



MEMORANDUM

TO House Education and Labor Committee majority staff
FROM Tamar Jacoby, Opportunity America Jobs and Careers Coalition
RE National Apprenticeship Act discussion draft
DATE March 12, 2020

The Opportunity America Jobs and Careers Coalition thanks the committee for the opportunity to review a discussion draft of the National Apprenticeship Act.

The Opportunity America Jobs and Careers Coalition is a Washington-based business group focused on job training and workforce development. Members include employers and employer associations from a broad range of industries experiencing skills mismatches and worker shortages – IT, manufacturing, construction, retail and hospitality, among others.

We are grateful to the committee for the time and work it has invested in the National Apprenticeship Act. We're pleased to see members of Congress devoting this kind of attention to apprenticeship. We see much to appreciate and welcome in the draft, and we're excited about the infusion of new resources it promises.

We also have a number of concerns about the legislation and would welcome a chance to work with the committee to improve it further.

OUR CRITERIA

As employers and employer representatives immersed in the world of workforce training, members of our coalition come to any legislation on apprenticeship with a list of priorities – what we hope to see in a bill and a set of criteria for judging any statute.

Elevating apprenticeship as a national priority. As new technology transforms the economy and with it the nation's need for workforce training, we're gratified by any legislation that elevates apprenticeship – widely recognized in the US and abroad as the gold standard of workforce preparation. The NAA is an important step in this direction: a clear signal sure to attract attention from employers, educators, students, parents and others. The unmistakable message: Congress understands – a bachelor's degree is not the only road to success.

Promotion and technical assistance. Launching an apprenticeship program can be challenging for any company, large or small. Assessing skills gaps, developing skills standards, finding a partnering institution to provide related instruction, developing protocols for mentors: all are difficult and time-consuming. We're pleased to see the bill address this challenge with incentives for states to explain and advocate for apprenticeship among employers. We also appreciate the funding made available to state authorities, state workforce agencies, nonprofit and for-profit intermediaries and others in a position to provide technical assistance.

Increased funding. Outreach, technical assistance, incentives for employers and intermediaries: none of this comes cheap. And our coalition appreciates the committee's intent to significantly increase federal spending on apprenticeship.

A more streamlined, more flexible system. Companies in a wide range of sectors are experimenting with the work-and-learn model and adapting it for their industries. Our coalition's goal is to see the widest possible adoption of the model, and we believe that one of the best ways to advance this goal is a streamlined apprenticeship system – flexible, easy to use and inviting for employers. We were pleased by the committee's declared commitment to streamlining and appreciate the stated intention to simplify the system. But we would hope to see further steps in this direction in the final legislation.

OUR CONCERNS

Narrowing the scope of work-and-learn training. Effective as it is and much as we would like to see it expanded, registered apprenticeship is only one iteration of the work-and-learn training model. Among other popular and effective adaptations: shorter, more streamlined pre-apprenticeship programs and unregistered industry-driven apprenticeship training. Our coalition is concerned that the proposed legislation would crowd out both alternative approaches.

The bill contains no mention of the administration's industry-recognized apprenticeship initiative, and it's unclear that a more flexible, parallel track of this kind could exist in the universe created by the legislation.

So too with pre-apprenticeship. Several sectors represented in our coalition have had significant success with pre-apprenticeship, sometimes a first step toward full apprenticeship and sometimes of value in and of itself – a path to a high-demand, high-paying job in a growing industry.

Not every learner who completes a pre-apprenticeship wants or needs to continue on to a second, more demanding training program, and even those who do wish to continue often find that there are no appropriate apprenticeship slots open to them in the near term – nothing available locally in their industry.

Our concern about the bill: that by requiring all pre-apprenticeship to feed into full-scale registered apprenticeship, it will lead to closure of many otherwise highly valuable, shorter, more streamlined pre-apprenticeship training programs.

Opportunities for employer input. No one knows better than employers what skills are needed in their industries today, how labor market demand is likely to change tomorrow or what kinds of training will work best to position workers to succeed on the job.

