

TRAINING AND EMPLOYMENT NOTICE	NO. 44-11
	DATE 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).¹ 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.

¹ 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 TEGL 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

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

May, 2011



A White Paper commissioned by:

**Advisory Committee on Apprenticeship
Education and Workforce Partnership Workgroup
Office of Apprenticeship
U.S. Department of Labor
Employment and Training Administration**

I. Introduction

In recent years, the U.S. Department of Labor (USDOL), Employment and Training Administration (ETA), Office of Apprenticeship (OA) has been engaged in an aggressive effort to make Registered Apprenticeship (RA) a stronger, more flexible talent development strategy. One of the primary goals of this effort is to encourage the workforce investment system to leverage and work with RA. While considerable progress has been made, the Partnership Workgroup of the Advisory Committee on Apprenticeship (ACA) recently noted that barriers still exist that frustrate efforts to collaborate and align resources. Specifically, the workgroup discussed challenges faced by RA programs in becoming approved providers on states' Eligible Training Provider Lists (ETPLs) and in obtaining financial support for pre-apprenticeship training and/or related instruction utilizing Individual Training Accounts (ITAs) funded by the workforce system under the Workforce Investment Act (WIA).

This white paper, written at the request of the ACA Partnership workgroup, explores barriers to RA sponsors' access to the ETPL/ITAs and other issues, and makes recommendations to improve the system.

II. Executive Summary

Registered Apprenticeship is an important component of the suite of potential education and training services the workforce system can provide to its customers, and should be used more often as a strategy to train and employ job seekers. The model pairs paid on-the-job learning with related technical/theoretical training in a career field and is ideally suited to many of the unemployed and dislocated workers served by the workforce system. RA offers job seekers immediate employment opportunities that usually pay higher wages and offer career growth; highly-sought after life skill sets; portable credentials that are nationally and often globally recognized; and the opportunity to apply their apprenticeship training to two- and four-year college programs. RA provides 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 range of industries that includes construction, retail, healthcare, telecommunications, and information technology.

Despite ETA's efforts to encourage the public workforce system to partner with and leverage Registered Apprenticeship, including the 2007 publication of ETA [Training and Employment Guidance Letter \(TEGL\) No. 02-07](#), apprenticeship remains far from fully aligned with the public workforce system. Many in state leadership, particularly those states that have attended an OA-sponsored regional action clinic, "Collaborate for Success: Partnering with Registered Apprenticeship," understand the value of including Registered Apprenticeship in their workforce strategies and have made significant gains toward alignment. However, the disconnect seems to be most evident at the local level, particularly where local Workforce Investment Boards (WIBs) and One-Stop Career Center staff are unfamiliar with Registered Apprenticeship and don't know how to make it fit with the programs they traditionally administer. Aligning the apprenticeship model to WIA ETPL and ITA frameworks appears to pose the most significant challenges at the local level.

This paper provides (1) an overview of the key barriers that inhibit partnership, particularly related to ETPL access and ITA funding issues; (2) examples of promising practices in three states that demonstrate how to support RA with WIA and other state funding; (3) specific examples of how WIA programs can report performance for RA under the Common Measures, i.e., performance measures created by ETA to gauge attainment of WIA goals; and (4) recommendations for continuing efforts to support enhanced partnerships of RA throughout the public workforce system.

A. Eligible Training Provider Lists and Individual Training Accounts: Summary of Challenges and Issues

RA sponsors, RA local and regional staff, and state and local workforce system staff surveyed for this paper reported the following common challenges related to aligning RA with ETPL and ITA frameworks under WIA. These challenges are discussed in further detail in Section IV.

1. The process for being added as a training provider to the ETPL is complex, cumbersome and varies among WIBs within the same state, and from state to state.
2. There is a lack of understanding between the RA and workforce system regarding each others programs.

3. Some WIBs are not interested in working with RA due to a lack of understanding, limited funding, local service priorities, or other reasons.
4. RA programs may not always be interested in the ETPL/ITA process because it can be cumbersome and is perceived as not worth the effort and paperwork required.

