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2014 Annual Report on Maine Apprenticeship Program

Maine Department of Labor

Maine Bureau of Employment Services

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2014 Annual Report on

Maine Apprenticeship Program

Submitted by
Maine Department of Labor
Bureau of Employment
Services



August 2015



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 2014 Annual Report

For the Period January 1, 2014 – December 31, 2014

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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2014 Program Highlights

- At the close of 2014, the apprenticeship program had served **1,614** apprentices actively working on industry-recognized skill certifications.
- Apprentices who completed their programs during 2014 saw an average wage increase of **28 percent** from program start to program end.
- Estimated gross hourly wages paid by employers to Maine apprentices was \$7,154,055.
- Veterans comprised 16.4 percent of registered Maine apprentices; while veterans made-up 9.8 percent of Maine's total population.

2014 in Numbers

Total taxpayer dollars spent	\$456,309
ROI dollars leveraged per General Fund dollar**	\$15.68
Average annual gross wages of apprentices	\$44,325
Total served (new/active/completed/cancelled)	1,614
Total new apprentices registered	507
Total apprentices completing programs	162
Total apprentices cancelled prior to completion	27
Percentage of apprentices in nontraditional occupations (NTO)	4.9%
Average starting hourly wage rate of all current apprentices	\$17.26
Average ending hourly wage rate at completion	\$25.35

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

2014 Demographics

TOTAL	MALE	FEMALE	NTO	MINORITY	VETERAN
1614	1375	239	79	67	265

About Apprenticeship

The Maine Apprenticeship Program is an 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 employers/sponsors since 1941 and has maintained sponsors for this duration, including Bath Iron Works. Apprenticeship is a time-proven, effective training model that continues to innovate and adapt to meet employers' needs for skilled labor and workers' 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 employers can select current employees to join the apprenticeship program to advance their skills and move them up the career ladder within the business. 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 of 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, on-line, or through a traditional college or university.

It takes one to five years for an apprentice to become proficient in a particular occupation. In 2014, the average length of apprenticeship programs in Maine was 3.2 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).

Apprentices receive a paycheck from the start of their apprenticeship program, earning wages while they learn on the job. Apprentices get hands-on training from a mentor at the job site to assure job proficiency and are engaged in classroom learning activities to support on-the-job learning. Many apprentices complete a college degree while apprenticing and 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 Employers/Sponsors

Maine employers/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 employers/sponsors in program development and/or customization of skill standards, as well as cost assistance with on-site instructor training in areas such as adult learning and train-the-trainer skills, or 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 from apprenticeships because they:

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

Becoming a registered apprenticeship sponsor is easy. Businesses, with the assistance of Maine Apprenticeship Program (MAP) staff, are involved in every step of designing their apprenticeship program. Apprenticeship templates exist for many occupations that can be customized to meet the employer's specific workforce needs. The first step in developing the apprenticeship program schedule and agreement requires the employer to review a set of occupational skill standards and/or an existing apprenticeship template provided by MAP staff to identify what their apprentices need to learn on the job, as well as the type and level of classroom training they will

require for their apprentices. The sponsor must then commit to providing a safe work environment, appropriate supervision and training during the on-the-job learning component, decide upon an incremental wage schedule, and decide how individuals will be recruited and selected for their apprenticeship program. Once these decisions are made, the business-specific program schedule and agreement are put before the Maine Apprenticeship Council, which reviews and approves the new sponsor and its occupational program. In most cases, the approval process is completed in seven 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.
- Receive extensive on-the-job training from an experienced mentor.
- 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 for the State of 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 skill gaps facing industries as workers retire.
- Offers an affordable talent development approach for the workforce system that results in required outcomes.

2014 — Year in Review

During calendar year 2014, total expenditures of \$456,309 leveraged 15.68 times that amount in apprentice wages, state income-tax payments and matching tuition funds. The return per each General Fund dollar was \$15.68. The number of actively sponsored apprenticeship programs ranged from 148 to 169 in 2014, with some sponsors going dormant as apprentices completed programs and others re-activating with the hire and registration of new apprentices.

