

THE WHITE HOUSE
Office of the Press Secretary

FACT SHEET: Investing More Than \$50 Million through ApprenticeshipUSA to Expand Proven Pathways into the Middle Class

Since the beginning of his Administration, President Obama has focused on creating an economy that works for every American. Under his leadership, our businesses have added 15.3 million jobs since early 2010, and the economy has seen the longest streak of job creation on record. However, more work needs to be done to make sure the benefits of the recovery are broadly shared. We must continue to adapt to forces of globalization and technology that deliver tremendous benefits but also pose challenges, including through increasing investment in effective job training. The jobs available today, and the jobs of the future, are higher-skill jobs that require more education and advanced skills.

Today, the Department of Labor (DOL) is announcing the Administration's latest step to increase access to apprenticeship - using Fiscal Year 2016 funding for a new \$50.5 million investment in State Expansion Grants to expand apprenticeships across the country in a diverse array of industry sectors. This initiative, called ApprenticeshipUSA, is part of the Administration's strategy to grow and diversify apprenticeship. Over the next 18 months, this effort will result in thousands of new apprenticeships in diverse industries, including health care, advanced manufacturing, and information technology, that offer workers not just jobs, but careers. These grants provide funding to 36 States and one territory to undertake new apprenticeship efforts, which will include efforts in both urban and rural communities. Projects will focus on helping a diverse set of workers - including women and minorities who have too often been left out of apprenticeship efforts in the past - enter into these in-demand fields.

To learn more about the efforts of all 37 winning ApprenticeshipUSA State Expansion grantees, click [HERE](#).

Job-driven apprenticeships are among the surest pathways to provide American workers from all backgrounds with the skills and knowledge they need to acquire good-paying jobs and grow the economy. In fact, 91 percent of apprentices are employed after completing their programs, with an average starting wage above \$60,000. The return on investment for employers is also impressive - international studies suggest that for every dollar spent on apprenticeship, employers may get an average of \$1.47 back in increased productivity and greater front-line innovation. As a result, the President has made expanding apprenticeship a priority for his Administration.

Since the President's 2014 call to action, the U.S. has added more than 125,000 new apprenticeships, the largest increase in nearly a decade. And last year, the President

signed into law the first-ever annual funding for apprenticeship programs in the Fiscal Year 2016 spending bill, following a bipartisan agreement based on the President's budget request.

But, we cannot carry on this work without continued funding, which the House Appropriations Committee's Labor-HHS-Education bill unfortunately fails to provide.

In contrast, the Senate Appropriations Committee provides strong support for apprenticeship, which we hope will be reflected in the final Fiscal Year 2017 spending bill. If this funding does not continue going forward, the 36 States and one territory who have received ApprenticeshipUSA State Expansion Grants will have to terminate their efforts in just 18 months. Similarly, the 14 organizations who were awarded \$20.4 million in contracts to expand apprenticeship to new industries and reach historically underrepresented populations will see their funding dry up after one year. This would deprive thousands of Americans of the chance to participate in this life-changing training model. The President calls on Congress to continue its past support for apprenticeship in the final Fiscal Year 2017 spending bill.

Today's announcement builds on a number of efforts that the Obama Administration has taken to prepare Americans for the jobs of the future. More information on the Administration's state-by-state investments in training can be found [HERE](#).

Investing More Than \$50 Million to Support Smart State Strategies to Expand Apprenticeship

The grant awards announced today will build on the Administration's successful investments in state apprenticeship strategies. Recognizing Governors' unique ability to create smart statewide strategies to expand apprenticeship, DOL is awarding more than \$50 million for ApprenticeshipUSA State Expansion Grants to help states integrate apprenticeship into their education and workforce systems; engage industry and other partners at scale to expand apprenticeship to new sectors and new populations; support state capacity to conduct outreach and work with employers to start new programs; provide support to promote greater inclusion and diversity in apprenticeship; and implement state innovations, incentives, and system reforms. By investing in state strategies for growing apprenticeship opportunities, these funds will help strengthen the foundation for the rapid and sustained expansion of quality apprenticeship nationwide. For example:

Colorado Department of Labor and Employment - Denver, CO

The Colorado Department of Labor and Employment was awarded a \$1.8 million grant to fund the *Grow the Middle Class* project to expand youth and adult apprenticeships, and pre-apprenticeships for youth within school districts across the state, using the

Swiss Apprenticeship model. Colorado will assist businesses in developing new apprenticeships and industry engagement and initiate a pilot program to recruit representatives from growth industries as champions to identify common competencies and standards for apprenticeships in key occupations.

