



November 10, 2017

U.S. Department of Labor
Employment and Training Administration
Office of Apprenticeship
200 Constitution Avenue, NW
Washington, D.C. 20210

Via Email: Apprenticeshiptaskforce@dol.gov

RE: Public Comment November 2017 Task Force Meeting

To Whom It May Concern:

The Signatory Wall and Ceiling Contractors Alliance (SWACCA) submits the following statement for consideration by the Task Force on Apprenticeship Expansion.

Introduction

The Signatory Wall and Ceiling Contractors Alliance (SWACCA) is a national alliance of wall and ceiling contractors committed to working in partnership with their workers and their customers to provide the highest-quality, most efficient construction services. Through the superior training, skill, and efficiency of their workforce – which begins at apprenticeship – SWACCA contractors are able to provide high-quality and cost-effective construction services to their customers and solidly middle-class jobs to their employees. SWACCA prides itself on representing construction contractors that accept responsibility for paying fair wages and benefits, abiding by health and safety standards, workers compensation laws, and unemployment insurance requirements.

As the Task Force on Apprenticeship Expansion begins its deliberations on how to expand the apprenticeship model to sectors of the economy in which apprenticeship programs are not already effective and substantially widespread, SWACCA asks that the Task Force take care not to make recommendations that would harm the one sector of the economy in which apprenticeship programs are already effective and substantially widespread—the construction industry.

Construction is the One Industry in Which Apprenticeship Programs Are Already Effective and Substantially Widespread

The presence of construction industry representatives on the Task Force is both important and valuable given the extraordinary number of highly

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successful construction industry apprenticeship programs that exist throughout our country. The scope and breadth of jointly trustee apprenticeship programs is well documented. Even in the non-union sector of the construction industry, there are already construction apprenticeship programs in 49 states.¹ DOL's own data confirms that construction is the one industry in which apprenticeship is already effective and substantially widespread across the entire sector. Among Federally administered apprenticeship programs, the construction industry accounted for 144,583 active apprentices during the 2016 fiscal year. The next closest sector of the economy was manufacturing with 14,422 registered apprentices—roughly one-tenth the number in construction.² Twenty-two of the thirty occupations DOL lists as having the largest number of apprentices are part of the construction industry.³

It is important to note that the numbers above come from the 25 states in which apprenticeship programs are overseen by the Department of Labor's Office of Apprenticeship, and federally administered programs. There are presumably at least as many, if not more construction industry apprentices in state administered apprenticeship programs.

SWACCA member contractors rely on their construction apprenticeship programs to produce the workers that make possible the high-quality, cost-effective business model for which our members are known. The Task Force should acknowledge in its report the status of the construction industry as the one sector of the economy in which apprenticeship is already effective and substantially widespread. The Task Force should commit to do no harm to this system that is working for construction while determining what aspects of the success realized by construction industry apprenticeships can and cannot be adopted for industries seeking to develop effective apprenticeship programs.

Recommendations that intentionally or unintentionally alter this proven model for our industry could impede our members' ability to succeed in the marketplace and to provide middle class jobs with benefits for our employees. Our current apprenticeship programs, operating under existing registration

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¹ See ElectricianSchoolEdu.org, *Non-Union Apprenticeship Programs Through IEC and ABC Member Merit Shops*, <https://www.electricianschooledu.org/iec-and-abc-open-shop-apprenticeships/> (last visited Nov. 10, 2017).

² United States Department of Labor Employment and Training Administration, Apprenticeship Data and Statistics, Federal Apprenticeship Data, *Federal Data: Active Apprentices by Industry for Fiscal Year 2016*, https://doleta.gov/oa/data_statistics.cfm (last visited Nov. 10, 2017).

³ United States Department of Labor Employment and Training Administration, Apprenticeship Data and Statistics, Federal Apprenticeship Data, *Federal Data: Top 30 Occupations for Fiscal Year 2016*, https://doleta.gov/oa/data_statistics.cfm (last visited Nov. 10, 2017).

and equal opportunity regulations, work well. They don't simply train people for a job but instead offer training for a career. Construction industry apprenticeship graduates often advance to leadership positions such as foremen, project manager, superintendent, and beyond. In fact, many construction company owners began their careers as apprentices. They know this system works and does not need to be redesigned or materially altered for our industry. The rules and regulations that govern apprenticeship programs may not be perfect. There will always be employers who want to lower the requirements because it is cheaper and easier—even if it is not better for our nation, the construction industry, construction users, and workers in the industry. Notwithstanding, the current system strikes a good balance that works very well for the construction industry and that should not be altered as part of an effort to expand apprenticeship into sectors that have not successfully implemented this highly-effective training model.

