

NATIONAL SKILLS COALITION COMMENTS ON OPPORTUNITIES TO EXPAND U.S. APPRENTICESHIP

A Response to the Presidential Executive Order Expanding
Apprenticeships in America

October 2017

Introduction

In anticipation of administration and Congressional action to expand apprenticeship, and in response to the President's Executive Order Expanding Apprenticeships in the U.S. (the EO),¹ we offer a set of principles for policymakers to consider. The principles represent recognition of the importance of intentionally expanding apprenticeship both to new businesses, including small- and medium-sized businesses, in new industries and to workers who have been underrepresented in apprenticeship in the past. We believe these strategies of expansion will lead to more businesses offering apprenticeship opportunities to a broader range of workers – meeting business need, improving workers' skills and improving U.S. economic growth.

Apprenticeship programs are a “win-win” – workers earn wages while learning new skills and businesses can customize training to their workforce needs. For companies in desperate need of new workers, these programs immediately place motivated hires on site. Because businesses are directly involved in onsite and classroom learning, they can align training with the skills they need at any moment and adjust training quickly as their workforce needs change.² The approach has been shown to reinforce employee engagement, leading to better morale, higher retention and lower turnover.³ For workers in need of training, apprenticeship offers an on-ramp to a career pathway that includes a paying job from the start and structured on-the-job learning enables workers to efficiently develop the skills needed to be productive.

¹ <https://www.whitehouse.gov/the-press-office/2017/06/15/presidential-executive-order-expanding-apprenticeships-america>

² Robert Lerman, Lauren Eyster, and Kate Chambers. The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective. Table 5.1: Sponsor Views of Potential Benefits of Registered Apprenticeship. http://www.urban.org/research/publication/benefits-and-challenges-registered-apprenticeship-sponsors-perspective/view/full_report (2009)

³ Lerman (2009)



Especially for populations who have not had access to apprenticeship historically and for industries that have not traditionally relied on apprenticeship to train their workforce, this expansion has the potential to meaningfully shift how workers in the U.S. are trained for the jobs businesses have and will have in the future. This culture shift will require deep engagement from a variety of stakeholders and responsiveness to the needs of workers, business, and the communities in which these programs operate.

The initiatives outlined in the EO appear to be a good first step toward this culture shift and a goal of getting to five million U.S. apprentices.⁴ The EO describes the role the federal government has in providing, “secure high paying jobs by promoting apprenticeship and effective workforce development programs...” and highlights the importance of “prepar[ing] workers to fill both existing and newly created jobs and to prepare workers for the jobs of the future.” These goals are consistent with NSC priorities and should be the foundation of an expansion of apprenticeship in the U.S.

There are still several next steps in the expansion effort, though, and National Skills Coalition (NSC) offers the following principles for the administration’s consideration as the implementation of the EO continues. We look forward to working with the administration, Congress, and other stakeholders to ensure this effort leads to the expansion of high quality programs that meet the needs of workers and industry partners.

Comments on the Presidential Executive Order Expanding Apprenticeships in America

As the administration and Congress work to expand apprenticeship, NSC encourages policymakers to prioritize the following strategies.

Regulations, guidance, and recommendations must include a robust and transparent process for feedback from diverse stakeholders

Section 4(b) of the EO requires the Secretary to consider and evaluate public comments on regulations issued pursuant to section 4(a). NSC calls on the administration to provide a robust and transparent opportunity for public input on any regulations promulgated pursuant to section 4 of the EO, as well as on any recommendations from the Task Force on American Apprenticeship (task force) identified in Section 8 of the EO.

This process should include several strategies to ensure that the administration has engaged a broad and diverse set of stakeholders in the policymaking process. The administration should commit that any regulatory changes and subregulatory guidance under Section 4 or otherwise

⁴ Remarks by President Trump in Roundtable Discussion on Vocational Training with U.S. and German Business Leaders, March 17, 2017 <https://www.whitehouse.gov/the-press-office/2017/03/17/remarks-president-trump-roundtable-discussion-vocational-training-us-and>; National Skills Coalition, Getting to Five Million Apprentices, <http://www.nationalskillscoalition.org/resources/publications/file/Getting-to-5-Million-Apprentices-web.pdf>

in the EO be driven by recommendations of the task force and public comments received from diverse stakeholders.

