

<b>TRAINING AND EMPLOYMENT NOTICE</b>	<b>NO.</b>	44-11
	<b>DATE</b>	May 10, 2012

**TO:** ALL STATE WORKFORCE AGENCIES  
ALL STATE WORKFORCE LIAISONS  
OFFICE OF APPRENTICESHIP STATE AND REGIONAL DIRECTORS  
ALL STATE APPRENTICESHIP COUNCILS  
ALL STATE APPRENTICESHIP DIRECTORS  
OFFICE OF APPRENTICESHIP FIELD STAFF

**FROM:** JANE OATES /s/  
Assistant Secretary

**SUBJECT:** Encouraging Enhanced Partnerships and Collaboration between the  
Workforce Investment System and Registered Apprenticeship Programs

**1. Purpose.** To encourage workforce investment system leaders to develop and enhance partnerships and resource-leveraging efforts with Registered Apprenticeship programs in order to increase job seekers' access to career pathways utilizing Registered Apprenticeship. Although state and local workforce system budgets continue to be constrained and high growth employment opportunities are very scarce in this economy, partnering with Registered Apprenticeship is a proven way to improve placements for job seekers looking for a sustainable career, as well as to engage with employers in communities seeking to improve the skills of their workforce.

**2. Background.** Like stand-alone On-the-Job Training (OJT), Registered Apprenticeship is an important component of education and training services that the workforce system can provide to its customers, and should be used as a strategy to train and employ job seekers. The model pairs paid on-the-job learning with related technical classroom instruction in a career field, and is ideally suited to many of the unemployed and dislocated workers served by the workforce system. Registered Apprenticeship offers job seekers immediate employment opportunities that usually pay higher wages and offer continued career growth. Last year, despite a challenging economy, approximately 50,000 apprentices found employment through Registered Apprenticeship. In Fiscal Year 2011, the average starting wage for an apprentice was \$16.01/hour (\$33,301/year), with wages upon completion of a three to four year apprenticeship at \$26.36/hour (\$54,829/year).<sup>1</sup> This is a significant wage gain for entry-level workers that provides a middle-class salary at the end of the apprenticeship. Additionally, apprentices learn highly-sought after life skill sets; earn portable credentials that are nationally and often globally recognized; and, gain the opportunity to apply their apprenticeship training to two- and four-year college programs.

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<sup>1</sup> Source: U.S. Department of Labor, Registered Apprenticeship Partners Information Data System (RAPIDS), 2011

Registered Apprenticeship programs are offered by tens of thousands of employers, employer associations and labor-management organizations that provide employers with access to a pipeline of highly-skilled workers trained to meet current industry specifications, ensure workplace safety, and increase productivity. Apprenticeship crosses a wide sector of industries that includes construction, energy, manufacturing, healthcare, transportation, hospitality, telecommunications, and information technology. Registered Apprenticeship is a highly versatile training strategy that aligns with and advances the goals of key workforce investment system initiatives. By coordinating and collaborating with the knowledgeable professionals that make up the Registered Apprenticeship system, the workforce system can increase the quality of its services to both its employer and worker customers and enhance activities in support of current workforce system priorities.

In July 2007, the Employment and Training Administration (ETA) published [Training and Employment Guidance Letter \(TEGL\) No. 02-07, Leveraging Registered Apprenticeship as a Workforce Development Strategy for the Workforce Investment System](#). This TEGL provided policy guidance, information, and examples designed to encourage and support the full integration of Registered Apprenticeship as a proven workforce development strategy into state and local workforce system activities. To facilitate adoption of the policies and practices discussed in TEGL 02-07, ETA's Office of Apprenticeship (OA) pursued a number of activities nationwide, including outreach and education efforts and the hosting of a series of partnership-focused regional Action Clinics between 2008 and 2011. As a result of these efforts, many workforce investment system leaders have successfully enhanced the integration of Registered Apprenticeship programs with their state and local workforce strategies and activities, and have increased their customers' access to Registered Apprenticeship programs and opportunities by leveraging Workforce Investment Act (WIA) and other resources in support of Registered Apprenticeship. However, in many areas across the country, state workforce agencies, Local Workforce Investment Boards (LWIBs), and One-Stop Career Centers continue to face challenges in incorporating Registered Apprenticeship as an integral component within the full suite of workforce solutions. These challenges appear to be most prominent in the following areas:

- ❖ Approving Registered Apprenticeship programs as training providers on WIA Eligible Training Provider Lists (ETPLs);
- ❖ Using WIA and other workforce funding to support services and activities for Registered Apprenticeship participants and Registered Apprenticeship program sponsors, such as Individual Training Accounts (ITAs), customized training, OJT, state set-aside funding and direct grants from the U.S. Department of Labor (the Department); and
- ❖ Understanding how credit for referrals and services provided to Registered Apprenticeship participants are to be counted towards Common Measures performance goals under WIA including when a participant is exited and when they can count in performance outcomes.

