

MAINE STATE LEGISLATURE

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2013 Annual Report on

Maine Apprenticeship Program

Submitted by
Maine Department of Labor
Bureau of Employment Services

March 2014



The Maine Department of Labor provides equal opportunity in employment and programs.
Auxiliary aids and services are available to individuals with disabilities upon request.

Maine Apprenticeship Program 2013 Annual Report

For the Period January 1, 2013 – December 31, 2013

Prepared for:

Governor Paul R. LePage

The Joint Standing Committee on Labor,
Commerce, Research and Economic
Development

The Joint Standing Committee on Education
and Cultural Affairs

Submitted by:

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2013 Program Highlights

- At the close of 2013, the apprenticeship program had served **1,737** apprentices actively working on industry-recognized skill certifications.
- Apprentices who completed their programs during 2013 saw an average wage increase of **65 percent** from program start to program end.
- The average starting wage of the 385 new apprentices registered in 2013 was \$16.74.
- The average annual wage of Maine's 1,737 apprentices was \$41,870 in 2013, resulting in approximately \$5,781,946 in State income tax revenue.

2013 in Numbers

| | |
|--|--------------|
| Total taxpayer dollars spent | \$398,746 |
| Leverage dollars (wages and training dollars) | \$73,431,915 |
| Tuition and Training dollars leveraged | \$703,725 |
| ROI dollars leveraged per General Fund dollar** | \$183 |
| Total served (new/active /completed/cancelled) | 1,737 |
| Total new apprentices registered | 385 |
| Total apprentices completing programs | 211 |
| Total apprentices cancelled prior to completion | 169 |
| Percentage of women in NTO occupations | 3.2% |
| Average starting hourly wage rate of all current apprentices | \$16.48 |
| Average ending hourly wage rate at completion | \$25.29 |

** ROI determination based on the NASTAD (National Association of State and Territorial Apprenticeship Directors) approved formula currently used by 25 state funded apprenticeship programs.

2013 Demographics

| TOTAL | MALE | FEMALE | FEMALE-NTO | MINORITY | VETERAN |
|-------|------|--------|------------|----------|---------|
| 1737 | 1539 | 198 | 55 | 48 | 226 |

About Apprenticeship

The Maine Apprenticeship Program is a employer-provided, nationally recognized, workforce training program developed in collaboration with individual employers. Apprenticeship programs engage employees in learning skills specific to their occupation both on-the-job and through a minimum of 144 hours per year of formal coursework. The program has worked collaboratively with employer / sponsors since 1941 and has maintained sponsors for the duration, including Bath Iron Works. Apprenticeship is a time-proven, effective training model that meets employer's needs for skilled labor and the worker's need for good wages with a clearly defined career pathway to advancement.

Apprenticeship can be sponsored by an individual employer, a group of employers such as a trade association, or by a trade union through a joint apprenticeship training committee that is comprised of union and management members engaged in bargaining agreements.

Apprentices can be new-hires or incumbent workers seeking to advance their skills. Statute requires that apprentices be at least 16 years old (18 years old for certain occupations) and have attained a high school diploma or equivalent. Apprentices must be capable and engaged in learning all aspects of the occupation through a combination of on-the-job training and successful completion of classroom coursework. Apprentices take classes offered either directly by their employer or through a traditional college or university.

It takes from one to five years for an apprentice to become proficient in a particular occupation. In 2012, the average length of apprenticeship programs in Maine in was 3.4 years. Apprentices enter into a formal agreement with their sponsor, who agrees to provide the apprentice with an incremental wage schedule in return for skill proficiency attainment throughout the duration of their program.

As part of a national program, Maine apprentices earn a nationally recognized skill certificate upon successful completion. In Maine, apprentices also have the opportunity to earn an associate's degree in their trade skill area, through a partnership with the Maine Community College System. The Trades and Technology Occupations degree (TTO) allows apprentices who matriculate to complete a two-year degree over a four- to five-year period. In addition, apprentices can earn up to 24 college credits for successful completion of their on-the-job skill program (at 6 credits per year for up to four years).

