ABC Survey: Biden's Proposed Apprenticeship Rule Will Strongly Discourage Construction Apprenticeship Program Participation

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WASHINGTON, Feb. 27—According to the <u>results of a new survey</u> of ABC contractor members and chapters published today, the U.S. Department of Labor's <u>controversial</u>, 180,000-plus word <u>proposed rule</u> overhauling regulations related to government-registered apprenticeship programs—or GRAPs—will discourage apprentices, contractors and ABC chapter apprenticeship program providers from participating in the government-registered apprenticeship system.

"Initial feedback on controversial changes to apprenticeship regulations has been overwhelmingly negative and these survey results make it clear that the Biden DOL's proposed rule will ultimately weaken a key ingredient in the construction industry's all-of-the-above solution to its short- and long-term skilled workforce shortage," said Ben Brubeck, ABC vice president of regulatory, labor and state affairs. "Government-registered apprenticeship system stakeholders—apprentices, contractors and apprenticeship providers such as ABC member contractors and chapters—were hoping for solutions to make it easier to establish and administer GRAPs, with the goal of expanding GRAP capacity to recruit more apprentices and meet industry workforce needs. Instead, the DOL's unhelpful proposal will do just the opposite."

According to the survey:

- 90% of ABC member contractor respondents said they would be less likely to start their own company-run GRAP as a result of the DOL's proposed changes
- 94% of respondents believe the proposed rule will increase the cost of participating in or starting a GRAP
- 96% of respondents said new recordkeeping and reporting requirements will make them less likely to participate in or start their own GRAP
- 95% of all respondents said apprentice participation and completion in GRAPs is less likely as a result of the DOL's proposal
- 98% of all respondents said small businesses are less likely to participate or continue participating in GRAPs as a result of the DOL's proposed changes

"It is no secret that America's government-registered apprenticeship system—which ABC's analysis of government data suggests had an enrollment of 250,000 apprentice participants and graduated between 40,000 and 45,000 apprentices in FY 2023—isn't keeping up with construction industry demand for skilled craft professionals," said Brubeck. "As currently written, the Biden proposal threatens to undermine significant investments recently made by taxpayers in infrastructure, clean energy and manufacturing projects procured by government and private developers.

"Among many concerns expressed by survey participants, the Biden administration's proposal will discourage employer and provider participation in the GRAP system by needlessly adding more uncertainty and costs in the form of new recordkeeping and reporting requirements, while also eliminating popular flexible, competency-based approaches to workforce development that are attractive to apprentices and employers."

The survey results also brought to light concerning examples of how unions and government regulators work in tandem to enact policies that needlessly delay or even prohibit nonunion apprenticeship programs from getting approved and prevent contractors from winning contracts to build taxpayer-funded construction projects if they are not participants in union-affiliated GRAPs.

More than a fourth of respondents reported to have personally experienced an example of a government's GRAP requirements or policies being weaponized to cut competition from certain contractors and/or discriminate against certain GRAPs not affiliated with unions.

"Participants shared troubling stories about how state and local governments and union lobbyists have worked together to enact corrupt apprenticeship polices in order to steer taxpayer-funded contracts and government grants to certain unionized contractors and union-run apprenticeship programs," said Brubeck. "The Biden proposal does little to stop this perversion and further politicization of the apprenticeship system and likely sets the table for future misbehavior."

ABC champions government-registered apprenticeships as part of a diverse, all-of-the-above solution to workforce development needs that only together can solve the construction industry's demand for skilled craft professionals, as well as engineers, estimators and project managers. Visit abc.org/GRAPmap to find one of the 450 GRAPs run by ABC's 68 chapters across the United States.

ABC's chapters are educating craft, safety and management professionals using innovative and flexible learning models like just-in-time task training, competency-based progression and work-based learning, in addition to more than 450 federal and state GRAPs in more than 20 different occupations across America, in order to develop a safe, skilled and productive workforce.

ABC members invested an estimated \$1.5 billion in construction industry workforce development to upskill 1.3 million course attendees in 2022, including hundreds of GRAPs administered independently by ABC member companies.

ABC has <u>expressed concerns</u> with the DOL's proposed rule and <u>rulemaking process</u>, and plans to submit comments on it by the March 18 deadline recommending policy solutions that would increase apprentice, employer and provider participation and capacity in the GRAP system.