

MEMORANDUM**TO: ASAHP Members****FROM: Kristen Truong****DATE: March 27, 2019****RE: House Committee on Education and Labor, Higher Education and Workforce Investment Subcommittee Hearing on “Innovations in Expanding Registered Apprenticeship Programs”**

March 27, 2019, 10:15 AM, 2175 Rayburn

[\[HEARING LINK\]](#)**Overview:**

The House Committee on Education and Labor, Higher Education and Workforce Investment Subcommittee held a Hearing on “Innovations in Expanding Registered Apprenticeship Programs” to discuss expansion of apprenticeships through the current registered model or through Industry Recognized Apprenticeship Programs (IRAPs).

Democrats support the continuation and expansion of high-quality registered apprenticeships that have portable credentials. With the current job gap, Republicans believe more needs to be done and that the Administration’s IRAPs would provide curriculum flexibility for employers without the lengthy registration/approval process. Democrats raised concerns that IRAPs could take away taxpayer dollars from the registered apprenticeship program, which has a proven, standardized model.

Community colleges were also highlighted for their partnerships and work as intermediaries between high schools, 4-year institutions, and businesses, to create programs that meet the needs of the community.

Opening Statement Summaries:**Chairwoman Susan Davis (D-CA) [\[Full Statement\]](#)**

Registered Apprenticeships are a valuable tool in our effort to help more Americans get the skills they need to compete in the modern economy. For apprentices, these programs provide access to:

- Good paying jobs and benefits that provide employees increased wages as they build their skills,
- A valuable credential that can help secure future employment, and
- Advancement along a rewarding career path.

Over 90 percent of apprentices are employed after completing their apprenticeships and earn an average starting wage above \$60,000 annually. Studies have shown that for every dollar that employers invest in apprenticeships, they receive \$1.47 in increased productivity, reduced waste, and greater innovation.

Quality standards in registered apprenticeship programs ensure that apprentices build valuable skills while earning a salary and benefits and receive a credential that is valued in the labor market and recognized by employers across the country. Registered apprenticeship programs require employers to develop a plan combining classroom and on-the-job training. This includes a schedule for when and how the program will help workers increase wages as they build skills and competencies. In June 2017, the White House issued an executive order creating the President’s Taskforce on Apprenticeship Expansion. The taskforce recommended a second track for apprenticeships—called Industry Recognized Apprenticeship Programs, or IRAPs.

IRAPs would allow private entities to both create and set their own standards for “apprenticeship” programs without the quality assurance and approval of the Department of Labor, yet still have access to the same taxpayer dollars dedicated for high-quality Registered Apprenticeships. The rationale behind this proposed change is that the current apprenticeship system is too burdensome and inflexible.

To ensure that the proposed IRAPs program does not waste taxpayer dollars, we need to examine:

- If it will provide employers with the consistent level of quality standards, they already expect from
- Registered Apprenticeship programs, and
- If it is necessary to divert resources to maintain two apprenticeship programs as opposed to improving and modernizing one National Apprenticeship System

Last Congress, I joined with Mr. Guthrie in introducing the APPRENTICE Act, which would have expanded apprenticeship programs and awareness as well as created better alignment between the Departments of Education and Labor. There are a number of other good proposals we will consider, such as expanding pre-apprenticeships and growing the number of intermediaries who can assist small and medium sized businesses.

Ranking Member Lloyd Smucker (R-PA) [[Full Statement](#)]

As the national skills gap of more than seven million unfilled jobs has widened, people have begun to wake up to the power of skills-based education like on-the-job learning, earn-while-you-learn programs and apprenticeships. Apprenticeship programs give countless Americans the knowledge and skills they need to excel in the millions of good-paying, in-demand jobs available nationwide. Nothing can prepare a student quite like on-the-job experience. Apprenticeships are a tried-and-true method of setting students up for success.

Last Congress, this committee made historic progress strengthening our workforce development efforts. In July, we sent the Strengthening Career and Technical Education for the 21st Century Act to the President's desk and he signed it into law. This was the first legislation in more than a decade to modernize our nation's CTE program. It promotes strong engagement with employers and connects students with on-the-job learning opportunities like apprenticeships, which we know are invaluable tools for success in the workplace and beyond.

This committee also passed the PROSPER Act, the first-ever postsecondary reform legislation to make apprenticeships and industry-led earn-while-you-learn programs a central component of higher education learning.

Committee members also oversaw WIOA implementation, which gives employers a seat at the table and encourages collaboration between local leaders to create on-the-job learning opportunities. Private industry-led apprenticeship and earn-and-learn programs account for more than 80 percent of all apprenticeship programs around our country. Employers know what skills their employees need to succeed in the workplace and we've seen real innovation and results from highly-customizable programs for apprentices.