Apprenticeship is an "earn while you learn" program. Apprentices work full time and attend courses part time. Individuals who complete a college degree while apprenticing not only benefit from significant savings in college costs (the program pays up to 50 percent of the cost of tuition and most employers pay the remainder or a portion of the remainder) but also complete their degrees at the top of the wage scale for their occupation.

Benefits for Employer/Sponsors

Maine employer/sponsors can increase their competitive edge by ensuring their employees hold the highest, nationally recognized, industry skill credentials. The Maine Apprenticeship Program provides technical assistance to employer/sponsors in program development and/or customization of skill standards as well as cost assistance with on-site instructor training in such areas as adult learning and train-the-trainer skills or new skill certifications required for new processes. In addition, apprenticeship provides industry sponsors with a voice in the workforce education and training system and links them to other workforce assistance programs and resources.

Sponsors benefit because apprenticeship:

- Provides a formal, affordable, industry-endorsed, skill-development model.
- Attracts self-directed individuals interested in attaining the skills the company requires.
- Requires a formal commitment from the apprentice, improving employee retention.
- Assures a business' customers that services and products are provided by industry experts deemed proficient via national certification and credentialing processes.
- Improves worker productivity, quality and safety.
- Allows sponsors to pay wages commensurate with ability and increases competitiveness in the bidding arena for federally funded contract work.
- Equips journey-worker experts with guides and methods to impart skills to new and advancing members of their workforce.
- Links companies to additional workforce development programs and resources and provides a venue for them to voice their workforce needs to a broad stakeholder system.

Becoming a registered apprenticeship sponsor is easy. The first step is for the employer to review a set of occupational skill standards to identify whether an existing program will meet their needs. The sponsor must then decide upon an incremental wage schedule and the type and level of related instruction they will require for their apprentices. There are existing templates for up to 1,000 occupations that can be customized to meet the employer's specific workforce needs. The sponsor must define how it will recruit and select new apprentices and must commit to providing a safe work environment and appropriate supervision and training during the on-the-job learning component. Once these decisions are made, the program is put before the Maine Apprenticeship Council, which reviews and approves the new sponsor and its occupational program. In most cases, the process is completed in two days or less.

Benefits for Apprentices

The key benefit to apprenticeship is that it is an earn-while-you-learn skill-training program allowing the apprentice to attain an advanced skill level while at work. In addition, apprentices:

- Achieve a portable, nationally recognized skill credential.
- Can earn an associate's degree at a fraction of the cost.
- Earn incremental wage increases commensurate with skill attainment.
- Are exposed to both formal theoretical knowledge and technical hands-on experience using state-of-the-art equipment and tools and partaking in work processes not ordinarily available through traditional educational pathways.

Benefits to Maine

- Strengthens local economies by developing highly trained and educated workers.
- Is demand-driven, eliminating mismatch between skills taught and skills employers need.
- Provides a customized, long-term solution to filling skills gaps facing industries as workers retire.
- Offers an affordable talent development approach for the workforce system that results in required outcomes.

2013 – Year in Review

During calendar year 2013, total expenditures of \$398,746 leveraged 183 times that amount in apprentice wages, state income tax payments and matching tuition funds. The return per each General Fund dollar was \$183.24.

The number of actively sponsored apprenticeship programs ranged from 147 to 168 in 2013, with some sponsors going dormant as apprentices completed programs and others re-activating with the hire and registration of new apprentices.

Companies expected to launch programs early in 2014

- Duffy's Electric – Electrician
- Maine General Health – Charge Nurse
- Northeast Meats – Butcher
- St. Appololina Dental Clinic – Expanded Function Dental Assistant
- Tasman Industries – Tanner

Strategic Partnerships Focus

- Career and Technical Education (CTE) programs to develop pre-apprenticeships for youth
- Adult Education Partners to develop pre-apprenticeships for adults
- Maine Health Workforce Forum to develop apprenticeships in healthcare
- Maine's Community College System

Apprenticeship as a workforce-training model was heavily emphasized in Maine's five-year strategic workforce plan, piquing program interest amongst employers and job seekers. The apprenticeship program office is working diligently to keep pace with the increase in demand. As funding for the program is very tight, apprenticeship staff work diligently to forge new relationships that will create opportunities to collaborate with employers, workforce groups and other state agencies to align resources to develop new apprenticeship programs in Maine's high-growth high-wage industries.