The Secretary of Labor's Advisory Committee on Apprenticeship (ACA), which includes employer, labor, and public members, has identified enhancing partnerships and alignment between the workforce investment system and Registered Apprenticeship programs as one of its major priorities for action. Accordingly, it commissioned the attached white paper, "Partnering

for Success: Recommendations to Facilitate Greater Collaboration between the Registered Apprenticeship and Public Workforce Systems.”

The paper explores the barriers, both real and perceived, that inhibit better partnership and resource alignment between the workforce investment and Registered Apprenticeship systems, and provides concrete examples from three states – Alaska, Kansas, and South Carolina – which have overcome the common challenges discussed above. The ACA also commissioned the development of the attached quick reference guide to clarify how credit for referrals and services provided to Registered Apprenticeship participants are to be counted towards Common Measures performance goals under WIA.

This Training and Employment Notice (TEN) seeks to re-focus attention on the policy guidance and practical examples originally provided in TEGP No. 02-07, and to disseminate the new resources provided here as attachments, with the goal of supporting continued and enhanced development of partnerships between the state and local workforce investment system and the Registered Apprenticeship system.

**3. Registered Apprenticeship and WIA Eligible Training Provider Lists.** The WIA statute and regulations explicitly provide flexibility in determining Registered Apprenticeship training programs as initially eligible providers of ITA-funded training. Specifically, the WIA regulations at 20 CFR 663.505(b)(2)(ii) identify entities that carry out programs under the National Apprenticeship Act (NAA) as potential eligible providers of training services, and the WIA regulations at 20 CFR 663.515(b) empower LWIBs to determine the eligible training provider application procedures for Registered Apprenticeship programs. As such, Registered Apprenticeship programs, which are registered nationally with the Department following vetting by either ETA’s OA or by State Apprenticeship Agencies (SAAs), may benefit from streamlined processes for becoming approved as eligible providers of training to ITA recipients, without having to undergo the standard state agency review process (20 CFR 663.515(d)).

Despite this inherent flexibility, however, Registered Apprenticeship sponsors frequently report that the process for getting approved on the ETPL varies widely from state to state, and from LWIB to LWIB within a state, and that it can be time-consuming and cumbersome. Because Registered Apprenticeship programs are already reviewed and vetted, then registered by the Department or by SAAs, sponsors often find it burdensome to go through an additional tier of review in order to be placed on the ETPL. In response, several states (including Alaska, as discussed in the attached white paper) have begun to revisit their ETPL policies and procedures in order to streamline the process for Registered Apprenticeship sponsors to become eligible training providers.

States and LWIBs are similarly encouraged to examine their own ETPL policies and procedures to ensure that they are taking full advantage of the flexibility provided to them under the WIA statute and regulations to approve Registered Apprenticeship sponsors as eligible training providers in the least cumbersome and most efficient manner possible.

#### **4. Leveraging WIA Funding and Department Grant Funds to Support Registered Apprenticeship.**

Historically, employers, industry associations, and labor-management organizations have been instrumental in developing and funding Registered Apprenticeship programs. However, the workforce investment system has necessary and important roles to play in leveraging and advancing these investments. TEGL No. 02-07 contains extensive discussion on how state and local workforce system leaders can use WIA funding to support Registered Apprenticeship participants and Registered Apprenticeship program sponsors. Similarly, the attached white paper discusses how Alaska, Kansas, and South Carolina have invested state funding as well as local funding to support Registered Apprenticeship participants and sponsors. Additionally, Department grants such as National Emergency Grants, H-1B, and Trade Adjustment Assistance Community College and Career Training Grants can be used to support Registered Apprenticeship. Non-WIA grants administered by the LWIBs can also be used to support Registered Apprenticeship in accordance with the rules outlined in those grants.

ETA encourages the workforce system to use WIA funding and direct grants from the Department to support Registered Apprenticeship.

- **Individual Training Accounts:** ITAs may be used by WIA-eligible Registered Apprentices to support the related instruction portion (e.g., classroom-based or online learning) of their Registered Apprenticeship training. Many states and local areas note that the most effective model for connecting Registered Apprentices to ITAs is to first develop relationships with recruiting Registered Apprenticeship sponsors, then identify WIA customers that are eligible for ITAs, and then prepare those customers for entry into sponsors' Registered Apprenticeship programs.
- **Customized Training and On-the-Job Training:** TEGL No. 02-07 provides several examples of how WIA funds may be used to support customized training and OJT models, in partnership with Registered Apprenticeship sponsors. Supporting Registered Apprenticeship sponsors and their program participants through customized and OJT agreements can be an important component of states' and LWIBs' industry sector and industry cluster development strategies, and can also be an effective means of advancing growth and competitiveness for individual small businesses or groups of related businesses.
- **National Emergency Grants (NEGs):** NEGs are available to eligible state and local workforce investment agencies/entities to address major economic dislocation events by providing dislocated workers training opportunities that enable them to obtain the skills that will lead to reemployment. OJT is one type of training allowable in NEGs and grantees should engage employers who participate in Registered Apprenticeship programs as part of their workforce development strategy. Pairing dislocated workers with Registered Apprenticeship sponsors/employers provides a benefit to both the worker and the employer/Registered Apprenticeship sponsor. The worker will receive paid hands-on training, and the employer will receive a staff resource that, once the training period is completed, could result in a permanent staff resource. Participating employers will receive partial reimbursement to offset the cost of training workers.

