

**White Paper**

**Apprenticeship as a Critical Component of an “Earn and Learn” Job Training Strategy in  
California**

**Produced on behalf of the California Workforce Investment Board**

**by the**

**Interagency Working Group on Earn and Learn Job Training Strategies and Apprenticeship in  
California**

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## White Paper

### Apprenticeship as a Critical Component of an “Earn and Learn”

#### Job Training Strategy in California

#### Executive Summary

As California emerges from hard economic times and leads the nation in generating new jobs, we must offer tangible, paid training opportunities to those most vulnerable. The economic downturn caused high levels of unemployment throughout California but hit youth, minorities, veterans, and low-skilled adult workers especially hard and need to be supported as they seek to enter the workforce.

“Earn and learn” training models offer great opportunities to address the needs of these populations. One such model, formal state-registered “Apprenticeship,” is a time-tested, on-the-job, training and education delivery system and is an essential component of California’s economic growth. Apprenticeship training is uniquely designed to bring frontline workers, who are often unemployed or displaced, into secure high-skill jobs with strong wage progression. The apprenticeship model is once again being seen as a critical component of economic development and international competitiveness policy.

Recent studies have shown that investment in apprenticeship programs provides a positive return for employers, apprentices, government, and society. Unfortunately, the current state budget situation has eroded categorical educational funding support for apprenticeship classroom instruction and thrown into question the extent to which apprenticeships may rely on traditional educational Related and Supplemental Instruction (RSI) funding in future years. Because of this predicament, the following recommendations focus on actions requiring no new traditional funding and on actions to explore and secure new funding streams.

#### **Key Policy Recommendations**

##### **Coordination, Education, and Expansion:**

- **Coordinate Resources for Greater Impact using the California Workforce Investment Board (State Board).** This should include creating an Apprenticeship Working Group and supporting meaningful pre-apprenticeship programs,

including implementation of AB 554, in coordination with partner organizations such as labor organizations, local workforce boards, and the Department of Industrial Relations' (DIR) Division of Apprenticeship Standards (DAS).

- **Promote Expansion of Apprenticeship** to key regional industry sectors such as advanced manufacturing, green technology, healthcare, and logistics. Support increased access to apprenticeship programs by women, veterans, and those recently incarcerated.
- **Create a Research and Public Awareness Campaign** to document the benefit of apprenticeship, especially to the employer community. Support a Return on Investment (ROI) study of the benefits of apprenticeship for program sponsors in California. Support efforts to create a “capacity building” process to develop student skills in the K12 educational system to prepare for post-secondary educational training at community colleges and/or apprenticeship programs.
- **Share Data between Colleges and DIR.** Develop a system for Community Colleges to receive data from DAS on graduating apprentices who earn their journey-level certification. This will allow Community Colleges to give credit to apprentices who reach journey level status and recognizes the attainment of third party credentials and wage gains.

#### Exploring and Securing Alternative Funding to Augment Traditional Apprenticeship Funding:

- **Explore the use of new Green and Healthcare Funds for Apprenticeship.** The State Board's industry committees should review new green policies, such as Proposition 39 revenue, as well as manufacturing and healthcare policies, and provide guidance regarding the role of apprenticeship programs in meeting the workforce needs and goals of these initiatives.
- **Increase Employment Training Panel (ETP) Apprenticeship Funding.** Make apprenticeship a permanent component of ETP and increase ETP's ability to fund apprenticeship.
- **Encourage use of Local Workforce Investment Board (LWIB) Resources for Pre-apprenticeship and Apprenticeship Funding.** Implement AB 554 and promote the utilization of LWIB funding to support regional pre-apprenticeship and apprenticeship programs.

## White Paper

### Apprenticeship as a Critical Component of an “Earn and Learn” Job Training Strategy in California

#### I. Introduction

The current economic downturn has caused high levels of unemployment in all sectors of California’s economy and has hit youth, minorities, veterans, and low-skilled adult workers especially hard. In recent months, however, the state’s labor market has shown signs of recovery. In November 2012, California’s unemployment rate fell below ten percent (to 9.8 percent) for the first time since January 2009.<sup>1</sup> In the past year, California has added 298,000 private-sector jobs – more than New York, New Jersey, Florida and Nevada combined. Getting workers back on the job is critical to moving the state’s economy and communities in the right direction, yet increased employment is not sufficient to build a sustainable economy in the 21<sup>st</sup> century. A sustainable economy must be based on middle-class career pathways that are tied to industry sectors that will be growing and globally competitive, including pathways in the green sector. Career pathways must include the highest quality of training possible that is aligned with the needs of industry and labor market realities, and thus ensuring that citizens and institutions have a strong likelihood of employment as a result of their investment of time, energy, and resources.