The Secretary should ensure that the task force has adequate time to gather stakeholder input and comments prior to releasing their report, including from small- and medium-sized businesses and from representatives of industries not represented on the task force. Once released, this report should be made publicly available for additional comment prior to beginning the regulatory process.

In addition to external stakeholders, Section 8(b)(iii) of the EO requires that the task force include in its report proposals for the “most effective strategies for creating industry-recognized apprenticeships.” This report should have a direct influence on the Secretary’s obligation under Section 4 to consider developing regulations guiding the creation of industry-recognized apprenticeships, and the Secretary should provide the task force with ample opportunity to gather stakeholder input and comments prior to beginning any regulatory revisions.

National third-party oversight needs to be coupled with local and regional expertise

Section 4 of the EO tasks the Secretary of Labor, in consultation with the Secretary of Education and Commerce, to propose regulations on the certification of industry recognized apprenticeships. The EO explains that, “third parties may include trade and industry groups, companies, non-profit organizations, unions, and joint labor-management organizations.” NSC supports national level approvers of certified apprenticeships where the national organization have the capacity to understand and connection to local workforce demands to establish clear standards aligned with needs of a diverse range of businesses and implement these standards in a fair, transparent, flexible and consistent process. At the same time, the Secretary should consider providing guidance under section 4(a)(i) on the role of local or regional entities as third-party approvers when more appropriate and clarify when a separate process for local approval may be necessary.

Local and regional third-party approvers should reflect diversity of skills, credentialing, and licensing requirement across labor markets and industries, especially for sectors which may not be well-represented at the national level, consistent with requirement in Section 5 that the Secretary promote apprenticeship with a focus on sectors in which apprenticeship is underutilized.

Providing local businesses and their partners with the ability to evaluate how effective a program is at meeting actual business need is critical to ensuring good outcomes from programs for both workers and businesses.

Quality standards are vital to both business and worker success

Section 4(a)(ii) of the EO calls for the Secretary of Labor to “establish guidelines or requirements that qualified third parties should or must follow to ensure that apprenticeship programs they recognize meet quality standards.” Regulations should explicitly include standards like wage

increases, safety training requirements, and commitments to providing apprentices with further education. Regulations should require workers to participate in all required training related instruction (TRI), on-the-job training, and other components of an apprenticeship in a safe, dedicated, and efficient manner. Industry should be required to provide workers with a safe and respectful worksite with adequate TRI taught by quality instructors and mentoring opportunities to enable success on the job.

These requirements are the foundation of a strong learn and earn model and benefit businesses by providing explicit parameters within which the education and worksite components of apprenticeship are delivered, ensuring outcomes that match business expectations. At a community and regional level, these requirements also ensure a level playing field for all businesses utilizing apprenticeship.

Promoting apprenticeship must include supporting the intermediaries that help expand it

Section 5 of the EO explicitly directs the Secretary to use both appropriated funds and H-1B visa funds under 29 U.S.C. 3224a to promote apprenticeship. NSC applauds the administration for this application of the H-1B funds, which have historically been used to support innovative job training partnerships between a variety of stakeholders, including those engaged in apprenticeship. NSC also supports the appropriation of further funding to support the activities in which the Department of Labor engages under §29 U.S.C. 50.

The Department of Labor should publicly release information on both H-1B and appropriated funding that will be available and which entities will be eligible for these resources. The Secretary should also establish a public timeline for granting, contracting, or spending these funds. This information should also include the mechanisms the Department of Labor will use to guarantee the funds are used for, “expanding access to and participation in apprenticeships among students at accredited secondary and post-secondary educational institutions, including community colleges; expanding the number of apprenticeships in sectors that do not currently have sufficient apprenticeship opportunities; and expanding youth participation in apprenticeship.”

NSC encourages the Secretary of Labor to focus the promotion of apprenticeship on both on reaching a diverse and broad set of potential apprentices and on reaching a variety of business, including small- and medium-sized businesses. Industry-recognized apprenticeship models must be reflective of the needs of small- and medium-sized employers, which will require a different set of policy interventions and access to different sets of resources than larger companies.

Businesses—especially small- and medium-sized businesses—often lack the infrastructure to establish apprenticeships or work-based learning programs on their own. These programs require various entities to be engaged to successfully start and run a program – the business employing the worker, managers and front-line workers providing the on-the-job training, the education provider delivering classroom instruction, employment or human services agencies connecting participants with job openings, community based organizations who may be

providing pre- and post-employment supports to ensure worker success and retention necessary to business success. Yet, bringing all these groups together, or even identifying who in a community are the necessary partners to convene, is often nearly impossible for a single business on its own.