B. Best Practices in Three States: Alaska, South Carolina, and Kansas

Despite these challenges, some areas in the country have successfully managed to add RA programs to their ETPL and have funded ITAs for apprentices. Others have utilized more flexible funding sources, such as WIA Reserve Funds and state general funds, to support RA. Section V provides detailed examples of effective and creative approaches taken from case studies of RA in Alaska, South Carolina, and South Central Kansas.

C. Measurement and Performance

One challenge to leveraging WIA and other workforce system funding to support RA is a lack of knowledge regarding how credit for performance can be captured in RA programs' information systems and counted toward WIA performance goals. Detailed examples of how performance can be credited under the WIA Common Measure are provided in Section VI.

D. Recommendations

Efforts to incorporate Registered Apprenticeship throughout the workforce investment system have not yet fully produced the intended results to use the model as an integral part of its workforce development strategies. While challenges and barriers to collaboration exist, and while RA is not a mandated WIA partner, progress has been made. As noted above, several states and local areas have found creative ways to work within the existing system to support RA as an important talent development strategy. Full recommendations for replicating and expanding these models of partnership and alignment are discussed in detail in Section VII on page 16.

III. The Value of Registered Apprenticeship to the Workforce Investment System

Registered Apprenticeship is an important addition to the suite of potential education and training services the workforce system provides to its customers and should be used more often as strategy to train and employ job seekers. Registered Apprenticeship is highly versatile and aligns with and advances the goals of key workforce investment system initiatives. As a business/industry driven model, RA programs focus on high-wage/high-growth industries, especially those that face shortages of skilled workers. The RA program provides a platform for employers to develop and apply industry standards to their training programs that not only improve the quality of the workforce, but also offer a model that can increase productivity and services. Employers have access to a pipeline of highly-skilled workers trained to meet and exceed certification and licensing requirements. Apprenticeship crosses a wide range of industries that include construction, manufacturing, healthcare, telecommunications, information technology, and many others. As such, it can serve as an important talent development strategy and an economic development strategy for state and local Workforce Investment Boards and local One-Stop Career Centers.

The RA model pairs paid on-the-job learning with related technical/theoretical training in a career field. This earn-while-you-learn model is ideally suited to many of the dislocated and unemployed workers served by the public workforce system. Job seekers have immediate employment opportunities that usually pay higher wages and offer career growth, highly-sought after life skill sets, portable credentials that are nationally and often globally recognized, and the opportunity to apply their apprenticeship training to two- and four-year college programs.

Features of Registered Apprenticeship, including its customized format, the extensive industry knowledge of state and federal apprenticeship staff, and its significant employment, retention, and wage outcomes, make the program an effective means of meeting workforce system goals. 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. Furthermore, performance goals and metrics under Registered Apprenticeship align with those of the workforce system for WIA programs, and apprentices' performance can be captured under the system of WIA Common Measures used to

gauge the effectiveness of workforce system strategies. In these times of scarce resources, public workforce development and Registered Apprenticeship systems and programs should work with one another to offer better and more comprehensive services to employers and job seekers.

Despite efforts by the Employment and Training Administration since 2007, when [Training and Employment Guidance Letter No. 02-07](#) was issued to encourage the public workforce system to partner with and leverage Registered Apprenticeship, the system is far from fully integrated. Many in state leadership, particularly those states that have attended an OA-sponsored regional action clinic, “Collaborate for Success: Partnering with Registered Apprenticeship,” understand the value of including Registered Apprenticeship in their workforce strategies and have made significant gains toward alignment. The disconnect seems to be most evident at the local level, particularly where local WIBs and One-Stop Career Center staff are unfamiliar with Registered Apprenticeship and don’t know how it fits with the programs they traditionally operate. Becoming approved on states’ Eligible Training Provider Lists and obtaining Individual Training Account funding for apprenticeship program participants appear to be the most significant barriers for Registered Apprenticeship programs. The following section discusses the challenges and issues surrounding the alignment of the Registered Apprenticeship model with ETPLs and ITAs under WIA.