Low-skilled adult workers and youth have disproportionately borne the brunt of the current economic crises and need to be supported as they seek to enter the workforce. “Earn and Learn” training models offer great opportunities to address the needs of these populations. Programs that connect new employment opportunities with access to training and education, allowing workers to earn a paycheck while developing the skills necessary to transform short-term jobs into longer-term career pathways, are frequently referred to as “Earn and Learn” models. Three such models include, Subsidized Employment under the Temporary Assistance for Needy Families (TANF) Emergency Fund, Summer Youth Employment Programs, and On-the-Job Training (OJT).<sup>2</sup> Another type of “Earn and Learn” model, which is the subject of this paper, is registered Apprenticeship.

Apprenticeship is a time-tested, on-the-job, training and education delivery system and is an essential component of California’s economic growth. Apprenticeship training is uniquely designed to bring frontline workers, who are often unemployed or displaced, into secure high-skill jobs with strong wage progression. Apprenticeship programs in California are designed and conducted by program sponsors, who may be individual employers, employer associations, or a jointly-sponsored labor/management association. Local Education Agencies (LEAs) individually contract with program sponsors providing educational leadership in the provision of Related and Supplemental Instruction. Importantly, apprentices earn wages and benefits and pay taxes while they learn in a combination of supervised, paid on-the-job training, based on recognized industry standards, coordinated with related classroom instruction provided by a local educational agency.

Apprenticeship programs are rigorous and often rely on “pre-apprenticeship training” that is aligned with their program needs to ensure applicants have the necessary soft skills as well as a solid education background necessary to meet application requirements. There are also pre-apprenticeship instructional programs that provide students with an introduction to multiple trades to help prospective apprenticeship program applicants identify interests and aptitudes.<sup>3</sup> The Aspen Institute recently interviewed construction pre-apprenticeship field leaders and found that “pre-apprenticeship programs play a significant role in developing a skilled and diverse construction workforce.”<sup>4</sup> To be most useful and successful, however, such “pre-apprenticeship programs” must have a direct linkage to, and coordination with, the registered apprenticeship programs into which they seek to enter. One pre-apprenticeship model that has been developed that achieves these goals is the “Multi-Craft Core Curriculum – MC3.”<sup>5</sup>

The apprenticeship model is once again being seen as a critical component of economic development and international competitiveness policy. For example, Germany credits both the nation’s low youth unemployment rate and its success as an exporting nation to its strong apprenticeship system.<sup>6</sup> It is also a key tenet of the California Workforce Investment Board’s strategic plan, which calls for:

*“A state strategy based on ongoing skills attainment focused on regional growth industry sectors and clusters. By braiding education, training, and employment services together to support these sectors, we can both effectively address employers’ needs for a high quality, appropriately skilled workforce and support workers needs for well-paid, steady work.*

*This strategy draws on lessons from the traditional apprenticeship model – providing workers maximum employment outcomes through mobility among multiple employers within an industry sector or cluster.” (“Shared Strategy for a Shared Prosperity: California’s Strategic Workforce Development Plan: 2012-2017,” State Board, Labor and Workforce Development Agency)*

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### **What is Apprenticeship? -- It is a Job while Learning!**

Apprenticeship is a system of learning while earning, and "learning by doing." It combines training on the job with related and supplemental classroom instruction. Each state-registered apprenticeship program operates under formal, written “apprenticeship training standards” agreed to by the apprenticeship program sponsor, in accordance with state and federal laws, under which an apprentice works a skilled (journey-level) worker and gains on the job skills and "know-how" and in turn becomes an important part of the occupation and industry. In those businesses in which workers are represented by a labor organization and governed by a collective bargaining agreement, management and labor each selects an equal number of members to serve on the “joint apprenticeship committee” (JAC). The JAC determines the skill sets necessary to be mastered (known as “work processes”) and supervises the training of apprentices.

