



Task Force on Apprenticeship Expansion

Minutes from the Second Meeting

February 6, 2018

Secretary of Labor R. Alexander Acosta, Chair of the Task Force on Apprenticeship Expansion (Task Force), convened the second meeting of the Task Force virtually on February 6, 2018, at 1:00 p.m. eastern time.

Welcome and Introductions

Rosemary Lahasky, Deputy Assistant Secretary of the Employment and Training Administration and Task Force Designated Federal Official, provided the logistical details for the meeting, informing the Task Force that the meeting is being hosted via phone and WebEx. Members of the Task Force are encouraged to comment at any time, and the Task Force welcomes participants from the public to share comments through the Apprenticeship Task Force email address (apprenticeshiptaskforce@dol.gov). Ms. Lahasky then introduced the Task Force Chair, Secretary of Labor R. Alexander Acosta.

Secretary Acosta welcomed and thanked the Task Force members, designees, and members of the public for participating. He commented that the Task Force is hosting the meeting by phone to reduce taxpayer costs and to ensure full access for the public.

Ms. Lahasky conducted a roll call. The following individuals participated in the meeting:

- **Chair** – Secretary R. Alexander Acosta, U.S. Department of Labor
- **Vice-Chair** – Secretary Betsy DeVos, U.S. Department of Education
- ***Vice-Chair** – Karen Dunn Kelley, representing Secretary Wilbur Ross, U.S. Department of Commerce

Task Force Members and Designees on the Call

- Michael Bellaman, President and CEO, Associated Builders and Contractors
- Walter Bumphus, President and CEO, American Association of Community Colleges
- Wesley Bush, Chairman, CEO and President, Northrop Grumman
- The Honorable Dennis Daugaard, Governor, South Dakota
- Emily Stover DeRocco, Founder and CEO, E3 Engage Educate Employ
- Cari Dominguez, Director, Manpower Inc.
- *Rob Gifford, representing Dawn Sweeney, President and CEO, National Restaurant Association
- *Stephanie Groen, representing the Honorable Kim Reynolds, Governor, Iowa
- *William Irwin, Jr., representing Douglas J. McCarron, General President, United Brotherhood of Carpenters and Joiners of America
- Montez King, Executive Director, National Institute for Metalworking Skills
- *Dane Linn, representing Joshua Bolten, President and CEO, The Business Roundtable
- Andrew Liveris, Chairman and CEO, Dow Chemical Company
- Sean McGarvey, President, North America's Building Trades Unions
- Marc H. Morial, CEO, National Urban League

- *Cheryl Oldham, representing Thomas J. Donohue, President and CEO, U.S. Chamber of Commerce
- John Ratzenberger, Workforce Training Advocate
- Mark B. Rosenberg, Board of Directors, Association of Public and Land-Grant Universities
- Joseph Sellers, Jr., General President, International Association of Sheet Metal, Air, Rail and Transportation Workers
- *Shelly Weir, representing Katherine Lugar, President and CEO, American Hotel and Lodging Association

*Task Force Member Designee

Task Force Members' Staff

- Brenezza DaParre Garcia, for Mark B. Rosenberg
- Carrie Houtman, for Andrew Liveris
- Adam Jones, for John Ratzenberger
- Thomas Kriger, for Sean McGarvey
- Ronald Marlow, for Marc H. Morial
- Denise Peppard, for Wesley Bush
- Joseph Powell, for Joseph Sellers, Jr.
- Catherine Ross, for Montez King
- Jason Tyszko, for Thomas J. Donohue
- Richard Wahlquist, for Cari Dominguez
- Patrick Weber, for Governor Daugaard

Government Officials and Federal Staff

- Rosemary Lahasky, Deputy Assistant Secretary, Employment and Training Administration and Task Force Designated Federal Official, U.S. Department of Labor
- Laurie Rowe, Senior Policy Advisor to the Secretary, Employment and Training Administration, U.S. Department of Labor
- Courtney E. Walter, Policy Advisor, Office of the Secretary, U.S. Department of Labor
- Daniel Villao, Deputy Administrator, Office of Apprenticeship, U.S. Department of Labor
- Joseph Plick, Counsel for FOIA, FACA, Privacy Act, and Information Law, Office of the Solicitor, U.S. Department of Labor
- David S. Langdon, Senior Policy Advisor, Office of the Secretary, U.S. Department of Commerce
- Ebony Lee, Deputy Chief of Staff for Policy, U.S. Department of Education
- Michael Wooten, Acting Assistant Secretary and Deputy Assistant Secretary in the Office of Career, Technical, and Adult Education, U.S. Department of Education

Opening Remarks

R. Alexander Acosta, Secretary of Labor

Secretary Acosta conveyed that President Trump understands the importance of apprenticeship and has made it a priority of this Administration, charging this Task Force with expanding apprenticeship, particularly in sectors where apprenticeship programs are not meeting their talent needs at this time. He expressed appreciation on behalf of the Administration for these leaders from businesses, labor unions, trade and industry groups, nonprofits, educational institutions, and government for providing input in

designing high-quality apprenticeship programs that are appropriate across a range of industries. He said the Task Force's work is essential, because as the nature of work changes, we must change the way we prepare young Americans for the workplace.

