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U.S. Department of Labor Employment and Training Administration 200 Constitution Avenue NW Washington, DC 20210

RE: Public Comments on Regulatory Information Number (RIN) 1205-AC13, National Apprenticeship System Enhancements

To whom it may concern:

Thank you for the opportunity for the Center for American Progress to submit comments on the proposed rulemaking to update regulations 29 CFR 29 and 29 CFR 30 that address labor standards of apprenticeship and the governance of the National Apprenticeship System. The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans through bold, progressive ideas, as well as strong leadership and concerted action. As senior director of workforce development policy at the Center for American Progress, I submit these comments for consideration as the Department of Labor (DOL) finalizes the regulations to improve the quality of registered apprenticeship programs and provide additional pathways for workers to good jobs.

Registered apprenticeships are a highly effective workforce training and career pathway model that provides opportunities for more than 600,000 apprentices annually in the United States¹, and the goal should be to expand access to quality programs for more prospective apprentices, including underrepresented workers. Industry partners help develop the training curriculum, ensuring that apprentices earn in-demand skills. Apprentices are paid while they are being trained and receive progressive wage increases that correspond to skill attainment.²

While new registered apprenticeship programs have been on the rise over the past decade³, they still represent a small share of workforce development in the U.S. relative

¹ ApprenticeshipUSA, "Data and Statistics," available at <u>https://www.apprenticeship.gov/data-and-statistics</u> (last accessed March 2024).

² Mike Williams, Marina Zhavoronkova, and David Madland, "The Inflation Reduction Act Provides Pathways to High-Quality Jobs" (Washington, DC: Center for American Progress, 2022), available at <u>https://www.americanprogress.org/article/the-inflation-reduction-act-provides-pathways-to-high-quality-jobs/</u>.

³ ApprenticeshipUSA, "Data and Statistics," available at <u>https://www.apprenticeship.gov/data-and-statistics</u> (last accessed March 2024).

to many other countries.⁴ According to the Department of Labor, the average starting salary for apprentices that have completed a program is \$77,000⁵, and graduates of apprenticeship programs earn more over their lifetime, on average, than their peers who do not complete such programs⁶. These averages belie significant race and gender participation and wage gaps, and more data will help with better understanding these disparities.⁷ Additionally, one area of focus should be boosting diversity of race and gender participation in new sectors and ensuring that job quality does not erode in occupations with new apprenticeship programs.

Unions can also improve outcomes for apprentices. In some industries, workers in union apprenticeship programs do as well as workers with college degrees.⁸ For example, in the construction industry, union construction workers earn wages that are comparable to workers with college degrees. Union construction workers earn 46 percent more than nonunion construction workers, and have competitive benefits, such as private health insurance coverage.⁹

Registered apprenticeship programs do not just benefit workers but also employers. Apprentices are estimated to have a 93 percent employment retention rate¹⁰, and give employers access to a skilled workforce, while leading to reduced turnover and improved morale and productivity among employees.^{11,12}

https://www.apprenticeship.gov/employers/explore-apprenticeship (last accessed March 2024).

¹² Robert Lerman, Lauren Eyster, and Kate Chambers, "The Benefits and Challenges of Registered Apprenticeship: The Sponsors' Perspective" (Washington, DC: The Urban Institute Center on Labor, Human Services, and Population, 2009), available at

https://webarchive.urban.org/UploadedPDF/411907registeredapprenticeship.pdf.

⁴ World Economic Forum, "Apprenticeships could change the way Americans work and learn," available at <u>https://www.weforum.org/agenda/2023/08/apprenticeships-could-change-the-way-americans-work-</u>and-learn/ (last accessed March 2024).

⁵ ApprenticeshipUSA, "Explore Registered Apprenticeship" (Washington, DC: 2022), available at <u>https://www.apprenticeship.gov/sites/default/files/dol-industry-factsheet-apprenticeship101-v10.pdf</u>

⁶ Debbie Reed, Albert Yung-Hsu Liu, Rebecca Kleinman, Annalisa Mastri, Davin Reed, Samina Sattar, and Jessica Ziegler, "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States" (Oakland, CA: Mathematica Policy Research, 2012), available at https://wdr.doleta.gov/research/FullText Documents/ETAOP 2012 10.pdf

⁷ Angela Hanks, Annie McGrew, and Daniella Zessoules, "The Apprenticeship Wage and Participation Gap" (Washington, DC: Center for American Progress, 2018), available at https://www.americanprogress.org/article/apprenticeship-wage-participation-gap/

⁸ Frank Manzo IV and Erik Thorson, "Union Apprenticeships: The Bachelor's Degrees of the Construction Industry Data for the United States, 2010-2020" (La Grange, IL: Illinois Economic Policy Institute, 2021), available at <u>https://illinoisepi.files.wordpress.com/2021/09/ilepi-union-apprentices-</u>equal-college-degrees-final.pdf