(Source: DIR, DAS. See also, “Orientation to Apprenticeship, A Guide for Educators,” CAC, January 2001)

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### **Why the Apprenticeship Model Works and Provides Significant Returns-on-Investment**

Every year, employers and unions invest millions of dollars in apprenticeship training. According to the California State Building and Construction Trades Council, apprenticeship programs invest nearly \$9,000 a year per student on average and unions spend \$200 million a year for apprenticeship programs in California.<sup>7</sup>

The apprenticeship model is unique because it is industry and employer-driven; thus, it is specifically designed to meet individual employer needs. For example, apprenticeship

training focuses on standards and certifications that are needed to conduct business and it provides the volume of skilled labor to the worksite precisely when and where the employer needs it. For the apprentice, it provides the assurance of good wages and benefits, skills attainment and career progression.

- Benefits to apprentices frequently cited include:
  - Immediate employment usually with benefits, while in training for a career;
  - Regular wage progression as skills increase;
  - Well-rounded and flexible skills attainment while working under the supervision of a skilled, qualified worker;
  - Free related classroom instruction which supplements and complements on-the-job training with necessary theoretical knowledge;
  - Portable credentials recognized nationally and often globally;
  - Increased opportunity for college credits and future degrees;
  - Sense of accomplishment, pride in their work;
  - Veterans can collect their G.I. Bill benefits.
  
- For Employers
  - Skilled training geared to industry/ employer specifications to produce quality results;
  - Increased productivity and knowledge transfer due to well-developed, structured on-the-job learning;
  - Enhanced retention and reduced turnover;
  - A stable pipeline of new skilled workers;
  - More flexible workforce due to greater employee skills;
  - Greater customer satisfaction generated by quality workmanship;
  - An emphasis on safety training that may reduce worker compensation costs;<sup>8</sup>
  - Recognition as a supporter of state and local efforts to train young people in skills necessary to become contributing members of society and their communities.

### **Quantitative Analysis:**

A June 2012 study commissioned by the Department of Labor (DOL), “An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States,” has quantified the benefits from such investments:<sup>9</sup>

- **For Apprentices:**
  - Substantial gains in earning of \$47,586 over a nine-year period following enrollment in the program.
  - Earning gains of \$123,906 over the career of the apprentice, including employer-sponsored health insurance and other benefits.
  
- **For Society, including UI compensation and public assistance:**
  - Net social benefits of \$29,042 in the medium term and \$61,596 over apprentice’s career.

Investment in apprenticeship provides a positive return in many industry sectors, according to a recent Canadian study. The Canadian Apprenticeship Forum concluded that “financial benefits of apprenticeship training programs exceed the cost for 15 different trades. On average, for each dollar invested, employers receive a benefit of \$1.38 – a net return of \$0.38. In addition to the net economic benefit of hiring an apprentice, it appears that employers attach considerable importance to training their workers “in-house.”<sup>10</sup>

### **Program Sponsor Views:**

In 2007, the Urban Institute surveyed 974 program sponsors across the United States regarding the value of registered apprenticeship found that there was strong support: 97 percent said they would recommend the program to others, with 86 percent stating they would “strongly” recommend it and 11 percent saying they would recommend it with reservations, due primarily to problems with accessing related instruction. The benefits, according to the sponsors, were:

- Helping them meet the demand for skilled workers (identified as very important by over 80 percent of sponsors);
- The role of apprenticeship in identifying which workers had needed skills (72 percent of sponsors);
- Raising productivity (68 percent of sponsors);



- Strengthening worker morale and pride (68 percent of sponsors);
- Improving worker safety (68 percent of sponsors).

Apprenticeship is a worthwhile investment of public workforce resources and funding – for the apprentice, employer, and the workforce system. It can play a key role in an integrated workforce development strategy, serving to connect K-12 and community college career technical education with the needs of employers. According to a recent study of apprenticeship systems by the International Labour Organization, apprenticeships enable smooth school to work transitions. The study concluded that, “Compared to investing in expanding formal technical education and training, upgrading informal apprenticeship to incorporate reliable assessment and recognized certification is a cost-effective way to invest in a country’s skills base and enhance the employability of youth.”<sup>11</sup>

## II. History of Apprenticeship and “Earn and Learn” Models in California

State-certified apprenticeship in California began with the passage of the Shelly-Malone Apprenticeship Labor Standards Act of 1939 (Act at Labor Code Sections 3070 *et seq.* and Education Code Section 8150 *et seq.*). Appropriations to support apprenticeship education requirements, referred to as “related classroom instruction” were initiated in 1970 with the “Montoya Act” and added to the State’s Education Code.