Secretary Acosta provided an overview of the meeting agenda, highlighting that two of the four Task Force subcommittees will report draft recommendations and take questions and feedback. He praised the subcommittees for working diligently to identify strategies and proposals to promote apprenticeships and expressed appreciation for the experience, insights, and energy that Task Force members bring to their areas of focus. While Task Force members were asked to serve on one subcommittee, Secretary Acosta noted that every member demonstrated his or her commitment by agreeing to participate in two subcommittees. Secretary Acosta said he looks forward to hearing the Task Force's advice and thoughts and urged members to think about expansion in terms of scaling up quickly to fill open jobs with skilled Americans.

Secretary Acosta then recognized and thanked the Vice-Chairs – Betsy DeVos, Secretary of Education, and Wilbur Ross, Secretary of Commerce, represented in the second Task Force meeting by Karen Dunn Kelley, Under Secretary for Economic Affairs at the U.S. Department of Commerce.

Betsy DeVos, Secretary of Education

Secretary DeVos said that apprenticeship expansion is a priority for President Trump. She noted that President Trump demonstrated this when he established the Task Force last summer and, more recently, in his State of the Union Address, when the President called on everyone to invest in workforce development, job training, and vocational skills, so students and future workers can learn a craft and realize their full potential. Secretary DeVos said America must do better to prepare our students for success in the 21st century economy and answer the President's call to expand access to more educational pathways.

Secretary DeVos recalled the first meeting in which the Task Force discussed the importance of a wider menu of higher education options because there are many types of students with a variety of needs and schedules. She said that among the many options, students, adult learners, and employers all agree on the value of "earn-and-learn models," of which apprenticeship is one of the best.

Secretary DeVos stressed that the Task Force is not about mandating a model from Washington but learning from each other because job creators know their needs more than any federal agency. She said that credentials should be competency-based, portable, validated, and relevant. She urged the group to make sure credentials match what employers need and what students think they mean. Too often, students seek a credential (like a bachelor's degree), because they think it sends a signal that they are employable, but they do not learn the skills employers need. Secretary DeVos urged employers to partner with educators or start their own training institution – giving students a direct path to what they need to know and enabling them to gain skills faster.

Karen Dunn Kelley, Under Secretary for Economic Affairs, Department of Commerce

Under Secretary Kelley thanked Secretary Acosta for allowing her to participate on Secretary Ross's behalf and emphasized Secretary Ross's support for the work of the Task Force.

Task Force Member Remarks

Secretary Acosta introduced Marc H. Morial, CEO of the National Urban League, and asked for him to share some introductory remarks, since he was unable to attend the first Task Force meeting.

Mr. Morial thanked the Secretaries and members of the Task Force. He said that his colleague, Ron Marlow, is the Chair of the Access, Equity, and Career Awareness Subcommittee, and that the National

Urban League fully supports the Administration's effort to reform apprenticeships around the country. The National Urban League is a premiere workforce development organization, managing a network of 90 affiliates that help hundreds of thousands of people – adults, older teenagers, and senior citizens – every year to find work and enhance their skills. The National Urban League is proud of its outstanding relationship with the U.S. Department of Labor dating back to the 1950s. Mr. Morial described what he sees as the “big opportunity” in the apprenticeship arena, connecting young people only marginally connected to the workforce, not only to a job, but as a way to enhance their skills so they can enter sustainable employment. Mr. Morial said he looks forward to the conversation about how to maximize this opportunity, especially in urban, suburban, and rural communities with significant numbers of people with a marginal connection to the workforce. He encouraged the group to “be surgical” in pinpointing geographic areas where unemployment is higher than the national average, industries hiring in these areas, and those who may have historically been left out. Mr. Morial said he is committed to the idea of building a partnership that includes business, labor organizations, the Federal government, sector intermediaries, and nonprofits to accomplish this work.

Secretary Acosta thanked Mr. Morial for his participation on the Task Force and the National Urban League's long partnership with the U.S. Department of Labor.

Task Force Updates

Secretary Acosta provided the following Task Force updates:

- Three additional meetings of the Task Force are planned:
 - An in-person meeting on March 15, 2018
 - A virtual meeting on April 10, 2018
 - A final, in-person meeting on May 10, 2018
- The Task Force has four subcommittees that have been hard at work developing recommendations for the Task Force's consideration:
 - Education and Credentialing
 - Attracting Business to Apprenticeship
 - Access, Equity, and Career Awareness
 - Administrative and Regulatory Strategies to Expand Apprenticeship
- The Task Force will hear from two subcommittees today:
 - Education and Credentialing
 - Attracting Business to Apprenticeship
- There is no need for concern if ideas from the subcommittees overlap. Subcommittees can combine and consolidate over the course of their deliberations, and the final report will be complete, but not duplicative.

Secretary Acosta then turned the meeting over to Secretary DeVos to introduce the Subcommittee on Education and Credentialing.