Industry-led partnerships can help address these barriers and greatly reduce the burdens on businesses by bringing together multiple employers from a regional industry with education, training, labor, and community organizations who then work with the group of companies to set up new apprenticeship and work-based learning programs. The solution can be especially useful for businesses in industries in which apprenticeship has not been used historically and “sectors that do not currently have sufficient apprenticeship opportunities” as required by Section 5. Partnerships can help industry share best practices, align training related instruction with industry needs, and identify recruitment and retention priorities across firms.

The federal government can also model the importance of these partnerships by convening the Interagency Skills working group – a convening of representatives from Departments of Labor, Education, Commerce, Energy, Transportation and Health and Human Services – to reconfirm the federal government’s commitment to expanding apprenticeship for out-of-school youth, in-school youth and working adults.

Building a diverse pipeline of apprentices in critical industry sectors is necessary to apprenticeship expansion

Section 6 of the EO calls on the Secretaries of Defense, Labor, and Education, and the Attorney General to expand access to apprenticeship. This expansion should include strategies that broaden the pipeline of workers who can enter apprenticeship and include support services necessary for this broader pipeline of workers to *succeed* in apprenticeship. NSC also supports the call for the Secretaries of Commerce and Labor to promote apprenticeship to business leaders across critical industry sectors. Apprenticeship can offer a path to higher wages and middle-skills for low-skill workers. A diverse pipeline of apprentices including women, people of color, people with disabilities, out-of-school youth, currently or formerly incarcerated and veterans is crucial to meeting business demands and to ensuring U.S. businesses remain competitive in a global economy. Once businesses make the investment in hiring and onboarding an apprentice, the business must be confident that workers have the supports necessary to succeed in an apprenticeship program.

To ensure a diverse pipeline of apprentices, policy needs to support services that help workers access apprenticeship, like pre-apprenticeship and other training, as well as services that help workers stay on the job once they’re in apprenticeship like transportation, childcare, mentoring, mental health counseling and continued case management.

Federal initiatives should invest in an apprenticeship support fund to bring together a range of services that ensure newly placed apprentices are fully work-ready, that they receive the necessary supports and training to succeed on-the-job during the first critical months of their employment, and that the risks taken on by their new employers are minimized to make it

easier for businesses—particularly smaller firms—to give these new workers a chance to begin to build a new career while working towards business goals.

The federal government should also identify means for leveraging private-sector resources to match current and future federal investments in expanding apprenticeship to diverse populations.

Integration with education pathways is key to widescale expansion

Section 7 requires the Secretary of Education to promote apprenticeship programs at colleges and universities. This promotion should include requirements that apprenticeship align with current secondary and post-secondary educational pathways, including greater alignment between career and technical education and apprenticeship systems and an expansion of higher education funding models that provide federally-funded access to short-term credentials and competency-based education opportunities and those that provide college credit and articulation for training apprentices receive.

Apprenticeship is often regarded as an alternative to postsecondary education, but increasingly postsecondary education providers are involved in the development of apprenticeship pathways that provide workers not just skilled-based on-the-job instruction, but also high-quality TRI at an educational institution. The U.S. education system is the best in the world, yet it fails to integrate apprenticeship opportunities at either the secondary or post-secondary level. We fall far behind other developed countries in this integration – in Germany, with an economy a quarter the size of the U.S. economy, there are three times the number of apprentices as our country. In large part, this is because Germany and other countries who have succeeded in increasing apprenticeship utilization have integrated the system into their education pathways.

America’s community and technical colleges play a critical and growing role in ensuring workers and employers have the skills to compete and an expansion of apprenticeship should recognize and maximize this role.

Federal initiatives to expand apprenticeship should build on – and support – state and local initiatives

Section 8(a) establishes the Task Force on Apprenticeship Expansion and 8(b) requires the task force to submit a report to the president on strategies and proposals that can expand apprenticeship, including under 8(b)(i) an evaluation of federal initiatives to promote apprenticeship, 8(b)(ii) administrative and legislative reforms that would support expansion, 8(b)(iii) strategies for creating industry-recognized apprenticeship and 8(b)(iv) strategies for amplifying private investment to further expand apprenticeships.