Maine Apprenticeship Council

Twelve voting members of the Maine Apprenticeship Council are appointed by the Governor, four additional non-voting members are appointed by commissioners of their respective agencies. The council is required by both federal and state apprenticeship statute. The council meets on a quarterly basis to advise the Maine Department of Labor, or as required for the purpose of reviewing and approving programs, addressing issues and recommending additions or changes to Maine Apprenticeship Programs, policies and processes. The council also serves to advise the State Workforce Investment Board on matters pertaining to apprenticeship. The primary objectives of the council are to ensure that: programs fall within the parameters of Apprenticeshipable Occupations, program standards meet or exceed statutory requirements, program sponsors provide for the adequate and safe training of apprentices and sponsors offer equal access to apprenticeship programs.

The Maine Apprenticeship Program would like to acknowledge and thank current and past members for their dedicated service to the program:

Don Berry (Chair)

Bob Bourgault

Bruce Davis

Peaches Bass

Phil Dionne (Co-Chair)

Shawn Lagasse

Jennifer McKenna

Brian Watson

Trisha Moser

Liz Ray

Chris Trider

Looking Forward – Goals for 2014

Despite cuts to the apprenticeship program budget, the program has become an even more important feature of workforce development for the state going forward. The program is strongly emphasized as a significant talent-development pathway in Maine's five-year strategic workforce development plan. Apprenticeship is featured throughout the state plan as a tool to address current skill gaps and projected gaps facing Maine industry members dealing with an impending retirement cliff.

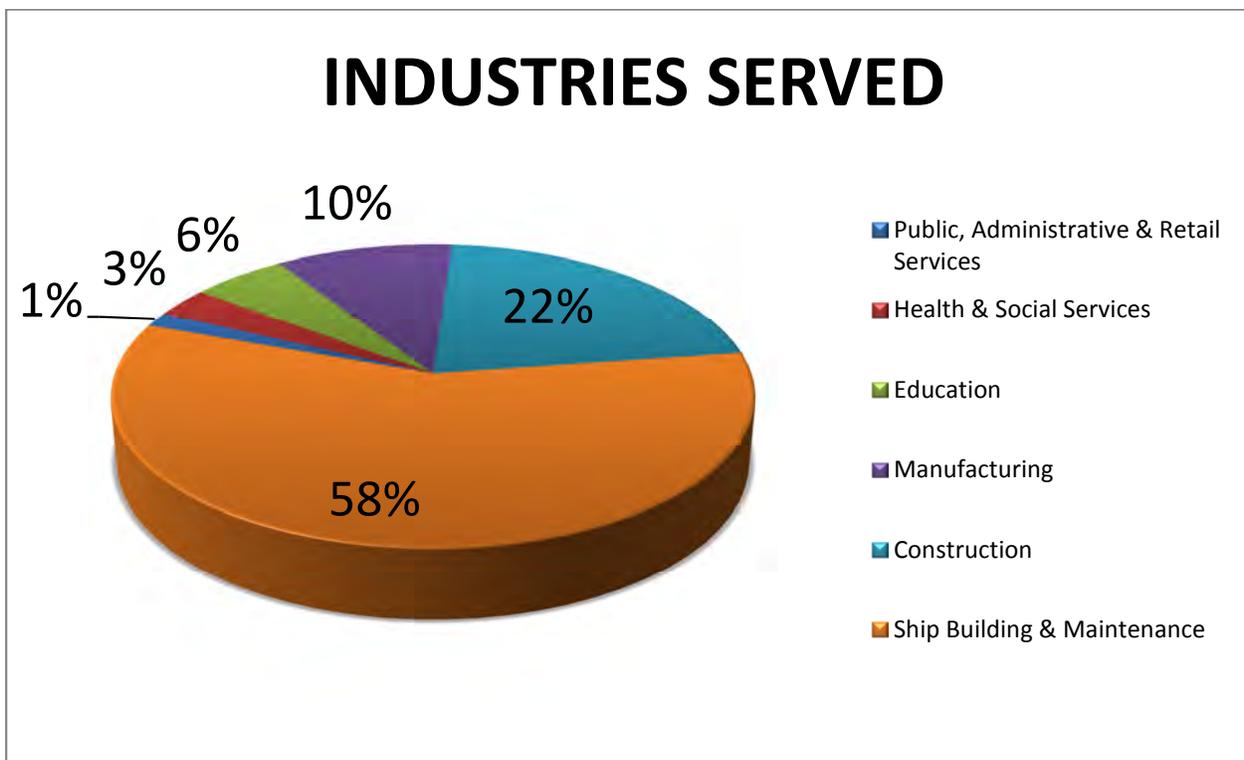
Currently, five seats on the apprenticeship council are vacant. Filling the vacated seats with diverse representation from labor, industry and government agencies who can advise the council on how best to expand into uncharted apprenticeship territory is critical to future success.

