprentice hours worked. This is the combination of wages and benefits that were not spent due to the use of an apprentice instead of a journey worker. In other words, it is the potential reduction in a project's labor costs calculated before taxes and other overhead are added — describing initial, preliminary savings. This presentation uses average wage to estimate a whole project or a trade category.

Below is an example of the Raw Labor savings estimation calculation; it is shown in terms of hours for a theoretical sample occupation. This formula applies to Raw Labor savings aggregated by project or by trade.

- Raw Labor Savings Formula:

  = [(Journey Avg Wage- Apprentice Average Wage) x Apprentice Hours] x Productivity Rate

- Variables for Sample Occupations (aggregated by project or trade):

  Journey Avg Wage $50, Apprentice Avg Wage $45, Apprentice Hours 1,200

- Calculation of Sample Variables
    - Difference between Journey and Apprentice Avg Wage: $50 - $45 = $5
    - Wage Difference multiplied by Apprentice Hours results in Raw Labor Savings: $5 x 1,200 = $6,000
    - Raw Labor Savings demonstrated after factoring in Productivity Rates of 100 percent and 75 percent respectively: $6,000 x 100% = $6,000 and $6,000 x 75% = $4,500

Savings estimates are provided in Appendix A for each project. They are also specific to labor hours for a given project. Savings estimates do not include other related costs that an employer may incur, such as employee training, union participation, operation or support of apprenticeship programs, displacement of a contractor's current workers who are not apprentices and therefore not used on a project requiring AUR, overhead, etc. Cost and savings figures provided in Appendix A also do not reflect any potential savings such as tax credits, participation incentives, federal program incentives, and other offsets, as those are unknown.

This study does not attempt to include other factors or outcomes of apprentice utilization that may be affected such as:

- Crew/project management decisions made due to use of an apprentice (i.e., hiring additional journey workers to meet apprentice-to-journey-worker ratio requirements, modifying schedule/alternating workdays due to space limitations, combined with expanded crew size).
- Economic impacts to communities of women, minorities, veterans, and disadvantaged populations by their participation in public works projects.
- The supply of apprentices for projects, impacts to trades, or benefits to the local or state labor force.

## Apprentice Hours, Utilization, and Estimated Raw Labor Savings

Raw Labor Savings results from hiring apprentices at a lower wage rate than a journey worker while they gain productivity over time. Initially an apprentice's productivity is lower, leading to more time and attention for a journey worker/mentor. Over time, as the apprentice's skills and productivity increase, costs decline.

Two calculations of raw labor savings are estimated for each project: one that assumes the productivity level of an apprentice is equal to that of a journey worker, at 100% output; and one that assumes a 75% productivity rate. (The productivity calculation is performed on the amount derived from the difference between the average journey wage and average apprentice wage multiplied by apprentice hours.)

The data provided in Appendix A covering apprentice hours, utilization, and cost savings/increases includes occupations unique to the construction industry. It is sorted by apprentice wages — highest to lowest.

## AUR Achievement and Good Faith Efforts

If a contract cannot meet the 15% apprentice utilization requirement on a project, despite trying, an exemption based on good faith effort may be requested. Awarding this exemption means the project is compliant with apprentice requirements. The law mandating AUR for public works projects provides for this circumstance, and awarding agencies are directed to develop a process and implement guidelines defining what constitutes a good faith effort, thus qualifying for an exemption. Criteria for situations that justify exemptions from the AUR based on good faith efforts vary by jurisdiction. The following are examples of the basis for allowing an exemption from AUR based on good faith effort that have been set forth by awarding agencies in the state:

- Limited availability of apprentices.
- Small projects.
- Apprentice retention issues.

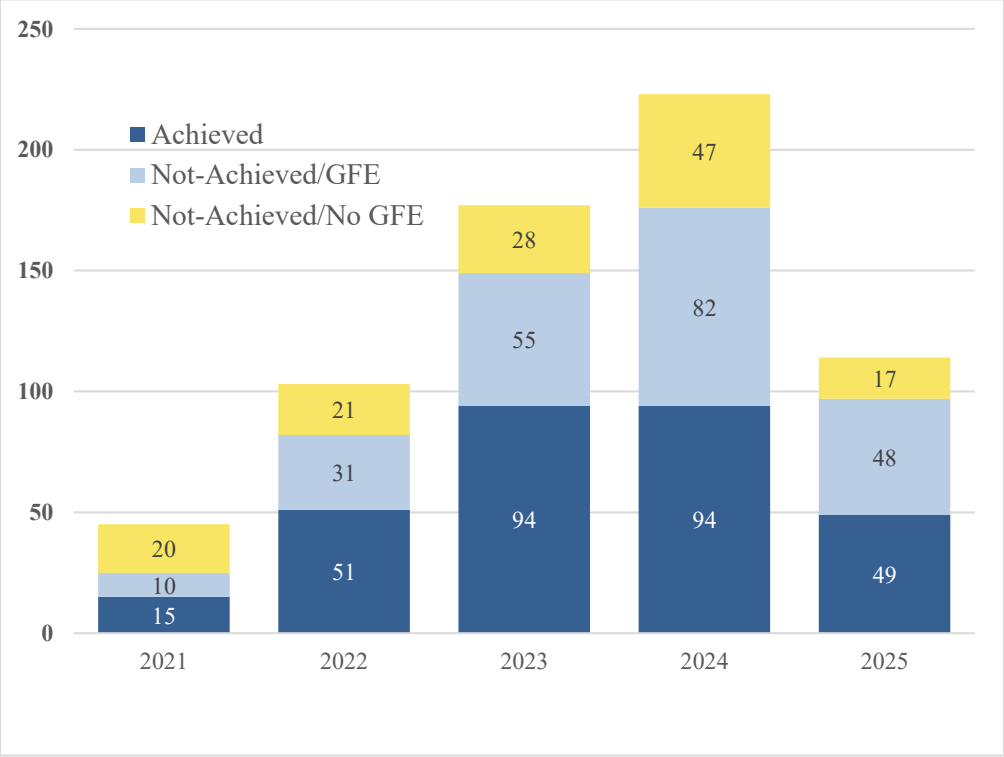
- Emergencies.
- Specialized skills/trades.
- Contractor size.
- High cost of materials vs. labor ratio. (For example, a hauling-focused roadwork project where a disproportionate amount of the contract is for materials rather than labor: While the cost of the project may require AUR compliance, staffing the project as directed may be infeasible due to the smaller size of overall staff and/or the specialization required for those workers.)

The awarding agency may require evidence that supports the reason(s) for an exemption based on good faith to approve the request. This information not only benefits the compliance process; it also provides information about the challenges faced by contractors pursuing public works contracts so they can be better supported by the apprenticeship infrastructure. The process used to request an exemption based on good faith effort and the communications used for those requests are documented by awarding agencies.

The legislation directed L&I to include all projects for specific entities completed between July 1, 2021, and June 30, 2025, and those in progress as of June 30, 2025, for which there is data available. Those entities were identified as the Department of Transportation, school districts, four-year institutions of higher education, and municipalities.

The information below shows the total number of projects each year, those that did or did not meet AUR, and which ones received an exemption based on good faith effort. It relies on two main data components: 1) AUR achievement calculated from the prevailing wage portal; and 2) good faith effort documentation provided by awarding agencies for those projects requesting them. Of the 662 projects, 303 (46%) met AUR and 226 (34%) did not achieve apprentice utilization rates but were granted an exemption. Overall, nearly 80% (529) of all projects meet the requirement. This data is shown in the chart below.

**AUR Achievement, Good Faith Efforts Aggregate Projects, 2021-2025**




***Source:*** *Prevailing Wage Intents and Affidavits, Labor & Industries*

The following table displays the number of projects for each of these entities — including state agencies in addition to WSDOT — sorted by year and: (1) whether the project met the apprentice utilization requirement of 15% of labor hours; (2) received an exemption from AUR based on a good faith effort; or (3) did not achieve AUR and did not have a good faith exemption. Overall, nearly half of all projects over this period met AUR, and an additional nearly one-third received a good faith effort exemption. These ratios were relatively consistent regardless of awarding agency type.

