Activating Employer Demand Working Group

Incentives

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Policy Recommendation	Theory of Change	Expected Impact
Provide OTJ wage subsidy, up to 50% for 6 mos.	The most critical investment decision for employers is committing to OTJ. An impactful wage subsidy will de-risk this decision for prospective employers and aligns with hiring outcome.	Increased hiring of trainees into OTJ programs, leading to higher graduation rates from RTI programs.
Preferred Procurement for State contracts to vendors who sponsor Registered Apprentices.	State procures nearly $16B of goods and services from private sector annually. Creating a preference in for vendors who sponsor Registered Apprentices, and additional incentives for utilizing RAs in service delivery can be a massive catalyst for adoption. More broadly, recommend to create a set of place-based workforce preferences in State procurement to drive local workforce investment by vendors.	Expect to see accelerated adoption in Mechanical, Facilities Ops & Maintenance, IT, Software Developers, Data Analysts, Financial Analysts, Program Managers, Business Process Analysts.
RTI reimbursement/subsidy up to $5,000 per trainee (not just graduated)	Related technical instruction is an up-front sunk cost for employers. While Youth Apprenticeships can cover costs in schools, employers are hesitant to invest because of low graduation rates. State can de-risk this investment by reimbursing RTI cost, even if with private training providers.	Accelerated sponsorship of RTI programs by employers, leading to wider variety of pathways.

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Eliminate the 50% of prevailing wage provision on apprenticeship tax credits.	Small businesses, particularly to rural areas of the state, cannot afford to pay 50% of the prevailing wage of an industry journeyman. This disincentives small businesses from setting up and running an apprenticeship.	Eliminating the prevailing wage provision for smaller companies will allow them to qualify for existing tax credit programs and provide incentive for creating RA's.

Simplify Registration Processes

Make it easy for employers to participate by streamlining administrative processes, reducing paperwork, and providing support with program setup.

Policy Recommendation	Theory of Change	Expected Impact
Make registration automatic if employer program meets minimum RTI, OTJ, wage reqs	Employers don't want to manage and track a process as it adds to administrative overhead, which can be considerable and a non-starter even for large companies. By creating a framework where registration is automatic, State can expand RA to Non-Registeted employer programs.	Expand adoption of Registered Apprenticeship programs to non-registered employer sponsored training programs.
Reduce manual reporting requirements for RA	Reduce manual administration of RA by enabling automatic reporting based on payroll data via Comptroller's office MLDS.	Increased adoption of RA programs.
Enable reporting via intermediaries and service providers	Most employers will utilize service providers and intermediaries to manage the apprenticeship development program. Enabling 3rd parties to report outcomes on employer's behalf reduces friction to adoption.	Increased adoption of RA programs.
Automatic cross registration to other States and Federal	Employers have a difficult time tracking and complying with multiple RA programs. State can activate more RA by enabling cross registration of RA with other States and Federal program.	Accelerated adoption of RA, particularly for programs registered in other States.
Make subsidies and incentives automatic via payroll tax credit	Employers don't take incentives seriously unless it can impact cash flow, a major barrier for small businesses. An "ERTC"-like program where employers can get subsidy directly from payroll.	Wider adoption of RA, particularly amongst small businesses

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Remove the stipulation that in order to get the tax credit Apprenticeship providers would have to pay apprentices at least 50% of the prevailing wage rate.	Apprenticeship providers currently have to provide at least 50% of the prevailing wage rate in order to receive tax credits, even if they do not offer the services that raise the wage rate in their particular industry or work in an area of the state with a significantly lower wage rate than the prevailing wage rate.	Increased number of businesses willing to become apprenticeship providers.
Streamline the registration, administration and auditing process for smaller companies.	The time and cost of setting up and administrating apprenticeship programs is basically the same for large and small companies. This puts smaller companies at a disadvantage and disincentives them to create apprenticeship programs. Having an "apprenticeship light" process for smaller companies would be helpful	Additional RA opportunities from smaller companies.

Collaboration

Partner with local educational institutions and industry associations to create apprenticeship programs tailored to specific industries or regions.

Create a "Council" with local chapters focused on managing RA ecosystem	Create a "Council for Apprenticeships" with local chapters (like a Chamber of Commerce) that brings together employers, education and training providers, intermediaries, schools, non-profits to support apprenticeships. Navigating local workforce ecosystems is a major barrier to early adoption.	Wider RA adoption by employers, better coordination and integration amongst ecosystem partners.
Catalyze Employer Groups via "Council" or other programs	Employer Groups are key to activating RA programs in SMB employer segment. State can create a "Council" that enables employers to connect with Employer Groups that have sponsored RA programs.	Wider adoption of RA programs especially for first time or early adopters of apprenticeships.
Create a high school pre-apprenticeship program	Create an apprenticeship prep program (pre-apprenticeship) in high schools for existing RA's. Apprenticeship application, entrance exam, interviews and acceptance would all be completed by graduation. This would allow graduates to go directly into an industry's RA program right from high school.	Creates a pipeline of apprentices for existing RA programs. Should qualify towards meeting the Blueprint's 45% goal.

Customization

Allow employers to customize apprenticeship programs to meet their specific needs, ensuring that the training aligns with their industry and workforce requirements.