Companies with new apprenticeship programs approved in 2014

- Craig and Pate Funeral Home – Funeral Practitioner
- Dan and Scott's Cremation and Funeral Services – Funeral Practitioner
- Duffy's Electric – Electrician
- Ken L. Electric – Electrician
- Maine General Medical Center – Front Line Nurse Leader
- The Aroostook Medical Center – Polysomnographic (Sleep) Technologist

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
- Partner with Educate Maine's Project Login to establish apprenticeship programs in information technology
- Partner with the Maine Extension Partnership (MEP) and Maine Manufacturer's Association (MAME) to expand apprenticeship programs in manufacturing
- 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 persistently working with employers to keep pace with the increase in demand. As funding for the program is tight, apprenticeship staff works 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 (MAC) are appointed by the Governor; four additional non-voting members are appointed by the commissioner or president 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 Apprenticeable 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. In 2014, MAC welcomed three new members who, together with existing apprenticeship council members, spent a significant amount of time reviewing and approving six new programs and updating apprenticeship policies to reflect current program practices.

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

Martha Catevinis

Bruce Davis

Phil Dionne (Co-Chair)

Denise Garland

Melissa Harvey

Jennifer McKenna

Gail Senese

Brian Watson

Travis Wood

Trisha Mosher

Liz Ray

Chris Trider

Looking Forward – Plans for 2015

Population growth in Maine is stagnant, hovering at around 1.3 million for decades. Maine is the oldest state (median age of 43.5 years vs. 37.3 years nationally) in the nation (51 percent of its workers aged 45 or older); has the highest proportion of baby boomers (29 percent of its residents were born between 1946 and 1964)¹; has a low in-migration rate; and is tied with Vermont for the smallest percentage of residents under 18 years of age (20.7%), due to a low birth rate, an indirect effect of having so many baby boomers. These factors all combine to give Maine a rapidly aging population and slow population growth. Without the capacity to grow our population through births, Maine must rely on migration to provide population growth.²

This changing demographic has created an enrollment nightmare for higher education institutions due to the decreasing number of students graduating from high schools, while at the same time challenging Maine to produce the workforce needed to replace the retirees and to sustain and expand an innovation-based economy. Because the number of young people entering the labor force drastically lags the number aging out, employers are having difficulty finding individuals with the unique skills or experience necessary to fill openings for occupations that require explicit, complex, and sophisticated skills.

¹ U.S. Census Bureau, American Community Survey 2012

² Maine Population Outlook to 2030 Governor's Office of Policy and Management February 2013 Amanda Rector, State Economist

Apprenticeship programs are part of the solution to meeting the current and projected skills gaps facing Maine industry members dealing with an impending retirement cliff and a shortage of young people entering the workforce. Modern apprenticeship programs can be customized and flexibly designed to meet the needs of the business and the skills of both new-hire and existing employees. Traditional time-based apprenticeship programs, where apprentices receive both the related instruction and on-the-job training concurrently over a set period, are only one model. In addition to the traditional model, current apprenticeship models allow for classroom training to be front-loaded before starting the on-the-job training component of the apprenticeship or to be segmented, where apprentices alternate between related instruction and on-the-job training. The on-the-job learning component can be time based or competency based, allowing employers to advance apprentices based on demonstrated skills. Many long-time sponsors of apprenticeship are in the process of transitioning their programs to competency or hybrid (combination of time and competency based) apprenticeship programs and nearly all new programs registered are following suit.

Apprenticeship and collaboration with partners is featured throughout the state plan as a tool to address current skill gaps and projected gaps facing Maine employers. Apprenticeship is one of the only remaining state-funded, industry-led, incumbent-worker training programs—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. Collaborative outreach efforts focused on identifying workforce partners will continue with a focus on working with industry partners to develop apprenticeship opportunities in information technology and expand apprenticeship opportunities in healthcare and precision manufacturing occupations.

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 skills 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. 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.

Pending the receipt of federal grants applied for or an increase in funding of the apprenticeship program, 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 will be launched. With an increase in funding, the desired expansion of apprenticeship programs would focus on targeting industries that report a major skills gap in their workforce but haven't typically used the program to address their training needs.