## AUR Achievement, Good Faith Efforts Sorted by Awarding Agency

| AA Type | AA Type | Year | AUR Status Achieved | Not Achieved GFE | Not Achieved No GFE | Total |
|---|---|---|---|---|---|---|
| **School District** | School District | 2021 | 12 | 5 | 12 | 29 |
| | | 2022 | 31 | 19 | 17 | 67 |
| | | 2023 | 43 | 28 | 20 | 91 |
| | | 2024 | 48 | 43 | 28 | 119 |
| | | 2025 | 26 | 30 | 9 | 65 |
| **School District Total** | | | **160** | **125** | **86** | **371** |
| **State Agency** | Dept of Commerce | 2023 | | | 1 | 1 |
| | | 2024 | | 1 | | 1 |
| | Dept of Commerce Total | | | **1** | **1** | **2** |
| | Dept of Ecology | 2022 | 1 | | | 1 |
| | | 2023 | 1 | 1 | | 2 |
| | | 2024 | | 1 | | 1 |
| | | 2025 | | 1 | | 1 |
| | Dept of Ecology Total | | **2** | **3** | | **5** |
| | DES | 2021 | 1 | 2 | 4 | 7 |
| | | 2022 | 16 | 8 | 1 | 25 |
| | | 2023 | 25 | 5 | 2 | 32 |
| | | 2024 | 23 | 9 | 6 | 38 |
| | | 2025 | 9 | 7 | 4 | 20 |
| | DES Total | | **74** | **31** | **17** | **122** |
| | DOT | 2025 | 5 | 4 | | 9 |
| | DOT Total | | **5** | **4** | | **9** |
| | DSHS | 2024 | 1 | | | 1 |
| | | 2025 | | | | 1 |
| | DSHS Total | | **1** | | | **2** |
| | Ecology | 2025 | 1 | | | 1 |
| | Ecology Total | | **1** | | | **1** |
| | Fish and Wildlife | 2025 | 1 | | | 1 |
| | Fish and Wildlife Total | | **1** | | | **1** |
| | Parks and Rec | 2021 | | | 1 | 1 |
| | | 2023 | | 2 | | 2 |
| | | 2024 | 1 | 1 | 2 | 4 |
| | | 2025 | | | 1 | 1 |
| | Parks and Rec Total | | **1** | **3** | **4** | **8** |
| | WDFW | 2021 | | | 1 | 1 |
| | | 2022 | | 1 | 2 | 3 |
| | | 2023 | 3 | 1 | | 4 |

| AA Type | AA Type | Year | AUR Status Achieved | Not Achieved GFE | Not Achieved No GFE | Total |
|---|---|---|---|---|---|---|
| | | 2024 | 2 | | 1 | 3 |
| | | 2025 | | | 1 | 1 |
| | WDFW Total | | **5** | **2** | **5** | **12** |
| | WSDOT | 2021 | 1 | 2 | | 3 |
| | | 2022 | 1 | 1 | | 2 |
| | | 2023 | 14 | 14 | 1 | 29 |
| | | 2024 | 12 | 24 | 4 | 40 |
| | | 2025 | 5 | 5 | | 10 |
| | WSDOT Total | | **33** | **46** | **5** | **84** |
| **State Agency Total** | | | **123** | **90** | **32** | **246** |
| University | Universities | 2021 | 1 | 1 | 2 | 4 |
| | | 2022 | 2 | 2 | 1 | 5 |
| | | 2023 | 8 | 4 | 4 | 16 |
| | | 2024 | 7 | 3 | 6 | 16 |
| | | 2025 | 1 | 1 | 2 | 4 |
| **University Total** | | | **19** | **11** | **15** | **45** |
| **Grand Total** | | | **302** | **226** | **133** | **662** |

***Note:*** *A single municipality (port district) reported AUR compliance in 2025 as this report was being finalized. That and other municipality data will be available later.*

***Source:*** *Prevailing Wage Intents and Affidavits, Labor & Industries*

## Good Faith Exemption Waivers

The legislation requires reasons for requests to be exempt from AUR based on a good faith effort to be included in this analysis. Documentation is based on communication provided by awarding agencies. It includes requests from prime contractors for good faith effort exemptions for a total of 177 projects — representing about one-third of the projects in the study. Letters reviewed for this report contained narrative descriptions that were grouped into themes and distilled to a list of reasons for noncompliance. They also described the contractors' good faith efforts to acquire apprentices for the projects in question. Some letters offered no description of either barriers or efforts. Often, projects provided more than one reason, leading to 305 reasons catalogued. As shown below, the most common reason given was there was a limited number of apprentices. That was followed by statements that a small crew was completing the work, or it was specialized work.

Further exploration of the qualitative feedback on barriers and challenges is covered later in this report.

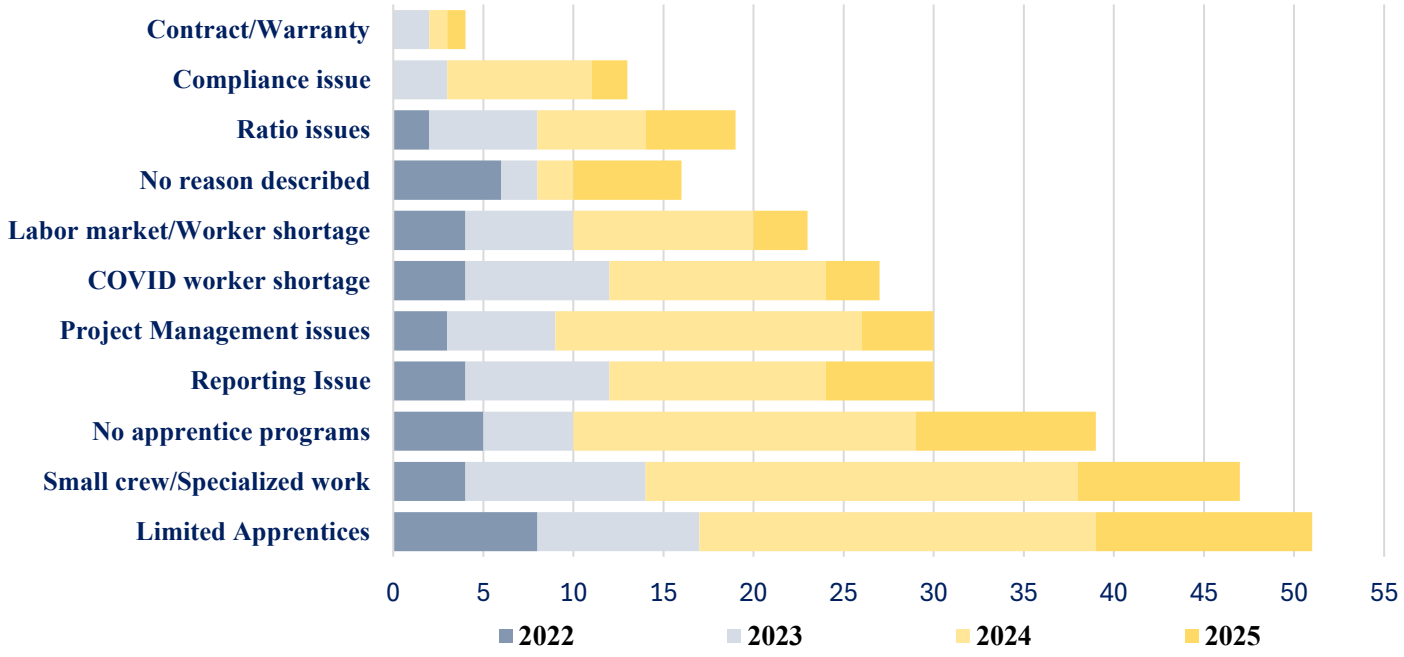
## Contractor explanation why AUR was not met for projects 2021-2025

| Reason | Count |
|---|---|
| Limited apprentices | 51 |
| Small crew/Specialized work | 47 |
| No apprentice programs | 39 |
| Reporting issue | 30 |
| Project management issues | 30 |
| COVID worker shortage | 27 |
| Labor market/Worker shortage | 23 |
| No barrier described | 22 |
| Ratio issues | 19 |
| Compliance issue | 13 |
| Contract/Warranty | 4 |

***Source:*** *Based on contractor communications with their awarding agencies, submitted to L&I*

The table below shows the number of times each reason was used to request an exemption from AUR based on good faith effort for the years: 2022 (dark gray), 2023 (light gray), 2024 (light yellow), and 2025 (dark yellow). For example, worker shortage due to COVID remained a consistent issue in 2023 and 2024. Good faith effort exemptions also continue to be allowed for projects for which awarding agencies did not provide documentation of the reason for noncompliance. (See the chart bar for "no reason described.") No information is provided for 2021, as requests for an exemption from AUR based on good faith effort were not tracked until 2022.