The Department of Labor's Registered Apprenticeship program served half a million active apprenticeships last year. In order for a business to participate in the registered program, they must describe what activities apprentices will complete, how much time will be spent on each activity, how the apprentice will be supervised, set a schedule for wage increases and an affirmative action plan, among other conditions.

Witness Testimony

Ms. Jennifer Carlson, Executive Director, Apprenti [[Full Testimony](#)]

Mr. James Pavesic, Director of Education and Training, United Association of Journeymen and Apprentices of the Plumbing, Pipefitting and Sprinkler Fitting Industry of the US and Canada [[Full Testimony](#)]

Mr. Mark Hays, Vice Chancellor of Workforce and Economic Development, Dallas County Community College District [[Full Testimony](#)]

Ms. Bridget Gainer, Vice President of Global Public Affairs, AON [[Full Testimony](#)]

Q&A

Chairwoman Susan Davis (D-CA): Apprenticeships have seemed to pique the interest of employers and Congress. Congress has continuously increased our appropriations for apprenticeships starting in 2016. We have low employment, so why is there interest in creating, investing, and expanding apprenticeship programs? What role should DOL play?

Ms. Carlson: In the tech sector, there's a significant talent gap. Apprenticeships creates an alternative pathway to get individuals re-educated while serving the tech sector and they don't have to go back to college.

Mr. Pavesic: Apprenticeships are about getting a career with lifetime skills. These are highly skilled jobs and help to avoid college debt. Apprentices allow individuals to get a good, paying job without the college debt.

Ms. Gainer: The federal government should set standards, but if we've invested in someone, credentials should be portable. It's not the job of the employers but apprenticeships should be high quality and standard.

Full Committee Ranking Member Virginia Foxx (R-NC): I've tried to champion the idea that all education is career education. How does that type of flexibility help the people in your programs? What are some concerns about registered apprenticeship programs? How many of your programs have college credit built in and do you expect that to be more of a focus in the future? You're funded on FTE by the state and that you'd be funded under continuing education differently than you are for curriculum? *Question about tracking student completion was submitted for the record.*

Mr. Hays: We want flexibility so individuals can obtain the skills they need. If it's registered apprenticeships, IRAPs, or traditional 4-year degree, it's all great because not all people learn the same. A concern with registered apprenticeships is the length of time it takes to get registered apprenticeships off the ground and the lack of flexibility. The apprentices feel like they're put in a box with the skills they learn; they want flexibility. As a community college, we want to be innovative such as prior learning credit, instead of working through state system to get new programs established. We listen to what skills the employers need and that rigor is sustained.

Rep. Pramila Jayapal (D-WA): I'm concerned about the Trump Administration replacing registered apprenticeships with IRAPs.

Ms. Carlson: With registered apprenticeships, we establish a wage per occupation for each company, so there's no wage disparity. This has not been our experience, and we're in 11 states. The consensus is that businesses want a single standardized system of registered apprenticeships to define the roles. The roles are not dissimilar in technology between sectors. Portability of skillset is paramount to scaling the operation. Second, businesses have had extraordinary flexibility in training to meet employer specific needs.

Rep. Steve Watkins (R-KS): With a demand for skilled labor, it seems we should focus on all types of apprenticeship and workforce development programs, not just DOL registered programs. Thoughts?

Mr. Hays: We need a variety of programs in the community college district to work with employers. Registered or IRAP, credit programs, certificate programs – we're there to move agilely to meet employer needs. In Dallas, 60% of funding is ad valorem taxes and 60% of those taxes are paid by businesses. We want to maintain rigor in all our programs. We work with registered, IRAPs, and traditional pathways to meet employer needs.

Rep. Josh Harder (D-CA): Given the demand with 3 million job openings in tech, and we won't be able to fill all of that with college degrees. Federal government spends about \$1.2 billion in vocational programs and spends about \$80 billion for higher education. How can we increase vocational program funding?

Ms. Carlson: There 65,000 computer science degrees and 250,000 related STEM/engineering degrees awarded each year. In the tech sector, we don't have the same level of company engagement as other more established sectors. We've worked with public-private partnerships in CA. If we put \$100 million into a national training fund in a match basis for companies or states to tap into, that would fund 50% of 13,000 apprentices with the expectation of \$79,000 earnings after apprenticeships.