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
 Front Line Nurse Leader
 Funeral Practitioner
 Human Services Assistant
 Ocularist
 Pharmacy Technician
 Sleep Somographer
 Veterinary Technician

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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

Active Sponsors 2014

ACAP AROOSTOOK COUNTY ACTION PROG	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 ASSOC	BRUNSWICK
BIW BATH IRON WORKS	BATH
BLACK MANAGEMENT COMPANY	SPRINGVALE
BLAIS & HAY FH	WESTBROOK
BOSTON OCULAR PROSTHETICS, INC.	JACKSON
BROOKINGS SMITH FH	BANGOR
CIANBRO CORP	PITTSFIELD
CLEWELY FOUNDATIONS, INC.	BANGOR
CMP HOLDINGS VERSO	JAY
DENNETT-CRAIG & PATE FH	SACO
DOLBY FUNERAL CHAPEL	S. WINDHAM
DORRS EQUIPMENT	BANGOR
DUNN FH	HOULTON
E J PRESCOTT	GARDINER
EASTERN FIRE PROTECTION CO	BANGOR
ELMET TECHNOLOGIES	LEWISTON
FRYBERG VETERINARY HOSP.	FRYEBURG
GOODWILL HINCKLEY	HINCKLEY
HAIRBUILDERS	NO VASSALBORO
HALL FH	WALDOBORO
HOBBS FUNERAL HOME(Reactivation)	S.PORTLAND
HOPE MEMORIAL CHAPEL	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
KEN L ELECTRIC INC	ST AGATHA
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
LAWRY BROTHERS FUNERAL HOME	FAIRFIELD
LOUISIANA PACIFIC CORP.	HOULTON
LUCAS & EATON FUNERAL HOME	YORK
MAINE GENERAL MEDICAL CENTER	AUGUSTA
MAINE MACHINE PRODUCTS CO.	SOUTH PARIS
MCINTIRE-MCCOOEY FUNERAL HOME	SOUTH BERWICK
MID STATE MACHINE	WINSLOW
MIDCOAST ME COMMUNITY ACTION PROGRAM	BATH
MOODY'S COLLISION	GORHAM
MORRIS YACHTS	BASS HARBOR
MSAD 14 (DANFORTH)	DANFORTH
MSAD 27 (FT KENT)	FT KENT
MSAD 33 (FRENCHVILLE)	FRENCHVILLE
MSAD 41 (MILO)	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	NO. BERWICK
QUIRK AUTO PARK	BANGOR
RITE AID OF MAINE, INC.	BIDDEFORD
RIVERVIEW HOMES INC.	FT KENT
ROWES GARAGE & AUTO SALES INC.	EAST CORINTH

S W COLLINS CO. INC.	CARIBOU
SCARBOROUGH POLICE DEPT.	SCARBOROUGH
SEABEE ELECTRIC	SCARBOROUGH
SHEETMETAL WORKERS LU17	LEWISTON
SHOREY NICHOLS FUNERAL HOME	PITTSFIELD
SMART & EDWARDS FUNERAL HOME	SKOWHEGAN
SPRUCE RUN ASSOCIATES	BANGOR
STDC, Inc (Dans & Scott's Cremation & Funeral Scv.)	FARMINGTON
SUSAN E. SEWELL DAY CARE	HOULTON
THE AROOSTOOK MEDICAL CENTER	PRESQUE ISLE
THERMODYNAMICS INC.	ELIOT
THOMAS MOSER CABINETMAKERS	AUBURN
UA716 PLUMBERS & PIPEFITTERS	AUGUSTA
UMAINE ORONO	ORONO
WALDO COUNTY COMMUNITY ACTION WCAP	BELFAST
WESTON CHANDLER FUNERAL HOME	SO. 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 was 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 people 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 successfully leveraged existing Community College and Maine Quality Center programs and is working toward fully integrating registered apprenticeship into State and Local Workforce Investment Strategies. MAP will continue to leverage training dollars and other resources by collaborating with businesses, communities and education and workforce partners to expand apprenticeship programs in Maine. The apprenticeship program is positioned to grow and to significantly expand apprenticeship programs into high-wage, high-demand occupations such as those found in healthcare, precision manufacturing and information technology, but we need to increase the financial resources allocated to the program. 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's high-wage, high-demand 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.

