

Congress of the United States
House of Representatives
Washington, DC 20515

September 8, 2020

The Honorable Eugene Scalia
Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

RE: Equity in Apprenticeship Contracts

Dear Secretary Scalia:

We write to express our support for the renewal of the U.S. Department of Labor's (the Department) Equity in Apprenticeship contracts, which are necessary to effectively promote diversity and inclusion initiatives for under-represented populations in the Registered Apprenticeship (RA) system. Equity intermediaries, who hold the Equity and Apprenticeship contracts, have a critical mission to "identify, develop and disseminate tools and strategies that increase access, entry and retention in [RAs] for underrepresented populations" and to "increase the diversity of workers entering and successfully completing [RA] programs through the development, implementation, and scaling of diversity and inclusion plans and practices."¹

RAs are a demonstrated worthwhile State and federal investment, with 94 percent of apprentices employed after completing their apprenticeships, earning an average starting wage of above \$70,000 annually.² According to a study conducted by Mathematica, over the course of a career, individuals completing an RA can earn approximately \$300,000 more in wages and benefits than non-apprentices.³ With a current unemployment rate hovering just below 10 percent, and women and people of color being disproportionately impacted by the economic downturn, now is not the time for the Administration to allow the work of equity intermediaries to sunset.⁴ For this reason, the House-passed Fiscal Year 2021 Labor-HHS appropriations bill and the accompanying report (House Report 116-450) directed the Department to continue funding for equity intermediaries.⁵

The success of the RA system is a product of the strict quality standards, close engagement with industry, and strong worker protections that the individual programs are required to uphold. Despite the benefits of the RA program, though, women and people of color remain significantly underrepresented. According to the Department, only nine percent of individuals enrolled in RAs identify as female despite

¹ News Release, U.S. Labor Department Awards \$20.4M in Contracts to Partners Seeking to Expand, Diversify Registered Apprenticeship (Sept. 21, 2016), <https://www.dol.gov/newsroom/releases/eta/eta20160921>.

² *Did You Know?*, Apprenticeship.gov, <https://www.apprenticeship.gov> (last visited Sept. 3, 2020).

³ Angela Hanks, "Now is the Time to Invest in Apprenticeships," Center for American Progress, (November 18, 2016) (last visited Sept. 3, 2020). <https://www.americanprogress.org/issues/economy/reports/2016/11/18/292558/now-is-the-time-to-invest-in-apprenticeships/>.

⁴ *Employment Situation*, U.S. Bureau of Labor Statistics, <https://www.bls.gov/news.release/empsit.toc.htm> (last visited Sept. 3, 2020).

⁵ H.R. Rep. 116-450, at 19 (2020).

making up nearly 47 percent of the labor force, and only 10 percent identify as African American.⁶ What's worse, women and people of color disproportionately participate in lower-wage apprenticesable occupations as demonstrated by a study of apprenticeship data from 2008 to 2017, which found that wages among women and Black or African American apprentices are much lower than those of other apprentices.⁷

In April 2020, the Department issued a notice seeking proposals for new contracts for "industry intermediaries" for RAs, and within that notice indicated that entities interested in receiving a contract must include activities supporting equity within their proposals. Unlike the equity intermediary contracts' explicit goal of increasing diversity in the RA system, the application for these new contracts only requires the entity to identify two underrepresented groups they will target for participation. This requirement does not expand diversity with as much focus as is achieved through equity intermediary contracts; thus, the diversity goals for industry intermediaries should not be considered a substitute for explicit diversity and equity initiatives.

The equity intermediary contracts also support RA program sponsors in fulfilling their diversity and equal opportunity requirements as part of the Equal Employment Opportunity (EEO) in Apprenticeship regulations (29 C.F.R. part 30).⁸ A failure to continue these contracts would undermine the Department's efforts to effectuate the civil rights protections provided by the EEO regulations.⁹

At a time when leadership is needed to unite the country and provide economic opportunities for individuals underrepresented in apprenticeship programs, including women and people of color, the Department should take the important step of continuing the Equity in Apprenticeship intermediary contracts.

Sincerely,



ROBERT C. "BOBBY" SCOTT
Chairman
Committee on Education and Labor



ROSA L. DELAURO
Chair
Subcommittee on Labor Health and Human
Services, Education, and Related Agencies
Committee on Appropriations

cc: John Pallasch, Assistant Secretary for Employment and Training Administration
John Ladd, Administrator for the Office of Apprenticeships

⁶ *Data and Statistics*, U.S. Department of Labor, <https://www.dol.gov/agencies/eta/apprenticeship/about/statistics> (last visited Sept. 3, 2020); see also *Women of Working Age*, U.S. Department of Labor <https://www.dol.gov/agencies/wb/data/latest-annual-data/working-women> (last visited Sept. 3, 2020) (Labor Force by Sex, Race and Hispanic Ethnicity).

⁷ Angela Hanks et al., *The Apprenticeship Wage and Participation Gap*, Center for American Progress (July 11, 2018, 9:50 AM), <https://www.americanprogress.org/issues/economy/reports/2018/07/11/453321/apprenticeship-wage-participation-gap/>.

⁸ Equal Employment Opportunity in Apprenticeship, 29 C.F.R. Part § 30 (2016).

⁹ *Examining the Policies and Priorities of the Labor Department's Apprenticeship Program: Hearing before the Subcomm. on Higher Ed. and Workforce Investment of the H. Comm. on Educ. and Labor*, 116th Cong. (2019) (Responses of John Pallasch, Assistant Secretary, Employment and Training Administration, U.S. Department of Labor, to Questions for the Record).