## Contractor explanation why AUR was not met, by year




***Source:*** *Contractor communications with awarding agencies, submitted to L&I*

Contractor letters identified issues as: “no apprenticeship programs” and “limited apprentices.” Both statements relate in different ways to various barriers connected to job location, skills match, affordability, and convenience. In terms of program availability, there is statewide coverage for general building and construction trades apprenticeship programs, but they may not be accessible to all apprentices (due to location, cost, etc.), or the program may lack the specialties needed by the employer/apprentice. Contractor issues that were coded to “limited apprentices” are associated with inconvenient jobsite location/commute distance or other travel-related issues; lack of apprentices in the area with the needed skills, or apprentice cost-benefit considerations. For example, when a project is in a rural area, travel may pose a barrier for apprentices who may not be able to commute to a distant location for work. Also, some projects had difficulty maintaining apprentices at jobsites associated with a higher degree of risk or natural hazards, such as bridgework, proximity to mountain demolition for road building, or work conducted during severe weather.

The full list of reasons used to request an exemption from AUR based on good faith effort, as included in GFE documentation provided by awarding agencies, include:

- Compliance issue — mostly arising from misunderstood or misapplied utilization rules.
- COVID worker shortage.
- Labor market/worker shortage.
- Project management. These issues rested on choices or decisions made by management based on safety, worker allocation/availability, and project location.
- Ratio issues. High material-to-labor ratio resulted in the project meeting the dollar threshold, yet few apprenticeship hours were offered, or apprentice-to-journey ratios could not be met.
- Small crew/Specialized work. Hiring an apprentice would displace company workers, or the work required training or certification that an apprentice would not have.
- Warranty issue. Warranty on materials would be voided if not installed by a trained worker.
- No barrier described. A small number of applications for an exemption from AUR based on good faith effort had no reason or good faith effort described; it was simply a message of “We tried.” It is possible that the awarding agencies had a verbal understanding that was not documented.

## Small, Women, Minority, and Veteran Owned Businesses: Prime Contractors & Subcontractors

One of the focal points of ESHB 1050 is the progress of small, women, minority, and veteran owned (WMVBE) businesses as participants in apprentice utilization. This section presents contractor counts and apprentice hours for all contractors, prime contractors, and subcontractors. It also details participation of WMVBE contractors by ownership category. These types of information are entered differently in the prevailing wage portal by contractors. Contractor type (prime or subcontractor) is a required field. The user cannot submit their work without completing this field. However, the field querying ownership category (WMVBE) is not required, and some users do not answer this question. Therefore, confidence is lower for the data describing the ownership category. Nonetheless, other research supports the proportionality of these reported ownership categories. For example, the Office of Minority and Women Business Enterprises’ (OMWBE) FY 2024 annual report (pg. 17) shows that OMWBE-certified businesses received 2.36% of all state dollars spent on public works projects. This appears to corroborate the small fraction of state public works projects — in terms of dollars spent — that is awarded to small, women, and minority-owned business.

The tables below identify the number of firms that are either a prime or subcontractor who participated in the public works projects included in the report timeframe. Overall, there were 15,675 firms that participated in these projects: 643 prime contractors and 15,032 subcontractors. Of those, small, women, and minority owned businesses comprised approximately 5% of the firms and 5% of the apprentice hours. No veteran owned firms were included in the data.

## Firm Count by Business Ownership Category

| | Small Business | Women | Minority | Veteran | Women & Minority | Not Categorized | Firm Count |
|---|---|---|---|---|---|---|---|
| Prime Contractor | 2 | 6 | 5 | - | - | 630 | 643 |
| Sub-Contractor | 131 | 252 | 412 | - | 89 | 14,148 | 15,032 |
| Total | 133 | 258 | 417 | - | 89 | 14,778 | 15,675 |
| **Percentage** | **0.85%** | **1.65%** | **2.66%** | **0.00%** | **0.57%** | **94.28%** | **100.00%** |

## Apprenticeship Hours by Business Ownership Category*

| | Small Business | Women | Minority | Veteran | Women & Minority | Not Categorized | Apprentice Hours Total |
|---|---|---|---|---|---|---|---|
| Prime Contractor | 287 | 9,082 | 2,509 | - | - | 572,919 | 584,796 |
| Sub-Contractor | 13,673 | 30,362 | 55,183 | - | 11,123 | 1,763,390 | 1,873,730 |
| Total | 13,960 | 39,444 | 57,691 | - | 11,123 | 2,336,310 | 2,458,526 |
| **Percentages** | **0.57%** | **1.60%** | **2.35%** | **0.0%** | **0.45%** | **95.03%** | **100.0%** |

***Source:*** *Prevailing Wage Intents and Affidavits, Labor & Industries*
***** *Not a representation of apprentice diversity*

## Construction Apprenticeship Programs

This report is also directed to include, by trade/craft, the number and service area of construction apprenticeship programs, number of training agents, and number of construction apprentices. L&I sponsors a comprehensive dataset that provides this information through the Apprenticeship Registration Tracking System (ARTS). This resource is actively managed to maintain up-to-date program information for jobseekers, professional development administrators, educators, and trainers. Apprenticeship programs provide programmatic, occupation, and apprentice information that L&I compiles to create reports and analytical tools. This resource is updated daily.

The table below provides an overview of the number of apprenticeship programs, training agents and apprentices in the state; this information is further expanded to include trade grouping and counts in tables on the following three pages. Service area data is available for programs and an extended programs table, including county of operation, is provided in Appendix B. Service area is not available for training agents nor apprentices because their service locations change frequently and work arrangements are often temporary.

## Construction Programs and Apprentices in Washington State

Lists are limited to active programs, training agents, and apprentices associated with construction work categories listed under Standard Occupation Classification Codes: 47-0000 Construction and Extraction and 49-0000 Installation, Maintenance and Repair.

| Item | Count | Notes |
|---|---|---|
| **Active Apprenticeship Programs in Construction Trades** | 150+ | As of September 30, 2025; Source: Apprentice Registration Tracking System (ARTS), L&I |
| **Active Training Agents in Construction Trades** | Nearly 3,000 | As of September 30, 2025; Source: Apprentice Registration Tracking System (ARTS), L&I |
| **Apprentices Active in the Construction Trades** | 13,000+ | One day snapshot Sept. 30, 2025; Source: Apprentice Registration Tracking System (ARTS), L&I |

## Construction Apprenticeship Programs by Trade/Craft Serving Washington State as of September 30, 2025 (active programs only)

Programs are counted for each trade offered and each county in which they operate. Trade classifications are presented by grouping SOC code. See county details in Appendix B.

