

An Evaluation:

## Minorities and Women in Construction Trade Apprenticeships

Department of Workforce Development

September 2010

# Report Highlights ■

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***Many eligible minorities and women are unable to find apprenticeships.***

***DWD's oversight of local trade committees needs improvement.***

***DWD did not decide appeals of apprenticeship contract cancellations in a timely manner.***

***Additional efforts are needed to enforce an Executive Order requiring apprentices on state construction projects.***

The Department of Workforce Development's (DWD's) Bureau of Apprenticeship Standards employs 16 staff statewide to regulate apprenticeships for various skilled trades, including 22 construction trades such as carpentry and plumbing. In fiscal year (FY) 2008-09, there were 11,744 apprentices statewide, and the Bureau spent \$2.0 million—primarily in federal funds—for its regulatory efforts.

An apprenticeship is a contract between three parties: an apprentice; a local trade committee, which assigns the apprentice to an employer that provides on-the-job training and classroom instruction in exchange for the apprentice's paid labor; and DWD, which defines and enforces all apprenticeship contracts. An apprenticeship typically lasts four to five years. Upon its successful completion, the apprentice is authorized to work for any employer in the trade as a skilled journeyworker.

Some legislators have expressed concerns that relatively few minorities and women participate in apprenticeships and that there has been inconsistent enforcement of Executive Order 108, which requires apprentices to be employed on certain state construction and highway projects. Therefore, at the request of the Joint Legislative Audit Committee, we analyzed:

- the extent to which minorities and women worked as apprentices in the construction trades, which employed the most apprentices from FY 1999-2000 through FY 2008-09;
- affirmative action efforts of local trade committees and DWD's oversight of the committees; and
- enforcement of Executive Order 108.

## Key Facts and Findings

*In FY 2008-09, there were 6,818 apprentices in the construction trades, but only 568 were racial or ethnic minorities and 136 were women.*

*Minorities were less likely to complete apprenticeships than non-minorities, and women were less likely to complete them than men.*

*On average, minorities and women completed their apprenticeships in 4.0 years, while non-minorities and men did so in 4.4 years.*

*DWD requires local trade committees to develop affirmative action plans but has not consistently required the plans to be current or specific.*

*None of the 94 local trade committees have met their minority and female participation goals, although 59 made good-faith efforts to do so.*

*Through 2009, enforcement action was taken against only one firm that did not comply with Executive Order 108.*

## Participation Levels

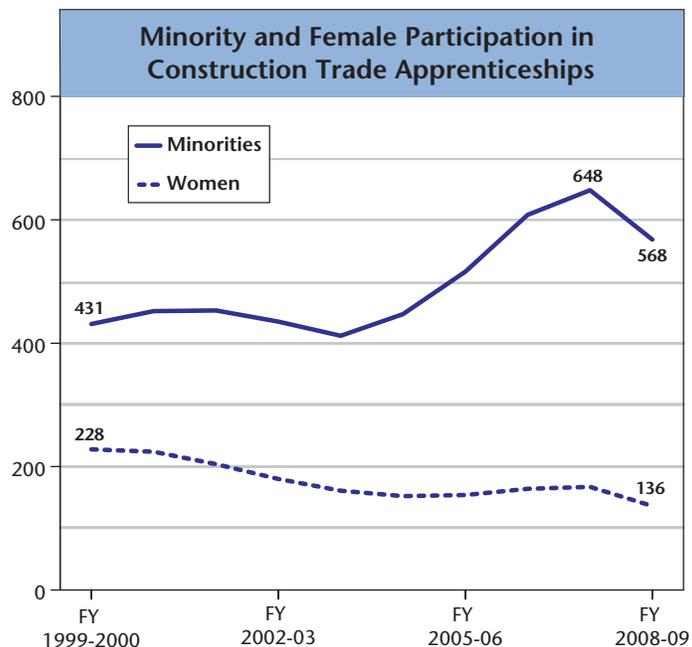
Statewide, 94 local trade committees operate apprenticeship programs in the construction trades.

DWD requires the committees to maintain information on the number of applicants for apprenticeship positions, as well as the number determined eligible by the committees, but it collects this information only sporadically. DWD provided us with the most recently collected information on 72 of the 94 committees.

Men and women who are racial or ethnic minorities accounted for 25.9 percent of all applicants for apprenticeships in the construction trades, and 22.7 percent of those who were determined eligible. Minority and non-minority women accounted for 4.5 percent of all applicants and 4.6 percent of those determined eligible.

Many minorities and women have been unable to find employment as apprentices, even though they have been determined to be eligible. Minority participation peaked at 8.8 percent in FY 2007-08, when 648 of the 7,400 construction trade apprenticeships in Wisconsin were held by racial or ethnic minorities of either sex. In contrast, female participation peaked at 2.8 percent in FY 1999-2000, when 228 of 8,164 construction trade apprenticeships were held by minority and non-minority women.

In FY 2008-09—the most recent year for which data are available—there were 568 minority apprentices and 136 female apprentices in the construction trades statewide. Over a ten-year period, the total number of construction trade apprentices decreased by 16.5 percent, likely in part as a result of the recent recession.



