



NATIONAL SKILLS COALITION

Every worker. Every industry. A strong economy.

Engaging Business in Apprenticeship: *Using Policy and Practice*

August 2017

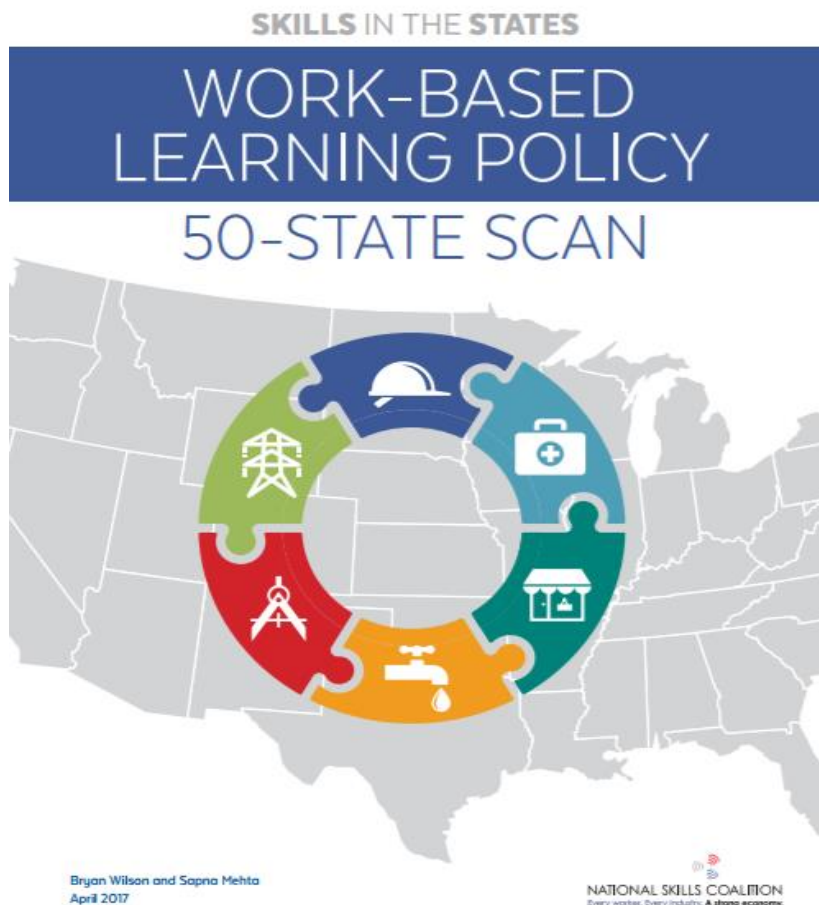


Jackson Area
Manufacturers Association
Helping Manufacturers Succeed & Grow Since 1937

Two key levers



State Policy: How does MI stack up?



Short answer: Pretty darn well.

State Policy: How does MI stack up?

✓ MICHIGAN	
WORK-BASED LEARNING POLICY IN PLACE	YES
Expansion Initiative	No
Employer Subsidy	Yes
Grant or Reimbursement	Yes
Tax Credit	Yes
Secondary Student WBL	Yes
Pre-Apprenticeship or Youth Apprenticeship	Yes
Other Secondary Student WBL	
Subsidized Postsecondary Instruction for Apprentices	No
Student Support	
Institution Support	

State Policy: Michigan's big leg up

Sector partnerships.
(industry partnerships)
(intermediaries)

But what does that mean from a practice perspective?



Engaging biz: JAMA's Story



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Engaging Business in Apprenticeship

Dialogue

- What seems to be the stumbling blocks?
 - What's working?
 - What's not?
- If I could just make *X* happen then business would be on board.
- The one issue pushback that I keep getting from employers is...



So what else is there?

