



Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

August 1, 2023

Illinois General Assembly
Illinois State Complex
Springfield, Illinois 62706

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

Dear Honorable Members of the Illinois General Assembly:

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 26, 2023. 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 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. 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.

As of June 30, 2023, there are 655 active projects, with a contract/grant/loan obligation amount of \$10.5 billion, that have Apprenticeship Initiative goals.¹ The following chart identifies which agencies are responsible for those projects:

	Agency	Number of Projects	Specific Contract, Grant, or Loan Obligation Amount
1	IDOT	246	\$ 8,326,694,782.76
2	IEPA	72	\$ 529,298,996.21
3	CDB	133	\$ 907,447,930.20
4	DCEO	180	\$ 464,293,679.12
5	IL ARTS COUNCIL	13	\$ 26,500,000.00
6	IDNR	4	\$ 24,400,000.00
7	SOS	5	\$ 21,529,207.97
8	ISBE	2	\$ 5,543,900.00
	TOTAL	655	\$ 10,305,708,496.26

2. Preapprenticeship Program

The Preapprenticeship Program is designed to create a network of community-based organizations throughout the State that 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, diverse pipeline of workers who are prepared for careers in the construction and building trades. Upon completing the program, graduates will be skilled and work-ready to enter apprenticeship programs registered by the U.S. Department of Labor (“USDOL”).

On August 28, 2022, DCEO released the second Notice of Funding Opportunity (“NOFO”) for the program. To attract a wide range of applicants, DCEO performed significant outreach to minority and women-owned construction business associations, community colleges, community-based organizations, labor organizations, and the community at-large. The purpose of this outreach was to inform diverse stakeholders of the components and goals of the Preapprenticeship Program,

¹ These numbers include only projects that were reported and are active (those that are still in execution) to the Office of Illinois Works up to the publishing of this report.

to begin forming partnerships to expand the Preapprenticeship Program's reach throughout the state, and to receive input that could strengthen the Program.

As a result of the NOFO, DCEO issued grants to 11 new organizations. DCEO also renewed the grants for several existing organizations, bringing the total number of grantees to 29. These organizations are located throughout the State and provide coverage to all geographic areas, except one (Southern Economic Development Region), with large concentrations of underserved populations (women, minorities, and veterans) and where significant numbers of capital projects are being funded by state agencies. From January 1, 2023, to December 31, 2023, DCEO estimates that these organizations will enroll and train a total of 1,300 residents. After six months of operations of the 2023 program year, these organizations enrolled 858 residents and have already started to graduate and transition their program participants into USDOL-registered apprenticeship programs.

The following chart breaks down the participants in the Preapprenticeship Program by race/ethnicity, gender, veteran status, and criminal background:

Race & Ethnicity										
	Applicant		Enrolled		Complete		Total Primary Transition		Secondary Transition	
	#	%	#	%	#	%	#	%	#	%
American Indian or Alaskan Native	25	2%	19	1%	12	2%	2	0.5%	2	4%
Asian	15	1%	13	1%	6	1%	3	0.7%	2	4%
Black/African American	1012	62%	797	60%	339	56%	221	52.2%	29	53%
Hawaiian or Pacific Islander	2	0%	1	0%	1	0%	1	0.2%	0	0%
Hispanic	272	17%	245	18%	81	13%	57	13.5%	6	11%
White	296	18%	240	18%	163	27%	134	31.7%	15	27%
Prefer not to answer	18	1%	16	1%	7	1%	5	1.2%	1	2%
Total	1640	100%	1331	100%	609	100%	423	100%	55	100%

Gender										
	Applicant		Enrolled		Complete		Total Primary Transition		Secondary Transition	
	#	%	#	%	#	%	#	%	#	%
Female	360	22%	292	22%	130	21%	84	20%	12	22%
Male	1276	78%	1036	78%	479	79%	339	80%	43	78%
Non-Binary	0	0%	0	0%	0	0%	0	0%	0	0%