- Trade Adjustment Assistance (TAA): Registered Apprenticeship is an allowable type of training that may be approved for trade-affected workers. TEGL 22-08, *Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009*, provides discussion of how Registered Apprenticeship and TAA may be combined. To receive training paid for by this program, the following six criteria must be met: (1) no suitable employment is available; (2) the individual would benefit from appropriate training; (3) there is a reasonable expectation of employment following completion of training; (4) training is reasonably available; (5) the individual is qualified to undertake and complete such training; and (6) training is available at a reasonable cost.
  
- Other WIA State Funding Sources: While resources are lean at this time, other state funds can be tapped to enhance workforce investment system partnerships with Registered Apprenticeship programs. This strategy is discussed in TEGL No. 02-07 and in the attached white paper, and includes WIA statewide reserve funding, WIA incentive funding, state general funds, and other state-level resources. Alaska, Kansas, and South Carolina have all used various kinds of flexible, state-level funding to support and advance Registered Apprenticeship as a workforce development strategy. South Carolina in particular has prioritized the workforce system's focus on Registered Apprenticeship by tying local eligibility for WIA incentive funding to development of plans for expanding Registered Apprenticeship, and by offering statewide reserve-funded competitive grants to expand Registered Apprenticeship in high-growth, high-wage industries.
  
- Discretionary Grants from ETA: During this recent labor-surplus economy, On-the-Job Training (OJT) has been among the key training options for training and employing job seekers and incentivizing the hiring process for businesses. Due to its higher cost, some recent Solicitation for Grant Applications (SGAs) infused additional funds to encourage greater utilization of OJT. Registered Apprenticeship is included within the definition of OJT. The following are the most recent solicitations with an OJT component which can be applied to Registered Apprenticeship.
  - **H-1B Grants**: Funds that are designated for the OJT component of H-1B grants can be used to support Registered Apprenticeship. Funds *cannot* be used for incumbent worker training. As described in the SGA, OJT is a component of each participant's training strategy, and is distinguished from other types of workplace training by several factors: (1) participants are hired (or employed) and earn wages from employers during training; (2) it is based on an individualized training plan that reflects the results of an individual skills assessment and an analysis of job requirements; (3) training is conducted in the work setting under the direction of one or more of the employer's supervisory personnel; and (4) the employer is paid a reimbursement to cover the extraordinary costs of the training.
  
  - **Trade Adjustment Assistance Community College and Career Training Grants**: These grants fund workforce training and education initiatives that prepare program participants for employment in high-wage, high-skill

occupations. Funds support partnerships between community colleges and employers to develop training that provides pathways to good jobs; integrates industry-driven competencies, and offers credit for both academic and occupational training. The \$500 million initiative has four funding priorities, one of which is building programs that meet industry needs, including developing career pathways. Under this funding priority, one recommended strategy is the implementation of “earn and learn” education models, such as Registered Apprenticeship.

**5. Measuring and Counting Registered Apprenticeship Outcomes for WIA Performance under the Common Measures.** One of the reasons often given by the workforce investment system for not referring or supporting Registered Apprenticeship programs is a lack of knowledge regarding how credit for performance in Registered Apprenticeship programs can be counted towards WIA and Employment Services performance goals. Placement in a Registered Apprenticeship program will result in positive outcomes under some Common Measures such as entered employment, retention and average earnings. The attached quick reference guide provides clarification on how to track and measure Registered Apprenticeship participants and capitalize on the opportunity to utilize apprenticeship strategies to augment performance under Common Measures.

**6. Action Requested.** ETA strongly encourages state and local workforce investment system leaders to share this TEN and its attachments, as well as previously-published TEGP No. 02-07, with all appropriate staff in an effort to establish and/or further develop partnerships with Registered Apprenticeship stakeholders.

**7. Inquiries.** Please direct inquiries to the appropriate ETA Regional Office, Office of Apprenticeship Regional Director, or State Director. Contact information may be found at <http://www.doleta.gov/oa/contactus.cfm>.

**8. Attachment(s).**

Attachment A - White Paper: Partnering for Success: Recommendations to Facilitate Greater Collaboration between the Registered Apprenticeship and Public Workforce Systems

Attachment B - Quick Reference Guide: Registered Apprenticeship Performance and Measurement