Collaborative outreach and efforts focused on identifying workforce partners will continue. As appropriate, articulation agreements will be formalized between partners and the apprenticeship program. Apprenticeship is one of the only remaining state-funded, industry-led, incumbent-worker training programs and one that can be aligned with other federal and state workforce-development programs from which financial resources can be leveraged to help with the costs of both on-the-job training and related instruction courses for apprentices recruited from eligible participant pools. By collaborating with workforce development partners, education providers and industry, we can ensure that our apprenticeship and other workforce training programs are meeting the workforce needs of Maine's employers and that our limited financial resources are aligned and being used wisely. Developing registered pre-apprenticeships for youth and unemployed adults in Maine's

high-growth, high-wage industries will help our workforce bridge the gap between the skills they have and the skill employers are looking for in their entry-level workforce. This will be accomplished by working closely with employers, Career and Technical Education (CTE) schools and adult education program leaders to identify and implement pre-apprenticeship opportunities aligned with registered apprenticeship programs to advance Maine's workforce.

Pending an increase in funding of the apprenticeship program, staff will develop and launch a comprehensive outreach campaign to increase the number of employer/sponsors and improve access to the program for women, minorities, veterans and individuals with disabilities. With an increase in funding, the expansion of apprenticeship programs would focus on industries that report a major skills gap in their workforce but haven't typically used the program to address their training needs. The development of apprenticeship training programs in healthcare, information technology, the energy sector and other high-growth, high-wage industries would help Maine be competitive in today's and tomorrow's global market.

Industries Served



Administrative, Public and Retail Services

Accountant
Administrative Assistant
Automobile Mechanic
Auto Services Mechanic
Business Manager
Cosmetology/Hair Replacement
Crew Manager
Dispatcher/Telecommunications
Fire Fighter
Office Manager
Police Officer

Education

Child Development Specialist
Education Technician II, III
Head Start Teacher I, II, III, IV
Home Day Care Educator
Home Start Coordinator
Program Manager
Special Education Technician

Health and Social Services

Critical Care Nurse
Emergency Care Nurse
Float Nurse
Funeral Director
Funeral Practitioner
Human Services Assistant
Ocularist
Pharmacy Technician
Veterinary Technician

Construction Trades

Architectural Drafter
Carpenter
Construction Craft Laborer
Crane Operator
Electrician
Foundation Layer
Heavy Equipment Mechanic
Heavy Equipment Operator
Inside Wireman
Lineworker
Maintenance Technician
Metal Fabricator
Millwright
Painter
Plumber
Pipefitter
Rigger
Sheet Metal Worker
Telecommunications Technician
Tele-data Technician
Welder