⁹ Frank Manzo IV and Erik Thorson, "Union Apprenticeships: The Bachelor's Degrees of the Construction Industry Data for the United States, 2010-2020" (La Grange, IL: Illinois Economic Policy Institute, 2021), available at <u>https://illinoisepi.files.wordpress.com/2021/09/ilepi-union-apprenticesequal-college-degrees-final.pdf</u>

¹⁰ ApprenticeshipUSA, "Explore Registered Apprenticeship" (Washington, DC: 2022), available at <u>https://www.apprenticeship.gov/sites/default/files/dol-industry-factsheet-apprenticeship101-v10.pdf</u> ¹¹ ApprenticeshipUSA, "Explore Apprenticeship," available at

Registered apprenticeship is a good model for employers with older workers nearing retirement that will need to recruit more workers. In January 2024, there were 413,000 openings in the construction industry and 622,000 openings in the manufacturing industry.¹³ Many workers in these industries are nearing retirement: over 40 percent of construction workers are 45 or older, and 48 percent of manufacturing workers are 45 or older.¹⁴

The draft regulations seek to strengthen worker protections and standards, promote equity and diversity, improve apprenticeship data collection and quality, provide clarity on existing elements of the apprenticeship system, among other aims. This includes:

I. Strengthening Standards and Protections

Overall, the proposed regulation pursues robust, evidence-based enhancements to existing standards and protections for registered apprenticeships. These will ensure that more programs are high-quality and that there is greater consistency across the board and will benefit employers and apprentices alike.

The new National Program Standards for Apprenticeship and National Guidelines for Apprenticeship Standards and alignment with the National Occupational Standards for Apprenticeship seek to strengthen standards across apprenticeships. One area of concern is the waiver authority granted to the Administrator, which could ultimately undermine the new standards.

The proposed rulemaking will ensure protections for what occupations can be adapted into apprenticeships, and the specific protections against the splintering of existing programs covering occupations will safeguard workers' wages, job quality, and career growth. The rulemaking seeks to expand apprenticeships to "new and emerging industries", and it will be critical to ensure that these do not become shortcuts that lessen quality and standards in fields such as education and health care. While registered apprenticeships could be a pathway to alleviate shortages in some sectors, these programs should be stood up in collaboration with workers so that it translates into better outcomes. In education, higher collaboration between districts and teachers can lead to greater achievement for students.¹⁵

II. Improving Data Collection and Reporting

¹³ U.S. Bureau Of Labor Statistics, "Table 1. Job openings levels and rates by industry and region, seasonally adjusted," available at <u>https://www.bls.gov/news.release/jolts.t01.htm</u> (last accessed March 2024).

¹⁴ U.S. Bureau Of Labor Statistics, "Labor Force Statistics from the Current Population Survey, 18b. Employed persons by detailed industry and age," available at <u>https://www.bls.gov/cps/cpsaat18b.htm</u> (last accessed March 2024).

¹⁵ Saul A. Rubinstein and John E. McCarthy, "Teachers Unions and Management Partnerships" (Washington, DC: Center for American Progress, 2014), available at https://www.americanprogress.org/article/teachers-unions-and-management-partnerships/.

The rulemaking proposes revisions to improve data collection and reporting around registered apprenticeships that would provide a fuller picture of the landscape of programs and apprentices and would assist in strategies for identifying and addressing systemic equity and program quality. These improvements will be timely as apprenticeship programs grow in number and across new industries as a result of the Inflation Reduction Act¹⁶, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act, and provide more pathways to high-quality jobs.

The proposed rule identifies areas where there is a lack of data, including in state reporting, and opportunities to develop a more robust federal data repository building on the Registered Apprenticeship Partners Information Data System (RAPIDS). Presently, not all states report data on RAPIDS, and the rulemaking should help address these gaps. Additionally, inconsistencies across states can impact quality, and improved data and reporting should lead to efforts to raise standards nationally.

The proposed rule should lead to greater understanding of wages earned by apprentices who complete programs, the occupational distribution of apprenticeship programs, and disaggregated demographic and geographic data. Further, more data will better equip students and workers in making program and employment decisions.

III. Boosting Accountability and Transparency

The rulemaking proposes changes to the oversight and quality standards related to accountability in the National Apprenticeship System which will lead to better outcomes for apprentices. Federal rules and regulations pertaining to apprenticeship already include rights and protections for apprenticeships, but gaps and inconsistencies in accountability in the past has meant that these are not always successfully carried out. The improved accountability measures will help realize these better for apprentices in new and existing programs, and the proposed changes to apprenticeship agreements should also enhance transparency and accountability for apprentices.

The proposed rule includes new requirements for apprenticeship trainers and requires that they are qualified and have received proper training. These should benefit the experiences of apprentices participating in programs.