Report from the Subcommittee on Education and Credentialing

Secretary DeVos described the scope of the subcommittee's charge as follows:

- To explore educational opportunities available or needed to prepare more individuals to successfully enroll in and complete an apprenticeship;
- To explore strategies for increasing consistency among institutions regarding the delivery of related technical instruction and college credit awarded for on-the-job learning experiences;

- To explore strategies for making related technical instruction more affordable for apprentices and employers; and
- To explore strategies for relying on portable, industry-recognized credentials as a key element of quality assurance and accountability reviews.

Secretary DeVos introduced Subcommittee Chair, Emily Stover DeRocco, Founder and CEO of Engage Educate Employ. Ms. DeRocco thanked Secretary DeVos and identified the subcommittee members:

- **Chair – Emily Stover DeRocco, E3 Engage Educate Employ**
- Brenezza DaParre Garcia, representing Mark B. Rosenberg, Association of Public and Land-Grant Universities
- Stephanie Groen, representing Governor Kim Reynolds, State of Iowa
- Catherine Ross, representing Montez King, National Institute for Metalworking Skills
- Jennifer Worth, representing Walter Bumphus, American Association of Community Colleges
- Rob Gifford, representing Dawn Sweeney, National Restaurant Association
- William Irwin, Jr., representing Douglas J. McCarron, United Brotherhood of Carpenters and Joiners of America
- Dane Linn, representing Joshua Bolten, Business Roundtable
- Ronald Marlow, representing Marc H. Morial, National Urban League
- Joseph Powell, representing Joseph Sellers, Jr., International Association of Sheet Metal, Air, Rail and Transportation Workers
- Michael Wooten, representing Secretary Betsy DeVos, U.S. Department of Education
- Laurie Rowe, representing Secretary R. Alexander Acosta, U.S. Department of Labor

Ms. DeRocco said she offers the report on the subcommittee's behalf and encouraged the subcommittee members to join in the discussion.

First, Ms. DeRocco said the subcommittee recommends the full Task Force develop a shared understanding on a set of terms and definitions. To facilitate this, the subcommittee drafted a glossary for the Task Force members' consideration:

- **Apprenticeship**: An arrangement that includes a paid-work component and an educational or instructional component, wherein an individual obtains workplace-relevant knowledge and skills.

Ms. DeRocco noted that the subcommittee is laser focused on workplace-relevant knowledge and skills.

- **Industry-Recognized Apprenticeship**: A high-quality apprenticeship program that includes a paid-work component and an educational or instructional component, wherein an individual obtains workplace-relevant knowledge and skills. Programs will be developed by third parties and may include trade and industry groups, companies, non-profit organizations, unions, and joint labor-management organizations. Developed programs are those that can be certified as a high-quality program by a third-party certifier that has received favorable determination from the U.S. Department of Labor.
- **Job Training Program**: A federal program designed to promote skills development or workplace readiness and increase the earnings or employability of workers but does not include federal student aid or student loan programs.

Ms. DeRocco discussed six terms that the subcommittee believes are core criteria critical to the work and learn model that will be the basis of the industry-recognized apprenticeship program:

- **Blended Learning:** Multiple learning modes are available to engage an individual, including theory-based classroom instruction, simulation, and online or distance learning, and other innovative learning modes. This is coupled with, and supplemented by, performance-based or “hands-on” learning in the work environment.
- **Credit for Prior Knowledge and Experience:** Individuals who have developed knowledge and skills through prior educational and work experience can receive credit for their demonstrated abilities.

Ms. DeRocco emphasized that credit for prior knowledge and experience accelerate an individual’s ability to pursue an apprenticeship program successfully.

- **Industry Skill Standards and Credentials:** Curriculum/training is based on industry skill standards, while third-party assessments (including industry credentials) measure and acknowledge individual proficiency.

Ms. DeRocco shared that the subcommittee believes these criteria will help ensure the relevancy of the apprenticeship program to the job.

- **Mentorship:** Employer mentors support an individual during his/her work-based learning experience, providing guidance on company culture, specific position functions, and workplace policies and procedures. In many cases, mentors help in developing learning objectives for a mentee and assist in measuring his/her progress and proficiency.
- **Paid Work Experience and Advancement Opportunity:** An individual will earn a wage during the work-based learning portion of the program. Work, full- or part-time, is usually paid and tied to an academic credit from a secondary or post-secondary school partner. Wages/workplace responsibilities will often increase at defined milestones as determined by an employer based on the individual’s advancement.

Ms. DeRocco acknowledged that Secretary Acosta has been a strong advocate for the paid work experience component.

- **Program Completion Certificates:** Individuals who complete the program receive nationally portable, industry-recognized credentials, program certificates, and/or degrees that have demonstrable consumer and labor market value.

Proposed Recommendations from the Subcommittee on Education and Credentialing

Ms. DeRocco then shared the following list of proposed subcommittee recommendations:

1. **Better connection between employers and learning providers to ensure competency-based instruction is aligned to the knowledge, skills, and abilities needed on the job.**

Ms. DeRocco noted that people often talk about improving this connection between employers and learning providers, but implementation has not been entirely successful thus far.

2. Industry credentials integrated into apprenticeship must be standards-based, industry-recognized, and nationally portable.

Ms. DeRocco emphasized this applies as appropriate to the industry sector – where industry credentials are available. She said there is a proliferation of credentials, but this is about *industry* credentials. The subcommittee believes that reliance on these credentials will be a key element of quality assurance.