IV. Eligible Training Provider Lists and Individual Training Accounts: Challenges and Issues

One of the greatest challenges for RA sponsors working with the workforce system has been access to the Eligible Training Provider List and Individual Training Accounts for apprentices. Sponsors who have attempted to qualify as training providers on the ETPL have found that there are variations from state to state, and from local WIB to local WIB within a given state, as to how the WIA system is operated and what needs to be accomplished in order to be approved and placed on the ETPL. Both WIB representatives and RA sponsors surveyed often expressed the opinion that the ETPL is not ideally suited for RA because it is geared to tuition-based classroom training.

The application process for RA sponsors to get on the ETPL is perceived by many as time-consuming and cumbersome. Local boards may require additional information from local providers to maintain subsequent eligibility. The paperwork and record-keeping required are

often a deterrent for RA programs. RA is not one of the mandated WIA partners, and many sponsors report that local WIBs are simply not interested. This may have to do with a misunderstanding of RA or past biases (e.g., the notion that RA is just for the building trades and/or unions, or that RA has its own funding, etc.).

At the same time, many RA sponsors are not interested in pursuing ITA funding through the One-Stop Career Centers because they feel it is not worth the expended effort. This is especially true for small apprenticeship programs. In those instances where RA programs have been successful in getting on the ETPL and taking advantage of ITA funding, it has typically been in small amounts for supportive services or a small portion of related instruction. Local boards set policy with regard to the maximum cap on ITA funding, and the amounts can vary widely within and across states. Eligibility is an ongoing issue; once apprentices start earning money, their continued eligibility is limited. Before WIA dollars are spent on training, participants must be determined financially eligible, and other available sources of funding, such as Pell grants, must be exhausted. Furthermore, WIA funds cannot supplant other training funds.

Many RA sponsors and staff attribute some of the difficulty to misconceptions and to a lack of connection between RA programs and the workforce development system in the states. Responsibility for this lies with both RA and the workforce system. Where strong relationships exist between the two systems, there is evidence of successful collaboration and ITA funding for RA. This underscores the need for cross-education at all levels of staffing.

RA staff also report that high turnover rates among One-Stop staff have impacted the partnership efforts of RA and WIA. It takes time to educate staff on how RA can be supported with WIA funding. Often, by the time staff members have developed an understanding of the value of RA as a workforce solution, they are no longer working for the One-Stop or have been reassigned. This has been particularly true during the recent recession. On the other hand, the small number of RA staff makes it difficult for RA to develop and sustain relationships with the WIBs and One-Stops. Due to the size of many of the states and the large number of local WIBs that operate autonomously, RA staff cannot meet with all of the WIBs on a regular basis, so they cannot market the value of using RA in the workforce system and maintain the communication necessary to lead to greater collaboration.

Although the focus here is on problems RA sponsors have experienced with getting access to the ETPL and to ITAs, TEGL No. 2-07 identifies numerous other ways that WIA funding can be leveraged in support of RA. These include Customized Training, On-the-Job-Training (OJT), WIA State Reserve Funds, and WIA Incentive Funds, with WIA State Reserve and Incentive Funds being the most flexible. In addition, other non-WIA state funding sources can be tapped to support TA.

The following section highlights some replicable examples of how three states have found ways to effectively work within the requirements of WIA to support Registered Apprenticeships, as well as how they have used WIA Reserve Funds and other state funding to support RA.

V. Promising Practices in Three States

Some areas in the country have successfully managed to add RA programs to their ETPLs and have subsequently funded ITAs for apprentices. Most others utilize more flexible sources of funding such as WIA State Reserve Funds and state general funds to support RA. The three states that are highlighted—Alaska, South Carolina, and Kansas—are often cited for their effective practices in a number of workforce areas. This section is organized first by state and then by strategy, with descriptions of how the states put their strategies into practice.

A. Alaska

Utilization of the ETPL and ITAs

Alaska's position is that the ETPL does not lend itself to Registered Apprenticeship programs because the ETPL is geared to support the costs of tuition-based classroom training. RA is not structured as classroom-based or fee-based training and, therefore, has not had much success getting on the ETPL. The state has decided to rewrite the ETPL procedures to make them friendlier to RA. This is anticipated to take place in 2011.