We appreciate the bill's intention to involve employers more intensively in the nation's apprenticeship system through the proposed federal advisory council and enhanced state advisory bodies. But we are concerned that both provisions would create large, unwieldy bodies with ill-defined responsibilities – nominal employer engagement rather than an effective opportunity for the kind of industry input we believe is essential.

Unworkable reporting requirements. As representatives of companies that work to provide high-quality products and services, we understand the importance of quality control and quality assurance. Taxpayers want to know how their money is spent. Any federal funding must be accompanied by metrics and reporting requirements. We also understand and appreciate the committee's intent to align the proposed legislation with the outcomes metrics in the Workforce Innovation and Opportunity Act.

Our concern: quality assurance cannot come at the expense of workability.

Many companies represented in our coalition – even global companies with large human resources departments – tell us that they find existing reporting requirements so burdensome that they hesitate to launch registered apprenticeship programs or convert existing unregistered programs by registering them. Those who have established registered programs report that enrollments on any practical scale require dedicated staff to handle reporting requirements. Smaller companies with smaller programs face a smaller volume of required paperwork, but they have even fewer resources to devote to the task.

Bottom line: our coalition would like to see reporting requirements streamlined, not added to or made more complex. At the very least, we hope the committee will consider creating some kind of waiver or simpler, leaner reporting option for smaller firms and those launching new apprenticeship programs.

All skill levels. Many of the industries represented in our coalition – manufacturing, construction, hospitality and retail, among others – employ large numbers of midlevel workers with some education or training beyond high school but less than a four-year college degree. Research suggests that middle-tier workers of this kind will account for some 30 to 40 percent of new jobs in years to come – many of them what economists call “good jobs” paying on average \$55,000 a year.

We understand the committee’s eagerness to expand apprenticeship to nontraditional occupations. We appreciate the intention to open the way for as many Americans as possible to acquire the skills to succeed in high-demand, high-skill, high-paying jobs. But we are concerned that the current draft devotes no attention to middle-tier workers or middle-tier occupations and appears to direct resources disproportionately to industries that hire primarily more highly educated, highly skilled employees.

Ratios geared to workplace safety. The employers represented in our coalition defer to no one in their commitment to on-the-job safety. Many of the sectors we represent – manufacturing and industrial construction stand out as examples – have put top priority in recent decades on rethinking workplace processes and augmenting the resources they devote to safety training.

Accordingly, we appreciate the committee’s intent to tie apprenticeship ratios to evidence-based consideration of the risks entailed in any job and the safety measures necessary to contain those risks. What we don’t understand: how collective bargaining agreements could be considered evidence-based input in an analysis of workplace safety issues.

State authority. As a matter of principle, our group – a coalition of private-sector employers and employer representatives – favors leaner government. It’s beyond our purview to assess or comment on the new layers of coordination, oversight, evaluation, reporting and other bureaucratic complexity the legislation proposes at both state and federal levels. Matters of that kind are outside our expertise.

But we are concerned about one aspect of the legislation touching on combined federal-state oversight of apprenticeship programs: the provisions on reciprocity. What we’d hope to see in any bill: full and unconditional reciprocity between states and also guaranteed state recognition of any work-and-learn training program approved and registered with the US Department of Labor.

CONCLUSION

At a time of intensifying political polarization and partisanship in Washington, our group has been deeply appreciative of the efforts made by the education committees in both the House and the Senate to keep partisan politics out of conversations about workforce and education legislation.

We believe bipartisan compromise is the key to good law, and we were gratified to see minority and majority staff working together to craft legislation on apprenticeship.

Our hope for the future: we look forward to working on a bipartisan basis to provide employer input on legislation acceptable on both sides of the aisle – balanced, workable, nonpartisan proposals that can be enacted as law.

The stakes could hardly be higher – for our industries or the nation.

The employers we represent need a better trained workforce. They are eager to do their part in providing more effective workforce training. They believe public-private partnership is essential to develop a truly practical and effective national response to changing skills needs. And they need an apprenticeship system that is flexible, streamlined and easy to use – that’s the only way to attract employers and expand work-and-learn training nationwide.

We look forward to working with the committee to craft legislation to achieve this goal – an American apprenticeship system that creates opportunity for workers and enhances US economic competitiveness.