American Apprenticeship Briefing

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Agenda

- **Apprenticeship Primer**
  Review Some Basics

- **Modernizing Apprenticeship**
  Snapshot of early/ongoing Transformation Efforts

- **Next Steps /Administration Priorities**
  Administration Efforts to Expand Apprenticeship
Apprenticeship Primer
Review Some Apprenticeship Basics
Apprenticeships Are a Customizable, Flexible, and Proven Business-Driven Model for Developing Workers.

Core Apprenticeship Components

**Industry Leads**
Employers are the foundation of every apprenticeship program and lead apprentice selection, curriculum design, and program operation.

**Apprenticeship Is a Job**
Apprenticeship is a paid job with a structured on the job learning component.

**Instructional Component**
Apprenticeship has an educational / training component which can be provided by the employer, community college or other partners.

**Portable Credential**
Apprenticeship provides a portable credential.
Key Apprenticeship Roles and Functions.

- **Employers (OJT)**
  - Must have employer(s)
  - Must Drive Program Design / RTI
  - Provider of OJT/Work-Based Learning

- **Sponsors/Intermediaries**
  - Responsible for Administering the Program
  - Can be Employer, Consortia of Employers, Industry Associations, Joint Labor-Management Organizations, Educational or Training Providers, CBOs, or Other Workforce Intermediaries!

- **Supportive Services**
  - Can bring together a range of other entities to complement program design and to support apprentices and industry partners.
  - Workforce System, CBOs, Foundations, Pre-Apprenticeship Providers

- **Educational (RTI) Provider**
  - Can be employer/industry based
  - Can be Joint Labor-Mgmt Orgs
  - Community Colleges
  - High Schools
  - Others

*Roles above can be played by 1 organization or multiple*
Legal Frameworks: Registered Apprenticeship.

The National Apprenticeship Act
(Fitzgerald Act)

29 U.S.C. 50 was first authorized in August 1937 and has not been reauthorized.

There are TWO major regulations governing Registered Apprenticeship.

Registered Apprenticeship System: A Federal – State Partnership

Federal-State Partnership
- Outreach to Employers
- Support and Technical Assistance
- Develop/Coordinate National Strategy
- Quality Assurance

27 State Apprenticeship Agency (SAA) States
27* OA (FEDERAL) States

NASTAD Facts

Established After World War II to promote and achieve an effective national apprenticeship system.

- Provides a forum for states and territories who each have their own state apprenticeship law.
- Goal of providing information, sharing ideas and providing support in problem solving to its members.
- NASTAD members recognize the need to work as an equal partner with US DOL/OA.
Office of Apprenticeship: Key Facts and Figures.

Key Federal Roles

- Outreach to Business
- Ongoing Support
- Develop/Coordinate National Strategy
- Quality Assurance
- Facilitate Partnerships

6 Regional Offices | 44 State/Field Offices

Region 1
Boston, MA

Region 2
Philadelphia, PA

Region 3
Atlanta, GA

Region 4
Dallas, TX

Region 5
Chicago, IL

Region 6
San Francisco, CA

National Office
Washington, DC

FY 2018
$145 Million Program Budget
$36 Million Operating Budget

132 Federal Staff
Apprenticeship continued to show strong growth in FY 2017.

Growth Since FY 2014

- **307,000+** Number of New Apprentices (Since January 1, 2017)
- **22,488** Number of Active Programs
- **1,300** Number of Occupations

- **556,495** FY 2018
- **505,000** FY 2016
- **448,000** FY 2015
- **375,000** FY 2014
Other facts and figures.

Industry Breakdown

- About 70% of all apprentices currently work in construction.
- Only 1/3 of all apprenticeship programs are joint-labor management programs.
- However, 2/3 of all apprentices are registered in joint labor-management programs.
- Over 1000 occupations but top 100 occupations cover vast majority of all apprentices.
- 20,000 active programs covering 100,000+ employers.

Demographics

- Less than 10% of all apprentices are women.
- About 35% are minorities.
- About 21% of all apprentices are Veterans.
- Average age of apprentices is 29.
While concentrated in construction/manufacturing occupations, apprenticeships are working for a broad range of industries.

**Insurance/Finance**
- **The Hartford** - Customer Care Specialist (Information Management) and Associate Claims Representatives
- **Zurich Insurance and Harper College** - Apprentices earned an AS in Business Administration and an Apprenticeship Industry credential for Certified Insurance Apprentice in Underwriting and Claims.

**Advanced Manufacturing / Engineering**
- **Dow Chemical** - Manufacturing and Engineering apprenticeship program involving the recruiting of Veterans.

