

## Insight



# Industry-Recognized Apprenticeship Programs vs Registered Apprenticeship Programs

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## Executive Summary

- The latest major change to apprenticeship programs on the federal level is the creation of the Industry-Recognized Apprenticeship Program (IRAP).
- This new initiative has caused concern due to how it may affect the long-standing Registered Apprenticeship Program (RAP): Some worry that IRAPs could result in duplicated efforts, reduced funding for RAPs, and potentially reduced quality and safety standards for workers.
- If properly implemented, however, IRAPs could become an important complement to the apprenticeship system by allowing for more customizable training with greater employer investment.

## Introduction

The creation of Industry-Recognized Apprenticeship Programs (IRAPs) is the latest part of the Trump Administration's plan to expand the use of apprenticeships. These programs offer high-quality, work-based learning under the recognition and evaluation of a third party in accordance with Department of Labor (DOL) standards. One of the key strengths of the IRAP initiative is its flexibility and emphasis on employer buy-in to focus on changing needs of a wide variety of industries. In some ways, IRAPs are similar to the already well-established Registered Apprenticeship Program (RAP), a proven model for training the workforce in industry-specific skills that has been in existence for the last 80 years. IRAPs have become fairly controversial, however, as some members of Congress and unions suggest that funding and attention would be better put toward improving programs already in place rather than creating a new system that divides resources. Yet IRAPs, if implemented with some of these objections in mind, could likely lead to growth in apprenticeship access and prevalence in underrepresented industries and complement existing RAPs.

## Registered-Apprenticeship Program

The beginning of the Registered Apprenticeship Program dates back to the National Apprenticeship Act in 1937. The act gave the Secretary of Labor control over apprenticeship programs, established an office of apprenticeship within the DOL, and recognized state agencies that registered such programs. There were about 6,000 registered apprenticeship programs by the mid-1940s. In 2019 there were over 25,000 programs with over 633,000 apprentices earning wages and learning new skills.

RAPs are proven models for the DOL to support the development of workers in highly skilled occupations. These programs offer incentives such as technical assistance, tax credits, and federal resources to enable employers to mentor apprentices. RAPs produce high-quality workers by equipping them with skills through

rigorous standards related to paid work, hands-on experience, related training and instruction, and minimum hourly requirements for each program component. Apprentices are incentivized to produce high-quality work because their wages are guaranteed to increase according to RAP standards dependent on their demonstrated level of ability and acquired skill.

According to the [DOL](#), in 2019 the number of newly created RAPs increased by 3,133, 128 percent growth from 2009. More than 252,000 apprentices entered the system in 2019, bringing the total to 633,000 apprentices nationwide. The number of programs, apprentices, and graduates continue to increase, proving the success of apprenticeships as a way to enter the workforce.

## **Industry-Recognized Apprenticeship Program**

The [Executive Order on Expanding Apprenticeships in America](#) was signed in 2017 as a part of the Trump Administration's efforts to improve the accessibility of U.S. apprenticeship programs. The order directed Secretary of Labor Eugene Scalia to establish a task force responsible for recommending options for innovative methods of expanding apprenticeship programs. In May 2018, the task force recommended the creation of IRAPs, and by June 2019, the DOL proposed an amendment to the [Labor Standards for the Registration of Apprenticeship Programs](#), establishing the IRAPs. In March 2020, the DOL announced the final rule on IRAPs.

Through this new program, the Trump Administration seeks to expand work-based learning to other industries and to allow employers to take a more active role in program administration and creation. The program allows what were previously considered unregistered apprenticeships across the country to be recognized and overseen by newly created third-party entities that fall under the authority of the DOL. IRAPs would also be given access to federal grants and funding. The result is that IRAPs can facilitate greater flexibility in the structure and administration of apprenticeships. In October the first IRAP, through Raytheon Technologies, was announced.

