Using Government Procurement to Drive Equity in Registered Apprenticeship: A Guide for Employers and Local Policymakers

How to Utilize Public Expenditures to Generate Access

AT A GLANCE

Registered Apprenticeship programs provide an opportunity to magnify equity in the connection between public investment and job creation. By utilizing already existing government procurement investments, Registered Apprenticeship is poised to drive more diversity, equity, inclusion, and accessibility in the workforce, as highlighted throughout this brief.

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Acknowledgments

About Jobs for the Future

Jobs for the Future (JFF) drives transformation of the U.S. education and workforce systems to achieve equitable economic advancement for all. www.jff.org

This product was developed as a contribution to JFF’s National Innovation Hub for Diversity, Equity, Inclusion, and Accessibility in Registered Apprenticeship. Operated by Jobs for the Future, the Innovation Hub drives change in the Registered Apprenticeship system to increase diversity, equity, inclusion, and accessibility for populations that do not yet have access to the full promise of apprenticeship.

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Executive summary

Registered Apprenticeship (RA) Programs provide equitable pathways for American workers to enter into sustainable careers. With the support of local policymakers and existing diversity, equity, inclusion, and accessibility initiatives, incorporating government procurement policies into RA programs could help with the expansion of sustainable and equitable careers while impacting the economy. By potential utilizing models found within Community Workforce Agreements, policymakers and community leaders can build a skilled and diverse workforce based on similar outcomes through the proven link between government procurement and job creation, particularly within RA programs.

Key Takeaways

→ **Local policymakers** should consider expanding government procurement policies to support Registered Apprenticeship programs as a valuable path to regional economic impact that is sustainable and replicable.

→ **Policymakers** can utilize Registered Apprenticeship, Community Workforce Agreements, and compliance structures to align with current federal investments.

→ **Numerous partnership opportunities** and grants can help employers pursue and complete projects equitably, emphasizing diversity, equity, inclusion, and accessibility initiatives and meeting their missions, goals, and business needs.

→ **RA and Department of Labor** initiatives have paved the way for workers from populations explicitly or implicitly excluded from a profession to earn valuable skills and competitive wages through meaningful career pathways.
Introduction

Generating Sector Workforce Capacity through Registered Apprenticeship Utilization

Local government procurement strategies—based in the public and private sectors for decades—can help drive employer value through purposeful equity in Registered Apprenticeship (RA) programs. Historically, “Public procurement refers to the purchase by governments and state-owned enterprises of goods, services and works. As public procurement accounts for a substantial portion of the taxpayers’ money, governments are expected to carry it out efficiently and with high standards of conduct in order to ensure high quality of service delivery and safeguard the public interest.” One aspect of safeguarding public interest includes utilizing public monies to ensure the benefit and value to taxpayers that provide the resources and the communities the public agencies serve. The value-add of RA programs in public procurement includes a reduced labor cost when using trainees, the ability to create local workforce access to careers paying living wages that generate regional tax revenues, and the ability to strengthen occupational workforce availability in regions where public investments are being made.

RA is an industry-driven, high-quality career pathway where employers can develop and prepare their future workforce, and individuals can obtain paid work experience and receive progressive wage increases, classroom instruction, and a portable, nationally recognized credential. RA programs are a largely untapped resource in the United States compared to other countries, like Germany, Switzerland, France, Australia, and the United Kingdom. For example, in 2021, Germany, which had a working population of approximately 53 million, had 497,677 new apprenticeship applicants. In the same year, the United States, which had a working population of approximately 207 million, had just over 241,000 new RAs. The demographics of the U.S. workforce are changing. Apprenticeship allows employers to reflect the communities they do business with by recruiting a more diverse and well-trained workforce. While mechanical trades and manufacturing have primarily utilized apprenticeship, the United States has begun expanding RA programs into other sectors, such as information technology, healthcare, hospitality, and finance.

Why Registered Apprenticeship

RA is industry-vetted, approved, and validated by the U.S. Department of Labor or a State Apprenticeship Agency and is a resource for employers to invest in a highly trained and sustainable workforce pipeline by training workers in a specific trade or occupation. RA programs actively transfer occupational knowledge through a formal government-recognized training model with a federally approved structure and curriculum that combines on-the-job training and classroom technical capacity building via paid work experience. Utilizing a uniform training model to onboard
apprentices effectively costs less to deliver training needs to workers from different backgrounds and work experiences to meet specified organizational needs.