Despite this, Alaska has served RA participants on a limited scale with ITA funds. Of all the individuals that the state system served in apprenticeship, approximately 21 percent used WIA funds, and approximately 77 percent of these were provided ITA funds.

Alaska has found that ITAs work best for non-union (open shop) “mom and pop” shops that register with RA. ITA funds can be used for related instruction for WIA-eligible participants with a community college or provider already on the ETPL. While participants are in training, they are registered in WIA as training participants. When classes end, the WIA program takes placement credit for the individual, who is already working at that point, and follow-up retention tracking begins.

For non-union programs, WIA funds have been used to pay for online or webinar-based courses. The state prefers not to use correspondence courses because they are self-paced, provide little control over how the student is progressing, and make it difficult to follow up on people doing the work. Online training or webinars require participants to be at a certain place at a designated time and allow for mentoring, etc. Some of the “mom and pops” are not skilled as trainers or mentors, so this allows for an option. Typically, for union (joint) programs benefitting from ITA funds, unions pay the cost of related instruction, and WIA funds are used for supportive services such as tools.

One of the issues Alaska hopes to address in revising the ETPL procedures is funding for interim steps that do not lead to employment and, therefore, do not currently qualify for the ETPL. For example, anyone interested in becoming a commercial bush pilot in Alaska cannot take advantage of WIA funds to get their private pilot license’s instrument rating because that alone does not lead to employment. There are several distinct courses that must be taken. Adjustments need to be made to allow for funding; for example, these courses could be packaged so that they are components of one training course.

Support for Registered Apprenticeship Program Infrastructure

Due to Alaska’s size and issues related to travel and limited staff, the state has developed a model to allow local One-Stop Centers to assist in the process of making application for an apprenticeship sponsor. The state Office of Apprenticeship has only two staff to cover the entire state, which created a problem. To solve it, they trained One-Stop Center staff to prepare the paperwork, do an analysis of the curriculum, and prepare the packet for transmittal to one of the two RA staff for review. Once approved, the state RA staff sign off on the program, and the paperwork is returned to the sponsor in order for the apprenticeship program to begin.

Use of WIA State Reserve and Other Funding Sources

In Alaska, class-size Registered Apprenticeship programs are typically funded through multiple sources. For example, transportation in Alaska is an issue. The unions have sponsored some classes for which they pay the cost of related instruction, while the state picks up the cost for transportation and lodging. Training is in such areas as Commercial Drivers License (CDL) and welding. This is packaged as customized training and funded through State Training and Employment Funds (UI Diversion) with WIA-eligible participants co-enrolled. WIA funds can be used to support eligible participants in customized training; however, typically, few participants are WIA-eligible. In the latest class of 16, there were only three WIA-eligible participants, all who came from remote, rural areas. The participants remain enrolled in training until site placement, at which time WIA takes placement credit. WIA eligibility usually does not last beyond the first year because a participant's earnings become too great to qualify.

Alaska has also used WIA incumbent worker funds to support slots in a non-union Pharmacy Tech apprenticeship with Safeway. Additionally, the state has used other non-WIA funds to support a driver's license training program which is a prerequisite for Registered Apprenticeship participation.

B. South Carolina

Utilization of the ETPL and ITAs

South Carolina's Department of Employment and Workforce acknowledges that funding Registered Apprenticeship through ITAs may not be the best mechanism due to the constraints of the ETPL process and WIA funding. For example, it is difficult to put a small business on the ETPL that does not have a fee-based tuition structure or trainee outcome and retention information. Furthermore, most RA programs are small (five to eight participants) and accept only a few individuals at a time with intervals of four to five years in between. If such a program were to be placed on the ETPL, it would be unavailable for the most part to One-Stop Center clients looking for active opportunities on the ETPL.

Local WIBs within the state have struggled to find the best way to support RA with ITA funding and, for the most part, the local areas have not managed to make it work within WIA's

funding constraints and service priorities. However, because of its strong belief in the viability of the RA training model, South Carolina, with strong support from the Governor and State Chamber of Commerce, utilized state general funds and WIA state set-aside funds to promote apprenticeship, as described below.