| Trade | Program Count |
|---|---|
| Aircraft Mechanics and Service Technicians | 1 |
| Automotive Technicians and Repairers | 32 |
| Boilermakers | 36 |
| Brickmasons, Blockmasons, and Stonemasons | 85 |
| Carpenters | 40 |
| Carpet, Floor, and Tile Installers and Finishers | 172 |
| Cement Masons, Concrete Finishers, and Terrazzo Workers | 143 |
| Construction Equipment Operators | 33 |
| Construction Laborers | 35 |
| Control and Valve Installers and Repairers | 19 |
| Drywall Installers, Ceiling Tile Installers, and Tapers | 96 |
| Electricians | 390 |
| Elevator and Escalator Installers and Repairers | 52 |
| Glaziers | 83 |
| Heating, Air Conditioning, and Refrigeration Mechanics and Installers | 142 |
| Helpers, Construction Trades | 51 |
| Industrial Machinery Installation, Repair, and Maintenance Workers | 16 |
| Insulation Workers | 48 |
| Line Installers and Repairers | 102 |
| Maintenance and Repair Workers, General | 19 |
| Miscellaneous Electrical and Electronic Equipment Mechanics, Installers, and Repairers | 94 |
| Miscellaneous Installation, Maintenance, and Repair Workers | 28 |
| Painters and Paperhangers | 145 |
| Pipelayers, Plumbers, Pipefitters, and Steamfitters | 368 |
| Plasterers and Stucco Masons | 34 |
| Radio and Telecommunications Equipment Installers and Repairers | 133 |
| Roofers | 48 |
| Sheet Metal Workers | 207 |
| Small Engine Mechanics | 5 |
| Structural Iron and Steel Workers | 42 |

*Source: L&I Apprentice Registration Tracking System (ARTS)*

## Construction Apprenticeship Training Agents by Trade Serving Washington State as of September 30, 2025 (active training agents only)

Trade classifications are presented by grouping SOC code.

| Trade | Training Agent Count |
|---|---|
| Aircraft Mechanics and Service Technicians | 3 |
| Automotive Technicians and Repairers | 1 |
| Boilermakers | 41 |
| Brickmasons, Blockmasons, and Stonemasons | 51 |
| Bus and Truck Mechanics and Diesel Engine Specialists | 7 |
| Carpenters | 104 |
| Carpet, Floor, and Tile Installers and Finishers | 3 |
| Cement Masons, Concrete Finishers, and Terrazzo Workers | 171 |
| Construction Equipment Operators | 36 |
| Construction Laborers | 187 |
| Drywall Installers, Ceiling Tile Installers, and Tapers | 15 |
| Electricians | 509 |
| Elevator and Escalator Installers and Repairers | 27 |
| Glaziers | 40 |
| Heating, Air Conditioning, and Refrigeration Mechanics and Installers | 176 |
| Heavy Vehicle and Mobile Equipment Service Technicians and Mechanics | 206 |
| Industrial Machinery Installation, Repair, and Maintenance Workers | 463 |
| Insulation Workers | 25 |
| Line Installers and Repairers | 87 |
| Maintenance and Repair Workers, General | 17 |
| Miscellaneous Construction and Related Workers | 2 |
| Miscellaneous Electrical and Electronic Equipment Mechanics, Installers, and Repairers | 7 |
| Painters and Paperhangers | 54 |
| Pipelayers, Plumbers, Pipefitters, and Steamfitters | 86 |
| Plasterers and Stucco Masons | 7 |
| Radio and Telecommunications Equipment Installers and Repairers | 222 |
| Roofers | 20 |
| Sheet Metal Workers | 288 |
| Small Engine Mechanics | 16 |
| Structural Iron and Steel Workers | 120 |

*Source: L&I Apprentice Registration Tracking System (ARTS)*

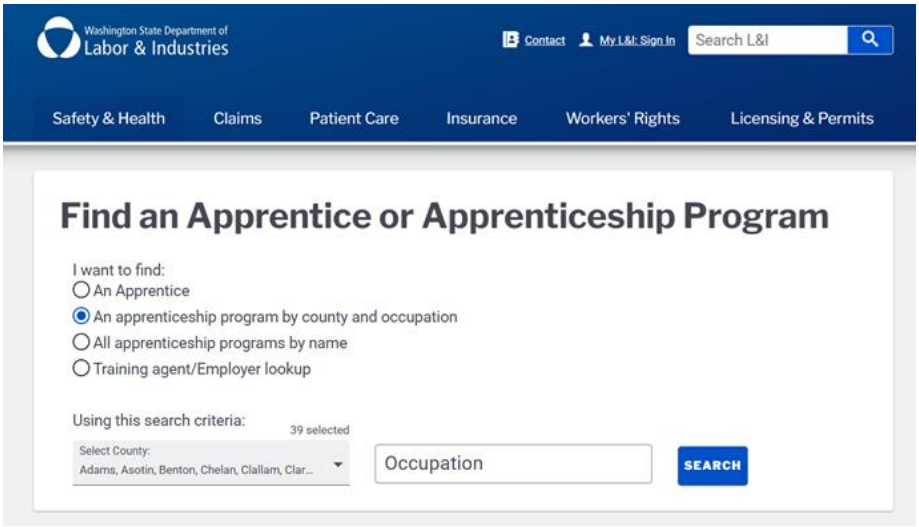
## Washington State Construction Apprentices by Trade, Snapshot on September 30, 2025 (active apprentices only)

Trade classifications are presented by grouping the SOC code.

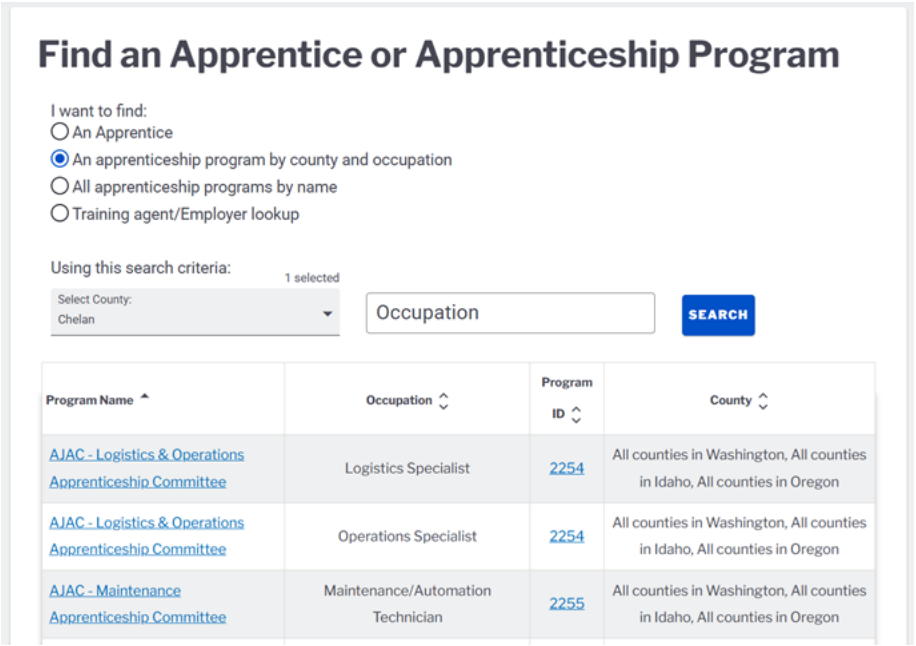
| Trade | Apprentice Count |
|---|---|
| Automotive Technicians and Repairers | 5 |
| Boilermakers | 63 |
| Brickmasons, Blockmasons, and Stonemasons | 65 |
| Bus and Truck Mechanics and Diesel Engine Specialists | 46 |
| Carpenters | 1,315 |
| Carpet, Floor, and Tile Installers and Finishers | 22 |
| Cement Masons, Concrete Finishers, and Terrazzo Workers | 288 |
| Construction Laborers | 2,105 |
| Control and Valve Installers and Repairers | 20 |
| Drywall Installers, Ceiling Tile Installers, and Tapers | 272 |
| Electricians | 3,833 |
| Elevator and Escalator Installers and Repairers | 245 |
| Glaziers | 77 |
| Heating, Air Conditioning, and Refrigeration Mechanics and Installers | 483 |
| Heavy Vehicle and Mobile Equipment Service Technicians and Mechanics | 39 |
| Helpers, Construction Trades | 24 |
| Industrial Machinery Installation, Repair, and Maintenance Workers | 257 |
| Insulation Workers | 144 |
| Line Installers and Repairers | 624 |
| Maintenance and Repair Workers, General | 4 |
| Miscellaneous Construction and Related Workers | 10 |
| Miscellaneous Electrical and Electronic Equipment Mechanics, Installers, and Repairers | 60 |
| Miscellaneous Installation, Maintenance, and Repair Workers | 8 |
| Painters and Paperhangers | 185 |
| Pipelayers, Plumbers, Pipefitters, and Steamfitters | 1,376 |
| Plasterers and Stucco Masons | 44 |
| Radio and Telecommunications Equipment Installers and Repairers | 404 |
| Roofers | 203 |
| Sheet Metal Workers | 805 |
| Small Engine Mechanics | 22 |
| Structural Iron and Steel Workers | 416 |