Vice Chair Andy Levin (D-MI): In MI, we worked with registered apprenticeship programs and created pre-apprenticeship programs from high school. Registered apprenticeships can and should expand to new industries, occupations, and populations, as a solution for more high-quality pathways to the middle class. Registered apprenticeships have continued to prove to be worthwhile investments with 91% of apprentices employed after completion with average starting wage above \$60k annually. I'm troubled by the Trump Administration's effort to expand unregistered apprenticeship programs, which are not accountable for meeting quality standards or ensuring success of apprentices. I strongly support innovation and expansion of registered apprenticeships but will not compromise on quality and accountable. I expand my hand to those who want to expand high quality registered apprenticeships. Do you think there's confusion between registered and unregistered apprenticeships?

Ms. Gainer: Employers wanted trained individuals, regardless of where their education is from whether from one state or another. One set of standards means that we're more likely to make improvements in workforce policy. I doubt employers will take time to learn a new system.

Mr. Pavesic: We want to make sure that individuals are trained so when unemployment goes up that they have the skills to find a new job, rather than just the skills for one job.

Rep. Dan Meuser (R-PA): I've spent time visiting CTE programs in my district and just met with [Berks Career and Technical Center](#) to improve career development. How can other school districts replicate your practices?

Mr. Hays: It's all about listening to workers and employers for their needs. We're an intermediary between employers and workers to meet skill shortages and connect residents with those opportunities. Employers are looking at innovative ways to attract workers and fill their labor force needs.

Rep. Brett Guthrie (R-KY): The Chair and I have worked on the Apprentice Act and PARTNERS Act. There are a lot of jobs that don't require a 4-year degree, like welders or truck drivers. The biggest concern is people not showing up to the training. Any insight?

Mr. Hays: In Dallas, there are probably 40-50K jobs open today that pay \$24/hr or more and require associate's degree or less. People aren't buying what we're selling. We have 55 high schools where students will get associate's degree and high school degree at the same time. We've partnered with UNT-Dallas to move into a bachelor's degree with no cost to the student. [Dallas County Promise](#) not having to pay to go to college. We need to bring more pre-apprenticeship programs to high school.

Rep. Susie Lee (D-NV): The Trump Administration's FY20 budget proposes \$160 million expansion of IRAPs instead of registered apprenticeship programs. DOL may announce the first grant recipients for these new IRAPs. Will your organization attempt to create new IRAPs?

Ms. Carlson: The Board has agreed to stay in registered apprenticeships because we don't have directives from employers to do it differently and companies want portable credentials. IRAPs takes away from the portability with companies creating more individual programs. We also don't have a clear definition of what a IRAP is.

Rep. Glenn Grothman (R-WI): What can we do to get the word out to high schoolers to understand the various pathways, including CTE, to programs that won't create as much debt and have job security? Do you find people getting involved in these programs much later than they could have?

Mr. Pavesic: Guidance counselors' evaluations are based on how many students go to college but should be how many students get into postsecondary education, including CTE. The message of CTE doesn't get down to the students and parents. We see more applicants that have four-year degrees because they need to pay off their debt and can't find worthwhile jobs.

Subcommittee Chairwoman Susan Davis (D-CA): I would love to work with you (**Rep. Glenn Grothman**) on this guidance counselor piece.

Rep. Suzanne Bonamici (D-OR): The PARTNERS Act is a bipartisan bill to use existing dollars to invest in industry partnerships to help businesses recruit workers, develop training curriculum, and provide workers with tools for work attire, transportation, and child care. Why do quality and accountability of registered apprenticeships matter?

Mr. Pavesic: We don't have women apply to our programs because it isn't traditional. Registered apprenticeship – 29 CFR 30 will push registered apprenticeships demographics to match the demographics of the area they're in.

Ranking Member Lloyd Smucker (R-PA): We would never discourage a four-year degree, but there are other pathways out there. There's a small segment of the potential workforce participating in apprenticeships. There are a lot of employers today who hire people and then train them without participating in an apprenticeship program. I really like your partnership with community colleges. Employees can earn a certificate and then earn a degree. What are the incentives of an apprenticeship and how long is the registration process for businesses?

Mr. Hays: Apprenticeships can be a tremendous retention tool. With an apprenticeship, it can lay out a roadmap that if you meet these competencies, in six or twelve months, you'll be making this much. One example, it took 11 months for registration.

Ranking Member Lloyd Smucker (R-PA): We need high-quality programs but we need to streamline the process. Do you think apprenticeships should be expanded beyond organized labor? Are you willing to share best practices that are not union?

Mr. Pavesic: Absolutely, they should be expanded. DOL actually restricts us from those programs that are developed using membership money to share to non-members. We're willing to share our model with our 90 counterparts.