- ✓ Strong state infrastructure
- ✓ Solid peer network of practitioners
 - Federal policy



Apprenticeship in Policy

Landscape

- Fiscal Year 2017 appropriations
- Fiscal Year 2018 budget

Work-based Learning Policy

- Perkins CTE, Infrastructure, TANF, Pell



The Landscape in Washington

- Republican control of WH, Congress, but margin in Senate very slim (52-48)
- Focus on reconciliation (health care, tax reform) to avoid filibuster – but sharpens partisan divide
- Skills remain bipartisan issue, though differences on paths forward



FY 2017 Appropriations

- Omnibus funding bill approved May 2017
- Largely maintained funding levels for workforce, education programs
- Increased funding for apprenticeship from \$90M to \$95M



FY 2018 Budget: Administration

- Trump budget
 - Cuts DOL by \$2.5B (21 percent), including 40 percent cuts to WIOA formula grants
 - Cuts ED by \$9B (13 percent), including 15 percent cut to Perkins state grants, 16 percent cut to ABE state grants
 - \$2.2B in cuts to TANF



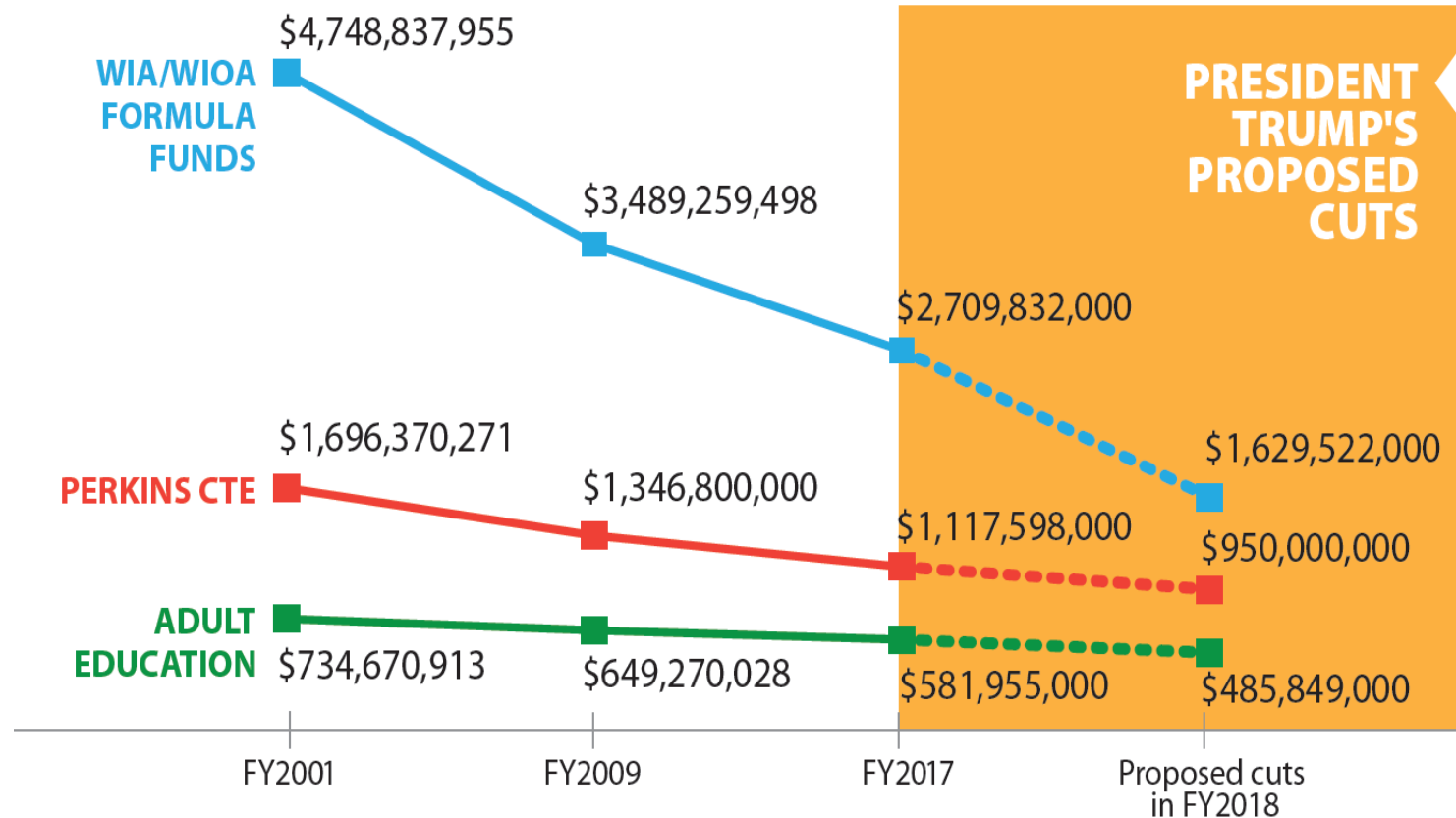
FY 2018 Budget - Congress



- Fiscal conservatives seeking up to \$200B in cuts to TANF, SNAP, other programs – including through stricter work requirements.
- While Congress unlikely to accept all cuts, total allocation for Labor-HHS-Education expected to be about **\$5B below FY 2017 levels** – which means there will be cuts somewhere