Washington State Department of Labor and Industries - Tumwater, WA

The Washington State Department of Labor and Industries was awarded \$2.7 million to fund *Project RAISE*, a robust effort to coordinate state agency resources, recruit new employers, and advance Registered Apprenticeship opportunities for underrepresented populations. Project activities will include program modernization to increase the state's capacity to support apprenticeship expansion and engage new industry stakeholders. The project will register 600 apprentices in the industries of health care, education, construction, advanced manufacturing and the public sector, among others. Target populations include women, veterans, youth, low-income individuals, people with disabilities and people of color.

Connecticut Department of Labor Office of Apprenticeship Training - Wethersfield, CT

The Connecticut Department of Labor Office of Apprenticeship Training (OAT) was awarded a \$1.6 million grant to fund the *Connecticut Apprenticeship Expansion Rx* project, which targets the aerospace manufacturing and maintenance sector. The project will engage employers to increase new sponsors; and provide underrepresented populations, including women and dislocated and under employed individuals an opportunity to acquire industry required credentials. The project will serve 1,672 apprentices. Target industries include aerospace, aviation, energy, and the building trades. OAT and its partners will also develop multi-media resources as additional tools for sector outreach, a focus on stakeholder engagement, securing apprenticeship sponsors, fostering labor-management collaboration, and planning for increased strategic outreach.

Today's announcement follows a \$10.4 million investment DOL made earlier this year for ApprenticeshipUSA State Accelerator Grants, which provided 52 awards to states, territories, and the District of Columbia to develop strategic plans and build partnerships for apprenticeship expansion and diversification. Grantees also received support to develop comprehensive game plans for encouraging businesses to launch apprenticeship programs in a variety of industries including advanced manufacturing, health care, information technology, construction, and transportation.

In addition, DOL awarded \$20.4 million last month in contracts to 14 national industry intermediaries and national equity partners. As part of the historic investment in apprenticeship, the contracts will support the growth of apprenticeship programs in an increasingly diverse set of industries, including healthcare, construction, transportation and logistics, manufacturing, and information and

communications technology; and support efforts to boost the representation of traditionally underrepresented populations in apprenticeship programs. For example, the Washington Technology Industry Association will partner with leading technology companies to create a National Information and Communications Technology Apprenticeship Council (NICTAC) comprised of industry hiring partners. The NICTAC will provide underserved populations with access to apprenticeship opportunities in well-paying careers within the information and communications technology industry. More information on this project and other industry intermediary and national equity partner investments can be found [HERE](#).

Building on Success in Expanding Apprenticeship and Increasing Access to Job-Driven Training

Today's announcement builds on the Obama Administration's previous efforts to increase access to apprenticeship and job-driven training to prepare workers for high-skill jobs, including:

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- **Investing an unprecedented \$175 million in American Apprenticeship Grants.** In September 2015, DOL announced \$175 million in grants to 46 public-private partnerships between employers, organized labor, non-profits, local governments, and educational institutions that are expanding high-quality apprenticeships. The grantees are well on their way to creating more than 34,000 new apprentices in high-growth and high-tech industries including health care, information technology and advanced manufacturing over the next five years.
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- **Highlighting the value of apprenticeships through LEADERS.** More than 180 employers, colleges, and labor organizations have signed on to be ApprenticeshipUSA LEADERS (Leaders of Excellence in Apprenticeship Development, Education and Research) by starting or expanding their own work-based learning programs and encouraging their peers to follow. Together, employers in the LEADERS program have pledged to create nearly 20,000 new apprenticeship positions.
- **Expanding opportunities for apprentices to earn credit towards a degree.** The Registered Apprenticeship-College Consortium (RACC) was launched to enable graduates of Registered Apprenticeship programs to turn their on-the-job and classroom training into college credits toward an associate or bachelor's degree. Since 2014, 290 colleges nationwide have joined the RACC.

Providing American Workers with Skills Needed to Compete in the Global Economy

In addition, in January 2014, President Obama signed the Presidential Memorandum on Job-Driven Training for Workers, calling for an action plan within 180 days to make federal employment and training programs more job-driven. In July 2014, the

Administration – with the leadership of Vice President Biden – released a plan to expand the number of pathways for Americans to gain the skills they need to get better, higher-paying jobs, and to increase access to those pathways. In addition, the Administration has taken a number of steps to support the American workforce and prepare it for the 21st century, as described below.