*Source: L&I Apprentice Registration Tracking System (ARTS)*

For more information on specific programs or trades/occupations they serve, visit the L&I website to conduct a program search. Select county from the drop-down list in the search criteria:




The search results in a list of programs associated with occupations/trades. The County column includes all areas where a particular apprenticeship program and occupation are available. The information is updated in real-time. There will be multiple program listings for those programs serving multiple counties and/or multiple occupations.



## Study Collaboration with Partners, Contractors, and Key Informants

As required by the bill, L&I partnered with OMWBE, Washington State Department of Veterans Affairs (WDVA); and the Municipal Research and Services Center (MRSC), which is a nonprofit organization supporting local government, to gather additional information about how firms access apprentices and any barriers encountered.

These organizations provided consultation and introductions to key contractor forums and leaders including those representing minority, women, veteran, and tribal-owned contractors. Other organizations were also consulted at the outset of the study, including the Department of Transportation, Department of Enterprise Services, and Washington APEX Accelerator.

Outreach efforts began with conversations and email communications to construction industry membership organizations across the state to inform them of study objectives and assess their interest in providing input to the study. Personal contact was then combined with formal invitations to the membership organizations, offering to present the study effort in meetings or other group settings. This served to broadcast the purpose of the study to the target audience, and allowed organizations to share information with members and encourage participation before contractors received direct communication from L&I.

To gather input, the department contacted contractors directly using surveys and feedback sessions. Contractor survey and feedback session scripts were designed with similar inquiries, allowing responses to be combined, coded, and analyzed as a whole.

### Overview of Interactions with External Partners and Study Participants

| External Party | Contact |
|---|---|
| Partners and Administrative Organizations | Conversations and meetings |
| Contractor Professional Organizations | Meetings and interviews |
| Awarding Agencies | Meetings and interviews |
| Contractor Email Survey | 8 mailings to 1,827 contractors, 57 Participants |
| Contractor Feedback Sessions | 6 mailings to 1,827 contractors, 9 Sessions, 55 Participants |

Contractor mailing lists did not differentiate between public works and nonpublic works contractors. To target the desired audience, the message solicited input from public works contractor companies, encouraging participation from those that were owned by women, minorities, and veterans. One limitation to the mailing lists was that they contained contractors in business as of 2024. Public works contractors that closed between 2021 and 2024 could not be reached.

## Contractor Participation and Demographics

Self-selected session participation resulted in the attendance of some non-contractors that were associated with apprentice system professionals, or non-construction industry contractors. These participants typically opted to listen rather than offering feedback. Some offered guidance relative to questions that arose. Their feedback was not included; nor were they part of the demographic breakdown. Although some contractors submitted surveys and attended sessions (sometimes multiple representatives per company), they were counted only once to obtain a unique number in terms of representation. Ultimately, combined survey and feedback sessions resulted in representation from 57 unique contractor companies.

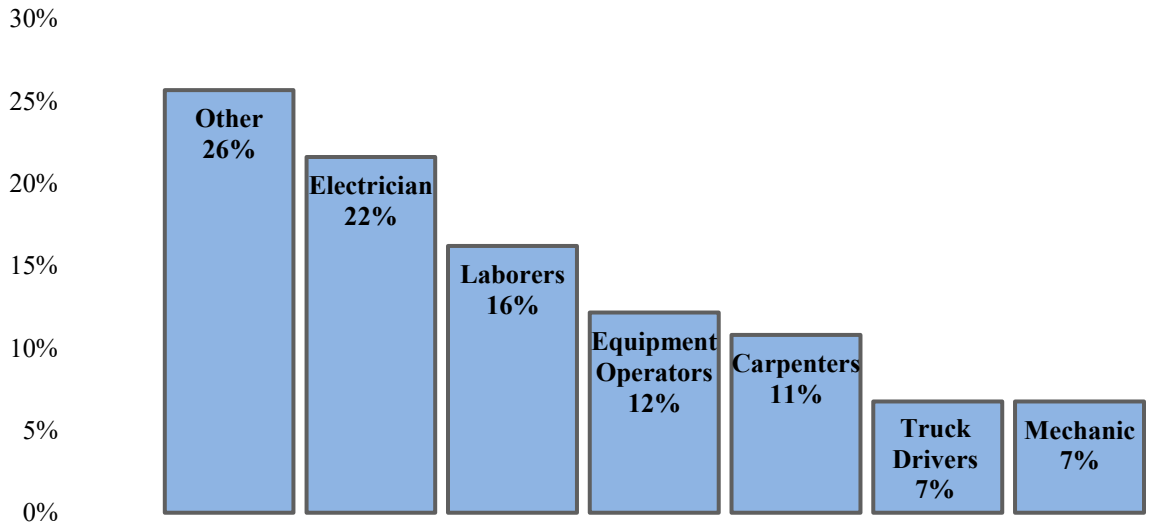
Demographic information was collected from contractors participating in the survey and listening sessions. Any gaps in data were collected after the fact, including items such as primary trade and work regions.

**Minority, women, and veteran owned businesses:** Nearly 5% of the firms in the study were identified as owned by minorities, women, or minority/women[2]. A combined average of 71% of survey and feedback session input came from minority, women, or veteran owned businesses. Feedback on behalf of veteran and tribal contractors was provided by key informants who are professionals with expertise in apprenticeship and with the specific needs of those contractor categories. Neither veteran owned nor tribal owned contractors were represented in the public works/prevailing wage data for the study period. While tribal owned contractors were not specifically identified in the legislation, it was a demographic group considered part of the OMWBE purview. Since prevailing wage does not document tribal status, only qualitative information was collected from professional tribal representatives, as noted later.

**Small businesses**: Over half of the companies participating in listening sessions and submitting surveys self-identified (or were later determined) as small businesses. Based on their other feedback, however, that percentage is likely higher. Small business contractors providing feedback in this study were generally composed of 10 or fewer employees. References to small business in this discussion refer to contractors of this size, often conducting specialized work and/or deploying small crews. OMWBE considers all certified OMWBE businesses to be small businesses, which comports with participant feedback.

**Trades**: Charted below, the largest single trade employed by study participants is electricians, at 22%, followed by laborers and equipment operators. The 'Other' category, at 26%, is a combination of 17 construction trades, each represented by 1-2% of participants.