3. Work with industry certifiers to ensure industry-recognized apprenticeships incorporate the key criteria of:

- **Blended learning;**
- **Credit for prior knowledge and experience;**
- **Industry skill standards and credentials;**
- **Mentorship;**
- **Paid work experience and advancement opportunities; and**
- **Program completion certificates.**

Ms. DeRocco said the subcommittee believes the combination of these six criteria separate apprenticeship from the continuum of work and learn models. Adoption will help ensure the highest quality, as well as consistency, across industry-recognized apprenticeship programs.

4. Industry-recognized apprenticeship must include a work-based learning and performance assessment to ensure the individual can apply knowledge, skills, and abilities related to the job.

Ms. DeRocco said that performance assessments are critical for apprentices for success in the job, as well as for employers in their recruitment, screening, and hiring efforts.

5. Recognizing the “Work and Learn Model Continuum,” the goal is to expand more traditional work and learn models to incorporate the criteria of modern apprenticeship and to ensure better outcomes for workers and employers.

Ms. DeRocco referenced a slide showing the “Work and Learn Model Continuum,” which ranges from “low touch” work and learn models requiring less structure and less employer engagement (such as career fairs and industry tours) to “high touch” work and learn models requiring more structure and more employer engagement (such as cooperative education, apprenticeship, and Registered Apprenticeship).

6. Reform the Registered Apprenticeship program to modernize the system and encourage greater involvement by employers and industry sectors.

At the conclusion of her report, Ms. DeRocco invited questions and encouraged her fellow subcommittee members to join her in responding.

Open Discussion on the Education and Credentialing Subcommittee Report

Secretary Acosta thanked Ms. DeRocco for the report, calling it thoughtful, comprehensive, and indicative of a lot of work by the subcommittee. He posed the first question, related to the recommended criteria for an industry-recognized apprenticeship on paid work experience and advancement opportunity, which tied work experience to academic credit: *What about those industries where education is provided not by a school partner, but by the industry or by a labor/management organization?*

Ms. DeRocco said the phrase “paid and tied to an academic credit” should be caveated with “when the individual is in a learning institution where credit is important to the learning or degree.” She clarified that the subcommittee wants to ensure the apprentice’s learning is not in a not-for-credit situation, which could prevent the individual from getting an academic degree he/she may seek later. When the learning is in an occupation that is not connected to traditional degrees or to institutions that provide credit, that comment is not applicable. Ms. DeRocco said the subcommittee wants to be as expansive as possible in recognizing the learning opportunities across the spectrum, while encouraging credit and partnerships with post-secondary learning institutions that give credit (and credit that builds to a degree) wherever possible.

Secretary Acosta agreed, stating that he too hopes that a number of post-secondary institutions participate broadly and provide credit.

Mark B. Rosenberg, Board of Directors, Association of Public and Land-Grant Universities, posed a question on the same criterion: *Do we assume advancement opportunities are necessarily in the same company? Is that how we distinguish an apprenticeship from not an apprenticeship?* He noted that expectations and commitments for advancement opportunities are issues that arise when talking with businesses.

Ms. DeRocco replied that the subcommittee has not had a chance to talk at length about this but shared her opinion – a successful apprenticeship would provide the competencies that would lead to advancement opportunities within the company and beyond. This might include jobs in the same sector and outside the sector where there are shared competencies. She said the apprenticeship’s goal should be to provide the blended learning that will allow an individual to attain the competencies that are transferrable across jobs, across companies, and across sectors.

Montez King, Executive Director, National Institute for Metalworking Skills, added a few comments. He stressed that whether credit or non-credit, whether an internal or school learning environment, the key is what you have at the end - an industry-recognized credential.

Ms. DeRocco agreed with Mr. King but called it “both sides of a coin.” She emphasized their shared work to fight for nationally-portable, industry-recognized credentials to translate into credit for individuals who choose to pursue a degree. On the flip side, learning in a school environment that leads to a credential should also lead to credit.

Mr. King agreed and reiterated that whether people are getting training from post-secondary schools or their company, they are on the path to advancement. The key that ties it all together is the credential. Mr. King stressed that a challenge is identifying those credentials with the rigor and quality that can be articulated into the credits needed for a career pathway. He said that the signs of a quality credential are those criteria the subcommittee identified. Mr. King turned to portable, stackable credentials, noting that they allow for “modular” or “mini” apprenticeships. Rather than an apprentice just working toward a three-year journey worker certificate, giving credentials along the way encourages apprentices and allows someone to do a portion and complete at a later time.

Ms. DeRocco replied that the subcommittee’s first charge was to explore educational opportunities needed to prepare more individuals to complete an apprenticeship, and she agreed that more “on and off ramps” to the learning environment and the work environment are critical.