**Information Technology**
- **Microsoft** – Application Developer Database Administrators and Systems Administrators
- **Amazon** – Recruiting Veterans and training Cloud Support Associates.

**Healthcare**
- **CVS** - Pharmacy Technician and Store Managers.

**Energy**
- **Mercuria** - IT Data and Risk Management Analysts.
Apprenticeship has a long track record of producing strong results for both businesses and workers.

Impressive Individual – Business – Public Benefits

$1.47 Return
For Every Dollar Spent on Apprenticeship By Employers

$300,000+
Apprentices Lifetime Earning Advantage

$60,000
Completers Earn Per Year On Average

$28
In benefits for every $1 invested by the Government.

$1 to $10
Every $1 Invested By Government Leverages $10 Private Sector Investment
Apprenticeship Works
Workers - Outcomes

FY 2016—Program Completers
• Entered Employment Rate: 89%
• Retention Rate: 93%
• Average Annual Earnings: $60,000
Key Findings:

- Across industries from manufacturing to construction, healthcare, retail, and IT, the single most common benefit of apprenticeships was filling jobs that otherwise sat vacant.
- Apprenticeships broadened companies’ recruiting pool by opening doors to less-skilled candidates from more diverse backgrounds who would otherwise not be recruited.
- Internal production data from two companies helped put a dollar value on some of the benefits.
Apprenticeship Modernization
Snapshot of Transformation Efforts.
An exciting national renewal and reimagining of apprenticeship has been taking place across the country over the past few years. Opportunity to leverage this renewal to support Administration goals to promote business growth while providing more Americans the ability to participate in an expanding economy.
How did we get here?

Initial efforts focused on transforming, expanding and modernizing Registered Apprenticeship:

- Misconceptions, Negative Perceptions, Not Understood
- Few Champions, Intermediaries and/or Partners
- Lack of Alignment with Post-Secondary Education
- Regulatory Focus (paperwork) vs Sales Focus (Biz Value)
- Resource Constrained, Outdated IT and Limited Capacity
Transforming Apprenticeship
Streamlining and Re-engineering for Results

Reducing Apprenticeship Program Documentation by 70%
Revising Apprenticeship program documentation requirements which will reduce paperwork by over 70 percent.

Decreasing Time to Determine Apprenticeable Occupations
Launching soon revised process that will significantly cut the anticipated time frames for recognizing new types of jobs for Apprenticeship.

Collaboration, Learning, and Innovation for Change
Encouraging, preparing, and supporting staff through change process with assistance from Booz Allen Hamilton consultants.
Connections to Education
Registered Apprenticeship College Consortium (RACC) and Youth Apprenticeship

**RACC:**
A Partnership Between the U.S. Department of Labor and Education

- **331** Number of Colleges Who Have Joined the RACC.
- **957** Number of Apprenticeship Training Centers
- **17** Number of National, Regional, State Organizations

**Training and Employment Notice (TEN) 31-16:**
Youth Registered Apprenticeship Framework for High School Students

- **Over 17 states** currently have youth apprenticeship programs or are working toward building programs.
- Outlines the components of a high-quality RA program for high school students.
- Provides recommendations on key elements of RA programs for high school students and to encourage greater use of RA and pre-apprenticeship programs for in-school youth at least 16 years old, enrolled in secondary schools.

Published January 2017
Transforming Apprenticeship
High School Registered Apprenticeship

High-School Student Dual Enrollment
Registered Apprenticeship and CTE
College Credits and Industry Credential

High-School  Employers  College

High-School
Employers
College
National Apprenticeship Week 2017: Another Tremendous Success
Nearly 1,000 Events in All 50 States
The third annual National Apprenticeship Week held November 13-19, 2017 was the biggest yet with nearly 1,000 events held from coast to coast.
National Apprenticeship Week 2018

Register Your Event | NAW Event Tool Kit 2018 | Resources and Templates

https://www.dol.gov/apprenticeship/naw/
Next Steps
How Administration is Taking Apprenticeship To Scale to Address Critical Skills Gaps/Shortages
Where Are We Now?

4 Million Jobs Created Since November 2016.

The unemployment rate is the lowest in more than 18 years.

3.9%
But challenges remain and Apprenticeship can help address our nation’s skills gap.

- Over 6 million jobs are unfilled.
- 6+ Million
- 8 million workers lack necessary credentials.
- 8 Million
- 61% of employers face challenges filling skilled worker vacancies.
- 61% Of Employers
- Total American student debt surpasses $1 trillion. Average college student debt $26,000+.
- 1 Trillion
While we've seen significant growth, Germany and the UK would have more apprentices if their population matched the US.