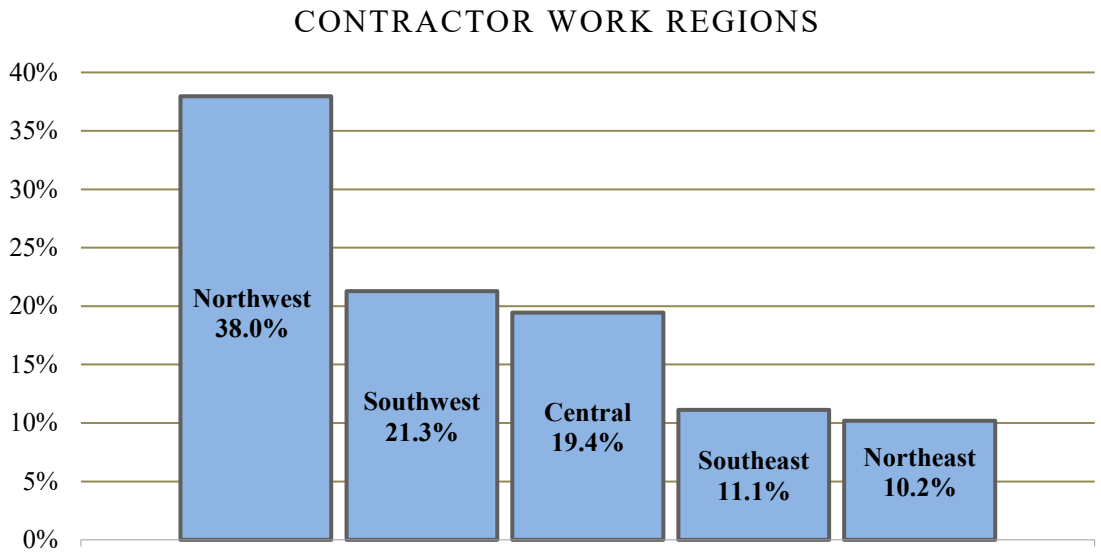
TRADES EMPLOYED BY PARTICIPATING CONTRACTORS




***Source:*** *Study Survey and Listening Sessions, Contractor Participant Demographics*

[2] No veteran owned businesses were in the prevailing wage project/contractor dataset; study feedback included input on behalf of veteran owned business.

**Regions:** Some contractors worked in a single region, while others covered the state. The chart below indicates the breakdown for contractor work regions.




***Source:*** *Study Survey and Listening Sessions, Contractor Participant Demographics*

## Contractor Feedback: Barriers and Challenges

Below is a summary of the barriers, challenges, solutions, and best practices gathered through contractor surveys and feedback sessions. This information was collected in response to the ESHB 1050 requirement about how small, women, minority, and veteran owned businesses may access apprentices on public works projects. The mandate also requires an examination of barriers to registered apprenticeship and apprentices. Input is organized by theme, in which multiple issues are clustered around a similar topic. Theme paragraphs are headed by a topic sentence that describes the main point or main issue, followed by the participant input that supports or defines the theme. In addition to the contractor input described earlier, the findings include feedback from key informants representing veteran and tribal perspectives. This information was collected during the feedback sessions and is not validated by the department.

Themes are assigned to one of two categories:

1. Program Related: This involves apprenticeship program design, compliance, compliance cost, application of requirements within the context of projects, contractor experience, awarding agency implementation, and state implementation.
2. System Related: This involves the context within which apprenticeship operates, construction industry, business/economic landscape, and politics. Also, this category includes concepts relating to a sense of fairness, perceptions, origin stories, etc.

Contributors did not provide input within their ownership category — as minority, women, or veteran owned business. Nor did they differentiate apprenticeship barriers or challenges in reference to their status as a prime contractor or subcontractor. They predominantly considered their viewpoint to be that of a small business. Any comment specific to the minority, women, and veteran owned business experience is identified in context. Issues specific to single subcontractors are described as such.

As stated by one feedback session participant and echoed through many of the comments from contractors:

> *"Barriers to apprenticeship are the same to all contractors whether certified [OMWBE] or not. Inability to meet requirements of apprenticeship is its own problem."*

## Program Related Input

This section includes topics associated with program design and implementation that may be affected by state or local standards and varying approaches to implementation.

**Limited apprentice programs and limited access to programs**: As mentioned earlier, apprenticeship programs may not be accessible for every needed construction trade near every jobsite. Commenters confirmed this and noted the following situations and constraints: apprentice training sessions fill quickly, limiting the number of workers who have access to an apprenticeship program; no programs exist for the contractor's specialty; no programs within reasonable distance; socioeconomic reasons preventing participation; and limited ability to use apprentices when company product warranty prevents it. Commenters expressed frustration that these limitations were not addressed in the design and application of apprenticeship requirements.

**Objections process prevents or slows program approval**: During consideration by the Apprenticeship and Training Council of proposed new apprenticeship programs, the objections process allows existing programs to object to a proposed program's standards. Commenters who spoke on this topic either had their program rejected or were in the objections process. For some, the objections experience left them feeling powerless and without options, and they were looking for a process that pointed toward a pathway to success rather than one that presented roadblocks and long waiting periods. Some felt that the objections process led to fewer programs and restricted competition. (The apprenticeship program is currently reviewing the objections process.)

**Penalties**: One commenter noted that penalties need to "find that sweet spot in order to be effective." The compliance cost threshold is too low to incentivize big businesses to comply and too high to encourage small businesses to participate in public works projects. In other words, the current application of penalties is a disincentive to small business and almost meaningless to big business. Several commenters expressed this same sentiment. The awarding entity determines the incentive for meeting the 15% AUR, as well as the monetary penalty for not meeting the AUR and not having an approved waiver.

**Small crew/Specialized work**: This points to a lack of apprentice programs for specialized work, and a lack of the need for apprentices at the point in a project when small/specialized crew work is conducted. Contractors either found it difficult to find qualified apprentices or did not want to displace their core workers. Small jobs can also be less appealing to apprentices due to the limited number of hours they would gain by working in these jobs.

**Jobsite project management issues**: Several issues were identified as barriers to meeting utilization requirements that were specific to and varied with each different job. Many of these topics were also noted in the Good Faith Effort section of this report and are related to limitations on specific projects rather than apprenticeship requirements or design. They included:

- Assigned apprentices were a mismatch to the job needs.
- Staff displacement due to apprentices.
- Retention problems/worker attrition (union and nonunion).
- Worker shortage and broader labor market limits.
- Reporting discrepancies or compliance misunderstandings.

- Ratio disparities (apprentice to journey worker [or no journey worker] or disproportionately high materials cost to labor cost).
- Cost to train staff, start a program, and participate in the union are not affordable for small businesses.
- Challenges for prime contractors managing and tracking subcontractors and/or their use of apprentices.

## System Related Input

This section includes topics associated with the origin and inception of apprentice utilization and how it operates within the context of the greater apprenticeship system. Views may be affected by individual or company experiences, policy decisions, or economic or other broader issues.

**Perception that Washington state AURs were designed to serve the union model of contracting and labor management, neglecting nonunion and small business needs**: Some nonunion contractors that work with unions to hire apprentices mentioned the added cost and challenging administrative coordination when working with unions. The union relationship itself can become a barrier if placements are a poor match, apprentices are poorly trained, or no apprentice is available. This creates an unproductive environment where small business/nonunion contractors already feel like outsiders.

**Requiring apprentice utilization as a disincentive to small business participation in public works contracting**: A commenter referred to requiring use of apprentices as a "chilling effect that limits bids from small contractors that have a small fraction of the overall project because they have a specialized trade or are a small business." Comments like this perspective included the notion that small businesses unfairly bear the burden of training the broader workforce (and then often lose that staff, only to repeat the training process repeatedly). Small business contractors felt they lost money on inexperienced apprentices or that they could not be competitive because they would have to double the size of their staff to take the job to provide required supervision. Others expressed concern regarding the recent expansion of AUR through ESHB 1050 applying to yet smaller public works projects and affecting all municipalities, indicating that this places additional burden on an increasing number of small businesses.

Some commenters of minority owned businesses acknowledged that the AUR administrative burden seems to be a heavier lift for those with a language barrier or who are navigating a business culture learning curve. They also suspected that the administrative requirements would be daunting to any new small business.