Government funds to stimulate apprenticeship expansion should be reserved for industries in which apprenticeship is not already effective and substantially widespread.

Construction industry apprenticeship programs are almost exclusively self-funded and not reliant on taxpayer subsidies. To the extent the Task Force makes recommendations on providing seed money or other financial stimulus to encourage the expansion of apprenticeship, it should be expressly limited to fostering apprenticeship in industries other than construction that have not established effective and substantially widespread apprenticeship programs.

The distribution of taxpayer funds to encourage employers to create apprenticeship programs in the construction industry would be a waste of taxpayers' dollars. In the construction industry the most common method of funding is a monthly employer contribution based on that employer's volume of work. That money is received by a board of trustees, which oversees the operation of the apprenticeship program. Again, the vast majority of our funding for these construction programs is from private sources, not government assistance. This ensures that the programs are putting out economically viable workers justifying the considerable investment that goes into their training.

Government assistance would undermine a well-functioning system of privately-funded training in the construction sector. It would amount to the government picking winners and losers in the industry by subsidizing some employers' training programs with funds obtained from their competitors. It risks rewarding an unsuccessful program over a successful competing program. In a sector like construction, where apprenticeship is already effective and substantially widespread but not reliant on taxpayer subsidies, it

would be especially pernicious and destabilizing to the free market system that has developed and flourished over decades.

The private funding model for apprenticeship programs that prevails in construction should be the goal of every sector of the economy in which DOL seeks to expand the apprenticeship training model because it ensures that the quality and nature of the training is disciplined and focused by the need for employers to get a return on an investment to which they are committing over time.

Simply put, existing apprenticeship program funding mechanisms work for the construction industry. New apprenticeship funding programs and grant opportunities should be limited to industries that, unlike construction, have not yet achieved a high level of apprenticeship program success or even developed the basic constructs for programs and curriculums.

Apprenticeable occupations should be promoted in every sector of the economy.

As we have noted, the Task Force and the Secretary of Labor must avoid harming apprenticeship programs in the one sector of the economy in which they are already effective and substantially widespread—the construction industry. That does not mean there is nothing they can do to support further success of apprenticeship in our industry. They can support apprenticeships in construction and all sectors of the economy by supporting efforts to recruit a larger share of the nation’s potential workforce into apprenticeable occupations and finding more effective ways to promote apprenticeship programs in general.

In SWACCA’s experience, any such efforts must focus on educating career and guidance counselors, parents, and others who young people turn to for advice about their education and future careers. We see a strong bias among school counselors and others who mentor young people against careers – like construction – that traditionally begin with an apprenticeship instead of a 4-year college degree. The construction industry provides hundreds of thousands of rewarding careers that support middle class lifestyles and beyond. Construction industry careers and others that begin with apprenticeship have not been properly recognized for what they are: a debt-free path to a solidly middle-class career with upward mobility. Few other career paths can offer the same.

Hopefully as the apprenticeship model expands into new industries more such paths to the middle class will emerge. But these paths must be promoted properly by people charged with guiding our nation’s young people. This will not happen until the bias towards steering high school graduates

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towards college as the best path for economic success is addressed systemically in America's education system.

Conclusion

The construction industry has achieved tremendous success with its apprenticeship programs. In fact, the Department of Labor's Apprenticeship Data and Statistics webpage for 2013 contains the following statement:

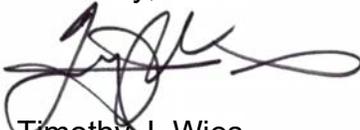
Registered Apprenticeship has over 1,000 apprenticeable occupations across a variety of fields, but we're quite proud of our traditionally strong showing in the construction industry.⁴

SWACCA shares the Department's pride in the success of construction industry apprenticeship programs. We ask that the Task Force please keep the success of our industry in mind as it recommends strategies and proposals to expand apprenticeships. We ask that it acknowledge the unique status of construction as the one sector of the economy in which apprenticeship is currently effective and substantially widespread and view it as model to learn from and not a system in need of changes or taxpayer subsidies.

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Thank you again for the opportunity to submit these comments.

Sincerely,



Timothy J. Wies
President

⁴ United States Department of Labor Employment and Training Administration, Apprenticeship Data and Statistics, Federal Apprenticeship Data, *Top 30 Occupations for Fiscal Year 2013*, https://doleta.gov/oa/data_statistics2013.cfm (last visited Nov. 10, 2017).