



**Illinois
Department of Commerce
& Economic Opportunity**

JB Pritzker, Governor

August 1, 2022

Illinois General Assembly
Illinois State Complex
Springfield, Illinois 62706

**Re: Report on the Evaluation of the Apprenticeship Initiative and
Preapprenticeship Program**

Dear General Assembly Member:

The Illinois Works Jobs Program Act (the “Act”), 30 ILCS 559/20-1 *et al.*, was created to ensure that all Illinois residents have access to State capital projects and careers in the construction industry and building trades, including those who have been historically underrepresented in those trades. To ensure those interests are met, the General Assembly created the Illinois Works Preapprenticeship Program (the “Preapprenticeship Program”) and the Illinois Works Apprenticeship Initiative (the “Apprenticeship Initiative”). The Illinois Department of Commerce and Economic Opportunity (“DCEO”) is responsible for administering these programs.

The Act also created the Illinois Works Review Panel (the “Review Panel”), which is comprised of 25 members that serve 3-year terms. The Review Panel is required to meet at least quarterly, and last met on July 27, 2022. The Review Panel is required to report to the General Assembly on August 1st of each year on its evaluation of the Apprenticeship Initiative and the Preapprenticeship Program, including any recommended modifications.

Program Implementation Overview and Updates

1. Apprenticeship Initiative

The Apprenticeship Initiative provides that for public works projects estimated to cost \$500,000 or more, apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification, or 10% of the estimated labor hours, whichever is less. DCEO filed administrative rules for this program with the Joint Committee on Administrative Rules that went into effect on September 29, 2021. (14 Ill. Adm. Code 680.10, et. al.)

For projects subject to the apprentice participation goal, grantees and contractors must complete a Budget Supplement that identifies, in part, the total cost of the project and the estimated

hours for each prevailing wage classification. This form must be completed within 90 days after entering into the grant or contract with the State agency. Grantees and contractors are also required to provide quarterly updates on their compliance with the apprenticeship goal. DCEO uses this data as part of its Illinois Works “proactive compliance approach.” State agencies are required to intervene and work with grantees and contractors that are not satisfactorily progressing towards meeting the 10% apprentice goal.

To improve and streamline the reporting process, DCEO developed a platform that allows agencies to submit their reports in real time. Starting in August of 2021, agencies transitioned all compliance processes using the new platform. This includes the submittal of budget supplements, waiver/reduction requests, project updates, project progress reports, and certifications. State agencies and their staff were fully trained by the end of August on the new technology and its systems and tools.

According to the data submitted to the Office of Illinois Works as of June 30, 2022, 1682 projects with a contract/grant/loan obligation among of \$12.2 billion have Apprenticeship Initiative goals.¹ The following chart identifies which agencies are responsible for those projects:

State Agency	Number of Projects	Specific Contract, Grant or Loan Obligation Amount
IDOT	1210	\$ 10,496,502,669.91
IEPA	195	\$ 1,152,782,879.18
DCEO	132	\$ 227,226,700.37
CDB	125	\$ 322,240,211.94
SOS	16	\$ 34,667,536.33
IDNR	3	\$ 1,640,288.00
ISBE	1	\$ 1,062,822.00
Total	1682	\$ 12,236,123,107.73

2. Preapprenticeship Program

The Preapprenticeship Program is designed to create a network of community-based organizations throughout the State that will recruit, prescreen, and provide preapprenticeship skills training for which participants may attend free of charge and receive a stipend. One of the primary goals of the program is to create a qualified and diverse pipeline of workers who are prepared for careers in the construction and building trades. Upon completion of the Illinois Works Preapprenticeship Program, graduates will be skilled and work-ready to enter Apprenticeship programs registered by the U.S. Department of Labor (“USDOL”).

DCEO released the first Notice of Funding Opportunity (“NOFO”) for the Preapprenticeship Program on August 5, 2022. In order to attract a wide range of applicants to

¹ These numbers include only projects that were reported to the Office of Illinois Works up to the publishing of this report.

train diverse and historically underrepresented individuals throughout the State, DCEO scheduled an extended timeframe for responding to the NOFO and offered technical assistance to applicants that are new to the grant application process.