### Formal Apprenticeship as a Model for other “Earn and Learn” Models

In his 1979 State of the State message, Governor Jerry Brown proposed the California Worksite Education and Training Act (CWETA), authored by State Senator Bill Greene and enacted into law September 29, 1979 (SB 132 - Chapter 1181). CWETA supported a broad “Earn and Learn” model of training. CWETA was allocated \$25 million for three years through its enabling legislation and an additional \$10 million for state fiscal year 1982-83 to provide job training that would better meet industry’s needs to fill jobs that remained vacant even during times of high unemployment<sup>12</sup>

Other “CWETA-type programs” included AB 3461, authored by Assemblyman Patrick Johnson and AB 3154, which were later enacted and known as the Employment Training Panel and Special Employment Training Fund (SET), respectively. During the years of 1984 to 1993, ETP funded apprenticeship, albeit with restrictions. In March 2012, the ETP approved an Apprenticeship Training Pilot Program to supplement RSI using its SET.

## Recent Legislation

In 2011 Governor Brown signed AB 554, which requires the State Board and Local Workforce Investment Boards to ensure that WIA training funds are targeted to apprenticeable occupations and pre-apprenticeship programs; and that they are coordinated with DAS-approved apprenticeship programs.

### **III. The Current State of Apprenticeship in California**

California has the largest apprenticeship system in the nation. There are over 800 apprenticeable occupations in California across a variety of industry sectors. The bulk of registered apprenticeship programs are in the construction sector -- at present, about 2/3 of California's 54,000 apprentices are in training in building and construction trades occupations. However, there are significant numbers of apprentices in training as barbers, cosmetologists, firefighters, machinists, auto mechanics and public safety officers among the DAS's over 600 approved apprenticeship program sponsors. For a full list of DAS-approved programs, see [www.dir.ca.gov/das](http://www.dir.ca.gov/das) and for statistical reporting on apprenticeship programs in California, see the DAS annual report to the Legislature<sup>13</sup>. DAS also maintains annual data on apprenticeship completion rates for the past five years.<sup>14</sup>

While the DAS provides primary oversight of each program sponsor's approved "apprenticeship program standards" – which include each program's "work processes" (learned on the job) and "related and supplemental instruction;" it is the local educational agency (California community college or California Department of Education adult educational provider) who designs, certifies and approves the curriculum and the related instruction component of each apprenticeship program.

The California Apprenticeship Council (CAC) sets policy for DAS. For example, the Council adopted Minimum Industry Training Criteria (MITC) for all apprenticeship programs in the building and construction trades. In 2011, the CAC further directed each program to modify its approved apprenticeship training standards to add "green" components for all crafts.

Apprenticeship program educational funding (RSI or "Montoya Funds") are appropriated annually in the State Budget Act from Proposition 98 funds. The appropriations are made to the California Department of Education (CDE) and the California Community College Chancellor's Office (CCCCO). The funds are then disbursed to high school

districts, Regional Occupational Centers and Programs (ROCP), and community college districts that contract with apprenticeship program sponsor(s). The level of Related and Supplemental Instruction appropriations has dropped in recent fiscal years. For example, in FY 2008-2009, the appropriation to CDE was approximately \$19.6 million and in FY 2011-12 it was approximately \$15.5 million. In addition, The July 2009 Budget Act, ABX4 1, made substantial cuts to most community college categorical programs including apprenticeship, which received nearly a 50 percent cut for RSI funding (\$14.6 million, to \$7.2 million). Apprenticeship funding was also placed under the flexibility provision of the Education Trailer Bill, ABX4 2, which provides community college districts with the authority to move funds from apprenticeship to other categorical programs, and locked-in apprenticeship funding at the 2008-2009 district allocation level for the fiscal years covering 2009-2015. Consequently, according to DAS, there is a statewide short-fall in RSI apprenticeship educational funding of approximately \$11 million.