Use of WIA State Reserve and Other Funding Sources

In May 2002, the South Carolina Chamber of Commerce issued a white paper entitled, “Apprenticeship: An Important Avenue for Building a Skilled Workforce in South Carolina.” The paper focused on apprenticeship training as an underutilized potential work-based learning opportunity for increasing the skills of the South Carolina workforce. As a result of the white paper, South Carolina formed a Registered Apprenticeship Task Force in 2005, and in 2006, the Task Force advocated for state funding for the South Carolina Technical College System to support RA.

In 2007, \$1 million in recurring funding was allocated to the South Carolina Technical College System for the development of Apprenticeship Carolina. A director and four regional representatives were hired under this initiative to educate and assist South Carolina businesses interested in developing Registered Apprenticeship opportunities.

In conjunction with the South Carolina Technical College System, Apprenticeship Carolina established a tax credit program that promotes RA. Eligible businesses can receive a tax credit of \$1,000 for each registered apprentice they employ for at least seven months during each year of the apprentice’s program. The employer can claim this credit for up to four years. In addition to the tax credit, some of the costs associated with the program, including instruction, training, and wages, may be covered if the apprentices meet WIA eligibility requirements.

In 2007, the South Carolina State WIB further underscored the establishment of RA as a priority by offering \$1 million from state WIA Reserve Funds in competitive grants to support RA. Training had to be for high-wage/high-growth occupations. In 2009, an additional \$500,000 in WIA Reserve Funds was added for competitive grants.

Additionally, in Program Year 2007, in order for local workforce areas to be eligible for WIA incentive money, each local WIB had to develop a plan for Registered Apprenticeship, in

addition to meeting its performance goals. In order to receive incentive money in the following program year, local areas had to demonstrate a 14 percent increase in Registered Apprenticeship programs.

As a result, in Program Year 2007, Apprenticeship Carolina reported a 30 percent increase in RA programs and a 25 percent increase in the number of apprentices. Between June 2007 and August 2011, the number of RA programs grew from 90 to 293, and the number of apprentices grew from 777 to 3,068.

C. Kansas

Utilization of the ETPL and ITAs

The South Central Kansas Workforce Investment Board (also known as the Workforce Alliance) views the ETPL process as an administrative procedure, and certified Registered Apprenticeship programs are not required to be vetted again in order to be placed on the ETPL. RA program sponsors are placed on the ETPL by request. Overview committee approval is automatic, and the RA programs are not required to submit placement information.

WIA ITA funds provide for supportive services, such as books, work clothes, and other items needed by program participants, as long as individuals remain eligible for WIA. These costs must normally be the responsibility of the apprentice and required of everyone to pay. Displacement by federal funds is not allowed. When the state's WIA data system receives wages for the apprentice, placement credit is taken for that individual. This is an automated system that credits the placement when wages are reported by the sponsor. For Program Year 2009, the Workforce Alliance served 29 individuals in Registered Apprenticeship.

To date, the South Central Kansas WIB has not used WIA funds to pay for apprentices' related instruction. However, the Board indicated that nothing would preclude this, provided that the need was identified.

Participants must complete core services at the One-Stop Center, which include activities such as eligibility determination and assessment. Eligibility for WIA typically extends only until after the first few paychecks have been received. Sometimes referrals for eligibility

determination are made by Registered Apprenticeship programs. In other cases, eligible referrals are made to the RA program by the One-Stop based on the identified interest of WIA participants.

Support for Registered Apprenticeship Program Infrastructure

The South Central Kansas WIB functions as both the local Board and the service provider. The One-Stop's business services team works with Registered Apprenticeship sponsors just as it works with any other employer. The state RA staff is located in the same cabinet-level agency as the WIA staff, and the state Registered Apprenticeship Director is supportive of having the state's Regional RA staff housed in the One-Stop Center. The State of Kansas also provides WIA Reserve Funds to support the state RA staff.

