
August 26, 2019

The Honorable John Pallasch
Assistant Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Assistant Secretary Pallasch:

The Western Governors' Association submits the following comments to the U.S. Department of Labor (DOL) Employment and Training Administration (ETA) regarding the establishment of an industry-recognized apprenticeship system.

BACKGROUND

On June 25, DOL published a proposed rule ([84 FR 29970](#)) to establish a system of industry-recognized apprenticeships. The purpose of the rule is to create an industry-led, market-driven approach to scale the apprenticeship model and help address the skills gap. The proposed rule would amend [29 CFR 29](#), the portion of the Code of Federal Regulations that currently governs registered apprenticeship programs, to add a new subpart on industry-recognized apprenticeships. Regulations for the existing registered apprenticeship program are unchanged.

The industry-recognized apprenticeship system would rely on standards recognition entities (SREs) to work with employers to establish, recognize and monitor industry apprenticeship programs. The proposed rule describes which entities can become SREs, outlines the responsibilities of SREs, defines high-quality industry programs, and describes how industry programs would operate in parallel with the existing registered apprenticeship system.

STATEMENT OF INTEREST

WGA represents the Governors of 19 western states and 3 U.S. territories in the Pacific. The Association is an instrument of the Governors for bipartisan policy development, information-sharing and collective action on issues of critical importance to the western United States.

In 2017, WGA launched the *Western Governors' Workforce Development Initiative* to create enhanced career opportunities for students, graduates and displaced workers to build a more vibrant regional economy. Through this effort, Western Governors have prioritized a variety of workforce development endeavors, from better aligning education with labor market demands, to expanding workforce services and training opportunities for the unemployed and underemployed, to attracting more skilled workers. Western states are also leading the way on expanding work-based learning opportunities for both students and adults. Work-based learning programs, including registered apprenticeships, allow people to acquire in-demand skills while earning a salary.

Western Governors adopted WGA Policy Resolution [2018-13](#), *Workforce Development in the Western United States*, to recommend federal policy that can better support state efforts. Western Governors “support the expansion of work-based learning programs, including registered apprenticeships” and “encourage Congress and federal agencies to support and incentivize state-, local-, and industry-led partnerships to create and scale work-based learning and apprenticeship programs.”

Western Governors, however, also believe that “new federal investments in apprenticeships should align with existing efforts to foster a coherent system with minimal duplication at the federal, state and local level.” Western Governors urge the Department to take steps to ensure that industry programs will not be duplicative of state investments in federally registered apprenticeships. Additionally, Western Governors believe it is critical that the new system provides value and ensures program quality for participants as federally registered apprenticeships currently do.

COMMENTS

Avoiding Duplication

Federally registered apprenticeships have existed since 1938 under the National Apprenticeship Act (NAA). Pursuant to that program, individual apprenticeship programs are registered through DOL or federally recognized state apprenticeship agencies. DOL states that an alternative system is necessary because, “this model has failed to scale... even as the modern economy has required millions of skilled workers in new areas.” Many western states have, however, taken advantage of DOL grants to expand federally registered apprenticeships in their states, extending their availability to new populations and sectors.

The proposed rule clarifies that DOL will only recognize SREs that seek to recognize industry programs in sectors without significant registered apprenticeship opportunities. It also defines national thresholds by which DOL will determine which sectors already offer significant registered apprenticeship opportunities. Based on the rule, military and construction apprenticeships will be precluded from establishing industry programs under the new system.

Western states have expanded registered apprenticeships to a variety of other sectors, including information technology and healthcare professions. The creation of industry programs in sectors outside the jurisdiction of the state apprenticeship agencies may create confusion and undermine the significant time and effort that states have invested in registered apprenticeships.

Alignment

WGA Policy Resolution 2018-13 also states: “Western Governors support efforts to incentivize employers to play a more active role in talent development, through partnership with state workforce development agencies and educational institutions or investments in the skills and training of their employees.”

The industry-recognized apprenticeship system strives to encourage industry leadership and investment in the development of apprenticeship structure, curricula, and requirements. To achieve this, the proposed rule requires that entities demonstrate they represent industry consensus in their application to become an SRE.

DOL also notes that applicants should demonstrate sufficient support from industry authorities to validate their expertise. DOL seeks comment on whether additional requirements are necessary to further align the skills apprentices receive to the needs of employers in a region.

Western Governors recommend that the proposed regulations ensure that SREs consult with state workforce boards in addition to industry leadership. State workforce boards can provide expertise and insights about which industry programs and industry-recognized credentials are needed to meet labor market demand in their states, thus ensuring new programs align with state workforce development efforts.

Portability of Credentials

The proposed rule requires that industry programs provide participants with an industry-recognized credential upon completion. Credentials may be any indicator, such as a certificate or degree, that attests to an individual's competencies in a specific industry. DOL "anticipates that industry programs will generally provide credentials that are portable" but notes that that may not always be possible.

The portability of an industry program credential is fundamental to its value to a prospective participant. Portable credentials are also essential to minimize barriers to workforce mobility. Western Governors request additional clarity on how DOL will ensure that credentials earned through industry programs have value nationally, not just in states or regions. Currently, registered apprenticeships have a clear framework for state and national recognition. Western Governors recommend that DOL creates a public, national database of industry programs, their associated credentials and the portability of those credentials.

Protections for Apprentices

Western Governors are concerned that the proposed rule does not include sufficient protections for apprentices. Built into the registered apprenticeship system are protections for both the apprentice and the employer to ensure a safe and rigorous training program. Industry programs do not provide the same level of oversight and protections, with no strong requirements that employers abide by current regulations, including apprentice wage progressions and working conditions, program length, and equal employment opportunity requirements. In addition, there is a nebulous standard in defining both SREs and industry programs. Terms such as "high-quality" apprenticeship programs (29.20(b)) and "expertise to set standards, through a consensus-based process involving industry experts" are vague, and neither "high-quality" nor "consensus-based process" nor "industry experts" are defined anywhere.

Reporting Outcomes

WGA Policy Resolution 2018-13 observes that: "Western Governors recognize the benefits of measuring and reporting outcomes by institution and program. Reporting completion rates, employment and earnings will provide useful information for students and their families and help promote the success of these programs to prepare students for in-demand jobs and careers in their regions."

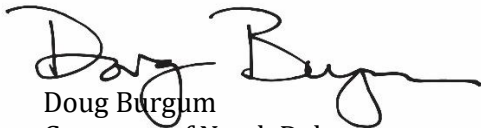
The proposed rule would require SREs to publish annual information about each industry program they recognize. SREs would be required to release, in a timely manner, program data on the number of apprentices enrolled, completion rates, median length of the program, and post-apprenticeship employment rate.

Western Governors strongly recommend that DOL also require SREs to publish average earnings of those who have completed the industry program. This information will help assess program impact and quality; it also represents essential information for prospective participants to determine the value of completing an industry program.

Conclusion

Western Governors appreciate DOL's efforts to expand work-based learning opportunities to provide more workers with the skills they need in today's economy. We hope to work with you to ensure that these regulations do not undermine state efforts to address this challenge.

Sincerely,



Doug Burgum
Governor of North Dakota
Chair, WGA



Kate Brown
Governor of Oregon
Vice Chair, WGA