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### **Apprenticeship Programs and Veterans**

Veterans can receive G.I. benefits as apprentices while gaining marketable skills that lead to a high-paying career. Specific programs help veterans transition into high paying construction careers. “Helmets to Hard Hats,” launched in 2003, provides an important link between veterans and 15 building and construction trades organizations. The United Association of the Plumbers and Pipefitters Union (UA) has created a program called “Veterans in Piping” (VIP). The UA VIP offers apprenticeship programs in plumbing, pipefitting heating and air-conditioning (HVAC) service, sprinkler fitting and welding. Other apprenticeship programs grant preference points, grant credit for previous experience, and actively recruit veterans for entry into their programs. In the first six months of 2012 alone, more than 5,000 California veterans were enrolled in state-registered apprenticeship programs, according to the Division of Apprenticeship Standards.

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#### **IV. Issues and Roadblocks Impacting California Apprenticeship**

- **Traditional Funding:** The amount of educational funding available for apprenticeship related and supplemental instruction to support current registered

apprenticeship programs in California is well below the current and future demand. This funding gap is occurring at precisely the time when the state needs stronger career pathway and industry-certified training to provide certainty regarding the availability of labor supply. For example, RSI funds have been cut by 50 percent within the community colleges and can be legally transferred (flexed) to meet the needs of other college categorically funded programs. Since apprenticeship funding has been significantly reduced, there are no resources available to support the recovery of the construction industry, or to support new apprenticeship programs in areas such as manufacturing, energy, or allied health. The RSI funding distributed through the CDE has decreased from a high in 2007-2008 of \$19.6 million to the current 2012-13 level of \$15.7 million; and community college RSI funding has declined during the same period from \$14.6 million to \$7.2 million.<sup>15</sup> This reduction coincided with a downturn in the economy, resulting in fewer apprentices in the Building Trades and other sponsors. As the economy recovers, existing funding will not support current apprenticeship programs fully, much less enable funding for additional programs.

- **New Funding:** In March of 2012 the ETP began funding apprenticeship training through an Apprentice Training Pilot Program as a way to supplement RSI funds. The Pilot funds RSI at the rate of \$13 per hour and is capped at 154 hours per individual apprentice. Only DAS-approved apprenticeship programs are eligible to apply. Apprenticeship training may stand alone, or be combined with pre-apprenticeship and journeyman training.<sup>16</sup> During the first six months of the Pilot, demand for funding has out-stripped supply. ETP estimates that \$9 million will be available for the 2012-13 Fiscal Year. Funding for the Pilot comes out of the ETP's Special Employment Training fund, which was established to support employers who do not face out-of-state competition, typically in the construction and healthcare industry. Unemployment law limits SET funding to 15 percent of total ETP funds, and the Apprenticeship Pilot is limited to ten percent of total ETP funds. This leaves just five percent for training that is neither apprenticeship nor can qualify under the out-of-state completion provision, such as healthcare.

New efforts to increase energy efficiency and support clean technology may also provide additional workforce training funds that could be targeted to apprenticeship programs. Examples include the California Energy Commission's (CEC) Alternative and Renewable Fuel and Transportation Technology Program (AB 118), efforts by the California Public Utilities Commission (CPUC) to increase the use

of alternative energy, the California High Speed Rail build-out, auction revenue from AB 32's cap-and-trade auction, and revenue from Proposition 39.

- **Coordination:** A number of private and public organizations are involved with supporting apprenticeship programs in California, including employers, labor unions, community colleges, adult education, DAS, State Board, LWIBs, and ETP. Coordinating efforts and resources among these various groups at both the state and local level is difficult and often inadequate. For example, there is currently no formal forum, such as an interagency working group, for state-level partners to discuss apprenticeship and pre-apprenticeship issues and policy.

Additionally, coordination between educational institutions, pre-apprenticeship training programs and apprenticeship programs is often insufficient, leading to inefficient use of financial and human capital. There currently exists no single point of contact for an employer interested in creating a new apprenticeship program or finding supplemental funding, nor does there exist an adequate information portal for sharing best practices and resources.