Some see requirements for apprentice utilization as almost contrary to the way small business works. They see no pathway for participation for their company nor for small business in the public works system. They see no avenue for lobbying for their interests and no way of influencing a nearly immutable system that does not accommodate the needs of small business.

**The experience and perception that demand for apprenticeship exceeds supply:** Many of the commenters had experienced an inability to hire apprentices. Underpinning this experience was a 'cart before the horse' perspective that the utilization requirements create demand for programs and apprentices that do not yet exist. They expressed interest in getting more support from the state in the form of state-sponsored apprenticeship programs, and unobstructed pathways to accessing apprenticeships and creating apprenticeship programs. Key feedback also included interest in greater resources allocated to building the network that establishes apprenticeship programs and provides technical assistance to small businesses across the state.

**Apprenticeship training programs need to serve small business contractors better**. The perception is that training programs serve the system as designed, which is not well-designed for small business.

## Contractor Feedback: Best Practices Toward Increasing Utilization

Input on the topic of 'best practices toward increasing utilization' was typically provided in response to perceived barriers and stated in terms of what contractors would like to see as best practice in the future, compared to what they see as current practice. This section bundles issues for all contractor categories, since participants spoke from the perspective that utilization issues affected small business contractors equally.

**Address affordability.** Cost is an issue for both apprentices (cost of training, cost of living while training, etc.) and small businesses (cost to hire apprentices, cost to sponsor an apprenticeship program, union costs, etc.).

**Reconfigure penalties and incentives.** Reduce penalties for failure to meet AUR for small businesses so they are not discouraged from public contracting. Define penalties that are more meaningful for large projects where contractors may be opting to pay penalties rather than hiring apprentices. Create incentives meaningful to small business.

**Contractors should provide and use mentoring.** Mentoring has been a useful tool for minority and women owned businesses that have shared their experiences and advised other contractors. Some also recommended the OMWBE as a good resource for technical assistance. L&I provides AUR training to awarding agencies and contractors. Additional training in coordination with OMWBE and WDVA could be beneficial.

**Provide more assistance to contractors developing their own programs.** There is a perception of the current system that it favors union programs over small business programs. It was suggested to offer small businesses dedicated training resources and funding through existing partners such as MRSC, awarding agencies, and L&I.

**Contractors and apprentice professionals should cultivate more collaborative opportunities.** Commenters expressed an interest in improving perceptions and relationships through more peer-to-peer interaction among the various players in the apprenticeship ecosystem.

**The Washington State Apprenticeship and Training Council needs to provide more opportunities to feature small business perspectives.** Some commenters felt that small business or specialized trades were not represented by the council, and that it was designed to represent the union viewpoint.

## Limited Tribal Involvement

Due to the lack of voluntary participation from tribal public works contractors, insight was collected from administrators working with them.

Most tribal contractors work on tribal projects with a preference for native workers. Some tribes are building a reservation apprenticeship system. One tribe had its program federally recognized, while others that might take part in the apprenticeship system outside the reservation are unaware of it. More education and partnership are needed to effectively link with tribes. Many reservations have disadvantaged populations with financial instability and a lack of access to training, education, and off-reservation employment. The approach for addressing apprenticeship and apprentice utilization must be customized to tribes because they each have localized interests and different needs.

## Voluntary Municipal AUR Programs Analysis

ESHB 1050 requires L&I to identify and analyze existing applications of apprentice utilization requirements by municipalities that exceed requirements in state law. Prior to enactment of this law, any requirement that a contractor meets apprentice utilization requirements was enacted locally. State law did not require it for any of the state's 281 incorporated cities and towns or 39 counties. Research into this topic showed there were 23 municipal apprentice utilization programs in place before the 2024 state AUR law expanded to include them.

While the programs vary in detail, each contains most of the key elements of the state law and were consistent with the state program intentions of promoting fairness, enhancing the economy, and fostering competition, with some jurisdictions using the exact language of the state law.

### Municipal programs enacted prior to the 2024 AUR expansion legislation

| AUR Adopted | Municipality | Type |
|---|---|---|
| 1997 | Seattle | City |
| | Tacoma | City |
| 1998 | King | County |
| 1999 | Hoquiam | City |
| 2001 | Shoreline | City |
| | Snohomish | County |
| 2003 | Everett | City |
| 2006 | Grays Harbor | County |
| 2007 | Burien | City |
| 2008 | Thurston | County |
| 2011 | Edmonds | City |
| 2014 | Port Angeles | City |
| | Tukwila | City |
| 2017 | Seattle, Port of | Port |
| 2018 | Federal Way | City |
| | Spokane | City |
| 2019 | Kent | City |
| | Whatcom | County |
| 2020 | Vancouver | City |
| 2021 | Bellingham | City |
| | Vancouver, Port of | Port |
| 2022 | Olympia, Port of | Port |
| 2023 | Bellevue | City |

L&I staff reviewed and compared elements of those apprentice utilization programs and conducted key informant interviews with several municipalities to better understand their programs.

## AUR Program Elements Review

**AU percentage application and contract threshold**

In general, to derive the apprentice utilization rate, local jurisdictions applied the same method as the state: the AU percentage threshold is applied to the total labor hours on the project, excluding foremen, superintendents, owners, and workers not subject to prevailing wage. Consistent with the state requirements, 13 out of 23 municipalities required a 15% AUR threshold to projects over $1 million. Two of the cities, Bellevue and Federal Way, had cost thresholds of $2 million. Three were variable utilization rates that were tied to the project cost. Two specified the combination of 15% AUR with a $500,000-$600,000 threshold for project cost. Hoquiam had a 10% AUR and $100,000 project threshold. Burien applied the rule to all projects with no threshold.

In Spokane, city councilmembers recognized that certain trades were not utilizing apprentices to the degree others were, so they chose to apply utilization requirements to individual trades.

Spokane City Council inserted the following language into existing Spokane Municipal Code on utilization:

> *"...Public Works construction projects, as defined in RCW 39.04.010, with an estimated cost of six hundred thousand dollars ($600,000) or more, at least fifteen (15) percent of the labor hours on each project shall be performed by apprentices enrolled in a State-approved apprenticeship program; and for each contract in the project fifteen (15) percent of the labor hours for each craft that has an available state-approved apprenticeship program for Spokane County and utilizes more than one hundred sixty (160) hours in each contract shall be performed by apprentices enrolled in a state-approved apprenticeship program."*

Spokane has also added incentives to succeed with apprentice utilization. Community leaders are responding to the needs of economically disadvantaged workers, an interest in broader union representation, and in supporting worker benefits and the cost of raising a family. To encourage and compel compliance, the AU program administrator at the city provides hands-on technical support and in-person training, and the new rules apply penalties for noncompliance. The city depends on L&I's ARTS dataset to track the results of additional changes intended to create a further advantage for minority, women, and veteran utilization. (Unfortunately, the ARTS system no longer includes this demographic data. City officials did have early outcome data that they tracked separately when they provided feedback.) The city indicated that, due to the strong leadership and community backing for trade-specific utilization, goals for increasing use of apprentices were on target so far.

**Incentives and penalties**

The state requires a contract line item specifying apprentice utilization goals, monetary incentives, and monetary penalties in all public works contracts. It does not elaborate on what or how to assess incentives or their application. The following municipalities provide these incentives and penalties:

- Seattle focuses on positive reinforcement, such as awarding points toward future bidding processes, to incentivize participation.
- The Port of Vancouver awards $25 per hour worked by an apprentice up to a designated limit, if utilization is reached.
- Port Angeles offers incentives through eligibility for future contracts.
- Hoquiam implements a tiered incentive system based on the number of apprentices hired, rewarding higher utilization rates.
- Edmonds offers incentives for contractors who train apprentices.
- Burien offers financial bonuses for contractors who exceed apprentice utilization targets.
- King County offers grants or funding for training programs that support apprentice retention and success, promoting long-term workforce development.
- Other incentives offered by municipalities include tax credits or grants, or other financial bonuses.
- Penalties are typically applied at a rate based on a percentage of the project cost — typically, a flat amount of $1,000 or less. The consensus among administrators and contractors is that penalties are sometimes preferred and accepted over the inconvenience of participating in apprentice utilization. It is unknown what percentage of project noncompliance includes those that are simply avoiding requirements. While this is allowed in the law, the lower penalty nearly invites circumvention by enabling contractors (who can afford it) to hire subcontractors they prefer rather than those that offer apprenticeship or diverse apprenticeship.

