

[REDACTED]

From: [REDACTED]
Sent: Monday, November 19, 2018 12:37 PM
To: IRAP.PRA
Subject: IRAP Comments

To Whom It May Concern:

IN MY EYES...

Having served on a variety of local, state, regional, national, and international workforce development-related boards and committees presented opportunities to research vocational/professional education and training systems that encompassed more than 12 countries on four continents. Nonetheless, I will always cherish the fact that while serving as a labor representative on the US Secretary of Labor's Advisory Committee on Apprenticeship (2003-2010), our efforts launched the most significant update to the Fitzgerald Act of 1937 in November of 2008. This major re-work of 29CFR29 would eventually allow for the Obama Administration to inject over \$200 million into the US Department of Labor's Office of Apprenticeship's (US-DOL's OA) efforts to expand registered apprenticeship programs.

Point #1

As a supporter of the RA system for more than 30 years, this author would be the first to endorse evidenced-based strategies to growing RAPs across the country, both horizontally and vertically. Being creative and having willing partners makes a world of difference. However, to suggest that the current system is too difficult to manage or navigate is seemingly nothing more than an excuse to not try and/or to burden the taxpayers with training obligations once considered the responsibility of businesses. A great example of growing an industry sector vertically is Apprenticeship 2000 in Charlotte, NC. The advanced manufacturing employers in this area stepped up to design, development, and implement a solution to meet their needs with the assistance of the DOL, area high school, and community college. When asked why his firm was involved with RAP versus an 'in-house' apprenticeship, Walter Siegenhaller, from Max Daetwyler Corporation, said, "Firms need to look beyond what is merely just good for them and consider the impact of the community. Journey-worker status signifies recognition as a professional and offers portability."

Food for thought: Should firms—large or small—view training as an investment versus a cost when strategically planning workforce development?

In this author's opinion, when it comes to putting "apprenticeship" on the map, the publishing of the Harvard Graduate School of Education's "Pathways to Prosperity" in 2011 opened the minds of government officials and school administrators across a broad spectrum. Furthermore, a report from such a prestigious institution allowed groups such as the National Governors Association (NGA), National Skills Coalition (NSC), and Association for Career and Technical Education (ACTE), to place "apprenticeship" squarely on their agenda. Unfortunately, this often came at a price. That price was the cost of watering down a system known for its rigor and high-quality. Soon, terms like apprenticeship (purposely not using the proper terminology of Registered Apprenticeship), work-based learning, and internships started to enter the space of US-DOL's Office of Apprenticeship. One can only speculate that forces behind the scenes were pushing to soften the age-old and misinformed stigma of RAPs. Accordingly, Morrison notes,

Internships have become increasingly popular...But the fact that so many are unpaid means many are a viable option only to those with the financial backing to support themselves for several months at a time, and without the imperative to earn money...This, in turn, puts another obstacle in the way of social mobility, preventing young people from breaking out of a cycle of disadvantage.

Food for thought: Should cheap labor serve as a major objective for creating a parallel system to one that has decades of success stories?

Point #2

On one hand, this author cautions readers when analyzing the early outcomes of some of the programs more recently placed under the “glamour” spotlight. Most notably, the UK. In fact, McGurk and Allen proclaim, “...apprenticeship training in England has been resurrected from near-extinction in the 1980s, but continual reforms since then have resulted in a fragmented, mismanaged, poorly coordinated and under-resourced system.” On the other hand, this author finds it is ironic that the Trump Administration often holds up the Swiss and German systems of apprenticeship as the world’s Gold Standard when promoting the value of the apprenticeship concept to US employers but fails to acknowledge a key element of their tripartite success: the government’s role, as in third-party unbiased oversight (the other two being labor and management)! Along these lines, *The Final Report* from the Task Force on Apprenticeship Expansion (TFAE) supports the notion that a parallel system to RAP is to be created, to be known as Industry-Recognized Apprenticeship Programs (IRAPs). Herein, industry associations and community-based organizations (functioning as intermediaries) will create, manage, and certify the IRAPs. Consequently, McCarthy et al., warns that if IRAPs are allowed to outsource quality assurance and accountability measures, the system may be prone to conflicts of interest.

Equally disturbing are the Trump Administration’s misguided focus on business as the major benefactor, while seemingly treating the apprentice as an afterthought. Wermes asserts that apprenticeship is, “[f]or the welfare and training of the apprentice.” Yet the TFAE claims, “Many employers, especially small businesses, are concerned about the return on investment for developing apprenticeship programs.” Interestingly, the TFAE goes on to further contradict itself when it posits, “Apprenticeships fill employers’ skill needs while reducing unemployment and providing a debt-free career path for young people.” Meanwhile, less than 15 pages later, the TFAE promotes the use of “income sharing agreement models.” This appears to shift the training cost burden to the apprentice, versus the firm. As a result, one would need to question the following U.S. business axiom: “People are our most cherished assets.” Not to mention, RAPs require and ensure apprentices receive wage increases upon successful completion of each term. Under the TFAE’s proposal, IRAPs “are not required to follow specific wage progression rules.”

Food for thought: Is bending the rules for the sake of scaling up apprenticeships nationwide worth the cost of potentially devaluing the very system the TFAE intends to improve/expand?

Point #3

Much of the activity surrounding the recent upsurge of interests in apprenticeship programs has to do with the perceived shortage of skilled workers. Both this author and Wharton School of Business Professor Peter Cappelli have on more than one occasion suggested that businesses need to move beyond this myopic view as few have considered the issue of the wage gap...until recent 2018 unemployment numbers hit the 3% range. From a tangential standpoint, the editorial board at the St. Louis Post-Dispatch further magnifies how misguided policies, at the state level, in Missouri, have legislators following the lead of the Chamber of Commerce, in essence exacerbating the current dilemma:

The miscommunication between the two sides is glaringly obvious. When the business community calls for improvements to schools, the Legislature responds with tax breaks for business without a

corresponding investment in workforce development. The lax attention to education then results in more complaints from business. The Legislature responds with more business tax cuts.

This author wishes to make clear that growing apprenticeships in the US can be a good thing—but not at all costs or for bogus reasons. Too often, small employers indicate that the current system overseen by the US-DOL's OA is too burdensome. In St. Louis, the Carpenters' Union and its partner, the St. Louis Chapter of the Homes Builders Association, still build approximately 80 percent of the new homes within a 75-mile radius of downtown. Most of these residential builders are small firms (< 25 employees)—and yet these builders, since the 1950s, have relied upon a RAP—known as the St. Louis Carpenters Joint Apprenticeship Program—to supply them with skilled entry-level carpenters. This system is self-funded—not asking for a government subsidy for training as a vital aspect of a successful business. When both labor and management have skin in the game, then together they tend to make decisions in the best interest of the apprentice on behalf of the industry. Make no mistake, the OA has been nothing short of helpful but never meddlesome—always ensuring that neither labor *or* management take advantage of the apprentice! To this end, it is disingenuous to continue the anecdotal mantra that today's RA system is broken and/or in serious need of repair. Therefore, in this author's opinion, the US may be headed for a myriad of unintended consequences not unlike in the UK, unless and until unbiased empirical research is performed to support the full launch of the proposed parallel IRAP system.

Respectfully;

Dr. John S. Gaal
Ballwin, MO 63011