Michael Bellaman, President and CEO, Associated Builders and Contractors, congratulated the subcommittee on its work. He expressed support for the glossary of terms, noting that it gets everyone

“on the same page.” He also said the definition of apprenticeship was well done. He suggested the subcommittee add definitions on the “Department of Labor Registered Apprenticeship program” (since it is referenced in one of the subcommittee’s recommendations), “competency-based training,” and “time-based training.” Mr. Bellaman also posed a question related to the “Work and Learn Model Continuum” that Ms. DeRocco referenced in her remarks: *Is the subcommittee’s intention to relook at that model (dated 2015) or to just use it as a point of reference for conversation?*

Ms. DeRocco thanked Mr. Bellaman and agreed to include his recommended terms in the glossary. She clarified that the “Work and Learn Model Continuum” was used as a point of reference for discussion. She acknowledged that business-education partnerships have become more creative in recent years but said she will leave it up to the subcommittee whether they want to update this model or leave it as a reference tool. Ms. DeRocco emphasized that expanding work-and-learn models to include the critical components of industry-recognized apprenticeship must be done in such a way to access the current resources available in support of expanded apprenticeship (financial aid and workforce investment dollars), so the issue is relevant to her subcommittee and others (like the Business Engagement Group) addressing resource questions.

Cheryl Oldham, Vice President of Education Policy, U.S. Chamber of Commerce, raised a question related to the subcommittee’s recommendation that credit be given for demonstrated abilities: *Given that prior learning assessments are not widely used, is this a requirement or a necessary element of an apprenticeship? If so, do we think this will limit the number of programs that would be recognized?* She also inquired whether or not the subcommittee defined, or at least has a shared understanding, of the terms it used to define industry credentials – “standards-based, industry-recognized, and nationally portable.”

Ms. DeRocco replied that prior learning assessments are a recommended component, because they will expand opportunities for people moving from one job, learning experience, or sector to another. She noted it is smart and a win-win for everyone if the Task Force can make sure credit for prior learning is one of the “checkpoints” of a high-quality industry-recognized apprenticeship program.

On the terms defining industry credentials, Ms. DeRocco indicated that the National Network of Business and Industry Associations has outlined and defined these terms. She acknowledged they probably are not perfect but offered to use them as a start and to review and refine them if necessary.

Ms. Oldham raised one last question related to performance expectations for high-performing apprenticeship programs: *The subcommittee appears to have been focused on design elements, but is there an expectation or desire to turn to outcomes and identify what good outcomes might look like?*

“Definitely,” said Ms. DeRocco. Quality assurance of apprenticeship is one of those crossover topics, and the Administrative and Regulatory Subcommittee may be looking at it. She expressed hope that performance expectations would be part of the broader discussion because it is an important topic.

Wesley Bush, Chairman, CEO and President, Northrop Grumman, said that the glossary is helpful because often people talk past each other without a point of reference. Mr. Bush suggested the Task Force has some work to do on the industry-recognized credentials, since that framework underpins much of the industry-recognized apprenticeship structure. It is important, he stressed, to make sure we have a good foundation. He agreed that many of the skilled trades have a structured approach to stackable, industry-recognized credentials. However, in thinking about the full range of skills, industries, and jobs the Task Force is trying to address, Business Roundtable surveys indicate that there are many workplace skills employers need that lack a commonly agreed-to set of credentials. Many Business Roundtable

members are not looking to create a highly integrated group of companies to review, verify, and approve credentials. Instead, the Business Roundtable recommends trying to create more of a marketplace for credentials, as it is doing through the Credential Engine. He urged the Task Force, when defining and setting up the framework for industry-recognized credentials, to avoid a highly-structured, and perhaps bureaucratic, process that might not be able to keep up with the pace of change and support marketplace-based approaches.

Ms. DeRocco concurred and said the subcommittee should review and bring greater clarity to this. She believes there are too many credentials already, so we should not encourage everyone to create a new credential. She clarified that the subcommittee intends to say that *when* industry-recognized credentials exist, are continuously improved, and meet the standards of the sector, they should be incorporated into the industry-recognized apprenticeship, because they have labor market value. She acknowledged that sorting the value of credentials through the Credential Engine is one way to encourage effective credentials, and the framework for industry-recognized apprenticeships should avoid bureaucracy and proliferation of credentials. Ms. DeRocco believes the market will drive people toward credentials where they are necessary and valuable and will not support credentials where they are not.

Under Secretary Kelley asked: *Did the subcommittee discuss guiding principles or baselines for how mentorship programs should work?* She suggested mentorship is critically important, serves more than a technical function, and is worth exploring.

Ms. DeRocco agreed and pondered that the system could go in the direction of the certifying entity providing support for mentorship. However, she said the subcommittee has not gotten to that level of detail in its discussions yet.

Andrew Liveris, Chairman and CEO, Dow Chemical Company, thanked the subcommittee for its work. He recommended that, as the subcommittee thinks about credentials, it brings in the demand side more strongly. He noted that it is less about what yesterday's market wanted for learning, apprenticeships, et cetera, and more about the world of digitalization and the development of skills the market is short of (and that the supply side is not providing). Mr. Liveris cautioned that one could fix the credentialing issue, but it might not meet the demand of where work is going. The supply side (credentialing, portability, and certification) must be met by the demand side (companies redefining what the work even looks like for the apprenticeships of tomorrow).

Ms. DeRocco concurred, noting that historically many industry-recognized credentials are the demand side articulation of competencies that companies were not getting from the traditional education side. She noted that Mr. Liveris is challenging the Task Force to modernize and bring a strong technology infusion into competencies, which will make workers more valuable and better meet employer needs.

