



Summary: Expanding Apprenticeships to New York

October 10, 2017

New York, NY

USCIB, the New York Mayor's Office of Workforce Development, the Global Apprenticeship Network (GAN) and several members of the hospitality industry gathered together on October 10, 2017 for an informal meeting in New York City, to discuss **expanding apprenticeships to New York City**.

The NYC Mayor's Office of Workforce Development would like to ensure that employers have the talent they need to do business in NYC, and sees apprenticeships as a great model for employers looking for opportunities to train and retain talent, with a lower cost of turnover. Additionally, the June 2017 [New York City Works](#) report stated a goal of establishing 100,000 good jobs in NYC over the next 10 years, with each job generated through city action and paying \$50,000 a year or more. The Workforce Development Office is working with the NYC Department of Education and the City University of New York (CUNY) system to place a greater focus on the work-based learning model that registered apprenticeships must comply with: classroom instruction supplements on the job (OTJ) learning, typically 4 days at work and 1 day in class (see [here](#) for more details of registered NY apprenticeships).

Currently, the gold standard for apprenticeships are found abroad in Germany and Switzerland, where apprentices work not in blue collar jobs but in sectors such as financial services, hotel management, IT and cybersecurity. In the United States, apprenticeships are still concentrated in sectors such as carpentry and construction, and are much different than global models due to differences in federal and state-by-state regulations. However, there is bipartisan support in the U.S. for apprenticeship programs, and increasing interest in apprenticeship programs in the sectors identified by the International Labour Organization (ILO) as some of the fastest-growing: healthcare, tourism, IT and advanced manufacturing. In July 2017, USCIB, GAN and the U.S. Department of Labor (DOL) organized a Roundtable on Apprenticeships, hosted by the Citi Foundation, where DOL discussed the recent Executive Order: Expanding Apprenticeships in America, and companies in these fast-growing sectors described their own apprenticeship and workforce development initiatives (the report from the roundtable is available [here](#)).

Although the U.S. government, business and schools have all expressed enthusiasm for apprenticeship programs, one of the main obstacles for the establishment of registered apprenticeship in the U.S. are the differing state-by-state and federal regulations, as mentioned above. The American Hotel and Lodging Association (AHLA) and the National Restaurant Association (NRA) recently received federal approval from DOL on their standards for apprenticeships for lodging and restaurant managers. However, the associations noted that they face regulatory challenges in NY State; AHLA and NRA have competency-based apprenticeship standards, and while NY State does approve competency-based models, most of their current apprenticeship programs operate on a time-based model. A time-based apprenticeship program is one where the apprentice learns the skills of the occupation for a prescribed amount of time. An electrician for example serves a four-year apprenticeship. A competency-based apprenticeship does not have a prescribed amount of time. Rather, the apprentice completes the program when s/he learns all of the competencies associated with the occupation. To register a competency-based apprenticeship with NY State, a minimum of 144 hours of related instruction is still required; 29 CFR 29, the federal regulations, recommends 144 hours. This has proven to be a stumbling block for AHLA and NRA. Associations can serve as sponsors and intermediaries between employers and government agencies, but these regulatory differences mean that AHLA and NRA will not be able to



access tax credit and WIOA dollars in New York for apprenticeship programs. These obstacles discourage associations and their corporate members from implementing apprenticeship programs in many states.

During discussion of these regulatory and policy challenges that employers face in implementing apprenticeships, a **key message** emerged: New York (and other states) must reevaluate their current apprenticeship standards, which were designed for the construction industry, and adapt them for sectors such as hospitality, banking and IT, which require a different model. All present encouraged government to be more forward-thinking; for example, workforce boards are focused on funding on-the-job training for new hires, but employers would like apprenticeship funding to be available to incumbents and for mid-career retraining. Another key outcome from the meeting was an oft-repeated message around streamlining apprenticeship regulations: if a company has an apprenticeship program approved by DOL, there should be reciprocity with all states.

Initial **next steps** were discussed at the meeting. The Workforce Development Office agreed to take these concerns to the NYC Mayor and the NY State's Department of Labor, to pursue a conversation about aligning with competency-based programs for the nation. In addition, an in-person meeting with the Mayor's Office and NY State's DOL was suggested.