

November 16, 2018

Molly Conway
Acting Assistant Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Re: Comments on No. 1205 – ONEW. “Data Collections from Industry-Recognized Apprenticeship Program Accreditors,” 83 Fed. Red. 47643 (September 20, 2018)

On behalf of the Manufacturing Institute, the social impact arm of the NAM, which drives programs and research to promote modern manufacturing and jumpstart new approaches to growing manufacturing talent, I am pleased to submit these comments regarding “**Data Collections from Industry-Recognized Apprenticeship Program Accreditors.**” The National Association of Manufacturers is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states.

Manufacturing employs 12.75 million men and women, contributes \$2.33 trillion to the U.S. economy annually, has the largest economic impact of any major sector, and accounts for more than three-quarters of all private-sector research and development in the nation. Finding qualified workforce continues to be the number one issue for manufacturers in the United States. Apprenticeships continue to be an effective solution to assist manufacturers in developing a qualified and diversified talent pipeline.

We appreciate the opportunity to comment on the Department of Labor, Employment and Training Administration, information collection request titled, “Industry-Recognized Apprenticeship Programs Accrediting Entity Information.” As a participant in the Labor Secretary’s Task Force on Apprenticeship Expansion, we know that it is imperative to continue to innovate and reduce burdens to create the necessary workforce through apprenticeship.

We agree that Industry Recognized Apprenticeship Programs must be high-quality programs that include a paid-work component and an educational, or instructional component. Manufacturers agree with the Department of Labor Office of Apprenticeships that quality and high standards are essential in every learn and earn program. Industry Recognized Apprenticeship Program accrediting organizations must put this at the forefront and we applaud DOL for making this a priority.

We commend DOL for proposing steps that ease the burden of the accreditation process, including creating an online platform for accreditor applications and for allowing accreditors to re-certify at a reasonable five-year interval.

Looking at the entirety of the Accrediting Entity Information form, the section that stands out as the model for an Industry-Recognized Apprenticeship Accreditation system is Section II-H. It is simple in its description, assumes positive intent among all parties, and gives accrediting entities the freedom to develop a quality assurance process appropriate for its organization and the industry in which it intends to accredit programs. And by simple declaration, it expects accreditors to have a monitoring, appeals, and continuous improvement process while leaving the details to the accrediting bodies.

Similarly, we commend DOL for the general approach taken in Section III. It assumes that all parties involved want an Industry-Recognized Apprenticeship System that serves and protects apprentices and potential apprentices while meeting the needs of employer sponsors of apprenticeship programs, without whom the entire apprenticeship model would not exist. By asking potential accreditors to simply affirm their intentions, this section recognizes that all interested parties will be building the foundation for a long-term Industry-Recognized Apprenticeship System simultaneous to its implementation and that intentions should be aligned to maximize success in that endeavor.

To support DOL in our shared goal of increasing the number of quality apprenticeship programs and participants in the U.S. manufacturing sector and building an Industry-Recognized Apprenticeship Program that celebrates those participants and recognizes, promotes, and ensures the quality of those programs, we offer the following comments for consideration regarding the Accrediting Entity Information form:

1. Under Section I, and again in Section II-A, II-E, & II-F, the term "Certification" is used several times to imply both the accreditation of the program and the credential that a program participant will receive. The education and third-party credential market in general has struggled with the interchangeability of the terms certificate, certification, and credential and a more precise definition from DOL of what "certification" means in this context would be beneficial and would avoid adding to the confusion that already exists in this marketplace.
2. Under Section I, potential accreditors are asked to attest that their "organization does not provide any consultative services to the apprenticeship program(s)." We believe that many of the organizations that may consider applying for accreditation currently provide these types of services and explicitly prohibiting this activity could unintentionally limit participation in the program. If the intent is to limit the conflict of interest that may arise from such arrangements, both the bullet previous to, and immediately following, this statement in Section I should allay those fears. If DOL wishes to make an explicit statement on this issue, we would recommend that the final rule states that consultative services must not be required for accreditation, but are allowed as a possible support for accreditation.

3. Under Section II-A, the first two bullets imply a norming of standards, structure, and curriculum to a broad-based industry consensus for each occupation. While understandable as a goal for creating a national Industry-Recognized Apprenticeship model for each occupation, this national consensus has proven difficult to obtain for many occupations in manufacturing. We recommend a model similar to what DOL is funding under FOA-ETA-18-08 under which colleges, state systems of colleges, employers, and employer associations are given maximum flexibility to design the structure and curriculum of apprenticeship programs to meet the customized needs of the local labor market. Under this model, the accrediting entity would accredit programs based on the responsiveness to the needs to the local labor market and then collect those various models into a central repository to allow other interested employers and education partners to select the elements that fit their local needs. This would lead to a large variety of programs serving the same or similar occupations, which best reflects the desires of manufacturers and their education partners as well as the needs of varying regions and localities.
4. Under Section II-B, the intent of the requirements is laudable in ensuring consistency across the evaluation of programs that apply for accreditation. For this program to have long-term success, all participants must understand what is required and have access to a fair and equitable process for recognition. The model suggested in this section however may reduce the number of entities that could take on this effort. An alternative would be a model that relies on employer endorsement of local solutions. This would allow local control while ensuring quality and still meeting the desired goal of expanding apprenticeships.
5. Under Section II-C, we are in complete agreement that a paid-work component is mandatory for a program to be considered an apprenticeship and to earn accreditation under the Industry-Recognized Apprenticeship Program. We also agree that the rules for increases in wages should be clearly defined for all program participants. As non-government entities though, potential accreditors are unlikely to have access to payroll or wage data at the individual level, so enforcement of an evidence requirement beyond simple attestation will likely prove challenging to most accrediting organizations. Perhaps an alternative would be a company attesting combined with a reported wage range for apprentices. This would satisfy the intent of ensuring that companies pay at least Federal minimum wage.
6. Under Section II-D, we agree that on-the-job instruction, work experience, and mentorship are critical components of apprenticeship programs. How these requirements are structured though will have a significant impact on the interest of companies in participating in this Industry-Recognized Apprenticeship Program. A “documented, well-designed, highly structured work experience” for apprentices is a shared goal, but few companies could currently meet that requirement or may not initially consider the cost-benefit analysis of such a requirement to be positive. To allow more companies to participate from the outset, we recommend an on-going