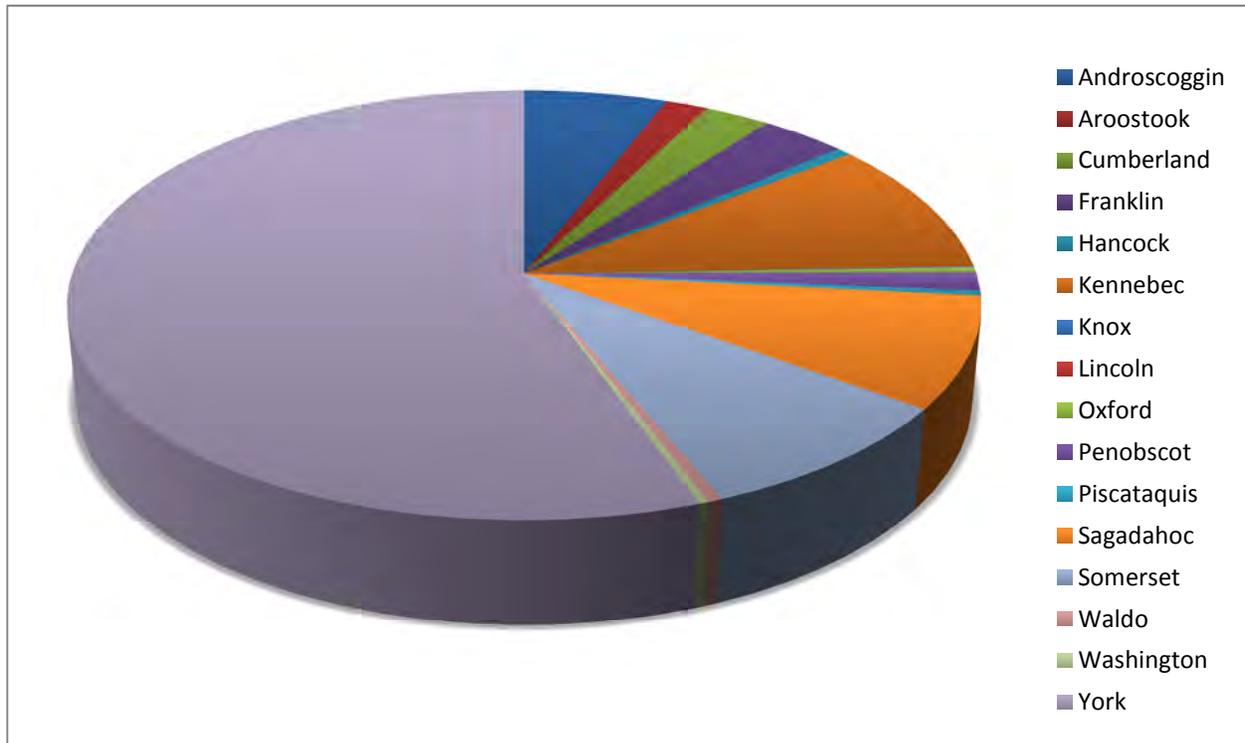
Manufacturing

Cabinet Maker
CNC Tool Operator
Electrical Designer
HVAC Technician
Laminator
Machinist
Manufacturing Technician
Materials Engineer
Production Laborer
Waterworks Technician

Ship Building and Maintenance

Canvas Worker
Carpenter
Electrical Designer
Electrician
Electronics Mechanic
Hull Outfit Designer
HVAC Designer
HVAC Installation & Service
Insulation Worker
Machinist
Maintenance Mechanic
Marine Electrician
Marine Joiner
Marine Service Foreman
Non-Destructive Tester
Outside Machinist
Painter
Pipefitter
Piping Designer
Plastics Fabricator
Rigger
Sheet Metal Worker
Shipfitter
Shipwright
Structural Designer
Tinsmith
Welder