One valuable aspect of RA is that it can target traditional barriers to workforce entry by providing an on-ramp to multiple industries. Due to the many existing disparities in the United States, such as the digital divide, the education gap, occupational segregation, and the wealth gap, careers that earn living wages—the minimum income necessary for a worker to meet their basic needs—are not easily accessible to historically disenfranchised populations. Apprenticeship creates a pathway for economically disadvantaged groups and communities to enter the workforce while increasing the pool of qualified and eligible candidates for employers.

Some additional aspects of RA programs include the following:

1. Many trade industries use the apprenticeship model to move workers from apprentice to journeyman to supervisor. When apprentices rise in company rank, they utilize their previous training and experience to mentor new apprentices, thus boosting company retention and reputation.

2. Apprenticeship programs create a pipeline of highly skilled workers that companies can source from, which saves on potential recruitment costs when employees leave or retire.

3. Inclusive apprenticeship programs help remove barriers that would prevent qualified workers—women, people who have been historically excluded or discriminated against based on their race, people with disabilities, veterans, workers who live in rural communities, people who identify as LGBTQ, and individuals with criminal records as well as others living at various intersections of inequity—from entering stable careers.

4. RA program requirements apply uniform application and screening processes, further leveling the field for entry. Once a part of an RA program, the promotion structures involve a combination of progressive learning, merit, and experience.

Using RA programs helps quickly expand the talent pool, empower a diverse workforce, and create a highly trained and skilled worker pipeline.

**Magnifying Connections Between Public Procurement and Job Creation**

There is a connection between public procurement and establishing jobs nationwide. This data trajectory suggests that RA programs are essential to the economic structure of the labor market and immensely benefit both the employer and employee. Job generation through government public investments includes the following high-level examples.

**Good Jobs Initiative**

Ensuring equity in public procurement relies on intentionally adding diversity, equity, inclusion, and accessibility (DEIA). The Department of Labor’s Good Jobs Initiative helps people of color, LGBTQ individuals, women, immigrants, veterans, individuals with disabilities, individuals in rural
communities, individuals without a college degree, individuals with or recovering from a substance use disorder, and individuals with a record find and keep quality jobs. The Good Jobs Initiative does this by providing easily accessible information to workers about their workplace rights, engaging employer stakeholders to improve job quality, and supporting partnerships across federal agencies by providing technical assistance.

**Infrastructure Investment and Jobs Act**

The Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, is the largest long-term investment in the U.S. infrastructure and economy in the nation’s history. This new act has the potential to modernize many of the nation’s systems while creating opportunities in the general workforce and in contracting landscapes. The bill is estimated to create 1.5 million jobs per year over the next ten years and grow the economy sustainably and equitably for decades. As municipalities and local governments look to contractors to start infrastructure projects, those with established RA programs have the advantage of an already-trained workforce. Because of the influx in funding toward infrastructure projects and the need to rapidly hire more workers, industries, including construction, energy, and engineering, can only benefit from establishing an RA program to keep up with the demands of infrastructure progression. Additionally, the Talent Pipeline Challenge, which launched in June 2022, has helped employers commit to expanding equitable pathways into good jobs. For example, nearly 150 employers, unions, and community-based organizations plan to expand pre-apprenticeship and RA programs, as well as other high-quality training. United Airlines and Teamsters have already announced an apprenticeship program for aviation technicians that will train more than 1,000 workers—at least half of them women and people of color—by 2026.

**Notice of Funding Opportunity: RAISE**

Rebuilding American Infrastructure with Sustainability and Equity (RAISE) is an example of programming under the Bipartisan Infrastructure Law. RAISE grants are competitive grants for capital investments in surface transportation. Grant language urges applicants to address racial equity, reduce barriers to opportunity, support the creation of good-paying jobs, provide opportunities for all workers underrepresented in construction jobs, adopt equity and inclusion programming, and more. RAISE grants are awarded on a competitive basis for surface transportation infrastructure projects that will have a significant local or regional impact.

**CHIPS for America**

The Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS Act) is one of the largest federal investments in a single industry in decades. Additionally, with $39 billion going directly to fund the construction of manufacturing facilities, the construction industry needs readily available trades workers to keep up with the influx of manufacturing facilities, which have increased by 116% in 2022. Construction industries that utilize RA are at an advantage. The CHIPS Act rewards companies that offer more training for workers in advanced sciences and skilled trades. State and local governments that offer incentives to communities—such as workforce training and education investment—are given preferences for projects. Furthermore, companies seeking more than $150 million or more must provide high-quality child care for children of plant
construction workers and operators.\textsuperscript{11} This would benefit local childcare providers and alleviate expensive care costs. Since some RA programs include similar provisions, companies utilizing apprenticeships are already staffed and positioned to meet CHIPS-mandated requirements.