Secretary Acosta thanked Ms. DeRocco and the subcommittee members for their work and all the Task Force members and representatives for their questions and comments.

Report from the Subcommittee on Attracting Business to Apprenticeship

Secretary Acosta shifted to a presentation from the Subcommittee on Attracting Business to Apprenticeship. He began by reviewing the subcommittee's charge:

- To briefly catalog the multiple barriers that prevent many American companies from considering or embracing apprenticeship as part of their workforce development strategy; and

- To outline priority actions that government and the private sector could take to build commitment and support for taking apprenticeship to scale and further diversifying the industries and sectors that participate in apprenticeship.

Secretary Acosta introduced the subcommittee Co-Chairs, Shelly Weir, Senior Vice President of Career Development at the American Hotel and Lodging Association, and Carrie Houtman, Senior Public Policy Manager at Dow Chemical Company. Ms. Houtman thanked the Secretaries and the subcommittee members for their contributions and mentioned the subcommittee members.

- **Co-Chair – Carrie Houtman, representing Andrew Liveris, Dow Chemical Company**
- **Co-Chair – Shelly Weir, representing Katherine Lugar, American Hotel and Lodging Association**
- Greg Sizemore, representing Michael Bellaman, Associated Builders and Contractors
- Gardner Carrick and Cheryl Oldham, representing Jay Timmons, National Association of Manufacturers
- Jason Tyszko, representing Thomas J. Donohue, U.S. Chamber of Commerce
- Denise Peppard, representing Wesley Bush, Northrop Grumman
- Patrick Weber, representing Governor Dennis Daugaard, State of South Dakota
- Rob Gifford, representing Dawn Sweeney, National Restaurant Association
- Adam Jones, representing John Ratzenberger, Workforce Training Advocate
- Richard Wahlquist, representing Cari Dominguez, Manpower Inc.
- Diane Auer Jones, representing Secretary R. Alexander Acosta, U.S. Department of Labor
- David Langdon, representing Secretary Wilbur Ross, U.S. Department of Commerce

Proposed Recommendations from the Subcommittee on Attracting Business to Apprenticeship

Ms. Houtman said she and Ms. Weir were pleased to report out on four recommendations from the subcommittee and look forward to the input and discussion from the Task Force. Ms. Houtman began by stating that Mr. Liveris is correct – there is a challenge on the demand side. She called it a “communication challenge” – one that presents an opportunity for businesses and educators and policy makers to solve by making the case for apprenticeship.

- 1. To recruit more businesses to apprenticeship, we need to identify precisely what problems a business or sector is trying to solve and then provide data and case studies to demonstrate how apprenticeship can help. Challenges addressed by apprenticeship include:**
 - Diversifying the workforce
 - Improving employee retention
 - Ms. Houtman said Dow Chemical Company’s experience demonstrates that the mutual commitment by apprentices and employers through apprenticeship leads to more commitment on both sides.
 - Upskilling incumbent workers
 - Ms. Houtman stressed that upskilling incumbent workers is increasingly important as the digital age changes the nature of jobs and skills required.
 - Reaching new communities of potential employees
 - Retaining institutional knowledge of the aging workforce
 - While always a challenge, Ms. Houtman called retaining institutional knowledge “even more profound” today as millennials enter and baby boomers retire.

- Financial return on investment
 - Ms. Houtman pointed to the 2016 Department of Commerce Return on Investment report to help the Task Force communicate about the value of apprenticeship with those reluctant to embrace the model. (This report is entitled “The Benefits and Costs of Apprenticeships: A Business Perspective” and was co-authored with Case Western Reserve University.)

Ms. Houtman encouraged the group to keep in mind that a compelling case for apprenticeship is different for each employer. Understanding employers’ point of view will enable us, very critically, to adapt the way we talk about apprenticeship and make the business case for apprenticeship.

2. In order to attract more employers to apprenticeship – and in particular smaller- and medium-sized businesses – industry groups must develop and make centralized resources readily available. These resources include:

- Industry-developed, competency-based apprenticeship standards;
- Curricula that aligns with those standards (made available through a central provider or a network of providers);
- Instruction and resource guides for trainers/educators;
- Instruction and resource guides for mentors; and
- Industry-developed occupational competencies.

Ms. Houtman described the second recommendation as “sounding simple,” but, in reality, is very complicated. Businesses find it difficult to get information on apprenticeship, not due to a shortage of information, but because the information does not exist in one place “or even a dozen places.” The subcommittee proposes to build a one-stop shop for businesses starting on the apprenticeship pathway that could build on work the U.S. Department of Labor has begun. Ms. Houtman said the subcommittee is aware of great materials, like case studies and how-to guides on the U.S. Department of Labor’s websites and trade association websites like the National Association of Manufacturers, and strongly encourages the U.S. Departments of Labor, Commerce, and Education to work together to create a centralized repository for all information.

Ms. Houtman then turned it over to subcommittee Co-Chair Shelly Weir to review the final two recommendations. Ms. Weir said the underlying theme for the subcommittee is that employers are looking to recruit and retain the best talent, so they want to showcase apprenticeship as the solution to those skilled talent needs.