The One-Stop Center offers all job seekers a full range of opportunities, including Registered Apprenticeship, which is supported through recruitment and application assistance. The One-Stop keeps information on file about the RA programs, including brochures, applications, and other informational materials. All of the integrated Center staff have been trained by the state apprenticeship staff and can provide a full range of information about the sponsors' programs to individuals coming into the One-Stop.

The One-Stop Center also maintains a list of RA sponsors and the start dates for their next training cycles. If there is a long period of time between the start date of a program and the date the individual makes application, they assist participants with additional services, such as barrier resolution, academic remediation, and stop-gap employment while they are waiting for program acceptance or enrollment.

Use of WIA State Reserve and Other Funding Sources

In South Central Kansas, because unions are struggling in the depressed economy and the community college reduced its support of related instruction for Registered Apprenticeship, the state provided \$50,000 in state WIA Reserve Funds to Registered Apprenticeship this year to offset these costs. As noted above, the state also provides WIA Reserve Funds to support state RA staff.

VI. Measurement and Performance

One of the reasons given by the workforce investment system for not funding Registered Apprenticeship programs is a lack of knowledge regarding how credit for performance can be captured in RA programs' information systems and counted toward WIA performance goals. This section is provided as further guidance to the workforce system on how to track and measure Registered Apprenticeship participants and capitalize on the opportunity to utilize RA strategies to enhance performance under ETA's Adult Common Measures. These measures include entered employment, employment retention, and average earnings data for adults enrolled in workforce programs.

A. Is Registered Apprenticeship Employment or Training?

RA participants are employed by a sponsor while at the same time enrolled in educational classes, referred to as "related instruction." This sometimes causes confusion on the part of the local WIBs regarding how to track participants against the Common Measures. WIA and Wagner-Peyser clients who receive core and intensive services resulting in their entry into a Registered Apprenticeship program become employees of the RA sponsor. These participants can be tracked under the measures related to employment, employment retention, and average earnings. Apprentices who receive WIA services after enrollment in RA are employed and should be treated as incumbent workers. In this case, retention and earnings outcomes should be tracked, but the local WIB cannot take placement credit.

B. Identifying the Point of Exit

For the purposes of tracking and Common Measures, it is important to identify the point of exit for each participant. As noted in TEGL 2-07, WIA and Wagner-Peyser clients associated with Registered Apprenticeship programs should be exited from the system after completion of the WIA/Wagner-Peyser-associated activities. RA participants do not need to be tracked through completion of their RA program unless they are supported by workforce system resources throughout that period. An apprentice who receives workforce system resources in support of specific portions of classroom training should be exited from the workforce program upon completion of the WIA training or services provided, even if he/she continues in the RA program for a longer period of time.

C. Two Basic Scenarios for Capturing Registered Apprenticeship Performance: Adult Common Measures

There are two basic scenarios for capturing RA performance under the Adult Common Measures: participants are either (1) not in a Registered Apprenticeship program and then receive services, or (2) are an apprentice and receive services to further their progress. The following are scenarios for the adult entered employment rate, adult employment retention rate, and adult average earnings.

Adult Entered Employment Rate

This Common Measure includes an adult not employed at the time of participation; a positive outcome occurs if the individual is employed in the first quarter after he/she exits.

1. WIA and Wagner-Peyser participants are not employed and then receive services resulting in their entry into RA—participants are treated as any other participants who were not employed at the time of participation in WIA or Wagner-Peyser.

Example Based on Scenario #1: An individual not employed at the time of participation receives WIA and/or Wagner-Peyser-funded services and subsequently enters a RA program. *When he/she exits* WIA and Wagner-Peyser-funded services, as long as the individual remains in the RA program in the first quarter after exit, *that is considered Employment*. In other words, if the individual exited anytime between April 1, 2011 and June 30, 2011 (i.e., the second calendar quarter), as long as he/she is employed between July and September 2011 (which is the first quarter after exit), that is a *positive outcome for Employment*.

2. Registered apprentices receive WIA and/or Wagner-Peyser services to further support their progress in the RA program—participants were employed at the time of participation in WIA or Wagner-Peyser and are, therefore, considered incumbent workers.