Making sure all Americans have a fair shot

The President has taken steps to expand and improve our efforts to re-connect workers who have been displaced by economic change back to the workforce system and into good jobs. Building on the best models of what works, these efforts have helped not only those affected by trade and globalization, but also by the aftermath of the Great Recession, by long-term changes in our energy industry, and in communities that have long suffered from economic isolation and inadequate education opportunities.

- **Securing a six-year extension and expansion of Trade Adjustment Assistance (TAA) in June 2015**, which provides vital job training, income support and other benefits to American workers displaced by the forces of globalization. Among other things, this extension improves on prior programs by supporting workers in the service sector and those affected by trade with countries with whom we do not have Free Trade Agreements (FTAs), including China and India. One year after the reauthorization, there have already been dramatic improvements resulting from the new legislation. The number of estimated workers currently eligible for benefits and services is over 100,000, which is almost double the number of workers eligible for TAA benefits and services in all of fiscal year 2015 under the older program. This includes approximately 18,000 workers now covered after their previously denied petitions were reconsidered under the new, more expansive law. In fiscal year 2015, 74 percent of TAA participants found new jobs, and over 92 percent retained their jobs.
- **Helping the long-term unemployed get back to work and stay in the labor force**, including through federal investments like the \$170 million Ready to Work program, and through collaboration with business leaders to create a set of best practices for recruiting and hiring the long-term unemployed. In addition, DOL is providing robust reemployment services and eligibility assessments through \$200 million in grants to all 50 states and territories to help prevent long-term unemployment and connect jobseekers to the labor market, while also ensuring that they continue to be eligible for unemployment benefits. Through Fiscal Year 2016, an estimated 1.3 million unemployed workers will be served. Recent research shows that when both eligibility assessments and reemployment services are provided seamlessly, reemployment outcomes for claimants improve and the duration of benefits is shorter.

- **Launching the Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative**, an interagency effort to assist communities negatively impacted by changes in the coal industry and power sector with coordinated federal economic and workforce development resources that help communities diversify their economies and provide reemployment services and job training to connect workers to high-quality in-demand jobs. The initiative is led by the Department of Commerce's Economic Development Administration and involves the coordinated efforts of ten Federal agencies.
- **Helping low- to middle-skilled parents access training and affordable, quality childcare.** As a part of the Administration's efforts to support working families, DOL awarded \$54 million in grants to help low- to middle- skilled parents access the affordable, quality child care they need to earn an education, participate in training programs, and ultimately compete for better-paying jobs in emerging industries. Grants to 14 partnerships across the country were awarded as part of the Strengthening Working Families Initiative to strengthen and support public-private partnerships devoted to helping parents advance in their careers by bridging gaps between local workforce development and child care systems. These grants will facilitate access to training in a variety of industries, such as information technology, healthcare, advanced manufacturing, financial services, and educational services.
- **Helping young people obtain skills and education to succeed in a knowledge-based economy** through a \$22 million investment in innovative employment demonstration programs in seven cities experiencing high levels of youth unemployment, poverty and crime (Baltimore, Camden, Detroit, Houston, Long Beach, North Charleston and North St. Louis). These projects are testing a range of models for working directly with employers to engage young people and prepare them for good jobs in in-demand industries through work-based training and supportive services.

The Administration has also invested \$21 million to open doors for young Americans to kick-start their careers through Summer Jobs and Beyond grants. Building on the efforts of the My Brother's Keeper initiative, these grants help give young people their first meaningful work experience.

- **Investing in job-driven training for Supplemental Nutrition and Assistance Program (SNAP) participants**, including through the 2016 launch of SNAP to Skills - a first-of-its kind, peer-to-peer effort to help state agencies develop job-driven SNAP Employment and Training (SNAP E&T) programs that help participants find good jobs and reduce their need for SNAP. In addition, in March 2015, USDA competitively awarded \$200 million to 10 states for 3-year pilot projects, as authorized by the 2014 Farm Bill, to test and evaluate a range of

job-driven strategies, including intensive sector-based approaches and career pathways that prepare workers for specific occupations; career navigation and job readiness; work-based learning; and comprehensive assessment and intensive case management.