Prefer not to answer	4	0%	3	0%	0	0%	0	0%	0	0%
Total	1640	100%	1331	100%	609	100%	423	100%	55	100%

Veteran Status

	Applicant		Enrolled		Complete		Total Primary Transition		Secondary Transition	
	#	%	#	%	#	%	#	%	#	%
Veteran	28	2%	16	1%	5	1%	1	0%	1	2%
Active Military	4	0%	3	0%	1	0%	0	0%	1	2%
None	1608	98%	1312	99%	603	99%	422	100%	53	96%
Total	1640	100%	1331	100%	609	100%	423	100%	55	100%

Criminal Background

	Applicant		Enrolled		Complete		Total Primary Transition		Secondary Transition	
	#	%	#	%	#	%	#	%	#	%
Criminal Background	473	29%	348	26%	149	24%	92	22%	11	20%
None	1167	71%	983	74%	460	76%	331	78%	44	80%
Total	1640	100%	1331	100%	609	100%	423	100%	55	100%

For FY24, DCEO secured an additional \$25 million for programming. DCEO released a third NOFO on July 14, 2023. The focus of this NOFO is to extend program coverage to geographic areas not presently covered by the 29 existing programs, and to increase services to underrepresented groups in need of better representation. DCEO's goal is to increase capacity to 1,800 enrollees and from 40 to 45 grantees for the program year starting in January 2024. DCEO will again provide intensive and focused outreach to potential applicants as well as technical assistance.

Legislative Updates

Two of the recommendations to improve the programs from the Review Panel's 2022 Annual Report included: 1) requiring that a significant portion of the apprentices be graduates from the Preapprenticeship Program in order to comply with the Apprenticeship Initiative; and 2) amending the Act to include a penalty provision for contractors who fail to comply with the Apprenticeship Initiative.

Based on these recommendations, DCEO worked with the Governor's Office and the General Assembly to pass [House Bill 2300](#). This bill amended the Act to require that at least half the labor hours for each prevailing wage classification be performed by graduates of certain preapprenticeship programs, including the Illinois Works Preapprenticeship Program, in order to satisfy the 10% apprenticeship goal. The bill also added an accountability provision that

administrating agencies *may* utilize for instances of noncompliance with the Apprenticeship Initiative. This bill awaits Governor Pritzker's signature.

Potential Program Improvements

As pointed out in the 2022 Annual Report, the Preapprenticeship Program is designed to transition graduates into USDOL-registered apprenticeship programs, which will ultimately result in careers in the construction industry and building trades. If apprenticeship programs do not accept the graduates, or only accept a limited amount, then the goals of the Act will be severely hindered. Several panel members pointed out that this is not an unlikely scenario, particularly for union-run apprenticeship programs, given that their admission criteria for these programs can be difficult to determine and they may only accept apprentices at limited times on a limited basis.

The recent amendment to the Act may help with this issue. Contractors may ask USDOL-registered apprenticeship programs for apprentices who graduated from the Preapprenticeship Program in order to satisfy the apprenticeship goal. Those programs may, in turn, contact DCEO for available graduates to enroll.

DCEO should continue to work with USDOL-registered apprenticeship programs to accept graduates of the Preapprenticeship Program. DCEO should focus on improving communication and coordination with labor unions to reduce waiting periods and streamline the transition from preapprenticeship programs to registered apprenticeships. This includes establishing clear timelines, providing guidance on application procedures, and facilitating connections between trainees and potential employers.

Additionally, DCEO should work with its grantees to improve the delivery of wraparound services (such as transportation support and childcare services, among others) to participants in the Preapprenticeship Program. DCEO should provide more oversight to ensure that grantees provide the necessary wraparound services to participants. This may include providing additional training and resources to grantee case managers to assess and address participants' needs effectively. This includes equipping them with the necessary tools to provide comprehensive support, such as financial literacy, goal setting, and long-term planning.

The Review Panel believes 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 FY24 during the quarterly meetings.

Respectfully Submitted,

Norman Ruano

DCEO Review Panel Designee