Full Committee Chairman Bobby Scott (D-VA): Registered apprenticeships have stood the test of time, and my district has the Apprentice School for Newport Shipbuilding, over 100 years old and graduated more than 10,000 apprentices. Currently has 800 individuals enrolled and 28 - 4, 5, and 8-year apprenticeship programs all approved by the VA Apprenticeship Agency. The odds of getting in are worse than getting into an Ivy League college. You get a good education and get paid while doing it. You end up with no debt. In the community college, you indicate jobs are not filled because people can't find workers with the appropriate skills? You talked about working with businesses to make sure you have the needed programs. Have you been able to meet the needs of your community? What is the barrier to meeting the need with community colleges?

Mr. Hays: That's correct. The need is so massive that we cannot turnout the number of people we need – traditional programs or apprenticeships. The biggest barrier is they're not buying what we're selling. How do we attract students and how do we get them in traditional programs/apprenticeships/training or education program? For Dallas Community college district, \$59/credit hour. Half of our students pay nothing with Dallas County Promise. We've had 16,000 seniors come into our college programs over the past year; that's more than the number of graduating seniors in 17 states. They pay nothing and can get a 4-year college degree and not have to pay very much money.

Rep. Alma Adams (D-NC): What role do intermediaries play to help lower barriers for employers to participate in registered apprenticeships?

Ms. Carlson: We work with employers to identify jobs for people who don't have a college degree. It opens the door to effectively everyone 18 and over. We provide a bank of potential apprenticeships that they interview on a blind basis, and they don't know educational attainment or prior work experience.

Rep. Alma Adams (D-NC): The lack of resources that we dedicate to training programs creates a challenge to successfully scale the programs. WIOA has yet to be fully funded to authorized levels. The Trump Administration's proposed FY2020 budget calls for cutting \$1.2 billion for nearly 10% of the DOL resources. Can you speak of wages/results and the investments needed to scale programs like yours?

Ms. Carlson: One challenge that companies look at is the cost, and they're already fronting the cost of \$75,000/person for salary and benefits for the apprenticeship term. They're fronting portion of training cost and working on public-private partnerships to cover the rest, so the apprenticeship pays none of the training costs. It's piecemeal by location, and harder to scale. The \$250 million ask would allow for immediate match on a national scale and get companies more comfortable in the model.

Rep. Mark Takano (D-CA): [GenerationGo!](#) serves hundreds of youth 16-24 by providing work-based learning through a partnership within the K-12 system, community colleges, and industry that creates a pipeline for career success. A common complaint with creating new apprenticeship programs, especially in new occupations, is the financial burden employers face. How did DOL grant support the establishment of Apprenti?

Ms. Carlson: It worked almost like seed money to get the programs running. The contract we won from DOL to be the IT sector lead has let us expand nationally. Our program is set to be self-sustaining in 3-4 years.

Rep. Gregorio Kilili Camacho Sablan (D-NMI): We have a trade school that isn't accredited. Our technical school is teaming up with our high school and community college so students can learn the trades. Ms. Carlson, you call for creating a \$250 million federal matching funds and I hope insular territories gain access to develop apprenticeships. In this investment, how many additional apprenticeships would be established annually?

Ms. Carlson: That would subsidize classroom training of about 30,000 apprentices.

Subcommittee Chairwoman Susan Davis (D-CA): What are apprenticeships? Do we risk talking about apprenticeships without specifics?

Ms. Carlson: We have regulation through DOL, but codifying that into law that would go a long way.

Mr. Pavesic: I would hate to see apprenticeship programs watered down by confusing it with a training program, which an individual may learn only one or two skills.

Ms. Gainer: It's useful to think of it as a defined period of time where you graduate, specific job recognized across the country, and that is scalable nationally.

Closing Statements

Ranking Member Lloyd Smucker (R-PA)

Apprenticeships and on-the-job learning are valuable tools for providing Americans in the 21st century with the skills they need to compete and succeed in today's rapidly evolving economy. Registered apprenticeship are certainly a valuable aspect of this effort but we know it is not alone filling the gap that we have today in our workplace. We simply cannot limit students to just one tool in the toolbox. We need to think about expanding the registered apprenticeship program or including an all-of-the-above approach to ensure that we're able to fill these jobs and provide these lifelong jobs to students. Employers know better than anyone what skills they're looking for. We should ensure they have the flexibility to empower prospective employees, whether through registered programs, expansion of those programs, or through other means. There's not one pathway to success. I was encouraged to hear how each witness has worked in their communities to contribute to a dynamic workforce; how they worked with employers to meet their needs and uphold the dignity of all work.

Subcommittee Chairwoman Susan Davis (D-CA)

I think you provided a broad range of comments – much consensus here today and urgency. That's what we need to have. There are those programs valuable to people of all ages to give them that career path that is sustaining for them and for their family. Strengthening businesses with a valuable pool of productive and committed workers so we recognize the importance of that. We hope to have additional hearings, but we also need to distinguish how we can proceed and how we can move forward.