IV. Advancing Equity in Registered Apprenticeship Participation

¹⁶ Mike Williams, Marina Zhavoronkova, and David Madland, "The Inflation Reduction Act Provides Pathways to High-Quality Jobs" (Washington, DC: Center for American Progress, 2022), available at <u>https://www.americanprogress.org/article/the-inflation-reduction-act-provides-pathways-to-high-quality-jobs/</u>.

The proposed rule recognizes that some populations, such as women and workers of color, face barriers to participation in registered apprenticeship programs. Registered apprenticeships in the U.S. are predominantly male and white since many apprenticeships are in the construction industry.¹⁷ The rulemaking seeks to facilitate greater access and participation by making changes to address known barriers, such as harassment, supportive services, among others.

Further, the rulemaking states that the creation of the registered CTE apprenticeship should begin to develop the pipeline of women in registered apprenticeship programs even further upstream than the existing system, though pre-apprenticeship and apprenticeship readiness programs are already equipped to handle concerns around early engagement. These programs can help with recruitment from underrepresented populations and expose workers to new fields they might have otherwise not considered, while providing access to supportive services.¹⁸

The data collection and reporting enhancements discussed above in section II should also help to target interventions for underserved populations.

V. Establishing a Registered Career and Technical Education Apprenticeship

The rulemaking proposes a new category of apprenticeship, a Registered Career and Technical Education (CTE) apprenticeship. CTE apprenticeships would be offered alongside the options available to youth–pre-apprenticeships, youth apprenticeships, and CTE programs–and would engage students in secondary and postsecondary education. The CTE apprenticeship model would be aligned with current programs funded by the Carl D. Perkins Career and Technical Education Act, as amended by the Strengthening Career and Technical Education for the 21st Century Act.

Given that this is a new proposed model established alongside existing programs, further clarity into eligibility and alignment with the existing Department of Education's Perkins CTE program, pre-apprenticeships, and other registered apprenticeships would be beneficial for stakeholders. It would also be helpful for the rulemaking to include clarity on the terms "youth apprenticeship" and "pre-apprenticeship" in relation to CTE apprenticeships.

¹⁷ ApprenticeshipUSA, "Data and Statistics," available at <u>https://www.apprenticeship.gov/data-and-</u> <u>statistics</u> (last accessed March 2024).

¹⁸ Marina Zhavoronkova and Karla Walter, "How To Support Good Jobs and Workforce Equity on Federal Infrastructure Projects" (Washington, DC: Center for American Progress: 2023), available at <u>https://www.americanprogress.org/article/how-to-support-good-jobs-and-workforce-equity-on-federal-infrastructure-projects/</u>.

A better way to structure CTE apprenticeships might be to reframe them as high-quality pre-apprenticeships or to structure them as a pathway to apprenticeships via CTE programs. CTE programs have demonstrated academic and workforce benefits for students.¹⁹

Development of standards and further clarity around occupational eligibility will be critical to ensure "a safe and accessible workplace environment"²⁰, as a requirement put forward by the regulations. Given the national rise in child labor violations²¹, ensuring protections against dangerous or exploitative conditions in the final rule will be critical to the safety and health of proposed CTE apprentices.

VI. Clarifying Apprenticeship Terminology

One helpful aspect of the rulemaking is the clarification of existing terms for apprenticeships which have long caused confusion among stakeholders and equities in this space. The rulemaking provides definitions for common terms, such as "pre-apprenticeship" and "supportive services", that should alleviate prior uncertainty around the meanings and differences in terminology. These definitions should also lead to more consistency across apprenticeship programs, and potentially reduce barriers to entry for those having difficulty understanding varying apprenticeship terms.

Overall, there are areas for improvement in the proposed rulemaking, including those listed above, and further refinements to the "apprenticeability" determination process, sponsor responsibilities and liabilities, and the new standards. Greater clarity would benefit all stakeholders, while ensuring that the Department's resources are adequately matched to the scope of the rulemaking.

https://www.americanprogress.org/article/advancing-racial-equity-career-technical-educationenrollment/.

¹⁹ Ryan Smith, "Advancing Racial Equity in Career and Technical Education Enrollment" (Washington, DC: Center for American Progress, 2019), available at

²⁰ Federal Register, "National Apprenticeship System Enhancements," available at <u>https://www.federalregister.gov/documents/2024/01/17/2023-27851/national-apprenticeship-system-enhancements</u> (last accessed March 2024).

²¹ US Department of Labor, "Child Labor Enforcement: Keeping Young Workers Safe," available at <u>https://www.dol.gov/agencies/whd/data/child-</u>

labor#:~:text=In%20FY%202023%2C%20we%20concluded,increase%20from%20the%20previous%20y ear (last accessed March 2024).

Thank you in advance for your consideration and for the opportunity to provide these comments. CAP supports much of the updates to the national registered apprenticeship system, and we look forward to seeing the final rule language.

Sincerely,

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