



**APPRENTICESHIPS
FOR AMERICA**



Advancing Pay for Success Apprenticeships
December 2024

Apprenticeships for America (AFA) and America Forward jointly recommend the Trump-Vance Administration prioritize pay for success (PFS) financing, which ties funding to demonstrated outcomes, as a critical means to expand apprenticeships in our nation for the following reasons:

- This effort would **naturally follow efforts under the first Trump Administration** to increase apprenticeship opportunities to provide workers with an affordable pathway to relevant skills and, ultimately, high-paying jobs and good careers in partnership with employers. PFS is responsive to calls for better, lower-cost postsecondary alternatives to four-year degrees and offers a key model to test as part of new apprenticeship initiatives under the Trump-Vance Administration.
- By focusing funding on outcomes, PFS offers the opportunity to **maximize the impact of taxpayer dollars to support economic opportunity and growth while providing flexibility in implementation.**
- This initiative would **build on demonstrated and continued bipartisan congressional interest** in developing a PFS apprenticeships initiative at the Department of Labor (DOL) in FY2024 and FY2025 appropriations legislation.¹
- The Trump-Vance Administration can **demonstrate a clear-cut course to improve outcome-based financing.** This fall, DOL submitted a congressionally mandated feasibility study on PFS apprenticeships that does not reflect today's PFS landscape, which emphasizes streamlined, flexible strategies.² DOL also did not fully consider the potential for public-private partnerships and intermediaries to expand DOL's capacity to pursue such a PFS apprenticeships initiative.

Our organizations reflect the broad diversity of stakeholders committed to advancing PFS apprenticeships. AFA represents a national network of over 2,000 apprenticeship sponsors, supporters, advocates, and researchers and is dedicated to the rapid scaling of apprenticeship in the United States. America Forward partners with more than 100 social innovation organizations nationwide that champion innovative solutions to our country's most pressing issues in education and economic mobility, including leading intermediaries and evidence-based workforce providers at the forefront of pay-for-success and with deep interest in expanding apprenticeships.

Moving forward, we recommend that the Trump-Vance Administration pursue the following actions to launch a new, innovative PFS apprenticeship initiative within its first year:

- **Engage with stakeholders to develop a refined approach.** As we wrote above, DOL under the present Administration, did not fully consider the range of opportunities available to pursue PFS approaches. Within the first 100 days, we encourage the Trump-Vance Administration to speak

¹ See page 5 of the FY24 LHHS explanatory statement:

<https://docs.house.gov/billsthisweek/20240318/Division%20D%20LHHS.pdf> The Senate's FY25 LHHS report reiterates the Committee's interest in pay-for-success apprenticeships at page 17:

https://www.appropriations.senate.gov/imo/media/doc/fy25_lhhs_senate_report7.pdf

² The report is available here: <https://apprenticeshipsforamerica.org/resources/advocacy-resources/24/eta-report-pay-for-success-feasibility-study-for-registered-apprenticeships-october-23-2024> Apprenticeships for America's full analysis is available here:

<https://apprenticeshipsforamerica.org/resources/advocacy-resources/23/afa-response-to-department-of-labor-pay-for-apprenticeship-feasibility-analysis>

with our partners and other stakeholders, such as workers, employers, financing intermediaries, and community-based providers, to inform a new PFS apprenticeships pilot.

- **Partner with intermediaries.** To expand its capacity, the Administration should engage private intermediaries with expertise in PFS strategies and apprenticeships to support the pilot's design and implementation. Intermediaries have already been leading similar efforts in states around the country and are ready to engage.
- **Provide strong start-up support and technical assistance as a scaling strategy.** DOL should prioritize participation among communities around the nation that have been less represented in apprenticeships so far (e.g., rural areas) to help them prepare for participation in PFS apprenticeship models. Models also may prioritize workers with greater barriers to employment, such as past criminal justice system interaction, and the organizations that overwhelmingly employ such individuals including employment social enterprises; and sectors in which apprenticeship opportunities are currently limited. To do so, we strongly encourage providing robust up-front support to communities interested in participating, including direct technical assistance from the application stage onward and a community of practice.
- **Cut down on red tape.** The typical federal funding process is rife with red tape. We encourage DOL to emphasize a clear, streamlined process for applicants, such as a multi-stage application process that requires less effort at the first stage and to use more flexible cooperative agreements instead of grants. We also support considering an up-front start-up payment to enable new providers to build initial capacity to participate.
- **Prioritize evidence-based models.** Alongside expanding apprenticeships opportunities, we encourage you to emphasize investment in apprenticeship strategies that leverage models with proven evidence of impact. Scaling apprenticeships offers a natural path to address the persistent lack of direct federal investment in the models with the strongest evidence to date, such as sectoral employment (i.e., industry-driven) training programs and subsidized employment models such as employment social enterprises that generate revenue and invest in workers.
- **Pursue appropriate, clear, easily assessed metrics.** Recognizing practice in the field today, we recommend leveraging a PFS approach that rewards outcomes from enrollment to persistence to completion. Per DOL data, completion rates for apprenticeships are quite low nationwide—less than 35 percent overall—and PFS provides a tailored way to raise completion rates.³ We also suggest testing bonus payments based on post-completion metrics such as placement, sustained employment, and earnings – and to consider using quasi-experimental methods to address selection bias and to reward strong long-term outcomes.
- **Leverage administrative data.** DOL should use available administrative data from the Registered Apprenticeship Partners Information Data System (RAPIDS), similar systems to RAPIDS, and other federal data sources (such as the National Directory of New Hires) to streamline reporting and outcomes measurement. We also encourage you to engage employers as required data partners alongside providers and intermediaries – for instance, alignment with the Jobs and Employment Data Exchange (JEDx) framework led by the U.S. Chamber of Commerce Foundation and its public-private T3 Innovation Network, which aims to develop and use public-private standards for comprehensive employment and earnings records.

We welcome the opportunity to discuss these recommendations with you. Please contact John Colborn (john.colborn@apprenticeshipsforamerica.org), Executive Director of Apprenticeships for America, and Chase Sackett (chase_sackett@newprofit.org), Policy Director of America Forward.

³ <https://blog.dol.gov/2021/11/03/equity-snapshot-apprenticeships-in-america>