IRAPs are intended to increase accessibility to apprenticeships and diversify the types of industries that make use of apprenticeships. Oversight of IRAPs will come from third parties known as standards recognition entities (SREs). Their role is to evaluate and recognize IRAPs in accordance with DOL regulations. SREs must be impartial and willing to adhere to standards of safety, compensation, and equality. These entities include industry groups, corporations, non-profits, educational institutions, and unions. Those who participate in IRAPs participate in a simultaneous education and paid-work experience that culminates in an industry credential. The intention is that these programs will expand into industries including information technology, healthcare, and hospitality by offering more flexible apprenticeship models.

IRAPs are intended to serve as complementary programs, offering benefits that registered apprenticeship programs do not. They offer increased employer buy-in opportunities without the restrictions from federal oversight that RAPs face. Employers benefit from this kind of system because of the flexibility that IRAPs grant to address the diverse needs of various industries and programs. Employers are individually able to set wages, hourly requirements for hands-on and related instruction, and the ratio of professionals to apprentices. The increased flexibility also benefits apprentices who can work with their SRE to set a program that is logistically beneficial for both employer and employee. (For more information on the similarities and differences between the two programs, see the appendix.)

As IRAPs are a new addition to the U.S. apprenticeship system, there is limited data to suggest their impacts. The [final rule](#) on Apprenticeship Programs Labor Standards of Registration projected that within the next decade, the total number of IRAPs would increase to 9,063, resulting in upwards of 2 million new apprentices.

Programs that exist outside of registered apprenticeships structure could become part of the IRAPs, boosting the number of people in the program, but indicators such as retention levels, worker productivity, and wages will be more useful measures of IRAPs' success.

## Concerns

The creation of IRAPs quickly became a contentious topic, as opponents argued that IRAPs serve only to divide scarce resources and duplicate efforts at a lower level of quality than RAPs. Democrats on the [Health, Education, Labor, and Pensions Committee](#) fear that IRAPs serve as an untested version of RAPs, adding little to the expansion of apprenticeships, but raising costs and other risks. They argue that the differences between the two programs are not substantial enough to warrant the existence of both given limited funding.

### *Funding*

It remains unclear whether the current level of funding will be enough to develop the IRAPs and not drastically reduce support for RAPs. While the president has proposed increasing funding for all apprenticeship programs by \$40 million, House Democrats have been reluctant to appropriate funding for industry-run apprenticeships. To get the new program started, the DOL plans to use federal grants intended for its Employment and Training Administration and eventually shift the financing over to the third-party SREs. This funding structure could lead to rapid expansion during the earlier years of IRAPs as independent apprenticeship programs pursue the new federal funding, but the program's size could then plateau after government funds disappear.

Such funding concerns will be a point of scrutiny as IRAPs develop.

### *Work Quality and Safety*

Unions representing [iron](#), [electrical](#), and construction workers expressed concern with the flexibility of IRAPs, framing them as too loosely regulated. They suggest that the instruction provided to those apprentices would be of lower quality than that provided in RAPs. In the construction industry, safety is a priority, and unions fear that under an SRE rather than the DOL safety standards will slip, leading to unsafe work environments. North America's Building Trades Unions mounted a campaign against IRAPs on the grounds of safety concerns and were successful, leading to the industry being excluded from the program. As the top industry for RAPs in 2019, and known for its high-quality instruction, the construction industry held 191,426 active apprentices, far more than the next most involved industry and proving the success of those programs in that industry. In the construction industry in particular, the need for innovative approaches to upskilling is less obvious because of the industry's level of proven success with RAPs.

### *Employer Control*

With SREs in control of IRAPs, some believe that management may take advantage of its position and manipulate wages, charges, and project assignments. This concern is especially common among unions, who fear that IRAPs were not created for the benefit of the worker but rather as a way for employers to cut corners and costs. Unions have expressed concern about the creation of IRAPs, citing safety concerns surrounding more dangerous occupations, but also because the new program diversifies the entities able to provide and approve training. Unions have substantial influence in the RAP system, but the creation of SREs limits federal oversight and increases employer involvement. As a result, it is harder for organized labor to have as much control over the system and how it operates, stripping them of an important function and placing their role, at least partially,

in the hands of employers.