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<th>Germany</th>
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<td>Million Apprentices</td>
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On June 15, 2017, the President issued an Executive Order entitled, “Expanding Apprenticeships in America.”
“It shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs and reducing or eliminating taxpayer support for ineffective workforce development programs.”
Here are highlights from four of the eleven sections of the President’s Executive Order.

**Section 1 – Purpose**
This section lays out the need for Apprenticeship Expansion due to the need to reform America’s education systems and workforce development programs, increased costs of Higher ED, leaving students with student debt and no connection to jobs. Apprenticeships, on the other hand, provide paid, relevant workplace experience and opportunities to develop customizable skills that employers value.

**Section 2 – Policy**
“It shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs and reducing or eliminating taxpayer support for ineffective workforce development programs.”

**Section 3 – Definitions**
(a) the term “apprenticeship” means an arrangement that includes a paid-work component and an educational or instructional component, wherein an individual obtains workplace-relevant knowledge and skills; and
(b) the term “job training programs” means Federal programs designed to promote skills development or workplace readiness and increase the earnings or employability of workers, but does not include Federal student aid or student loan programs.
Here are highlights from four of the eleven sections of the President’s Executive Order.

Section 4 – Establishing Industry-Recognized Apprenticeships
This section supports DOL in consultation with the Departments of Commerce and Education promoting the development of apprenticeship programs by designated third parties.

Section 6 – Expanding Access to Apprenticeships
This section promotes apprenticeship and pre-apprenticeship to high school students, Job Corps participants, current or formerly incarcerated individuals, and members of the U.S. armed services and veterans.

Section 7 – Promoting Apprenticeships and Colleges and Universities

Section 8 – Establishment of the Task Force on Apprenticeship Expansion
The Secretary announced the formation of this Task Force to identify strategies and proposals to promote apprenticeship
Here are highlights from four of the eleven sections of the President’s Executive Order.

**Section 9 – Excellence in Apprenticeships**
This section establishes an Award program to solicit voluntary information for purposes of recognizing, by means of a commendation, efforts by employers, trade or industry associations, unions, or joint labor-management organizations to implement apprenticeship programs.

**Section 10 – Improving the Effectiveness of Workforce Development Programs**
Requires each Agency head to submit a list of programs if any, administered by their agency that are designed to promote skills development and workplace readiness. They should provide information on evaluations on program effectiveness, recommendations for administrative and legislative reforms to improve their outcomes, and recommendations for the elimination of ineffective, redundant, or unnecessary programs.
The Executive Order also called for the establishment of the **Task Force on Apprenticeship Expansion** to bring together leaders from business, labor, higher education, State government, and others to develop proposals and recommendations to help us meet our shared apprenticeship expansion goals.

The **Task Force on Apprenticeship Expansion** conducted five meetings and concluded its work with the presentation of its final report to President Trump at the White House on May 10, 2018.

Chair – Secretary Alexander Acosta, U.S. Department of Labor

Vice-Chair – Secretary Betsy DeVos, U.S. Department of Education

Vice-Chair – Secretary Wilbur Ross, U.S. Department of Commerce
The **Task Force on Apprenticeship Expansion** final report identifies strategies to promote apprenticeships and create opportunities for more Americans to secure family-sustaining jobs.

Industry-Recognized Apprenticeships will give business and industry more autonomy to develop work-based learning programs that help an individual earn a wage while also earning credentials employers value most.
Investments in Apprenticeship: Apprenticeship Grant and Contract Investments

Targeted resource investments to strengthen and expand apprenticeship across all industries.

**FY 2015-2016**

- American Apprenticeship Initiative Grants
  - $175 Million 2015

**FY 2017-2018**

- Additional Funding:
  - State Expansion Grants - $50 Million
  - 10 Contracts Renewed - $11 Million.

- Contracts for marketing, business engagement, IT, pre-apprenticeship - $25 Million

- Scaling Apprenticeship Through Sector-Based Strategies Grants – FOA. Up to $150 Million

- Apprenticeship Industry Partnerships to Scale Apprenticeship, Equity Partnerships to Enhance Diversity
  - $30 Million 2016

Additional Investments Coming!
Job Creation: Apprenticeship Expansion

Enroll 1 million new apprentices (including registered programs, industry-recognized apprenticeships, and other non-registered programs) over the next five years to enable more Americans to obtain jobs that pay a family-sustaining wage through high quality earn-and-learn opportunities. By September 30, 2019, DOL will enroll 280,000 new apprentices as part of the agency’s broader efforts to promote and expand apprenticeship.
Thank You for Being Here Today
Let’s Continue to Explore Ideas to Grow Apprenticeship Together

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