BULLETIN 2011-07   February 02, 2011

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship Services (OA) Washington, D.C. 20210	Distribution: A-541 Hdqtrs A-544 All Field Tech A-547 SD+RD+SAA+; Lab.Com	Subject: Program Performance–Calculation of Registered Apprenticeship Program Completion Rates Code: 450.6
Symbols: DSNIP/FDK		Action: Immediate

PURPOSE: To inform Office of Apprenticeship and , State Apprenticeship Agency (SAA) staff, Registered Program Sponsors and other Registered Apprenticeship Partners of the establishment of the process for the calculation of completion rates for Registered Apprenticeship Programs required by the revised Title 29 Code of Federal Regulations (CFR), part 29, Labor Standards for Registration of Apprenticeship Programs

BACKGROUND: The U.S. Department of Labor's, Employment and Training Administration issued a final rule updating Title 29 CFR part 29, on October 29, 2008. The rule became effective on December 29, 2008.

The revised rule includes a new section, §29.6, Program Performance Standards, that focuses on improving the quality and performance of registered apprenticeship programs. OA and SAA staff must evaluate performance of registered apprenticeship programs by conducting Quality Assurance Assessments, performing Equal Employment Opportunity (EEO) Compliance Reviews, and calculating completion rates.

"Completion rate" means the percentage of an apprenticeship cohort who receives a certificate of apprenticeship completion within 1 year of the expected completion date. An apprenticeship cohort is the group of individual apprentices registered to a specific program during a 1 year time frame, except that a cohort does not include the apprentices whose apprenticeship agreement has been cancelled during the probationary period.

The calculation of a program sponsor's completion rates must be completed by occupation, using the process described below. In order to evaluate the results, staff must compare each program sponsor's completion rates for each occupation being evaluated to the prior Fiscal Year's national average completion rate for all occupations.

Programs with occupation completion rates below the national average should receive technical assistance targeted to improve their performance and improve overall program quality.

PROCESS: The following steps must be used to calculate a program sponsor's completion rate for each occupation in its registered apprenticeship program:

1. **Establish the Cohort.** An apprenticeship cohort is the group of individual apprentices registered to a specific program during a 1 year time frame, except that a cohort does not include the apprentices whose apprenticeship agreement has been cancelled during the probationary period.

2. **Calculate the Expected Completion Date (ECD).** Take the ECD from the apprenticeship agreement form at the time of registration and add one full year.

3. **Formulate the Numerator.** Apprentices who have completed their apprenticeship program by that date (ECD plus one full year) are counted in the numerator.

4. **Formulate the Denominator.** The total number of registered apprentices in the cohort with that same ECD plus one year minus the total number of registered apprentices in the cohort who exited the program during the probationary period is the denominator.

5. **Calculate the Completion Rate.** Calculate the completion rate for that cohort of apprentices by dividing the numerator by the denominator.

Completion rate formula is x / (y-z), where:

x = total number of apprentices in the cohort who completed their program requirements on or before one full year after the program's expected completion date (ECD)

y = total number of registered apprentices in the cohort with an ECD for a set period of time (e.g., FY 2009) plus one full year

z = total number of apprentices in the cohort who exited the program, for whatever reason, during the probationary period

Example: an apprentice in a four-year carpenter program would be given five years to complete. If an apprentice completes within that five-year period, the apprentice would be included in the numerator of the completion rate formula. If that person did not complete the apprenticeship program within the five years, the apprentice would be included only in the denominator of the completion rate formula.

Although 29 CFR part 29 does not require staff to calculate retention and cancellation rates, staff should know how these rates are defined.

- **Retention Rate:** The percentage of an apprenticeship cohort that did not complete the program, for whatever reason, during the program's expected completion date plus one year and are still active participants.

- **Cancellation Rate:** The percentage of an apprenticeship cohort that did not complete the program, for whatever reason, and exited after the probationary period.

Example: an apprentice in a four-year carpenter program would be given five years to complete. If that person did not complete the apprenticeship program within the five years and is still an Active Apprentice (i.e., registered, suspended, or re-instated), the apprentice would be included in the numerator of the retention rate formula. If that person instead exited the program for what ever reason after the probationary period, the apprentice would be in the numerator of the cancellation rate formula. The total number of apprentices in the carpenter program that did not cancel during the probationary period would be the denominator for the completion, retention, and cancellation rates. By definition, the three rates sum to 100 percent.

TIME LAG: Because apprenticeships require extensive on-the-job learning (OJL), OA adds one full calendar year to the expected date of "normal" completion to accommodate factors outside the direct control of program management, such as bad weather and poor economic

conditions. To accommodate this time lag, the calculation of the completion, retention, and cancellation rates for a particular Fiscal Year are based on the prior year's expected completers. For example, the FY 2010 rates are calculated based on the number of expected completers in FY 2009. The FY 2009 rates are based on the number of expected completers in FY 2008, thus allowing the additional year for program participants to complete beyond their expected completion date.

PUBLICATION OF COMPLETION RATES FOR FISCAL YEAR 2010:

The FY10 national average for completion rate is 38%

The FY10 national average for cancellation rate is 40%

The FY10 national average for retention rate is 22%

OA is also providing the completion rates for FY05 to FY10 for comparison. As the chart below illustrates, completion rates are below the levels from previous fiscal years. However, the data also indicates that retention rates are up relative to prior years with cancellation rates remaining relatively constant. While additional analysis is necessary, the decline in completion rates over the past two years is likely a result of the economic downturn and the general unavailability of work impacting the ability of apprentices to complete their OJL requirements.

FY 2005 to FY 2010
National Averages of Completion, Cancelation, and Retention Rates
Based on Federal Workload Only

Fiscal Year*	Completion Rate	Cancellation Rate	Retention Rate
2005	52%	40%	8%
2006	50%	38%	12%
2007	50%	37%	13%
2008	50%	36%	14%
2009	43%	40%	17%
2010	**38%**	**40%**	**22%**

Source: Registered Apprenticeship Partners Information Data System (RAPIDS) as of 1/6/11 (Federal Workload)

* = Fiscal Year data is based on the prior year's expected completers

If you have any questions please contact Franchella Kendall, Chief of the Division of Standards and National Industry Promotion (DSNIP), at 202-693-3813 or Greg Wilson, Division of Program Administration and Management Systems (DPAMS), at 202-693-2954.

ACTION: OA and recognized SAA staff should familiarize themselves with this bulletin and all attachments.

NOTE: This bulletin is being sent via electronic mail.