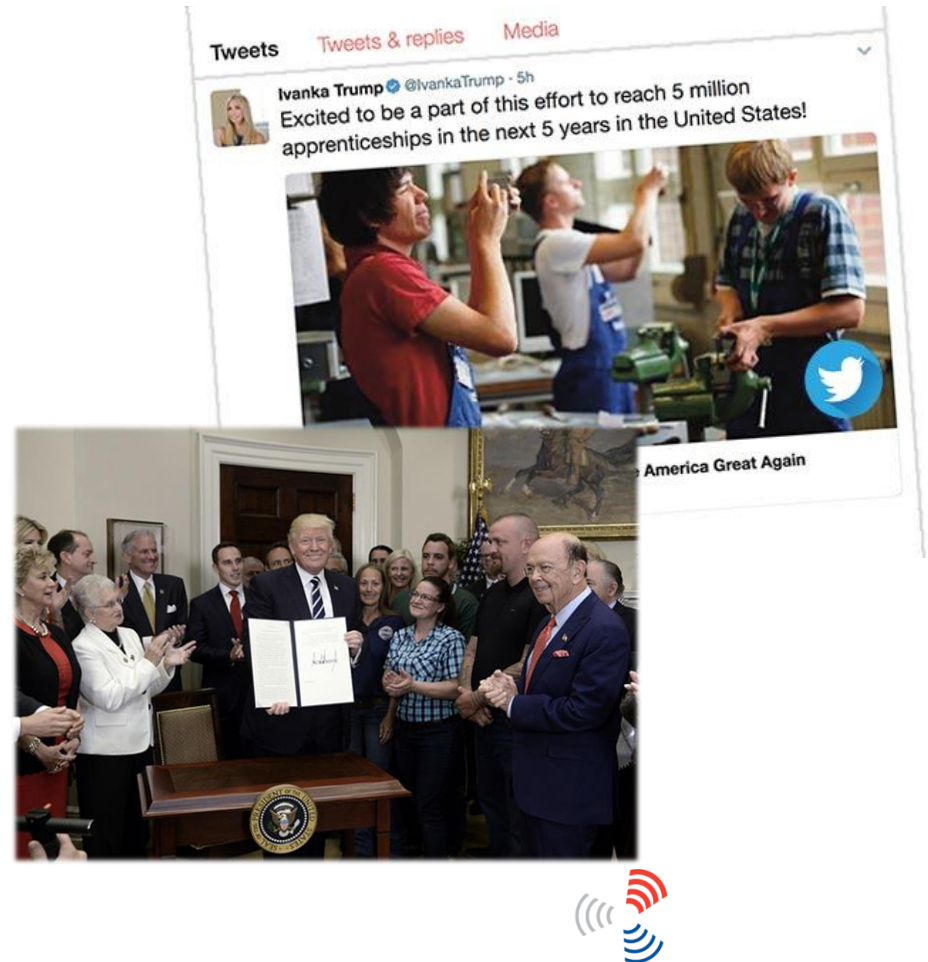


Why This Matters



Apprenticeship Executive Order

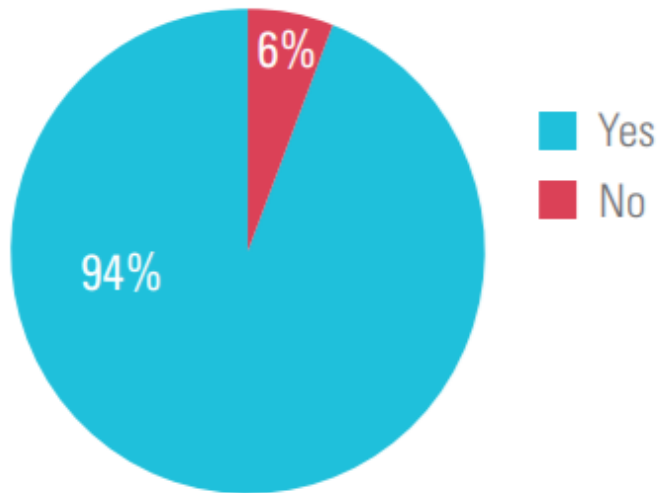
- Authorizes DOL to issue regulations for “industry-recognized” apprenticeships
- Establishes task force on apprenticeship expansion
- Directs ~\$100M in H-1B funds to support expansion
- Requires federal agencies to evaluate current training programs, propose elimination of “ineffective” programs