In anticipation of the NOFO’s release, DCEO performed significant outreach throughout the year to minority and women-owned construction business associations, community colleges, community-based organizations, labor organizations, and the community at-large regarding the Preapprenticeship Program. The purpose of this outreach was to inform diverse stakeholders of the components and goals of the Preapprenticeship Program, to begin forming partnerships to expand the Preapprenticeship Program’s reach throughout the state, and to receive input that could strengthen the Program.

DCEO’s efforts resulted in significant interest among potential program providers. After the competitive evaluation process, DCEO issued grants to 22 organizations (23 programs in total) ranging \$170,000 to \$500,000. These grantees will enroll and train a total of 1029 residents from January 1, 2022, to December 31, 2022. These organizations are located throughout the State and provide coverage to the majority of the geographic areas with large concentrations of underserved populations (women, minorities, and veterans) and where significant numbers of capital projects are being funded by state agencies. After six months of operations, the Illinois Works grantees have enrolled 734 residents and have already started to graduate and transition their program participants into DOL-registered apprenticeship programs.

The following chart breaks down the participants in the Preapprenticeship Program by race, ethnicity, and gender:

Race & Ethnicity								
	Applicant	%	Enrolled	%	Completed	%	Transitioned to DOL Registered Apprenticeship Program	%
American Indian or Alaskan Native	5	1%	4	1%	0	0%	0	0%
Asian	7	1%	7	1%	2	1%	0	0%
Black/African American	586	68%	510	69%	120	65%	72	73%
Hispanic	123	14%	120	16%	54	29%	20	20%
White	85	10%	78	11%	7	4%	5	5%
Prefer Not to Answer/Blank	53	6%	15	2%	2	1%	1	1%
Total	859		734		185		98	
Gender								

	Applicant	%	Enrolled	%	Completed	%	Transitioned to DOL Registered Apprenticeship Program	%
Female	187	22%	160	22%	53	29%	33	34%
Male	623	73%	561	76%	130	70%	64	65%
Non-Binary	2	0%	2	0%	1	1%	1	1%
Prefer Not to Answer/Blank	47	5%	11	1%	1	1%	0	0%
Total	859		734		185		98	
Veteran Status								
	Applicant	%	Enrolled	%	Completed	%	Transitioned to DOL Registered Apprenticeship Program	%
Veteran	8	1%	8	1%	3	2%	2	2%
Active Military	3	0%	3	0%	0	0%	0	0%
N/A	848	99%	723	99%	182	98%	96	98%
Total	859		734		185		98	
Criminal Justice System Involvement								
	Applicant	%						
Criminal Background	159	19%						
Total	859							
Note: This is preliminary data from January 1, 2022, to the date of this report's publication. Programs are still running, and data will likely change by the end of the program year in December 31, 2022.								

DCEO secured \$15 million for FY23 programming. DCEO plans on releasing a second NOFO the first week of August 2023. The focus of this NOFO will be to extend program coverage to geographic areas not presently covered by the 23 existing programs, and to increase services to underrepresented groups in need of better representation. DCEO's goal is to increase capacity to 1,500 enrollees and to 30-35 grantees for program year starting in January 2023.

Intensive and focused outreach to potential applicants is being conducted and technical assistance for potential applicants has been scheduled.

Program Evaluation and Potential Modifications

The Illinois Department of Labor ("IDOL") presented apprentice statistics to the Review Panel during the April 27, 2022, meeting. The report showed that, from 2020/2021 to 2021/2022, the minority apprentice representation increased from 27% to 30% while the women apprentice

representation also increased from 4% to 5%. The veteran apprentice representation, however, stayed flat at 3%. However, IDOL also emphasized the continued challenges they are still facing in collecting data that accurately reflects state funded capital projects.