We found that 48.2 percent of minorities and 65.7 percent of non-minorities who contracted to be apprentices from FY 1999-2000 through FY 2003-04 had completed their apprenticeships by December 2009.

Completion rates were 55.3 percent for women and 64.8 percent for men. However, on average, minorities and women completed their apprenticeships in 4.0 years, while non-minorities and men did so in 4.4 years.

## **Oversight of Local Trade Committees**

DWD requires each local trade committee with five apprentices or more to develop an affirmative action plan detailing outreach and recruiting activities for minorities and women, but it has not consistently required plans to be updated or to describe specific activities for increasing minority and female participation in construction trade apprenticeships.

We reviewed 18 affirmative action plans. Although most had been adopted within the last five years, one local trade committee's plan was more than 14 years old, and the statewide plan for Associated Builders and Contractors—which is used by all member committees outside of Madison—was created in 1987 and not updated until August 2010.

Only 4 of the 18 plans described efforts to track whether employers actually hired eligible minorities

and women, and only 3 described retention activities such as tutoring, other educational support services, or exit interviews to determine why individuals left apprenticeships.

DWD is required to regularly determine whether each local trade committee is operating in accordance with its affirmative action plan, but neither administrative rules nor DWD's policies specify how often these compliance reviews should occur.

DWD completed 57 compliance reviews within the last three years and 84 within the last six years. Six inaccurate or incomplete reviews were returned by DWD's central office to regional staff for correction and completion, and four committees were not reviewed.

DWD's most recent compliance reviews indicated that no local trade committees had met their minority and female participation goals but that 59 had made good-faith efforts to do so. DWD is required to either initiate legal action or deregister a committee that is not operating in accordance with its plan, which revokes the committee's authority to sponsor apprentices.

DWD has not deregistered any noncompliant committee, in part because it is reluctant to harm apprentices as a result of doing so.

## **Complaints and Appeals**

Administrative rules stipulate that apprentices have 180 days to file discrimination complaints with

DWD. However, DWD recently implemented procedures requiring complaints to be filed within 60 days, which conflicts with administrative rules. We note no discrimination complaints were filed in 2008 or 2009.

If a local trade committee asks DWD to cancel an apprenticeship contract, including for reasons related to work performance, the apprentice may object by appealing to the Bureau of Apprenticeship Standards. In 2008 and 2009, the Bureau decided 14 appeals, including 5 filed by minorities and 1 by a woman. Resolution time averaged 152.6 days, or approximately five months.

Neither statutes nor administrative rules specify time limits for deciding appeals, but in May 2010, DWD modified its policies to specify that appeals should be resolved within 21 days.

One of the 14 appeals, as well as a second appeal that has not yet been resolved, involved allegations of discrimination that apprentices made after they had appealed their contracts' proposed cancellation. We found that DWD does not handle such complaints consistently.

## **Apprenticeship Requirements in State Contracts**

Executive Order 108 directs the departments of Administration (DOA) and Transportation (DOT) to require contractors and subcontractors to employ apprentices on certain state building construction and highway projects. Before

awarding a contract subject to the order, DOA and DOT must ensure that the projects' contractors and subcontractors have either been authorized by DWD to train apprentices or have applied to train them. However, they notify DWD only after awarding contracts.

From 2006 through 2009, DWD determined that firms working on 47.6 percent of state construction and highway contracts complied with Executive Order 108. Non-compliance has increased in each year and was found in a total of 223 contracts and subcontracts, including 132 administered by DOA and 91 administered by DOT.

If DWD determines a firm has not complied, DOA and DOT may terminate the applicable contract, withhold contract payments, or make a firm ineligible for future contracts.

DOA took action against only one firm for noncompliance with the order from 2006 through 2009, and DOT has never taken action, in part because DWD has not been timely in determining noncompliance and took an average of 305 days to make a determination.

In five instances, firms that DWD had previously determined to be noncompliant subsequently worked as subcontractors on projects subject to Executive Order 108.

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## Recommendations

Our report includes recommendations for DWD to report to the Joint Legislative Audit Committee by December 1, 2010, on:

- ☑ the cost of centrally tracking and reporting, by race and gender, on the number of individuals who apply for apprenticeships and the number who are determined to be eligible for them (*p. 25*);
- ☑ its efforts to strengthen oversight of local trade committees by requiring each committee, at least every five years, to submit an affirmative action plan that contains specific activities; by sanctioning committees that are found to be noncompliant with their plans; and by standardizing how it handles allegations of discrimination that arise during appeals (*p. 38*); and
- ☑ its efforts to improve compliance with Executive Order 108 (*p. 44*).

We also recommend that DWD modify its procedures to specify that apprentices are allowed 180 days to file discrimination complaints, as required by administrative rules (*p. 34*).

## Additional Information

For a copy of report 10-12, which includes a response from the Department of Workforce Development, call **(608) 266-2818** or visit our Web site:



[www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab)

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