3. Companies need to understand how to optimize their training investments (including current expenditures) to yield desired outcomes.

- Need to better understand how employers currently invest training dollars
 - What are their goals, how much do they spend, what are the outcomes?
- Case studies or other tools could be developed to help industries quantify their current expenditures and evaluate the effectiveness of those investments

Ms. Weir said that some employers view apprenticeship as expensive, so the subcommittee recommends deploying some tools to help companies quantify their training expenditures and outcomes, so apprenticeship can be positioned as a more efficient approach. The subcommittee had a lot of conversations around retention and how apprenticeship has been shown to improve retention. Ms. Weir said those types of data metrics will help better position apprenticeship as a talent solution. Return on investment tools and data could also help employers justify

reallocating existing training dollars toward apprenticeship if, she said, these investments are shown to yield longer lasting results. Ms. Weir indicated that the subcommittee has had detailed conversations on what the success of apprenticeship has been in these metrics and would like to show that apprenticeship is likely more sustainable than other training expenditure investments.

4. Companies are attracted by risk-sharing opportunities:

- Government risk-sharing tools include federal and state financial incentives such as start-up grants, tax credits, and other workforce development investments.
- If apprenticeship is achieving better outcomes than other workforce development programs (as determined through more robust data collection and analysis efforts), then federal and state resources should be reallocated to apprenticeship.
- Income-sharing agreements provide a new tool that could help businesses fund apprenticeship training costs. Investors sponsor apprentices by investing in their training, and, in return, they take an equity stake in the apprentice's wages over a certain period of time.

Ms. Weir noted that the subcommittee is mindful that it will take time for employer perceptions to shift in favor of apprenticeship. In light of that, the subcommittee began to brainstorm ways to attract companies through "risk-sharing opportunities." Companies should be investing through reallocating training dollars as part of their share. On the public side, investments could include tax credits and other workforce investments. Ms. Weir urged adoption of these kinds of partnerships to encourage participation, reduce barriers to entry, prove the apprenticeship concept, and help to scale it more quickly. She said there are significant workforce dollars that could be redirected toward apprenticeship, and the subcommittee believes that a simplified system could yield stronger results. She indicated that the members from the Chamber of Commerce and National Association of Manufacturers could address questions pertaining to income-sharing agreements – another risk-sharing tool that could reduce barriers to entry and help to scale up apprenticeship more quickly.

Open Discussion on Attracting Business to Apprenticeship Subcommittee Report

Secretary Acosta thanked the Co-Chairs and colleagues on the subcommittee for their work and opened up the floor for questions. He began with the issue of data, noting that he asks companies to tell their success stories and share data to show improved retention. While they say this would have value, companies are reticent to gather the data, he believes, in part because it requires a lot of effort and in part because some data might be proprietary. *How can we make data gathering and sharing easier and more attractive?* Secretary Acosta agreed that when the data is shown, more companies will see the success of apprenticeship programs and embrace them more quickly, but the Administration needs companies willing to act as role models and gather and share that information.

Ms. Houtman said she understands that businesses may be reticent to put out detailed return on investment information but suggested they can do it in more general terms, in a way that can still be compelling. She believes well-done qualitative case studies can be just as compelling as specific return on investment data.

Ms. Weir added that trade association participation on the Task Force provides an opportunity for the trade associations to potentially be the conduit. She suggested that the trade associations can tell stories and share data, but at a high-industry level, which might help address fears about sharing proprietary data. Secretary Acosta thanked her and said that compiling information by industry would be helpful.

Cari Dominguez, Director, Manpower Inc., emphasized the importance of identifying the problems businesses are facing. She recommended that any repository of information include not just the solutions, but also information on the challenges that exist. Ms. Dominguez said that education and data on both challenges and solutions could be extremely valuable in developing industry-recognized apprenticeships alongside Registered Apprenticeships. She said that she supports the recommendations.

Richard Wahlquist, Guest of Cari Dominguez, Manpower Inc., said that he wholeheartedly endorses the comments about the role that trade associations can play to remove some of the stigma and concerns about sharing proprietary data, and that the American Staffing Association (ASA) can commit to helping. Mr. Wahlquist, President and CEO of ASA, stated that the ASA's surveys of its members identified some stigma associated with the term "apprenticeship." He suggested the Task Force do some definitional and public relations work to make an "old term" fit a modern era. He said they also learned that members (and other associations) want a streamlined apprenticeship program with reciprocity agreements between the states. He contended that if we make it easier for businesses to use apprenticeship, businesses will "come in droves," as long as the model fills their talent pipeline and addresses their upskilling and reskilling needs.

Sean McGarvey, President, North America's Building Trades Unions (NABTU), addressed both subcommittees. He said he was excited with the recommendations of the first subcommittee because NABTU's programs already check almost all of the boxes of quality programs the subcommittee identified. He shared that the majority of people in the Registered Apprenticeship system are in NABTU's programs, which cover 100,000 employers. He said he would like a little more explanation about the recommended reforms to the Registered Apprenticeship system. Mr. McGarvey expressed concerns because his contractors love the Registered Apprenticeship system, love the quality, find it easy to use, and are not interested in anything that is going to degrade the system that has worked so well in the building trades industry.