One criticism of monetary incentives is that some penalties can be nominal (often ranging from $1,000 to $5,000) and not worth the effort of compliance.

**Utilization reporting for minority, women, and veteran apprentices**
Eight of the municipalities required reporting of apprentice utilization for minority, women, and veteran categories. With the passage of ESHB 1050, standard apprentice utilization requirements now apply to all municipalities, and reporting minority, women and veteran utilization is also required statewide. Seattle and other metropolitan areas have specified a higher goal than the state for apprentice utilization for minorities (21%) and women (20%). The Spokane program counts each female apprentice as 1.1 instead of 1 in the utilization calculation as an added incentive to hire women.

**Apprentice Utilization plan requirement**
About half of the 23 voluntary municipal programs that existed prior to passage of ESHB 1050 require contractors to provide a formal plan demonstrating how they intend to achieve apprentice utilization. Those awarding agencies requiring utilization plans are typically in communities that have related initiatives responding to economic distress and are coordinated to meet multiple economic and workforce goals. Beginning July 1, 2026, a new law (E2SHB 1549 from the 2025 session), will require utilization plans to be submitted by all bidders on all awarded public works projects before starting work, unless the contractor qualifies for an exemption.

**Contract language requirement**
Over half of the voluntary programs required that contractors use AUR compliance language in contracts with subcontractors to enforce compliance. This is another instance where extension of the state law, which has the same requirement, was adopted by local jurisdictions.

**Good faith effort process**
Nearly all the municipal programs offered options for an exemption from AUR based on good faith effort. State law provides general criteria governing the application of exemptions, which include:

- Demonstrated lack of apprentices in specific geographic areas.
- Disproportionately high ratio of material costs to labor hours, making apprentice participation unfeasible.
- Demonstration of good faith effort to comply.

This leaves awarding agencies with further ability to craft additional criteria and implement their own approval processes. The process governing waivers based on good faith effort varies among awarding agencies, with authority for approving waivers resting with a variety of entities. Currently, waiver approval rights are in the hands of a variety of occupations/roles such as city engineer, city manager, chief financial officer, council administrator, contract and business standards compliance officer, executive services department director, and director of finance and business operations.

One non-contractor commenter suggested that awarding agencies do not enforce AURs as well as they could and that some make it too easy to obtain a waiver. Further, a waiver process should include a multistep process with levels of review to increase accountability. Also, additional incentives or motives for awarding agencies may improve enforcement.

**Monitoring, tracking, and reporting**
All municipalities except one conduct significant monitoring and tracking of apprentice utilization and will continue to do so under state law. These efforts will be supported by the state's prevailing wage data portal and reporting mechanisms.

Nearly all municipalities adopted local codes containing noncompliance language and process surrounding non-achievement of utilization rates. Seattle did not.

## Alignment between local and state AU requirements

Early in the study, conversations with municipal AU coordinators covered the topic of eventual adoption/alignment with state AURs. While some expressed an intention to align local requirements with state requirements, others noted that it was not a priority at the time. Some acknowledge that the more stringent rule would take precedence and that they may not rush to add administrative burden to their governing bodies. Those that planned to address alignment were concerned that the work would involve technical, administrative, or policy challenges. There was little concern as to whether the application of state requirements hamper enforcement for municipalities with more stringent statutes. .

In general, municipal AU coordinators and associated colleagues are aware that local support and political urgency (or the potential lack thereof) are the primary factors in their programs' success or failure. AUR standardization and expansion across state government entities was described as largely beneficial.

# Recommendations

ESHB 1050 requires L&I to provide recommendations and best practices for increasing apprentice utilization and supporting small, women, minority, and veteran-owned businesses in accessing apprentices; and recommendations and best practices for extending apprentice utilization requirements to subcontractors.

After reviewing the data gathered for this report, survey results and feedback, and municipal practices and history, the department makes the following recommendations:

1. Increase AUR training efforts and educational opportunities to support businesses in accessing apprentices and meeting AU compliance. Small businesses have unique needs and interests to address formally and with intention. Additional outreach and targeted training would be useful to identify and resolve challenges, barriers, and misinformation.

2. Extend AUR to certain subcontractors specifically aimed at benefiting apprentices. For projects currently subject to AUR, extend the 15% requirement for apprentice use to subcontractors with contracts estimated at $500,000 or more. This would impact projects of generally 5,000 hours or more and would result in an estimated additional 750 apprentice hours on these hours. It would also nearly double the number of impacted contractors based on prior participation figures. Encourage awarding agencies to adopt standardized AUR program design and implementation to improve compliance experience for contractors working in multiple regions across the state. This dollar amount would also shield most of the small employers discussed in this report. They would still be able to bid on public works projects as a subcontractor but not be subject to penalties for not reaching the 15% AUR if their contract was below $500,000. Awarding agencies would need to develop a subcontractor acknowledgement form that outlines the AURs. They would also need to monitor the subcontractor's performance and include good faith effort and penalty/incentive language. These requirements would need to be added to RCW 39.04.320.

3. Encourage awarding agencies to standardize AUR program design and implementation to improve compliance experience for contractors working in multiple regions. Program elements suitable for standardization may include good faith effort criteria, documentation, and monitoring; the structure and application of penalties and incentives; and recordkeeping and reporting requirements — in particular, the tracking of business ownership categories for small, women, minority and veteran owned business. Awarding agencies should also ensure that business ownership categories continue to be tracked in the ARTS system. Standardization and consistency would promote fairness and confidence in AUR compliance across the board.

4. Support collaboration among awarding agencies, contractors, training agents, and programs to strengthen the human infrastructure of the apprenticeship system. Networking within the apprenticeship system, mentoring, and building relationships would help create the kind of environment where best practices, challenges, and barriers can be shared and met with informed and capable colleagues that can help lead the way forward.

# Conclusion

Since the implementation of Washington state's Apprentice Utilization Requirements (AURs) in 2005 and their expansion under ESHB 1050 enacted in 2024, the program has contributed significantly to workforce development across the state. Between 2020 and first-quarter 2025, more than 600 public works projects reported over 2 million apprentice labor hours, demonstrating that the program continues to generate opportunities for hands-on training.

However, the study findings indicate that implementation remains uneven, particularly for small, minority, women, veteran, and tribal owned businesses. Barriers perceived and real, such as limited access to apprenticeship programs, regional inequities, administrative complexity, and inconsistent enforcement of utilization standards continue to diminish contractor and apprentice participation. Study participant feedback, largely from small business contractors, revealed that smaller firms and nonunion contractors may face disproportionate compliance challenges and reduced access to available apprentices/programs.

Despite these limitations, the commitment of many awarding agencies and municipalities to improving utilization through mentoring, incentives, and collaboration with contractors underscores a growing interest for apprenticeship to be an essential tool for economic inclusion, workforce stability and growth, and developing a more diversified pool of labor in Washington. These are all goals expressed in the latest expansion of apprentice utilization requirements, ESHB 1050.

The recommendations and best practices outlined in this report — such as standardizing key program elements across awarding agencies, extending utilization requirements to larger subcontractors, and enhancing training and technical assistance — are offered to strengthen the apprenticeship infrastructure. By adopting these measures, Washington can promote consistency, equity, and opportunity across all regions and contractor types. These efforts will not only expand apprenticeship placements but will also ensure that participation reflects the diversity and vitality of Washington's construction workforce, and will advance the shared goals of economic growth, fairness, and long-term stability.