Getting to 5 Million Apprentices

EMPLOYERS SUPPORT APPRENTICESHIP

Ninety-four percent of employers would recommend apprenticeship to other employers



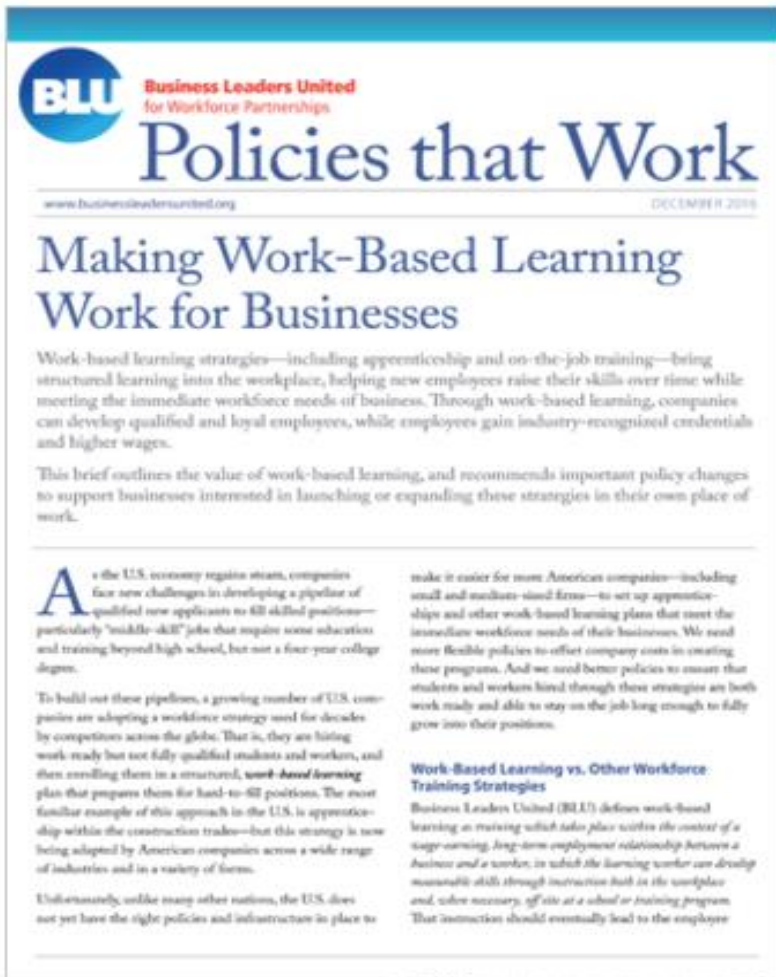
Source: The Urban Institute <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/411907-The-Benefits-and-Challenges-of-Registered-Apprenticeship-The-Sponsors-Perspective.PDF>

A big part of the equation: Make work-based learning work for business.