Example Based on Scenario #2: An individual enrolled in a Registered Apprenticeship program begins WIA and/or Wagner-Peyser participation. Because the individual is employed at participation (apprenticeship =

employment), he/she is not included in the Entered Employment Rate. (This individual would be considered an incumbent worker; incumbent workers are not included in the Entered Employment Rate calculations because the measure only includes those individuals *not employed* at the time of participation.)

Adult Employment Retention Rate

This Common Measure includes those adults who were employed in the first quarter after exit (regardless of whether or not they were employed at participation); a positive outcome occurs if the individual is employed in *both* the second and third quarters after exit. Employment does not have to be with the same employer, nor must it be for a specified period of time.

Example Based on Scenario #1: The individual was not employed at the time of participation in WIA and/or Wagner-Peyser and subsequently enrolled in a Registered Apprenticeship program; he/she exited WIA and/or Wagner-Peyser and was employed (as an apprentice) in the first quarter after exit. Because the individual was employed in the first quarter after exit, he/she will be included in this measure. *If the individual is employed in the second and third quarters after exit, that is a positive outcome for Retention.* In other words, if the individual exited anytime between April and June 2011 and was subsequently employed anytime between July and September 2011, he/she will be included in the Retention measure. As long as the individual is employed (e.g., in an apprenticeship) anytime between October and December, 2011 *and* he/she is employed (e.g., in an apprenticeship) anytime between January and March, 2012, that is a *positive outcome for Retention.*

Example Based on Scenario #2: The individual was already enrolled in a Registered Apprenticeship program when he/she began receiving WIA and/or Wagner-Peyser-funded services; he/she exits WIA/Wagner-Peyser services and, although the individual is “employed” in the first quarter after exit, he/she is not included in the Entered Employment measure because he/she was employed at participation. However, because the individual was employed in the first quarter after exit, he/she will be included in the Retention measure. In other words, if this

individual exited anytime between April and June 2011 and was employed anytime between July and September 2011, then the program would be held accountable for retention based on employment anytime during October through December, 2011 *and* January through March, 2012.

Adult Average Earnings

This Common Measure looks at the average gross earnings of all those individuals employed in the first, second, and third quarters after exit. These individuals have their earnings *from the second and third quarters after exit* included in the calculations. Thus, this measure looks at average gross earnings over a six-month period.

Example: As long as the individual is employed in the first, second, and third quarters after exit, he/she is included in the Average Earnings Common Measure. Assume there are five (5) individuals who were employed in the first, second, and third quarters after exit. Combined, they had \$75,000 gross earnings in the second and third quarters after exit. Average earnings are determined as follows: $\$75,000/5$ resulting in average earnings of \$15,000. The average earnings across these particular exiters (those employed in the first, second, and third quarters after exit) is \$15,000.

VII. Recommendations

Efforts to incorporate Registered Apprenticeship throughout the workforce investment system have not yet fully produced the intended results—that the public workforce system sees Registered Apprenticeship as a valued partner and uses it as an integral part of its workforce development strategies. While challenges and barriers to collaboration exist, and while RA is not a mandated WIA partner, progress has been made. As discussed earlier in this paper, several states and local areas have found creative ways to work within the existing system to support RA as an important talent development strategy. The following are recommendations for replicating and expanding these models to encourage greater collaboration and alignment:

1. The Secretary of Labor and the Assistant Secretary of the Employment and Training Administration should use their positions to communicate the value of Registered

Apprenticeship and the importance of collaboration to the workforce system. In this era of funding cuts to workforce programs and career education, it is important that systems partner and leverage all possible workforce resources and strategies, including Registered Apprenticeship.