2013 Geographic Breakdown of Apprenticeship Sponsors by County



Note: York County includes Portsmouth Naval Shipyard in Kittery

Active Sponsors 2013

| SPONSOR | LOCATION |
|--------------------------------------|--------------|
| AROOSTOOK COUNTY ACTION PROGRAM | PRESQUE ISLE |
| ADVANTAGE FUNERAL SERVICES(ECI SCVS) | PORTLAND |
| ANTHONY MANCINI ELECTRIC INC. | PORTLAND |
| ATLANTIC COMFORT SYSTEMS | BIDDEFORD |
| AUGUSTA SCHOOL DEPT | AUGUSTA |
| AUTOTRONICS | MADAWASKA |
| B H MILLIKEN INC | PORTLAND |
| BANGOR, CITY OF | BANGOR |
| BATH BRUNSWICK CHILD CARE SERVICES | BATH |
| BATH BRUNSWICK VETERINARY ASSOCIATES | BRUNSWICK |
| BIW BATH IRON WORKS | BATH |
| BLAIS & HAY FUNERAL HOME | WESTBROOK |
| BOSTON OCULAR PROSTHETICS, INC. | JACKSON |
| BROOKINGS SMITH FUNERAL HOME | BANGOR |
| CIANBRO CORP | PITTSFIELD |
| CLEWELY FOUNDATIONS, INC. | BANGOR |

| | |
|--|------------------|
| CMP HOLDINGS VERSO | JAY |
| DOLBY FUNERAL CHAPEL | SOUTH WINDHAM |
| DORRS EQUIPMENT | BANGOR |
| DUNN FUNERAL HOME | HOULTON |
| E J PRESCOTT | GARDINER |
| ECS LLC EASTERN SPRINKLER | AUBURN |
| ELMET TECHNOLOGIES | LEWISTON |
| FRYBERG VETERINARY HOSP. | FRYEBURG |
| GOODWILL HINCKLEY | HINCKLEY |
| GRIFFIN ELECTRIC, INC | HOLLISTON |
| HAIRBUILDERS | NORTH VASSALBORO |
| HOPE MEMORIAL CHAPEL FUNERAL HOME | BIDDEFORD |
| HOWARD TOOL CO., INC. | BANGOR |
| IBEW 1253 AUGUSTA ELECTRICAL JATC | FAIRFIELD |
| IBEW 567 PORTLAND ELECTRICAL JATC | LEWISTON |
| INTERSTATE ELECTRICAL SERVICES, INC. | WESTBROOK |
| IRVING WOODLANDS, LLC | FORT KENT |
| JOHNSON & JORDAN | SCARBOROUGH |
| JONES, RICH & HUTCHINS- ECI Services of Me | PORTLAND |
| KATAHDIN VALLEY HEALTH | PATTEN |
| KENNEBUNK VETERINARY ASSOC | KENNEBUNK |
| KENWAY CORP | AUGUSTA |
| KNIGHT MARINE SERVICE INC. | ROCKLAND |
| KNOWLTON, HEWINS, ROBERTS FUNERAL HOME | AUGUSTA |
| KVCAP KENNEBEC VALLEY COMM ACTION PROG | WATERVILLE |
| LABORERS, DISTRICT COUNCIL OF | HOPKINTON, MA |
| LARY FUNERAL HOME INC. | DOVER-FOXCROFT |
| LOUISIANA PACIFIC CORP. | HOULTON |
| LUCAS & EATON FUNERAL HOME | YORK |
| MADAWASKA SCHOOL DEPT | MADAWASKA |
| MAINE GENERAL MEDICAL CENTER | AUGUSTA |
| MAINE MACHINE PRODUCTS CO. | SOUTH PARIS |
| MCINTIRE-MCCOOEY F H | SOUTH BERWICK |
| MID STATE MACHINE | WINSLOW |
| MIDCOAST ME COMMUNITY ACTION PROGRAM | BATH |
| MOODY'S COLLISION | GORHAM |
| MORRIS YACHTS | BASS HARBOR |
| MSAD 14 | DANFORTH |
| MSAD 27 | FORT KENT |
| MSAD 33 | FRENCHVILLE |