Policy is a key tool.



Key Recommendations



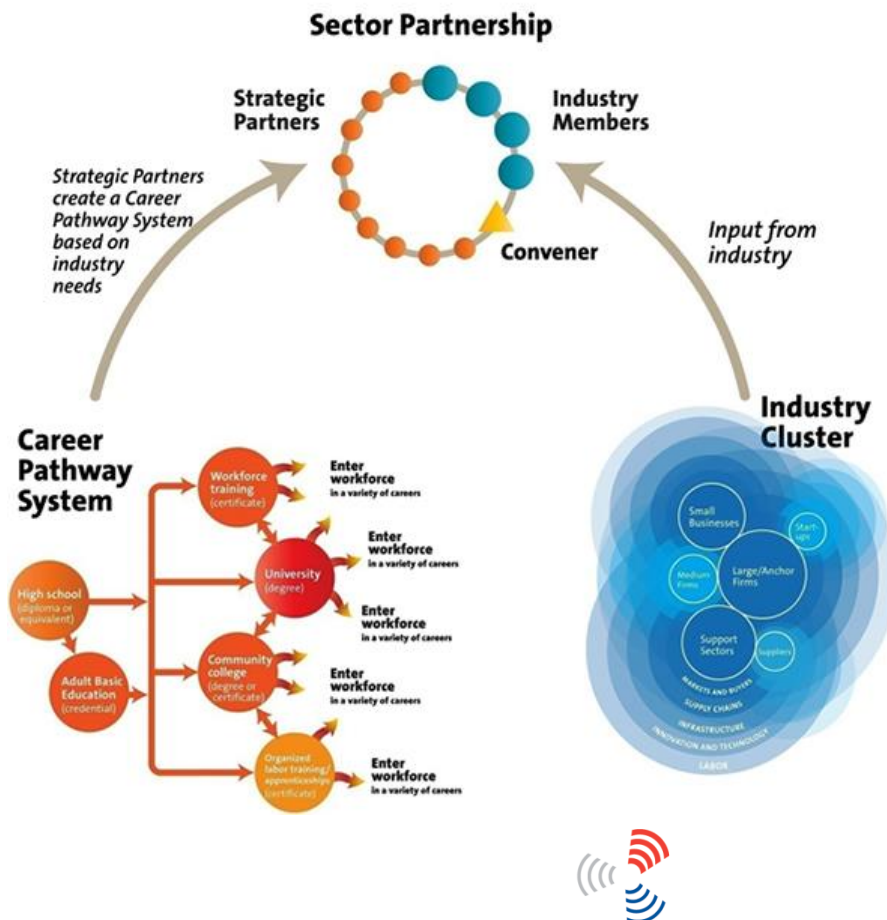
- Invest in **sector partnerships** to help local employers establish work-based learning.
- Provide **targeted subsidies & tax credits** to offset company training costs.
- Invest in **ongoing worker supports** to diversify the pipeline of new apprentices able to achieve long-term success.



Support for Sector Partnerships

✓ WIOA

- Perkins CTE
- Infrastructure/
BUILDS Act
- INSTA Act (not yet introduced)



Ongoing Worker Supports



Work-Based Learning Support Fund

- Through Temporary Assistance for Needy Families (TANF)
- Would help those lacking a solid employment history as they transition to apprenticeship or other work-based learning opportunities.
- This fund would provide services during critical phases of a new worker's journey.



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