Apprenticeships

Learning First Alliance Staff Background Paper

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Quick glance provided by Labor Department:

- After completion of apprenticeship, 94% of apprentices retain employment
- Since January 1, 2017, there are over 583,000 new apprentices
- After completion of apprenticeship, $70,000 is the average starting wage

(USDL, 2019)

Apprenticeships offer benefits to employers:

- The opportunity to both train and develop employees that are highly skilled, increase productivity, lower recruitment costs, and reduce turnover rates.
- The US Department of Labor has found that for every dollar that employers spend on apprenticeships, they get back an average of $1.47 in increased productivity.
- Additionally, there are many states that provide tax incentives to those employers who hire apprentices. For employees, apprenticeships offer on-the-job training using the “learn-while-you-earn” model, instruction from an educational partner like a community college, and the opportunity to earn a portable and recognized credential.
- Apprenticeship model has gained traction across U.S. as an avenue for states to meet both workforce needs and educational attainment goals. Meeting these goals is also linked to efforts for secondary and postsecondary education reform.

(NCSL, 2018)

Steady Uptick in Apprenticeship Legislation at the State Level

- “In 2016, seven states passed 11 new apprenticeship laws.”
- “In 2017, 14 states passed 20 new apprenticeship laws.”
- “In 2018, 19 states passed 29 new apprenticeship laws.”

(NCSL, 2018)
Most of the enacted legislation falls into one of these five main categories:

- “Establish new apprenticeship programs or create new requirements for existing programs. For the past three years, about half of all apprenticeship legislation was covered by this category.”
- “Authorize new funds for apprenticeship programs. Most of these funding bills provide tax credits, grants to employers to incentivize hiring of apprentices or scholarship funds to students who are participating in an apprenticeship.”
- “Seek to address increasing awareness for available apprenticeship programs. These bills often require high school counselors to include apprenticeship options that are available to students in their advising programs.”
- “Ensure that apprenticeship credit can be used to fulfil traditional curriculum requirements and to ensure credits transfer.”
- “Expand apprenticeship programs to prevent discrimination and ensure diversity among apprentice programs.”

(NCSL, 2018)

What have they been talking about (Devos/Department of Labor)?

- Devos continues to talk about Switzerland, whose apprenticeship model she admires.

EdWeek search, Devos search:

- The United States has signed an agreement with Switzerland to encourage the championing of apprenticeship programs by businesses, policymakers, and educators in both countries. However, this does not appear to include additional financial resources for on-the-job training.
  - Betsy Devos praises the Swiss approach to apprenticeships- which allows for on-the-job preparation in careers in health care, finance, and law, has larger numbers of student participants, and allows for transfer to higher education.
  - Stated, “Swiss business leaders didn't ask for a permission slip from government to partner with educators” and cites (7 million unfilled jobs) as a reason for business leaders to visit an educator instead of calling a legislator.

(Klein, 2018)

Rapid expansion in high schools?

- For the most part no. Apprenticeships in high school are still fairly rare. More often, students participate in either internships or in work-based learning opportunities offered by career and technical education programs.
• However, the U.S. Department of Labor has documented more than 533,000 new apprentices in 2017, which is a 42% increase from 2013.

(Gewertz, 2017; NCSL, 2018)

Changes in regulations proposed?

• Yes. This administration has created a new pipeline for apprenticeships to be approved.
  o Currently, half the country's 1 million apprenticeships are “registered” with U.S. Department of Labor- entitled Registered Apprenticeship Programs or RAPs.
  o The process requires that programs meet certain standards of equality, which safeguards students being paid more than the minimum wage and receiving industry credentials once they complete their programs.
  o Trump’s order plans to create additional channel to access that system, entitled Industry-Recognized Apprenticeship Programs or IRAPs

(Gewertz, 2017)

• President Trump signed Executive Order 13801 on June 15, 2017- “charging Secretary of Labor with establishing guidelines/requirements that qualified entities should follow to ensure that apprenticeship programs they recognize meet quality standards.”
  o “Executive Order created Task Force on Apprenticeship Expansion- representatives from business, labor, educational, trade, public official, communities invited to offer recommendations on how best to expand American apprenticeship model- these recommendations were transmitted to Trump on May 10, 2018.”