These national initiatives and recommendations should, to the extent possible, be based on the innovation already in place or in development at the state and local level. States are at the forefront of innovative apprenticeship and work-based learning policies. The vast majority of states have at least one type of policy that is intended to expand apprenticeship. Fourteen states

direct resources to expansion initiatives for apprenticeship, eighteen states provide subsidies to employers who are participating in apprenticeship programs and fourteen have policies supporting pre-apprenticeship or youth apprenticeship.⁵ During just the first half of 2017 alone, twelve states enacted new policies to support work-based learning including apprenticeship.

In addition to state policies, local organizations – such as sector partnerships, community based organizations, workforce development boards, labor-management partnerships – support and develop innovative strategies at the local and regional level. These entities work with local policy makers to develop municipal support for innovation, influence philanthropic investment in apprenticeship, and provide technical assistance to policy makers and peers.

Outcomes matter

Section 9 of the EO requires the Secretaries of Labor, Education and Commerce highlight best practices in apprenticeship programs by June 2019. While soliciting voluntary information from programs can provide useful information, these efforts should also include collecting and disseminating standardized data on certified apprenticeship.⁶

Currently, there is no singular repository of data on apprenticeships, which makes standardized analysis of the system difficult. Complicating this, the data that is collected is not available to the public. Without publicly available, standardized data, it's difficult to accurately map credential attainment, wages, outcomes by demographic, employer return on investment or long-term employment outcomes.

The Secretary of Labor should establish a means to collect and annually report on individual level data on participation and outcomes of certified apprenticeships, pre-apprenticeship programs and other formalized wage-earning work-based learning. These data should include measuring outcomes of certified programs instead of relying on process-based assessments, such as the quality of an application or clock hour requirements. Consistent with the WIOA primary indicators, outcome metrics should include credential attainment, employment outcomes and retention, and wages – all of which can be disaggregated by apprentice characteristics.

Continued investment in a spectrum of effective workforce development programs is crucial to expanding apprenticeship

Section 10 of the EO calls on the head of each agency to submit a list of programs designed to promote skills development and workplace readiness. This section requests information on each program's evaluations and employment outcomes, recommendation for reforms, and recommendations to eliminate ineffective programs.

⁵ <http://www.nationalskillscoalition.org/resources/publications/file/WBL-Learning-Policy-50-State-Scan.pdf>

⁶ Sec. 9 of the Presidential Executive Order Expanding Apprenticeships in America

A key goal of the Workforce Innovation and Opportunity Act (WIOA) reauthorization in 2014 was to better align the workforce and apprenticeship systems, and any disinvestment in response to this requirement, as local areas are beginning to implement and enable WIOA alignment, would be counterproductive to apprenticeship expansion, and counter to Congressional intent.⁷

The requirements in Section 10 are contrary to business needs, worker interest, and incompatible with an innovative federal workforce strategy. NSC strongly supports the use of federal funds to expand apprenticeship, however, we believe it would be impossible to achieve these goals if the federal government significantly reduce resources for other federal workforce and education policies that complement and strengthen our apprenticeship system.

Instead of cutting programs, the administration's efforts to expand apprenticeship should incorporate apprenticeship into the implementation and upcoming reauthorizations of other federal policies to ensure the effectiveness and efficiency of the apprenticeship system, the education system and the workforce system in our country.⁸

After more than a decade of cuts to WIOA, Carl D. Perkins Career and Technical Education (Perkins) Act and other workforce and education programs has [frustrated small and medium-sized businesses](#) who [struggle to find skilled workers](#), apprenticeship expansion is possible only with continued and additional investment in these crucial programs, not elimination and cuts.

Upcoming reauthorizations of the Perkins Act and the Higher Education Act, Temporary Assistance for Needy Families and the Supplemental Nutrition Assistance Program should require better alignment of programming under each policy and the apprenticeship system. Tax reform should include incentives for businesses and individuals to further this alignment. As the administration works to expand public-private partnerships and invest in infrastructure, these priorities should include targeted training resources to support expansion of apprenticeship for a broad set of workers in infrastructure industries.

National Skills Coalition opposes any efforts to cut needed workforce and education investments, and we will continue to work with our national, state, and local partners to resist further disinvestment in these vital services.

⁷ <https://edworkforce.house.gov/UploadedFiles/10.12.2017-Sec.Acosta-WIOA.pdf>

⁸ Sec. 10 of the Presidential Executive Order Expanding Apprenticeship in America

