



June 10, 2018

The Honorable R. Alexander Acosta
Secretary
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Secretary Acosta,

We write on behalf of the Opportunity America Jobs and Careers Coalition to commend you and the Department of Labor Task Force on Expanding Apprenticeship for its final report, delivered to the president in May.

We strongly support the thrust of the report and its core recommendation: expanding earn-and-learn career education by spurring the growth of a till now little understood approach – industry-recognized earn-and-learn programs outside the traditional registered apprenticeship system that are overseen and accredited by third-party industry groups.

The Opportunity America Jobs and Careers Coalition is a business coalition focused on job training and workforce development. Members include employers and employer associations from a broad range of industries experiencing skills mismatches and worker shortages – IT, manufacturing, construction and hospitality, among others.

Several of our members are industry-driven credentialing bodies that accredit just the kind of independent earn-and-learn programs the department seeks to encourage, and many would expect to play an active role in a new public-private initiative of the kind outlined by the task force.

We urge the department to move forward with the vision laid out in the task force report: new incentives, new guidelines and potentially new funding streams for a parallel system of independent earn-and-learn programs.

We also have some concerns. The report leaves many critical questions unanswered, and there are still important choices to be made.

How to structure a new system. We see considerable promise in the national framework proposed by the task force: a cohort of third-party credentialing bodies authorized and empowered by the Department of Labor that oversee employer-driven earn-and-learn programs, maintaining quality standards, credentialing trainees and reporting back to the Labor Department.

As envisioned in the report, we would expect the department to develop guidelines for these credentialing bodies – in effect, standards for their standards – and monitor their activities in some fashion. But the devil will be in the details, and the key to a workable system will

be balance – maintaining effective quality assurance without overregulating the credentialing bodies or undermining the flexibility the new approach is intended to create for training providers.

On just what that balance should look like, we see as many questions as answers in the report. What type of standards and guidelines will the department set for credentialing bodies, and how prescriptive? How will certifiers be reviewed and recommended by Washington? Will the department differentiate between “high-value” and “low-value” credentials, and if so, how? The success or failure of a new approach will depend in large part on how the department answers these questions and others like them.

A parallel system. We support the assumption, stated repeatedly in the report, that any new framework for independent training programs should stand alongside the existing system of registered apprenticeship. We agree with the task force that this system too could benefit from some scrutiny and streamlining to reduce bureaucracy and increase efficiency. And we strongly support the recommendation that the two systems, registered and independent, be treated equally, including for funding purposes.

Accordingly, we’re baffled by the recommendation that unlike participants in registered programs, beneficiaries of industry-driven earn-and-learn training not be considered apprentices for the purpose of meeting Davis Bacon Act wage requirements. We see no justification for a distinction of this kind and urge the department to treat the two approaches equally in all respects.

Transparency. We agree with the task force’s underlying assumptions: the best government is transparent government, and the best measure of any training program, public or private, is outcomes – do trainees succeed on the job? We are nevertheless troubled by two recommendations in the report – that training curricula be made available on an open-source basis and that credentialing bodies be required to post information about individual students on a “national reporting platform.”

Developing curricula that reflect industry needs and in-demand skills is a time-consuming, expensive process. Instructional materials must be revisited on a regular basis to keep up with changing technology. And like many businesses, organizations that produce curricula reinvest revenue from current sales to upgrade their products, improving and updating instructional materials to stay abreast of industry trends. None of this would be possible in an open-source system: no revenue, no reinvestment, no upgraded or updated curricula – and the public, along with the bodies producing the instructional material, would suffer as a result.

As for reporting outcomes on a national platform, the credentialing bodies in our coalition feel they have entered into a trust with the students and teachers they serve – a trust that could be violated by a reporting requirement of this kind. The key distinction for these accreditors: program outcomes versus individual outcomes. We have no concern about requiring credentialing bodies to post program outcomes.

Next steps. The Jobs and Careers Coalition strongly supports the recommendation that the Department of Labor move forward with a pilot program.

Training of the kind the department seeks to encourage is already taking place across America: scores of industry-driven accrediting and credentialing bodies monitor thousands of independent employer-driven earn-and-learn programs training hundreds of thousands of apprentices for in-demand jobs. We believe it would benefit all parties – employers,

educators and students – if these programs were put on a par with registered apprenticeship programs.

We endorse a federal pilot to recognize and support these valuable training initiatives. We endorse the recommendation that funding streams be streamlined, simplified and rationalized to align the Workforce Innovation and Opportunity Act, the Carl D. Perkins Career and Technical Education Act, the Higher Education Act and other funding sources. As recommended by the report, we support federal funding for capacity building by credentialing and accrediting bodies.

What we don't understand: the recommendation that a pilot program be targeted at just one industry and exclude sectors currently served by "well-established" registered apprenticeship programs. Even in the industries where they are most robust, registered programs meet just a part – and often a small part – of employer demand for skilled workers. Surely, there are other ways to design a pilot – other criteria that can be used to limit its scope and scale – that do not arbitrarily exclude whole sectors of the economy.

We're also concerned – for the same reason – about the recommendation that each industry come together to pick just one accrediting and credentialing body to oversee earn-and-learn programs in the sector. Surely, it's too soon in the nation's experiment with industry-driven apprenticeship to be artificially restricting choices and shutting out providers.

The Jobs and Careers Coalition believes a great opportunity is at hand. By putting independent, employer-recognized earn-and-learn programs on a par with registered apprenticeship, the department can create incentives for employers across America who currently shy away from training because they're reluctant to register with the government to step up and offer career education. This would multiply opportunities for students, provide personnel for companies and refuel the economy at a time when lack of talent is a dire threat to growth.

The Jobs and Careers Coalition urges the department to act, moving ahead judiciously to implement the recommendations in the task force report. The coalition stands ready to work with the administration and Congress to develop and implement a workable pilot program.

Thank you for your support and leadership on this issue of critical importance to our industries.

Yours sincerely,