(USDL, 2019)

• Allowing trade associations, labor unions, industry, and third-party training providers to become Standards Recognition Entities (SREs), that can set their own standards, curricula, and structure for IRAPs. SREs would be recognized by U.S. Department of Labor in order to ensure requirements are met and in theory ensuring “high-quality IRAPs.” Pitched as a similar relationship to the one existing between U.S. Department of Education and higher education accrediting groups. SREs then seek expedited approval for IRAPs from the Labor Department.
  o Senior White house officials have said that this change would “preserve the registration process' quality-control mechanisms while allowing experts in the field to shape programs.”

(Gewertz, 2017; NCSL, 2018)

• Supported by use of available money from the Apprenticeship USA program- funded at $90 million dollars this year. President Trump has requested the same amount for next year and wants Congress to provide an additional $100 million dollars for workforce development.
• U.S. Department of Labor “announced awards totaling $183.8 million to support development and expansion of apprenticeships for educational institutions partnering with companies that provide a funding match component.” This money is specifically awarded to Scaling Apprenticeship Through Sector-Based Strategies grants- “to private-public apprenticeship partnerships in IT, advanced manufacturing, and healthcare. These grants are funded through H-1B visas.” Department also made available an additional $100 million for efforts targeting the expansion of apprenticeships and closing of the skills gap.
• Touted as supporting the training of over 85,000 apprentices in new or expanded apprenticeship programs.

(Gewertz, 2017; USDL, 2019)

Cons to this approach:
• Viability issues exist as President Trump’s 2018 fiscal budget proposal made significantly large cuts in funding for both job training and high school career-and-technical-education programs.
  o President Trump’s budget plan also slashed grants to states for job-training by 40%, from $2.7 billion dollars to just $1.6 billion dollars.
  o State CTE grants through the Carl D. Perkins Act drop by 15%.
• Relying on expansion of apprenticeships to make dent in skills gap has been deemed unrealistic.
  o Registered apprenticeships account for only 0.3% of the American workforce. It is important to note that employers, not the federal government, pay for apprentices very time-intensive training.
  o Requires widespread commitment of employers to invest billions of dollars (even solely through matching).
• Expanded use of financial aid represents “major shift” in the operation of the federal program and additionally requires congressional approval.
  o “Currently, federal student aid can only be used in programs which are eligible under federal law- an institution of higher education, proprietary institution of higher education, postsecondary vocational institution.” “Programs must lead to associate, bachelor’s, professional, or graduate degree; last for at least two years and provide full credit towards bachelor’s degree; last at least one year and culminate in certificate or nondegree recognized credential that prepares students for gainful employment within recognized occupation.”

(Gewertz, 2017)
Has the chairman said anything?

WASHINGTON – Chairman Bobby Scott (VA-03) issued the following statement in response to the Trump administration’s release of its Industry-Recognized Apprenticeship Program (IRAP) proposal.

“Registered Apprenticeship programs are proven to prepare workers for good-paying, middle-class jobs. The administration’s proposal to establish a new unregistered apprenticeship program – which lacks sufficient accountability for meeting quality standards or ensuring the success of apprentices – diverts valuable funding away from programs that have a long record of success. Registered Apprenticeships provide apprentices’ skills and wages in lockstep with increased competency and a portable credential that will be recognized across the country.

“The proposed Industry-Recognized Apprenticeship Program (IRAP) does not include any of these protections for apprentices and taxpayers. Instead, the proposal allows private companies to create and police their own apprenticeships, exposing apprentices to low-quality programs and undermining the integrity of the entire apprenticeship system.

“Unlike IRAPs, Registered Apprenticeships have strong bipartisan support and are proven to be effective in offering workers a clear path to the middle class. Instead of wasting money on unproven IRAPs, the Department should support innovation and expansion already taking place with Registered Apprenticeships in new occupations in a way that does not compromise quality and accountability.”