- **Traditional Apprenticeship Representation in California:** Currently, the largest number of DAS-registered apprenticeship programs (36 percent) are in the construction industry, followed by a significant number in manufacturing, machine tooling, automotive, barber and cosmetology, firefighters, and public safety, with a much smaller representation in health care and a wide variety of other occupations.<sup>17</sup> The percent of active female apprentices stood at 6.5 percent in June 2011, while the percent of minority apprentices was 50.4 percent.<sup>18</sup> These programs provide world-class, standards-based, certified training and should be seen as the model from which to expand into other industry sectors.
- **Expansion of Apprenticeship to Growth Sectors:** In recent years, there has been a push by the Department of Labor to expand the apprenticeship model beyond the construction sector and into occupations and sectors that are expected to experience future growth. In 2001, DOL's Employment and Training Administration (ETA) began an "Advanced Apprenticeship Initiative" to encourage demand-driven strategies to address workforce challenges, including the expansion of apprenticeship to health care, information technology, advanced manufacturing,<sup>19</sup> and the maritime occupations. To spur this expansion, the initiative has sought to create new industry standards and provide technical assistance and guidance to employers. ETA has recently published reports focused on the expansion of

registered apprenticeship to the green sector and the health information technology sector.<sup>20</sup> The Aspen institute recently documented that pre-apprenticeship programs in construction sector are incorporating green concepts into their curricula.<sup>21</sup>

- **Research, Education & Public Awareness:** Making the case for apprenticeship with business, teachers, students and the general public requires new research into the return on investment for society as well as a heightened public awareness of the promise of apprenticeship for personal career advancement and economic recovery. California is in need of additional skilled workers, but currently lacks a robust "capacity building" process to develop student skills in the K-12 educational system. The emphasis over the past 20 years on college preparation and standardized testing has negatively impacted the number of high school Career Technical Education (CTE) offerings. CTE courses are rigorous and teach core academic skills through applied, hands on learning. Students should be exposed to career opportunities at an earlier age and provided access to an expanded number of CTE courses at the high school level that can lead to post-secondary educational training at community colleges and/or apprenticeship programs. This will ensure that the pipeline of new workers is primed and ready for existing and new industries to hire in the future.

## V. Policy Recommendations

California's workforce system and apprenticeship programs must be responsive to the needs of existing employers and be an enticement for companies to relocate or expand in our state. Historically, apprenticeship programs have been a central part of California economic vitality, relying not only on employer and worker contributions for their success but also on public support. Unfortunately, the current state budget situation has eroded financial support for apprenticeship and thrown into question the extent to which apprenticeships may rely on traditional RSI funding in future years. Because of this predicament, the following recommendations focus on actions requiring no new traditional funding and on actions to explore and secure new funding streams.

### Actions Requiring No New Traditional Funding

- Coordinate Resources for Greater Impact using State Board Coordinating Body
  - Create a Working Group: Many of the recommendations included in this White Paper fall within the purview of the State Board and its

committees. The “Earn and Learn” model is already a central part of the State Board’s Strategic Workforce Development Plan: 2013-17.<sup>22</sup> The State Board should create a Working Group on Apprenticeship to develop recommendations for a state level apprenticeship initiative.

- Support Action Items in the Strategic Plan around Apprenticeship: The Working Group should take the lead on supporting the actions of Objective Six of the State Board Plan, which is to “expand availability of and participation in “Learn-and-Earn’ models such as apprenticeship, where students and workers can build skills while working.” These include:
  - “Creating credit-bearing linkages between approved apprenticeship programs, universities, community colleges, and adult education/ROCP;
  - Developing a campaign to promote the value of approved apprenticeship and ‘Earn and Learn’ models of training, and increase investments in these models;
  - Expand formal apprenticeship programs in key regional priority sectors and occupations;
  - Implement AB 554 that requires the State Board and LWIBs to ensure that WIA training funds targeted to apprentice-able occupations, including pre-apprenticeships, are coordinated with DAS-approved apprenticeship programs;
  - Increase the number of high school students, including those from underrepresented demographic groups, who graduate prepared for postsecondary education and/or a career;”
  - Expand the number of CTE programs offered at the high school level that are articulated for credit with the California Community College system and meet the UC and CSU system entrance requirements.
  