## Conclusion

The creation of IRAPs as a method of apprenticeship expansion under the Trump Administration has been controversial due to the limitations of federal funding for such programs. Though not an exact replica of RAPs, they are similar, which has generated debate about whether reallocation of resources from a proven program to one that is untested is prudent. The flexibility that IRAPs bring to the apprenticeship model has been seen as both a benefit and a concern, leaving many to wonder whether the positive differences that IRAPs present are worth the programming costs.

As the economy and nature of work change, however, flexible and innovative apprenticeship programs will help workers to gain the skills they need for new jobs. The rules that come with RAPs could inhibit the development of new kinds of apprenticeships as well as the reach of apprenticeships into new industries, and IRAPs provide a way for the federal government to support new and different programs that would struggle under RAPs. Striking a balance between encouraging innovation and supporting long-standing efforts is imperative in the creation of an effective apprenticeship network that is flexible, helps workers, and includes employer buy-in.

## Appendix

<i>Program Component</i>	Registered Apprenticeship Program	Industry-Recognized Apprenticeship Program
<i>Paid Work</i>	<ul style="list-style-type: none"> <li>· Paid wages consistent with displayed and acquired skills</li> <li>· Wages increase progressively</li> <li>· Determined by program sponsor</li> </ul>	<ul style="list-style-type: none"> <li>· Apprentices are paid</li> <li>· Wages and circumstances under which they increase is decided up front</li> <li>· Not available in construction sector</li> </ul>
<i>Hands-On Learning</i>	<ul style="list-style-type: none"> <li>· Approximately 2,000 hours (one year) of on-the-job learning</li> </ul>	<ul style="list-style-type: none"> <li>· No time requirement</li> <li>· Work experience is competency based</li> </ul>
<i>Classroom Education</i>	<ul style="list-style-type: none"> <li>· At least 144 hours of related training and instruction</li> </ul>	<ul style="list-style-type: none"> <li>· Related instruction is set by the industry</li> </ul>
<i>Mentorship</i>	<ul style="list-style-type: none"> <li>· Typically, an equal number of professionals to apprentices</li> <li>· Ratio varies slightly by occupational needs</li> </ul>	<ul style="list-style-type: none"> <li>· No set mentor ratio</li> <li>· Apprentices must have structured mentorship and supervision throughout the program's duration</li> </ul>
<i>Oversight</i>	<ul style="list-style-type: none"> <li>· Supervised by Labor Department Apprenticeship Office</li> <li>· Strict standards</li> </ul>	<ul style="list-style-type: none"> <li>· Supervised by standards recognition entities (SREs)</li> </ul>

<i>Credentials</i>	<ul style="list-style-type: none"> <li>· DOL Certificate of Completion that is nationally recognized</li> <li>· Counts towards the Workforce Innovation and Opportunity Act credential attainment rate</li> </ul>	<ul style="list-style-type: none"> <li>· At least one industry-recognized credential</li> <li>· Counts towards the Workforce Innovation and Opportunity Act Credential Attainment Rate</li> </ul>
<i>Funding</i>	<ul style="list-style-type: none"> <li>· \$200 million in federal funding</li> </ul>	<ul style="list-style-type: none"> <li>· Uncertain</li> <li>· May use federal funding to start programs and transition to industry funding</li> </ul>
<i>Benefits</i>	<ul style="list-style-type: none"> <li>· Proven model</li> <li>· Ensures a nationally recognized credential</li> <li>· Secure funding</li> </ul>	<ul style="list-style-type: none"> <li>· More flexible program</li> <li>· Accessible by more of the workforce</li> <li>· Tailors to industry needs</li> </ul>
<i>Concerns</i>	<ul style="list-style-type: none"> <li>· Limited employer buy-in capabilities</li> </ul>	<ul style="list-style-type: none"> <li>· Untested model</li> <li>· Potential for relaxed standards</li> <li>· Uncertain funding</li> </ul>