Policy Recommendation	Theory of Change	Expected Impact
Enable copyrighting of RA programs by accredited Employer Group sponsors	Creating a standard RA program is a significant investment for employers. By enabling Employer Groups to come together and form their own RA programs under a copyright would create an incentive for long term sustainability as they can recoup setup costs with future employer participation.	Widespread coordination of RA programs by Employer Groups, especially for novel, industry-specific occupations.
Takeout mentoring ratio requirement in RA programs	There is currently a 1:1 mentor:apprentice ratio requirement for RA programs. This is for safety reasons in trade apprenticeships. However, most "office" jobs can and should have higher gearing. In IT, the ratio is often 1:5 and can go as high as 1:20 in Technical Support. This is a major barrier for "office" job RA programs.	Wider adoption of RA programs in "office" job pathways such as Finance, Accounting, IT, Engineering, and other Business Services.
Create an official list of IRC's (Industry-Recognized Credentials) that would count toward the Blueprint's goal of having 45% of graduates by 2030 earn an IRC or complete a youth apprenticeship experience.	Having an unofficial list of accepted IRC's leads to confusion among apprenticeship providers who may rely on financial incentives to keep their programs sustainable. Many apprenticeship providers are small businesses that operate on thin margins, and should a provider offer an IRC that is not accepted, they could no longer be viable as a business.	Increased participation by businesses in approved Apprenticeship programs.

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Addressing barriers for youth apprenticeships.	High school juniors and seniors face several barriers with participating in youth apprenticeships. Transportation to employers' sites, lack of drivers license and work restrictions for under 18 year olds limit the ability to participate.	Addressing barriers would allow more opportunity for HS students to participate in youth apprenticeships

Raise Awareness

Educate employers about the benefits of apprenticeships, such as cost-effective talent development, customized training, and a pipeline of skilled workers.

Policy Recommendation	Theory of Change	Expected Impact
MDL should publish consolidated registry of available primers and introductory materials	The majority of employers do not currently utilize apprenticeships. State can provide centralized knowledge resources for employers to understand apprenticeships and navigate the workforce ecosystem	Educate early adopters in order to accelerate adoption for first-time sponsors of RAs
MDL should provide database of approved Intermediaries	First-time employer sponsors and employers who are new to apprenticeships will likely want to work with 3rd-party Intermediaries to manage the process. An accredited database will accelerate adoption.	Intermediaries can accelerate adoption or RAs by employers new to system
Promote disability awareness in apprenticeships.	There is often a perception, especially within the traditional trades, around individuals with disabilities being unable to do certain jobs. Disability training would be beneficial to opening doors to more of our consumers.	Increasing the number of disabled participants in registered apprenticeships.

Networking

Encourage employers to network with other businesses that have successfully implemented apprenticeship programs. Peer-to-peer recommendations can be influential.

Policy Recommendation	Theory of Change	Expected Impact
Encourage industry groups/ associations to host networking events to bring employers together	Networking will allow employers to share with their peers their positive experiences with RA programs.	The networking will allow employers to hear from trusted peers, participate in shared experiences and increase collaboration.

Advocacy

Engage in advocacy efforts to promote the value of apprenticeships within the business community, including participation in industry events and conferences.

Policy Recommendation	Theory of Change	Expected Impact
Encourage workforce development boards to take the lead in their given region.	The Business Services departments Workforce Development Board have excellent relationships with companies in their areas. They can play an important role in bringing together employers, state apprenticeship navigators and county school systems to increase the number of apprenticeship opportunities.	Increasing the number of youth and registered apprenticeship programs.

Quality Assurance

Ensure the quality of apprenticeship programs by implementing standards, regular assessments, and certifications to give employers confidence in the training provided.

Policy Recommendation	Theory of Change	Expected Impact
Accredited service providers and intermediaries		Accreditation and positive past performance reports help to build trust.
Recognition of pre-apprenticeships		
Nanodegrees and credentials	Education and instruction delivery methods continue to evolve	Increased options provide greater flexibility for apprentices to satisfy the learning requirements.
Simplify the 2-year audit process for apprenticeship programs.	Burdensome auditing processes can result in employers electing to not participate in the apprenticeship program.	Simplified auditing experiences should reduce the administrative burden and cost for employers and therefore increase the likelihood of continued participation.

Research and Data

Collect and share data on the positive impact of apprenticeships, including return on investment, retention rates, and skills development, to demonstrate their value to employers.

Policy Recommendation	Theory of Change	Expected Impact
Publish longitudinal data studies	Employers determine the success of RA programs based on longitudinal data on retention, pace of promotions, wage growth and other ROI factors. By providing transparent outcomes on efficacy of RA programs will enable employers to better assess viability. Publishing outcomes will also enable RA programs to improve over time as well.	Raise awareness of RA programs with employers. Provide sponsors will data to make continuous improvements to their programs.
Integrate skills taxonomies and publish skill standards that work	There are many different and often competing skills standards across industry, education, and other 3rd parties. There is lacking a common taxonomy to integrate skills standards from different bodies. State can reduce friction by sharing skills standards that have highest efficacy for RA outcomes.	Improve skills standards over time and move towards an integrated standard that can be shared more easily across different stakeholders.

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Policy Recommendation	Theory of Change	Expected Impact
Quantify the number of youth who will be CCR- ready each year, by region.	It is important to understand the total addressable market of youth eligible for apprenticeship programs.	Quantifying the estimated number of youth, each year, who will meet the minimum requirements to participate in apprenticeship programs will establish available pool for school to work apprenticeships and will assist with establishing goals by occupation, industry, and region.

Continuous Improvement

Continuously assess and improve apprenticeship programs based on employer feedback and changing industry needs.

Policy Recommendation	Theory of Change	Expected Impact
Survey employers to identify employer perceptions of and concerns with apprenticeship programs	Obtaining information directly for the source will improve outcomes.	Obtaining employer input will help the commission address the issues and identify potential corrective actions.