- Support Meaningful Pre-apprenticeship: The Working Group should support meaningful pre-apprenticeships through alignment of WIA resources with the Community College system as well as the K12 system, including (ROCPs). This should include implementation of AB 554 and creating credit-bearing linkages between apprenticeship programs and community colleges, as well as discussion of ways to provide incentives

for local Community Colleges to give credit for Apprentice RSI. Under AB 554, the State Board will work with LWIBs to ensure that WIA training funds targeted to apprenticeable occupations, including pre-apprenticeships, are coordinated with DAS approved apprenticeship and community college programs. Additionally, LWIBs should be encouraged to support apprenticeship and pre-apprenticeship; to seek ways to braid funding sources and to support prior learning assessment.

- Promote Discussion of Expansion of Apprenticeship: The Working Group should discuss policy changes to support expansion of apprenticeship to key regional industry sectors such as advanced manufacturing, green technology, healthcare, and logistics. Additionally, the Working Group should discuss efforts to increase access to apprenticeship programs by women, veterans, and those recently incarcerated. The State Board should encourage LWIBs to share best practices and ideas regarding expansion.
- Share Best Practices and Information via Web Portal. Use a commercial technology, such as Socrata that is used by the Department of Labor, for LWIBs and partners to share best practices and information.<sup>23</sup>
- Research and Public Awareness Campaign
  - Document the Benefit of Apprenticeship. Support research to document how apprenticeship and community college education lead to employment, the ROI of apprenticeship for business, workers and government, and the best models of apprenticeship leading to job placement. A ROI survey of sponsors, using The Urban Institute study as a model, should be undertaken and the results should be widely publicized and posted on the State Board web site.
  - Data Sharing between Colleges and DIR. Develop a system for Community Colleges to receive data from DIR on apprentices who complete their apprenticeship programs and earn their journeyman card. This will allow Community Colleges to give credit to all apprentices who reach journey level status and recognizes the attainment of third party credentials and wage gains.



- Engage in a Comprehensive Public Awareness Campaign. The state’s commitment to the apprenticeship model should be highlighted by the Governor. The business and education communities need to know that California is re-investing in the apprenticeship model. The Working Group should work closely with GO-Biz to educate employers about the value of apprenticeship programs for their business model and investment decisions. The K-12 community should be an integral part of a “Capacity Building” process to align secondary CTE and ROCP courses with community colleges and apprenticeship programs. Career exploration at the 6-8<sup>th</sup> grade level, as well as CTE in high schools, are critical and should be supported by a public awareness campaign and dedicated funding and accountability measures to insure implementation at the local level.

### **Actions to Explore and Secure Alternative Funding**

- Employment Training Panel Apprenticeship Funding
  - Make Apprenticeship a Permanent Component of ETP. ETP should make the Apprenticeship Training Pilot Program, which was began in March 2012, a permanent part of ETP’s funding program.
  - Increase ETP’s Ability to Fund Apprenticeship. Support legislation to increase the ETP-SET funding to better reflect demand for apprenticeship training. Urge the ETP to focus additional funding on non-construction apprenticeship, especially advanced manufacturing and healthcare.
- Explore the use of new Green and Healthcare Funds for Apprenticeship
  - The State Board’s Green Collar Jobs Council should review new green policies and efforts, such as CECs AB 118, Proposition 39, CPUC’s EPIC program, High Speed Rail, and Cap-and-Trade revenue, and provide guidance regarding the role of apprenticeship programs in meeting the workforce needs and goals of these initiatives.
  - The State Board’s Healthcare Workforce Development Committee should explore the use of new funding associated with the federal Affordable Care Act for apprenticeship.

- Coordinate with Federal pre-Apprenticeship and Apprenticeship Initiatives
  - The Working Group should explore Department of Labor and other Federal funding opportunities.
  - The Working Group should prepare state and local partners to be ready to apply for funding opportunities, should they arise.

**VI. Conclusion**

Now is the time for California to re-invest in apprenticeship. Pre-apprenticeship and apprenticeship programs need to be aligned with employer needs and real jobs. California needs to expand the “Earn-and-Learn” model, particularly in sectors of the economy and regions that are critical for making the state globally competitive. More importantly, apprenticeship expansion will strengthen our educational system, our communities and California’s economy by giving youth and other workers new, high-road career opportunities.