\textbf{Energy Credit}

The Battery Materials Processing and Battery Manufacturing & Recycling grants through the U.S. Department of Energy provide approximately $3.1 billion to fund investments within the elective vehicle battery supply chain as well as increase domestic battery manufacturing and create good-paying clean energy jobs. A major portion of the grants fosters an inclusive workplace by ensuring workers earn an average wage for someone in their industry based on Davis-Bacon regulations, providing permanent jobs, utilizing RA, supporting pre-apprenticeship and workforce training programs, diversifying the workforce with people often underrepresented in the industry, and more.\textsuperscript{12}

\textbf{Tax Credits}

Various tax credit opportunities exist for employers that prioritize DEIA-related efforts. One effort that aims to encourage workplace diversity and facilitate access to good jobs for workers is the Work Opportunity Tax Credit, a federal tax credit “available to employers for hiring and employing individuals from certain targeted groups who have faced significant barriers to employment.”\textsuperscript{13} Some of the targeted groups employers can hire include people with criminal records, people with physical or mental disabilities, unemployed people, veterans, young workers, and senior citizens. Another tax credit is the Inflation Reduction Act of 2022, which provides substantial tax incentives for employers who pay average wages for someone in that industry and employ RAs on qualifying energy projects. These tax incentives mean that “state workforce development systems can play a proactive role in establishing mutually beneficial public-private partnerships to expand opportunities for workers and boost employers’ bottom line.”\textsuperscript{14} Other tax incentives that encourage RA adoption include the Alternative Fuel Vehicle Refueling Property Credit, Renewable Electricity Production Credit, Commercial Buildings Energy-Efficient Deduction, and more. Additionally, the U.S. Department of Labor provides certain states with tax credits and tuition support for RA Programs.\textsuperscript{15}

\textbf{The Power of Community Workforce Agreements}

Community Workforce Agreements (CWAs) are a powerful model that has demonstrated outcome performance for many years. CWAs go beyond Project Labor Agreements and other traditional agreements that establish the terms and conditions of employment for a specific construction project. Priority goals established in a CWA ensure workers from populations typically excluded from careers that pay a living wage benefit from capital construction investments in their communities. CWAs can include community workforce goals to increase access to construction jobs for women, veterans, local residents, disadvantaged workers, and small businesses. With nationwide RA expansion, adopting similar CWA policies into more industries could help expedite applying DEIA principles in the workplace.
A CWA-style strategy can provide value by using priority hiring policies. CWA policy language allows governing bodies to direct contractors to ensure a certain percentage of the work hours on public or publicly funded projects go to workers from local distressed zip codes. This approach can include outreach and education to communities with high unemployment rates. CWA policy design intends to benefit local workers and contractors, giving them an equitable opportunity to access projects. This assists the local and state economy and promotes a diverse and equitable workforce for the community. Additional elements of CWA policy design include:

1. Safe working conditions, rules, and accountability for project execution and engagement
2. Pre-apprenticeship opportunities to meet apprenticeship training and hiring goals
3. Protocols for resolving labor disputes
4. Transparent compliance and reporting protocols to meet procurement obligations
5. Comprehensive contractor and supplier education and coordination strategy

Local and state governments should consider the benefits of expanding CWA-style provisions into public investments in various sectors to enact a more diverse and equitable workforce for the community. CWAs have the power to advocate for DEIA and apprenticeship efforts and can easily be accommodated into more public procurement projects.

**Government Procurement as a Tool**

**Generating Sector Workforce Capacity through Registered Apprenticeship Utilization**

Government procurement can be a tool for workplace policy. Federal, state, and municipal government purchases substantially affect businesses in all industries. Expanding government procurement practices into RA programs can enhance equitable opportunities for the employee and employer, as demonstrated in various environments.
The Buyer Controls the Terms

Scale of Purchasing Power
Public investments can be designed to ensure local supplier and workforce utilization. This also means that the investments can give contractors, subcontractors, and suppliers an incentive to create access to careers that pay living wages by connecting procurement to workforce readiness and RA utilization. Designing procurement that connects public and private partnerships into a value-added model helps generate new entrants into relevant occupations. It provides an opportunity for owners to strengthen regional workforce capacity, ensuring resources spent locally remain in the communities they affect.