| | |
|---|----------------|
| MSAD 41 | MILO |
| NNEDCA NORTHERN NEW ENGLAND DISTRICT | AUGUSTA |
| NORM'S ELECTRIC - REMODELING INC. | ARUNDEL |
| PAINTERS & ALLIED TRADES | ROSLINDALE, MA |
| PANOLAM INDUSTRIES INTERNATIONAL, INC. | AUBURN |
| PATHWAY WAHLCO | LEWISTON |
| PLAYMATES FAMILY DAY CARE | BUXTON |
| PORTLAND VETERINARY SPECIALISTS | PORTLAND |
| PORTSMOUTH NAVAL SHIPYARD | KITTERY |
| PRATT & WHITNEY dba United Technologies | NORTH BERWICK |
| QUIRK AUTO PARK | BANGOR |
| RITE AID OF MAINE, INC. | BIDDEFORD |
| RIVERVIEW HOMES INC. | FORT KENT |
| ROWES GARAGE & AUTO SALES INC. | EAST CORINTH |
| S W COLLINS CO. INC. | CARIBOU |
| SCARBOROUGH POLICE DEPT. | SCARBOROUGH |
| SEABEE ELECTRIC | SCARBOROUGH |
| SHEETMETAL WORKERS LU17 | DORCHESTER |
| SHOREY NICHOLS FUNERAL HOME | PITTSFIELD |
| SMART & EDWARDS FUNERAL HOME | SKOWHEGAN |
| SPRUCE RUN ASSOCIATES | BANGOR |
| SUSAN E. SEWELL DAY CARE | HOULTON |
| THERMODYNAMICS INC. | ELIOT |
| THOS MOSER CABINETMAKERS | AUBURN |
| UA716 PLUMBERS & PIPEFITTERS | AUGUSTA |
| UMAINE ORONO | ORONO |
| WALDO COUNTY COMMUNITY ACTION WCAP | BELFAST |
| WESTON CHANDLER FUNERAL HOME | SOUTH PARIS |
| WHITINGS ELECTRICAL | STRATTON |
| WIRED ELECTRICAL SERVICES | HOLDEN |
| YORK COUNTY COMMUNITY ACTION PROGRAM | SANFORD |

Apprenticeship Training for Success

Registered Apprenticeship was formally implemented in the United States through the enactment of the National Apprenticeship Act in 1937 and adopted in Maine in 1941. Despite being a long-standing, low-cost, highly effective workforce training and retention method, apprenticeship is largely unknown, often misunderstood and generally underutilized. Across the United States, only about 0.2 percent of workers are trained through apprenticeship programs.¹ Businesses and potential apprentices often mistakenly believe that apprenticeship training is only applicable to workers in traditional apprenticeship trades such as construction. The expansion of apprenticeship into new sectors and nonunionized workplaces is both possible and practical.

For Maine's high-growth, high-wage sectors that often experience difficulty attracting a skilled workforce, apprenticeship could be an effective tool to help them "grow their own" skilled employees. Apprenticeship programs are a viable alternate college pathway for Maine's workforce who seek a post-secondary degree. Apprenticeship is a proven training method that, when put into practice, helps employers narrow the skills gap and supplies them with the skilled, dedicated workforce they need to be competitive in today's global economy.¹

The apprenticeship program has aligned resources by collaborating with businesses, community, education and workforce partners to expand apprenticeship in strategic sector partnerships. The outreach efforts have positioned the apprenticeship program well to grow, but without additional resources allocated to the program, the meaningful expansion of apprenticeship is not a realistic goal. To expand apprenticeship in Maine to businesses that have not traditionally used apprenticeship as a training method, we need to increase the financial resources allocated to the program. Increasing funding will allow the Maine Apprenticeship Program to increase the outreach and education effort to employers and to fund the training of new apprentices. Without an increase in funding, the apprenticeship program will continue to support existing sponsors and programs, but will not expand to become a major catalyst in developing a skilled workforce to meet the demands of Maine businesses.

¹ *Training for Success – A Policy to Expand Apprenticeships in the United States*, Ben Olinsky and Sarah Ayers, The Center for American Progress, December 2013.