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TRUMP ADMINISTRATION PROPOSES NEW TYPE OF APPRENTICESHIP

The Labor Department releases proposed guidelines for industry-led programs

By Eric Morath
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WASHINGTON – The Labor Department released its proposal Monday to create a new type of apprenticeship that would be run by business groups, colleges and other entities, rather than by the federal government.

Releasing the proposed guidelines moves a step closer to finalizing President Trump's goal, laid out two years ago, of expanding access to apprenticeships by removing the Labor Department from day-to-day management of such programs.

Apprenticeships, which combine on-the-job training and classroom education, are seen by some policy makers as a way to entice Americans to come off the sidelines and join the labor force, because trainees are paid while they learn skills. The number of U.S. job openings in April outnumbered the number of unemployed Americans by 1.625 million, the largest gap on record back to 2000.

The rule proposed Monday would create industry-recognized apprenticeship programs. The proposal is subject to a 60-day public comment period, after which the department can issue the final rule, which could occur as soon as this fall.

In the programs, groups such as trade associations, educational institutions, nonprofits or labor unions could become the entities that set the standards for the training and curriculum relevant to their industry. With existing registered apprentice programs, the Labor Department or a state government sets those standards.

The Republican Trump administration has touted apprenticeships as a solution for training workers for in-demand jobs without the need to attend college and take on the associated debt. Apprentices earn an average of \$15.36 an hour, according to job search site Indeed.com. Once they complete their training, which usually takes a year or more, they can be hired for full-time jobs in their industry.

While Democrats, including former President Obama, have supported expanding apprenticeships, some are concerned about the government relinquishing oversight.

"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," Rep. Bobby Scott (D., Va.), chairman of the House Labor Committee, said in a statement.

Under its plan, the Labor Department would check that standard-setting entities have the capacity to monitor apprenticeships and would recognize that the programs are high quality.

The department's criteria for high-quality programs include paid work, work-based learning and industry-recognized credentials.

The department, for example, wouldn't set requirements for the number of classroom hours or total length of the program, as it does with existing apprenticeships. Once approved, the entity would need to seek reauthorization every five years.

The International Franchise Association is considering developing an apprenticeship program that would help teach workers at franchised businesses – from burger joints to cleaning services – basic work skills such as customer service and computer operations, said Darrell Johnson, chief executive of FRANdata, a franchise-focused consulting firm that has advised the International Franchise Association on apprenticeships.

The traditional programs detailed requirements to follow step-by-step for learning a trade. The idea behind the administration's proposal is that if business groups run programs they can more quickly tweak them to meet individual employers' needs.

"This new approach should open up that model and allow IFA or another body to formalize training of these foundational skills, and provide workers a credential that they can build upon," Mr. Johnson said.

In fiscal year 2018, there were 585,026 apprentices in the U.S., according to the Labor Department, a small number compared with the millions of Americans in college. Those apprentices took part in 23,441 different programs, mostly in the construction, military, public administration and manufacturing sectors.

The Labor Department projected that in 10 years, there could be 9,063 industry-recognized apprentice programs. It didn't project how many trainees those programs would serve.

In the construction industry, the largest single sector for apprenticeships, those jobs can pay \$60,000 a year or more. Better than three-quarters of existing federally administered apprenticeships are either in construction fields or part of military training, according to Labor Department data. Many construction workers are trained by labor unions.

The Labor Department, in its proposed rule, said the registered apprenticeship model failed to scale in other industries, even as the modern economy has required millions of skilled workers in new areas.

The majority of jobs in the U.S. are in private-sector service fields, and there are few apprenticeship programs in those industries. The department said industry-recognized apprenticeships could be developed for occupations such as software developer and pharmacy technician.

"We are striving for inclusive growth where all Americans, including those who have been marginalized, have the opportunity to secure an apprenticeship and the training needed and fill the jobs that are vacant," said Ivanka Trump, the president's daughter, adviser and chairwoman of the workforce-policy advisory board, in statement to The Wall Street Journal.