Range of Occupations
Successful models ensure that procurement establishes thresholds for the workforce and local suppliers. The best examples exist in the construction sector. However, agencies can broaden their impact by using their purchases to ensure the supply chain meets the desired career generation outcomes. For example, an operations contract for a county hospital could include multiple requirements for local job access through RA in pharmacy, tech, IT, maintenance, and culinary service. SoFi Stadium, a $5 billion construction project in Inglewood, California, provides a great example. The project requirements included a 35% local-hire provision to guarantee thousands of jobs for Inglewood zip codes, which resulted in more than $55 million in wages staying in the community in 2019 alone. The construction deal included a ‘hard-to-hire’ clause, which helped give access to normally disqualified job seekers due to a felony conviction and opened the door for over 100 formerly incarcerated gang members to participate in apprenticeships. In addition to constructing the stadium, the project brought in a range of additional services, including creating jobs in catering, tree trimming, street paving, and much more to promote the equitable renewal of the city.

Geographic Reach
Procurement design can provide regional economic impact just as RA models do. Where the federal agency investments listed earlier can affect the entire country, state, local, and public-private partnerships could prompt the adoption of similar measures regionally. An example comes from the coordinating efforts of the city of San Francisco and the county of San Francisco, which established a broad policy strategy that adopts RA models for the region to create local access to construction jobs. Hiring goals for the city and county included San Francisco residents getting 50% of total hours by trade, with 25.6% of hires people of color and 6.9% female.
The Impact of DEIA

Government procurement’s core foundations can affect DEIA in the workforce, with an emphasis on RA. A goal of RA programs is to minimize biased factors that traditionally create barriers to entry such as a person’s age, race, gender, sexual orientation, physical ability, educational level, and more by providing an onramp for workers that provides training, education, and a salary—something traditional models might not offer. The goals set by RA programs expands the talent pool to create a diverse workforce through uniform application and screening processes that help level the playing field for entry. Once a worker is part of a RA program, career progression structures allow an apprentice to rise in pay and rank based on learning progression, merit, and experience. Internal DEIA policies have been proven to increase overall business performance, and apprenticeship is catalyst for integrating DEIA policies.¹⁹

Expanding DEIA Opportunities with RA Programs

- Wages stays in local communities, thus allowing workers to contribute and gain from working locally. This helps take full advantage of expenditures beyond purchases for community impact.
- Job access and direct career on-ramps are increased for workers with one or more potential entry barriers to the workforce.
- Lower crew composition costs with more capacity building and the ability to meet policy objectives.

Job Readiness Programs

Quality job readiness programs (sometimes referred to as pre-apprenticeship programs) are integral in providing access to career-transforming RA programs.¹⁸ Job readiness programs prepare workers to meet the entry-level requirements for RA programs, removing potentially challenging barriers, such as providing assistance obtaining a GED and driver’s license, instruction in academic subjects, basic training for commonly used tools, and monetary assistance for food, transportation, and child care.

Job readiness programs often partner with RA programs to provide a streamlined pathway for candidates to enter an RA immediately. For employers, job readiness is a workforce investment that ensures an entry-level pipeline of workers. It also can offset material training costs, and it’s a chance to meet DEIA reporting efforts in an expanded way.
Case Studies

By including strong CWA policy language, leading municipalities are adopting strategies that prioritize regional workforces that create significant participation from local employers. Every CWA establishes project goal hours for priority hire workers, apprentices of color, female apprentices, and more. These goals reflect individual agency priorities and allow policymakers to direct their supply base to help them meet and exceed their goals.

Seattle Convention Center Addition
The Seattle Convention Center Addition (SCCA), a private development project, prioritized the inclusion of a more diverse workforce through apprenticeship requirements and utilization goals, requiring “good faith” efforts from contractors of all tiers to meet or exceed the apprenticeship goals. The project also supported and utilized local job readiness programs to support the project goals. As a result, the SCCA:

- Exceeded the apprentice minority goal of 15% by achieving 34%
- Exceeded the apprentice female goal of 8% by achieving 12%
- Validated over one million registered apprenticeship utilization hours

The Children and Family Justice Center
The Children and Family Justice Center (CFJC), a public investment project, exceeded the apprenticeship goals set in its CWA. CFJC partnered with job readiness and apprenticeship training programs to encourage and increase community outreach to help meet the goals outlined in the CWA. Upon completion of the project:

- 29% of project hours were performed by minority apprentices (CWA Goal: 21%)
- 15% of project hours were performed by female apprentices (CWA Goal: 12%)

Climate Pledge Arena
Climate Pledge Arena, a public-private partnership, established guidelines for hiring and dispatching Priority Hire workers to meet the goals set forth in the CWA. During construction, workers living in economically distressed communities, most of whom were people of color, women, and those just starting their careers, earned $32 million in wages, $14 million more than they would have earned without priority hire. Other Climate Pledge Arena included:

