



Opening Statement

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Opening Statement of Chairwoman Susan Davis (CA-53)

Subcommittee on Higher Education and Workforce Investment Hearing

Reauthorizing the National Apprenticeship Act: Strengthening & Growing Apprenticeships for the 21st Century

2175 Rayburn House Office Building

Wednesday, March 4, 2020 | 10:15 a.m.

I look around this room and see that everyone here is deeply committed to the mission of giving everyone in this country a fair shot at achieving the American Dream.

Yes, we might emphasize different means by which to reach this goal, but the fact of the matter is that our best efforts moving forward will ultimately incorporate a lot more than one single answer or pathway.

Many Americans believe that attending a traditional 4-year college is critical to obtaining economic success. But this specific path of obtaining a higher education is simply not the best fit for everyone. We are here today because we want to give that conversation a fresh look and acknowledge that we need to do a better job of ensuring that people, whether young students or mid-career workers, understand the many pathways they have to accessing the high-quality lifelong learning opportunities that apprenticeships provide.

We have all heard the success stories of people participating in Registered Apprenticeship programs—and I have been most impressed by the people I've spoken to who started as an apprentice and became the CEO! These programs combine business needs with labor demands and have a long track record of success.

First enacted in 1937, the *National Apprenticeship Act* has provided—and continues to provide—hundreds of thousands of workers each year with access to paid, on-the-job learning opportunities.

Registered Apprenticeships are unquestionably the nation's most successful federally funded workforce development initiative, and we are here today to ensure this success is part of our national conversation about pathways to and through higher education.

According to the Department of Labor, 94 percent of people who complete Registered Apprenticeships are employed upon completion, earning an average starting wage of above \$70,000 annually.

As this Committee has discussed in previous hearings, the success of these programs is not a mystery. Thanks to high-quality standards, close engagement with industry, and strong worker protections, Registered Apprenticeships provide apprentices with:

- Wages and benefits that increase as apprentices build skills and competencies;
- Portable and stackable credentials that are nationally recognized and valued by employers; and,
- Advancement in a rewarding career path.

Registered Apprenticeships are also important to our nation's employers. By offering successful apprenticeship opportunities, employers build a talent pipeline of dedicated workers who are more likely to remain at their jobs for long periods of time.

For every dollar that employers invest in apprenticeships, they receive \$1.47 in increased productivity, reduced waste, and greater innovation.

In response to the rising demand for Registered Apprenticeships, federal, state, and private initiatives have created hundreds of thousands of new apprenticeship positions over the last several years.

Today, Registered Apprenticeships administered by D-O-L and State Apprenticeship Agencies, or S-A-As, can be found in over 1,200 occupations, from traditional construction and military occupations to new technology, finance, and health care careers.

But there is still significant room for growth. Apprenticeships currently account for just three-tenths of one percent of the overall workforce. Promoting and expanding apprenticeship opportunities is one of the most effective policy solutions to give hardworking people a clear path to financial security for themselves and their families and can serve as a jump start for people on their career journeys.

To help serve as a springboard for this conversation, I introduced a discussion draft of the *National Apprenticeship Act of 2020*, a proposed reauthorization of the *National Apprenticeship Act*, that will empower more workers and employers to participate in our national apprenticeship system.

This proposal rests on three key pillars.

1. First, it makes historic investments in apprenticeships by authorizing \$400 million in federal grants, increasing by \$100 million annually, to:
 - Create and expand registered apprenticeships, youth apprenticeships, and pre-apprenticeships, including in non-traditional occupations;
 - Encourage opportunities for individuals who face barriers to employment;
 - Support national and local intermediaries who play a pivotal role in expanding apprenticeships; and
 - Better align secondary and postsecondary education programs with apprenticeship programs.

According to our estimates, these steps will create over 1 million apprenticeship opportunities over the next 5 years.

2. Second, the proposal creates dedicated, annual funding for states, which play a critical role in expanding apprenticeship opportunities. This means establishing a new formula fund for state apprenticeship agencies that will provide consistent and reliable funding for apprenticeship programs each year. It also means ensuring that states can receive dedicated annual funding while also applying for grants to expand apprenticeship opportunities.
3. Third, the proposal reflects the consistent feedback we've heard from employers by streamlining the process for registering programs while maintaining Registered Apprenticeship programs high-quality standards requirements for apprenticeship agreements.

This streamlining will not only make it easier for employers to create apprenticeship opportunities, but also make apprenticeship programs more consistent to ensure that all programs meet quality standards and uphold worker protections. Perceptions of apprenticeships vary greatly across the country, making it difficult for programs to expand and reach their full potential. The proposed reauthorization codifies clear definitions and standards for Registered Apprenticeships, youth-apprenticeships, and pre-apprenticeships, so that we are all speaking in a common language about what we mean when we talk about the opportunities these programs provides.

As I have said before, the Registered Apprenticeship system has the proven potential to reach hundreds of thousands—if not millions—of American workers. To that end, Committee Democrats and Republicans are working to reauthorize the *National Apprenticeship Act* in a bipartisan manner. I hope, that as we continue these efforts, we put our differences aside to reach our common goal of helping more people succeed in today's economy through the Registered Apprenticeship system.

Only with these clearly established programs will we ensure that families can sit down at the kitchen table, discuss their futures, and look to the Registered Apprenticeship system as one of many high-quality pathways to postsecondary education that lead to the middle class.

The proposed reauthorization before us takes critical steps towards realizing that important goal. Today, we have an opportunity to receive feedback from key stakeholders and make sure this proposal is as strong and effective as possible.

I look forward to working with all my colleagues to advance the *National Apprenticeship Act of 2020*, and now yield to the Ranking Member, Mr. Smucker, for his opening statement.