Scaling Up What Works

Through the course of the Vice President's review, the Administration identified three core problems: employers can't find enough skilled workers to grow their businesses; education and training programs need better information on what skills in-demand jobs require; and, hard-working Americans often are not sure what training to pursue and whether jobs will be waiting when they finish. By listening to employers, workers and training institutions utilizing innovative solutions, and working with Congress, we are implementing common-sense, evidence-based reforms that are helping people find and train for good jobs and ensuring that employers can find the skilled workers they need.

- **Implementing the job-driven training checklist** that reorients competitive job training grants to align with best practices based on elements that matter most to getting Americans into better jobs. To date, agencies have awarded over 15 competitive job-training grant programs that total more than \$1.5 billion according to the checklist principles.
- **Signing the bipartisan Workforce Innovation and Opportunity Act (WIOA)**, the first reform of federal job training programs in nearly 20 years that reaches approximately 20 million Americans annually. WIOA improves business engagement, performance accountability, access, and alignment across job training programs.

Doubling Down on Proven Strategies

An evaluation report promised in the 2014 Presidential Memorandum synthesized the elements of what works in job training, and the Administration is using this evidence base to direct limited federal resources into the most results-driven practices. Through administrative actions and by advancing budget proposals, we are using every tool at our disposal to expand successful models that put workers on the path to a good career with a middle-class wage.

- **Investing in training for dislocated workers** that follows employer needs in key sectors. DOL has awarded nearly \$300 million in Sector Partnerships and Job-Driven Training grants focusing on training dislocated workers. Sector partnerships are consistently cited as one of the most effective strategies to better align education with employer needs and have been shown through randomized evaluations to lead to higher rates of employment and earnings.

- **Supporting youth that have been involved in the juvenile justice system** through \$12 million in DOL and Department of Defense “Job ChalleNGe” grants that combine the National Guard Youth ChalleNGe Program’s evidence-based elements, such as military-based discipline, education, life skills, and mentorship, with job-training and work experience.
- **Helping public housing residents secure higher paying jobs and become self-sufficient** through \$62.9 million in Jobs Plus Program grants to support work readiness and connect public housing residents with employment, education and financial empowerment services. A research study found that public housing residents who participated in Jobs Plus saw a 14 percent increase in earned income and that these earnings remained higher seven years after exiting the program.

Partnering With Employers, Communities, and Training Providers

As a complement to these federal efforts, the Administration is taking steps to partner outside of government – with employers, technology innovators, and educators – to develop job-driven workforce strategies. Through these partnerships, the Administration is helping to offer more Americans access to the knowledge and skills they need to pursue their educational and career goals while, at the same time, helping businesses grow by filling in-demand jobs with a skilled workforce.

- **Launching TechHire**, a community-based public-private initiative to train tech workers and empower Americans with the skills they need, including through nontraditional approaches like “coding boot camps” and high-quality online courses that can rapidly train workers for a well-paying job. Since March 2015, over 50 cities, counties, states and rural areas in partnership with nearly 1,000 employers have made commitments to this initiative. In support of some of the strategies employed by TechHire communities, DOL has awarded about \$150 million in TechHire Partnership Grants to 39 public and private partnerships across 25 states.
- **Addressing workforce shortages in the solar industry** through the Department of Energy's SunShot program, which has invested \$20 million in nine regional training hubs over five years and trained more than 1,000 instructors and 35,000 students in rooftop solar electricity and heating installation through partnerships with 533 community colleges, labor union apprenticeship programs, and other institutions.
- **Launching the public-private Upskill initiative** to help low-skilled workers build the skills they need to advance into high-paying roles, even if they do not have a higher education. Over 100,000 workers have received training as a result of upskilling efforts since April 2015.

- **Investing \$2 billion in the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program that has created or enhanced 2,500 in-demand education and training programs at community colleges in all 50 states.** To date, nearly 300,000 participants have enrolled in these programs, earning 160,000 credentials. Forty-four states received grants that supported state-wide system change by including all or most community colleges in the state.
- **Launching of New Communities that Work Partnership (CTWP).** The Department of Commerce's Economic Development Administration is supporting seven regional sites across the country to help equip American workers with the skills needed for 21st century jobs and accelerate employer-led workforce development and training efforts. One of the most effective ways to scale up what works is to create a community of practice and a playbook that allows communities to learn from one another.
- **Deepening Relationships with Businesses to Recruit and Hire Veterans.** The Veterans' Employment and Training Service (VETS) within DOL established an employer outreach team that encourages employment commitments from national and regional employers seeking to hire veterans. VETS expanded the outreach team to connect over 600 employers ranging from small businesses to Fortune 500 companies.

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