- $179 million earned by women- and people-of-color-owned contractors, $43 million more than the goal of $136 million
- 29% of hours were worked by people of color, 7% by women, and 21% by apprentices
Table 1: CWA Inclusion Goals in Action

<table>
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<th>Municipalities and Private Organizations</th>
<th>Inclusion and Local Objectives</th>
<th>CWA Goals</th>
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| Pork of Oakland                          | Disadvantaged business        | • Specific language to ensure businesses owned by women and people of color are included in projects  
                                          |                               | • Requirements for reporting and support functions from contractors |
| City of Cleveland                        | Community benefit and local hire | • CWA focus on living wage, local employment, and diversity and inclusion  
                                          |                               | • Hire 20% of Cleveland residents and residents from low-income backgrounds to perform construction hours |
| City of Portland, Oregon                 | Business enterprises owned by women and people of color | • Clean Energy Works Portland CWAs goals were to hire at least 80% from the local population and 30% from historically disadvantaged or underrepresented groups  
                                          |                               | • Obtain at least 20% of business participation from businesses owned by historically disadvantaged or underrepresented people as part of all contracts and all subcontracts |
| Milwaukee Opportunities for Resorting Employment Ordinance | Generating economic recovery on Milwaukee’s Main Street | • City development projects with more than $1 million in government funding must meet a goal of 40% of total work hours performed by local residents  
  |                               |                               | • 25% of project contracts be awarded to Emerging Business Enterprises |
| Los Angeles Unified School District      | Construction compliance       | • Took the initiative to hire a third-party administrator that was tasked with monitoring all stakeholders that were party to the district’s construction agreements |

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Applying RA to Government Procurement

RAs can affect job creation directly through public investment projects in just about any industry. Sectors with a particularly large employee base—health care, entertainment, IT, and hospitality, just to name a few—are more apt to struggle with DEIA efforts. As previously demonstrated, RA in construction has helped prioritize diversity and inclusion goals, especially when a CWA is present. Utilizing RA in other government sectors would support DEIA efforts nationwide, especially for industries needing to keep up with national and global competition.

Take, for example, the disparities and inequities within the healthcare system. As one of the largest growing sectors in the United States, the health care system has numerous barriers to entry that could be rectified through RA programs and CWAs. Many entry-level jobs in health care do not pay living wages. In 2020, 79% of people working low-wage health service jobs were Black women, Latinx women, and immigrants, who are overrepresented in low-paying health care positions. The health care sector is also experiencing a massive shortage of workers exasperated by the COVID-19 pandemic, and the issue is predicted to increase in the coming years. Causes of this shortage include society’s changing demographics, the nation’s limited talent pipeline, and the difficulties of entering the medical profession. More health care RA programs would encourage people to enter the industry and prevent workers from getting stuck in entry-level positions without the possibility of promotion. Broader adoption of RA programs would transition participants from entry-level programs into career paths that pay living wages.

Government Procurement Sample

1. **Establish a Team**
   
   With a team of employers and experts, explore the local needs and adapt programming to your area.

2. **Set Goals**
   
   Educate CWA stakeholders and identify priorities and measurable goals for the CWA outcome.
3. **Priority Hire**
   Set realistic priority hire goals based on available local workforce demographics that produce specific and intentional outreach to ensure the creation of a local, diverse workforce and provide measurable outcomes that can be evaluated objectively.

4. **Contractor Engagement**
   Anticipate contractors’ needs and promote the participation of small and local businesses, which diversifies the contractor pool through priority hire initiatives.

5. **Recruitment**
   Invest in outreach and recruitment efforts by partnering with community- and faith-based organizations, unions, Chambers of Commerce, minority trade and professional organizations, minority-serving institutions, and workforce development providers to recruit priority workers.

6. **Pre-Apprenticeship and RAPS**
   Invest in pre-apprenticeship and RA Programs, especially those whose programming is geared toward reducing barriers to entry for underrepresented populations. Comprehensive training programs are the key entryway for new workers into any industry.

7. **Retention**
   Support job placement and retention by establishing a well-defined referral and tracking system for apprentices that improves job site conditions and helps retain workers. This includes creating an inclusive work environment by enforcing zero-tolerance policies that help prevent workplace harassment.

8. **Compliance System**
   An active compliance system creates a level playing field where contractors can compete and grow while meeting the priority hire requirements. It also allows stakeholders to track workforce demographics on race, ethnicity, and gender, as well as hours completed by apprentices and veterans. By collecting this data, it allows contract owners and employers to make necessary adjustments over time.
Endnotes


15 The safest way to ensure planning and program designs meet tax requirements is to work with a licensed tax professional. The material in this brief is a sample for informational purposes and is not intended as tax advice.