Based on this data and the preliminary results observed by the implementation of the Illinois Works programs, the Review Panel has begun to discuss ways to potentially improve the programs to ensure that individuals in underrepresented populations can gain access to careers in the construction industry and building trades. These proposals include both legislative (Items 1 and 2) and non-legislative changes (Items 3 and 4):

1. Require that in order to comply with the Apprenticeship Initiative, a significant portion of the apprentices have to be graduates from the Preapprenticeship Program

At the time that the Act originally passed, there was no data on the demographic composition of apprentices performing work on capital projects in Illinois, and thus only anecdotal evidence of what populations were underrepresented. Now that the Illinois Department of Labor (“IDOL”) has begun to collect data, we know, for example, that women account for 50.9% of Illinois’ population but 5% of apprentices performing work on public works projects were women (387 women out of 8,051 apprentices). The data also shows that while (non-white) “minorities” account for 39 percent of Illinois’s population, they comprised only 30% of apprentices on public works construction projects (2,385 minority apprentices of 8,051 apprentices).

Since the apprenticeship goal applies to all apprentices – not just those from underrepresented populations – contractors could conceivably hire exclusively Caucasian male apprentices and still satisfy the 10% goal. This would defeat the purpose of the Act which is designed to increase diversity in the construction industry and building trades. To avoid this scenario, a significant number of the labor hours that comprise the 10% goal should be completed by apprentices who completed the Preapprenticeship Program. This would require a legislative change to the Act, and would result in underrepresented groups experiencing better representation in construction and the trades.

2. Amend the Act to include a penalty provision for contractors who fail to comply with the Apprenticeship Initiative

The Act does not contain a penalty provision for contractors who do not comply with the apprenticeship goal. Ultimately, it is up to the Agencies to determine how to enforce non-compliance. Many agencies have expressed concern that since the Act is silent on penalties, they do not have the authority to impose penalties for non-compliance. Adding a specific provision to the Illinois Works Job Program Act identifying penalties for non-compliance would assist agencies in enforcing the apprenticeship goal.

3. Continue to work with IDOL to educate contractors properly identify the certified payroll as an Illinois Works project

On April 1, 2022, IDOL submitted its report from the Illinois Prevailing Wage certified payroll portal on apprentice hours performed on projects that fall under the Apprenticeship

Initiative. One key obstacle IDOL continues to face is that contractors do not know if the project they worked on was subject to the Apprenticeship Initiative. Although there is a box on the certified payroll form titled “capital funded or Rebuild Illinois project”, some contractors still struggle identifying if a state agency let the project. DCEO should continue to train agencies and contractors on how to properly code their grants and contracts so that the data from the certified payroll portal will accurately reflect the number of apprentices working on public works projects. DCEO should also continue to work with IDOL to compare lists of projects that were reported to both agencies as Illinois Works eligible projects to in order to identify all eligible projects and make the necessary coding adjustments.

4. Examine whether the State could impose or encourage a greater linkage between the Illinois Works Preapprenticeship programs and registered apprenticeship programs

Review Panel members have pointed out that the Illinois Works Preapprenticeship programs are designed to be a pathway into apprenticeship and then into building trades careers. This pathway breaks down if privately-run apprenticeships will not accept graduates from the Preapprenticeship Program into their apprenticeship programs. Several panel members pointed out that this is not an unlikely scenario, particularly for union-run apprenticeship programs, given that their admission criteria can be difficult to determine and they may only accept apprentices at limited times on a limited basis. While the Illinois Works law provides incentives in the form of bid credits to contractors who hire graduates of an Illinois Works Preapprenticeship program, this incentive does not guarantee that there will be sufficient apprenticeship program slots or that preapprenticeship program graduates will be admitted to an apprenticeship program.

The Review Panel remains optimistic that the Apprenticeship Initiative and Preapprenticeship Program will ultimately result in individuals from underrepresented populations pursuing careers in the construction industry and building trades. The Review Panel will continue to evaluate these programs throughout FY23 during the quarterly meetings.

Respectfully Submitted,

Norman Ruano

DCEO Review Panel Designee