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- <sup>1</sup> Labor Market Information Division, EDD. [www.edd.ca.gov/lmid](http://www.edd.ca.gov/lmid)
- <sup>2</sup> “Earn and Learn” Job Training Strategies, Recommendations for Federal Job Creation Legislation, National Skills Coalition, April 2010.
- <sup>3</sup> For an example of a pre-apprenticeship program see: [www.dir.ca.gov/das/BP-Pre-Apprenticeship.pdf](http://www.dir.ca.gov/das/BP-Pre-Apprenticeship.pdf)
- <sup>4</sup> “Construction Pre-Apprenticeship Programs: Interviews with Field Leaders,” Maureen Conway, Allison Gerber, and Matt Helmer, The Aspen Institute, Workforce Strategies Initiative, 2010.
- <sup>5</sup> The curriculum was developed by the AFL-CIO’s Building and Construction Trades Department. For more information, see “Community Based Organizations and Union Apprenticeship Programs: Creating Pathways to Careers in the Unionized Construction Trades for Minorities and Lower-Skilled Workers,” Jobs for the Future/ AFL-CIO Working for America Institute, April 2011.  
<http://www.jff.org/publications/workforce/community-based-organizations-and-union-/1411>
- <sup>6</sup> “The Secret to Germany’s Low Youth Unemployment,” Eric Westervelt, NRP, May 7, 2012.
- <sup>7</sup> **California State Building and Construction Trades Council,**  
<http://www.sbctc.org/doc.asp?id=211&parentid=24>
- <sup>8</sup> DAS presentation to LMID Advisory Group, September 22, 2011.
- <sup>9</sup> “An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States,” Mathematica Policy Research for DOLETA, July 2012.
- <sup>10</sup> “It Pays to Hire an Apprentice: Calculating the Return on Investment for Skilled Trades Employers in Canada,” June 2009. See also: “Construction Apprenticeship Programs: Career Training for California’s Recovery,” by Corinne Wilson, Center on Policy Initiatives, September 2009.  
<http://onlinecpi.org/reports/construction-apprenticeship-programs/>
- <sup>11</sup> “Overview of Apprenticeship Systems and Issues,” ILO contribution to the G20 Task Force on Employment, September 2012.
- <sup>12</sup> “California Worksite Education and Training Act WETA – General Information,” ETP,
- <sup>13</sup> DAS reports to the Legislature, [http://www.dir.ca.gov/das/DAS\\_annualReports.html](http://www.dir.ca.gov/das/DAS_annualReports.html)
- <sup>14</sup> Annual completion rates, <http://www.dir.ca.gov/DAS/reports/CompPast5yr.pdf>
- <sup>15</sup> “Report on Apprenticeship Related and Supplemental Instruction Programs: Fiscal Year 2010-11,” California Department of Education.
- <sup>16</sup> Apprenticeship Training Pilot Program Memorandum, ETP, 2012.
- <sup>17</sup> DAS, DIR list of Registered Apprenticeships in California,  
<http://www.dir.ca.gov/databases/das/aigstart.asp>
- <sup>18</sup> California Apprentices Council Newsletter, 3<sup>rd</sup> Quarter, 2011.  
<http://www.dir.ca.gov/cac/ReportsPublications/CACNewsletter3rdQuarter2011.pdf>

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<sup>19</sup> In San Diego, the National Steel and Shipbuilding Company (NASSCO) has partnered with the San Diego Central labor Council, the San Diego Community College District, the Ironworkers Local 229, the International Association of Machinists and Aerospace Workers (IAM), and other partners to create a manufacturing pre-apprenticeship / apprenticeship program that both contributes to the growth and stability of a major regional employer and provides new avenues for job opportunity for the low-wage communities. For a case study of this project, see “Working Together: Sectoral Lessons from Labor-Management Training Partnerships in California,” Barbara Baran/ UC Berkeley Labor Center/ California Labor Federation.

<sup>20</sup> “The Greening of Registered Apprenticeship: An Environmental Scan of the Impact of Green Jobs on Registered Apprenticeship and Implications for Workforce Development,” DOLETA, and “Using Registered Apprenticeship to Build and Fill Career Paths in Health Information Technology,” DOLETA.

<sup>21</sup> Conway.

<sup>22</sup> “Shared Strategy for a Shared Prosperity: California’s Strategic Workforce Development Plan: 2012-2017,” California Workforce Investment Board.

<sup>23</sup> <https://opendata.socrata.com/>

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