maturation of this requirement using, for example, the grants issued under FOA-ETA-18-08 as a means of collecting examples and best practices of how such a work experience can be structured to benefit both apprentices and companies. The long-term goal is to reach such a highly-structured arrangement and we believe that an iterative process towards that goal would encourage greater initial participation among employers.

7. Under Section II-E, classroom instruction, the quality of the partners, and the resulting credentials are clearly an integral part of an apprenticeship program and DOL is right to focus on this as a critical component of the Industry-Recognized Apprenticeship Program. Several aspects of the proposed rule may be difficult to implement in practice though:
 - a. Potential accreditors hope that existing or new programs that are not currently known to them will apply for accreditation under the Industry-Recognized Apprenticeship Program. As the implementation of this system would be new, we encourage DOL to not require potential accreditors to list in full detail all possible education partners in the application process. Potential accreditors should make available such information upon a favorable accreditation determination.
 - b. Similar to the comments made in #3 above, this proposed rule implies a national standard for classroom instruction. Though a laudable goal, in practice it would limit the ability of local employers to work with local education partners to design a classroom instruction program that is relevant to those companies. Indeed, we believe the evaluation metric should be whether a program meets the needs of those local employers and develops a viable earn and learn opportunity for the local workforce. Therefore, we propose a system where local employers validate that classroom instruction program through attestation and the accrediting organization requests the details of that program to include in its repository for other existing and potential programs to access.
 - c. The final four bullets of this section envision an independent audit system where assessors evaluate the quality and effectiveness of the program. We are in favor of such a system, and indeed, proposed exactly such an approach in a [joint paper with the U.S. Chamber of Commerce Foundation](#) released in March 2018. However, our proposed audit system was predicated on a set of incentives that would make companies and education institutions wish to participate in, and fund the cost of, such an audit. The Industry-Recognized Apprenticeship Program as it is currently constructed lacks those incentives.
8. Under Section II-F, we applaud the DOL focus on industry-recognized credentials. Nearly 10 years ago, we created the NAM-Endorsed Skills Certification System to prioritize industry credentials and we are grateful for the support that DOL has given schools to embed these credentials into traditional programs of study. But, with the rapid changes in technology that have impacted, and continue to impact

manufacturing, not all positions in manufacturing have an industry credential that correlates to the skills required and even fewer positions require or prefer a credential for employment. We recommend that DOL take a measured approach when it comes to mandating industry credentials for apprenticeship programs, at least at the outset, and allow the market to determine which credentials, if any, are most valuable for employment and advancement. DOL can use that market feedback to identify the most relevant credentials and highlight the importance of them.

9. Under Section II-G, all employers are subject to the laws and regulations pertaining to Equal Employment Opportunity. Potential accrediting bodies are not enforcement agencies for these laws and regulations, but can be expected to ask employers to attest that they will faithfully adhere to these laws and regulations.
10. Under Section III-D, we agree that information such as the return on investment, the post-apprenticeship employment rate, and the post program wages for apprentices are valuable metrics to demonstrate the effectiveness of the Industry-Recognized Apprenticeship Program. However, these metrics may prove challenging for accreditors to collect because of uncertain variables in regards to ROI and an inability to access the data in terms of wages.

Finally, though this may be outside the scope of this proposed rule, the manufacturing sector is hopeful that DOL continues to address the benefits for companies and their education partners of participation in this Industry-Recognized Apprenticeship Program. Manufacturers of all sizes are currently engaged in earn and learn opportunities for workers at all levels of employment. The question of incentives or benefits for companies to shift these programs into a structured accredited system remains unclear. Manufacturers are committed to training and upskilling their current and future workers and we look forward to learning more about the system and the benefits of accreditation in future releases by the DOL.

We appreciate the opportunity to comment on this proposed rule and look forward to working with DOL to expand the use of apprenticeship in U.S. manufacturing.

Comments submitted by:



Gardner A. Carrick
Vice President, Strategic Initiatives
The Manufacturing Institute
National Association of Manufacturers
733 10th St. NW
Washington, DC 20001