Ms. DeRocco pointed out that new industry sectors are using apprenticeship for the first time – such as hotels, restaurants, and information technology and others are eager to participate. Ms. DeRocco acknowledged that Registered Apprenticeship may be exactly what the construction industry wants but said it is not always aligned to different sectors. She said those new and different sectors are calling for reform and a reconsideration of requirements that do not relate to workforce preparation in their sector.

Ms. Weir said she understands and agrees that the Registered Apprenticeship system has been a phenomenal solution for the construction sector. She called the American Hotel and Lodging Association (AHLA) "newbies," since it just registered its apprenticeship programs last summer. She said the AHLA's concerns relate to helping employers in multiple states navigate a fragmented system. Reciprocity between states and federal systems, she said, has been daunting for the association, as well as employers, due, for instance, to differences in regulations.

Mr. McGarvey offered to make his organization's technical experts available to anyone considering expanding apprenticeship in new industries.

Secretary Acosta added that the Administration acknowledges the construction and trade field's deep private sector investments into apprenticeship. He said that the Administration's intent is to use the construction and trades industry's experience as a model to expand apprenticeships broadly and widely. He said that other sectors have had difficulty with the Registered Apprenticeship model, so the President's vision is to create these industry-certified apprenticeships, which would be different from Registered Apprenticeship, to open up apprenticeship more fully to these different industries. Secretary

Acosta said that recommendations may come up related to the Registered Apprenticeship program, but the Task Force's main focus should be on expanding the industry-certified apprenticeship model broadly.

Rob Gifford, Executive Vice President of Philanthropic Initiatives, National Restaurant

Association, said that as an industry that is newer to the Registered Apprenticeship network and one that has not traditionally been in the apprenticeship space, they encountered significant challenges with reciprocity and creating competency-based standards. He said he understands the main focus of the Task Force, but hopes suggestions that would improve the Registered Apprenticeship process will be considered to allow some industries who have made commitments to the Registered Apprenticeship system to do so more successfully.

Walter Bumphus, President and CEO, American Association of Community Colleges (AACC), said that he supports the information shared in the meeting. He shared that AACC hosted a Workforce Institute in New Orleans recently, where a conversation on apprenticeship and apprenticeship reform drew a standing room-only crowd of community college presidents and chancellors. They offered any assistance they can provide to support the Task Force's work and provided recommendations on apprenticeship standards, whether new industry-recognized standards or old Registered Apprenticeship standards.

Joseph Sellers, Jr., General President, International Association of Sheet Metal, Air, Rail and Transportation Workers, said that he shared Mr. McGarvey's concern regarding reforms to the Registered Apprenticeship program and appreciated Ms. DeRocco qualifying that statement. He turned to the first subcommittee's definition of mentorship and suggested that the phrase "employer mentor" be modified to read "employer/employee mentor." He cited veterans helping fellow veterans as an example of ways employees sometimes help other employees through the apprenticeship program.

Closing Remarks and Next Steps

Secretary Acosta thanked everyone for their comments. He acknowledged and expressed appreciation for the work everyone is doing so expeditiously. Secretary Acosta stated that the Administration thinks it is important to provide opportunities as quickly as possible for American workers, with nearly six million impacted by the skills gap.

Secretary DeVos thanked the subcommittee members for their thoughtful work and presentations. She said she was struck by the recommendation to identify the problems businesses and sectors are trying to solve – something that seems elementary, but is fundamental to the Task Force's work. Secretary DeVos encouraged everyone to take a deeper dive into this topic and said she looks forward to the next steps.

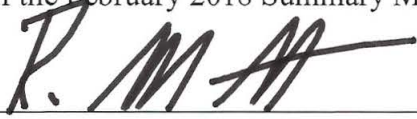
Secretary Acosta noted that the Task Force will hear from the other two subcommittees – Administrative and Regulatory Strategies to Expand Apprenticeship and Access, Equity, and Career Awareness – when they reconvene in March. Meanwhile, all four subcommittees will continue their work. He clarified that the recommendations today are a progress report and not a final report, so the Task Force can revisit these topics again during future deliberations. He reminded everyone that the Task Force's goals are to take apprenticeship to scale and to create quality apprenticeships across all industries. As subcommittees meet, he asked them to consider how to encourage businesses to make commitments to scale up – not to fifty, or one hundred apprentices, but to thousands of apprentices across the nation.

Secretary Acosta thanked the Task Force members for their continuing work and the public for listening in. He informed the Task Force members that the U.S. Department of Labor will provide a copy of draft guidance on industry-recognized apprenticeships, not to seek recommendations, but to give the Task

Force insight into the Department's direction. Secretary Acosta thanked everyone once again and adjourned the Task Force at 2:34 p.m. eastern time.

CERTIFICATION

As the Chairperson of the Task Force on Apprenticeship Expansion, I hereby certify the accuracy of the February 2018 Summary Meeting Minutes.

A handwritten signature in black ink, appearing to read 'R. Alexander Acosta', written over a horizontal line.

R. Alexander Acosta
Secretary of Labor
Task Force Chairperson