2. When WIA is reauthorized, Registered Apprenticeship should be given special status in regards to the Eligible Training Provider List process so that sponsors—who are already vetted through the Federal Office of Apprenticeship or the State Apprenticeship Agency—do not have to go through multiple evaluations by local WIBs.
3. There should be better alignment of performance measures for Registered Apprenticeship and the workforce system to encourage the workforce system to utilize and promote the Registered Apprenticeship model. The workforce system would be able to capitalize on the Registered Apprenticeship strategy and enhance their performance outcomes.
4. Additional guidance to the workforce system on how it can effectively partner with Registered Apprenticeship is needed. This is needed on the policy and implementation levels. Reinforcement must continue to show and support specific examples of how RA and WIA/Wagner-Peyser programs can work together to better serve job seekers and employers. Models should be provided to show how collaborative efforts can be funded and performance credited under the Common Measures. On the policy level, this could take the form of a new TEGGL that builds on TEGGL No. 2-07 and provides incentives to state and local WIBs and One-Stop Centers to develop the partnership. It could also take the form of concise, easy-to-read briefs or videos that focus on singular topics and provide step-by-step guidance on replication. On the implementation level, the current “Collaborate for Success: Partnering with Registered Apprenticeship” effort needs to continue for a stronger mutual education between Registered Apprenticeship and the workforce system. A special focus should be at the local WIB and One-Stop Career Center levels, which seem to be the most problematic.
5. Include Registered Apprenticeship in all ETA grant activities. Grant funds should also be made available to promote the goal of better collaboration between Registered Apprenticeship and the workforce system.

Attachment B
Quick Reference Guide
Registered Apprenticeship Performance and Measurement

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 captured in Registered Apprenticeship programs can be counted towards the Workforce Investment Act (WIA) and Employment Services (ES) performance goals. This attachment provides a quick reference guide on how to track and measure Registered Apprenticeship participants and capitalize on the opportunity to utilize apprenticeship strategies to augment performance under Common Measures.

(1) Referral of WIA and ES Participants to Registered Apprenticeship Programs

WIA and ES participants that are not employed at the time of participation and then receive a referral resulting in their entry into a Registered Apprenticeship program are to be counted in the Common Measures. Registered Apprenticeships are an “earn as you learn” on-the-job training approach, resulting in these participants to be counted as employed for the purpose of the purpose of the Entered Employment Rate. Enrollment in an apprenticeship results in a positive employment outcome at the time of exit.

Because most apprenticeships average four years in length, there is a positive impact on the Employment Retention Rate, which is normally calculated within 18 months of exit. Although apprentices earn more upon completion, the progressive wage schedule does have a positive impact on Average Earning calculations because apprenticeships tend to be in higher earning skilled occupations.

Since all Registered Apprenticeship participants are employed, wage records can be used to calculate their Common Measure results. There is no need for any additional or cumbersome data tracking.

Example

An adult participant that is not employed at the time of participation and receives WIA funded services and is subsequently referred to and participates in a registered apprenticeship program. When this participant exits WIA funded services, he/she is to be counted as employed in the Entered Employment Rate as long as this participant remains an apprentice (i.e., employed).

(2) Registered Apprenticeship Participants that Receive WIA Funded Support Services

Apprentices that receive WIA funded services that support their participation in their Registered Apprenticeship program are to be considered employed at the time of participation. These participants are considered incumbent workers for the purpose of Common Measure calculations are excluded from the Entered Employment Rate, but are included in the Employment Retention

and Average Earnings calculations. As stated above, Registered Apprenticeship participants have positive impacts on these calculations.

Incumbent worker intensive and training services are authorized statewide activities under WIA §134(a)(3)(A)(iv)(I) utilizing funds drawn from the state’s reserve of adult, youth, and dislocated worker funds. With regard to eligibility for incumbent worker projects funded as statewide activities, ETA has previously stated that “these individuals do not necessarily have to meet the eligibility criteria for dislocated workers contained at §101(9) of the Act nor do they have to meet the criteria for employed adults and dislocated workers under §134(d)(4)(A).” WIA provides that statewide reserve dollars may be used for “implementation of innovative incumbent worker training programs.” The Workforce Investment Board is empowered to define the term “incumbent worker” for these projects. The definition of incumbent worker may include any employed worker, including newly hired apprentices.

Example

An individual that is enrolled in a Registered Apprenticeship program and subsequently receives WIA funded support services is considered employed at the time of participation is excluded from the Entered Employment Rate calculation. However, this individual is to be included in the Employment Retention Rate and Average Earnings calculations.