(Democratic Press Office, 2019)

Brookings’ take on low numbers of apprenticeships in the U.S.

- Apprenticeship activity has declined in recent years, reaching levels of about one-tenth of those in Britain, Australia, and Canada. Problems are likely to do to inadequate information about (fears of unionization) and little familiarity with apprenticeships, inadequate infrastructure, and the idea that enough skills will come from community college programs.
  - Today apprentices make up just 0.2% of the U.S. labor force, compared to Canada’s 2.2%, Britain’s 2.7%, and Australia’s and Germany’s 3.7%.
  - The U.S. Government spending on apprenticeships is markedly lower than other countries, as is spending as is spending on career and community college systems that offer education and training for specific occupations (deemed less effective).
  - “While total annual government funding for apprenticeship in the United States is only about $100 to $400 per apprentice, federal, state, and local annual government spending per participant for two-year public colleges is approximately $11,400 (Cellini 2012).”
  - Annually, the federal government spends less than $30 million annually “to supervise, market, regulate, and publicize the apprenticeship system. Many states have only one person working under the OA.”
“In sharp contrast, Britain spends about £1 billion (or about $1.7 billion) annually on apprenticeship, which would amount to nearly $8.5 billion in the United States after adjusting for population.”

“Not only are government outlays sharply higher, but the cost differentials are even greater after accounting for the higher earnings (and associated taxes) of apprentices compared to college students. Given these data, at least some of the low apprenticeship penetration can be attributed to a lack of public effort in promoting and supporting apprenticeship and to heavy subsidies for alternatives to apprenticeship.”

- Reluctance of U.S. companies to invest—even with favorable government subsidies and marketing policies
- Even in countries with robust apprenticeship systems—only a minority of businesses hire apprentices
- Number of apprenticeship applicants still exceeds number of apprenticeship slots—needed increase in apprenticeship slots that employers offer.
- There are actually three different categories of apprenticeship: registered, unregistered, and youth. Official data fails to track unregistered apprenticeships, but evidence suggests that their numbers are larger than registered apprenticeships.

(Lerman, 2014)

In summary: Is it a growing thing or not? In what dimensions is it growing?

- Appears that it is growing slowly/showing promise in certain states: notably Georgia, South Carolina, and Wisconsin. These states are touted as recent successes in their stimulation of major expansions in apprenticeship training.
- “Unlike programs in Austria, Germany, and Switzerland, the apprenticeship system in the United States is almost entirely divorced from high schools and serves very few workers under the age of twenty-five. Only a few states, notably Georgia and Wisconsin, now operate youth apprenticeship programs that provide opportunities to youth ages sixteen to nineteen. State funding pays for coordinators in local school systems and sometimes for required courses not offered in high schools.”
- “In Georgia, 143 out of 195 school systems currently participate in the apprenticeship program, serving a total of 6,776 students. These apprentices engage in at least 2,000 hours of work-based learning, as well as 144 hours of related classroom instruction. The Wisconsin program includes one-year to two-year options for nearly 2,000 high school juniors and seniors, requiring from 450 to 900 hours in work-based learning and two to four related occupational courses. The program draws on industry skill standards and awards completers with a Certificate of Occupational Proficiency in the relevant field. Some students also receive technical college academic credit.”
- “Additionally, in Georgia, the industry sectors offering apprenticeship range from business, marketing, and information management to health and human services and technology and engineering. The Wisconsin youth apprenticeship programs are in food and natural resources, architecture and construction, finance, health sciences, tourism, information technology, distribution and logistics, and manufacturing.”
However, nationally, it is still a slow growing model. It has been suggested that apprenticeship expansion would need substantial government funding. For example, President Obama included $500 million per year for four years in his fiscal year 2015 budget. “Building a robust apprenticeship system in the United States, even with new resources, will require branding at the state and/or federal levels and marketing at both the general level and the firm level.” (Lerman, 2014)

Sources:


