Department of Labor

Oversight of Registered Apprenticeship Programs

Report 2023-S-33 | July 2025

OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability

Audit Highlights

Objective

To determine whether the Department of Labor (DOL) is providing adequate oversight of registered apprenticeship programs (Programs). The audit covered Programs active during the period April 2019 through August 2024. We also considered DOL activities related to those Programs through March 2025.

About the Program

DOL's mission is to provide outstanding services to its customers—the workers and businesses in New York State. As part of fulfilling its mission, DOL oversees registered apprenticeship programs (Programs), which are formal training relationships between an employer and employee (apprentice) during which the apprentice learns a trade. Each Program requires 1 or more years of on-the-job training and hands-on work experience supplemented by related instruction (off-the-job, classroom-type training) that leads to professional, independent, and skilled workers.

Programs are generally offered at no cost to the apprentice by an employer, a group of employers, or a Joint Apprenticeship Committee that represents both employers and a union. Entities that offer Programs are referred to as Sponsors. Sponsors may also work with and execute a written agreement with another party or parties, such as an individual, an employer, or an association—referred to as Signatories or Signatory Employers. All newly approved Programs must undergo a DOL-required 2-year probationary period. A Sponsor may have more than one Program, but each Program must focus on a single skilled trade and be approved by DOL.

According to regulations issued by DOL (Regulations), all applications will be reviewed to determine the applicant's compliance with State and federal laws and regulations; provision for equal opportunity in employment; and ability to employ, train, and instruct apprentices. In addition, during the application process, DOL will conduct a review of the applicant's history of liens and judgments to determine if it has shown the fiscal responsibility necessary to continue the Program through to graduation (collectively referred to as the due diligence review).

The Program approach may be based on a set period of time (time-based; e.g., a 3-year apprenticeship), the completion of specific competencies (competency-based), or a combination of the two (hybrid). An apprentice/journeyworker ratio is established for each trade to ensure the appropriate safety, training, and supervision of apprentices.

DOL's Apprenticeship Training Manual (Manual), last revised in 2018, describes procedures for Program oversight, including those that address Program development, registration, promotion, and monitoring. In September 2023, DOL issued Technical Advisory #23-01 (Advisory) to Sponsors that addressed monitoring. For the purposes of this report, we refer to the Manual and the Advisory, collectively, as Guidance.

DOL maintains a series of databases that house information on Sponsors, Programs, apprentices, and Signatories (database). Programs are monitored by DOL Apprenticeship Training Representatives (ATRs), whose monitoring includes visits to Sponsors. During monitoring visits, ATRs must complete a Monitoring Report that summarizes each visit and includes questions about topics such as paying appropriate wages, Sponsor recruitment efforts, and ways apprentices are evaluated. ATRs must answer all questions thoroughly and—where indicated—explain how they verified information.

Programs that aren't operated according to applicable laws or Regulations and fail to take corrective action within a reasonable period of time may be deregistered. Under the Regulations, active Programs can go for 1 year without an apprentice; after 1 year, they can either enroll an apprentice or request to go inactive. Sponsors may also voluntarily deregister existing Programs that they no longer are able or wish to conduct.

Additionally, certain approved employers are eligible for the Empire State Apprenticeship Tax Credit (ESATC) program, which provides refundable tax credits against New York State income or franchise tax to eligible employers who register qualified apprentices with an approved Program.

According to the database, as of August 31, 2024, there were 584 Sponsors with 905 Programs representing 163 different trades.

Key Findings

We identified several areas that DOL should address to better oversee registered apprenticeship Programs. Specifically:

- DOL's time to approve some Program applications submitted during the audit period was excessive, ranging from 1 year to more than 3 years; some applications were still pending approval more than 3 years after their submission date. Delays in the application approval process may postpone the availability of apprenticeship opportunities for potential job seekers and discourage potential Sponsors' interest in pursuing developing Programs.
- For some approved applications, DOL couldn't provide documentation that the required due diligence review was done; for others, where the due diligence review identified issues, DOL couldn't provide sufficient evidence to support that the issues were resolved.
- DOL issued ESATC certificates to some Signatories that may not have been eligible for them.
- ATRs don't conduct monitoring visits as frequently as called for in the Guidance, both for Programs on probation and those that passed probation. For example, 32 of the 196 Programs that were on probation as of August 31, 2024 hadn't been visited at all.
- We also found database weaknesses that hinder DOL's effective oversight of Programs:
  - DOL doesn't maintain information in its database that would allow ATRs to track resolution of problems; and in some cases, existing fields that would provide some of this information weren't completed.
  - The database lacks many fields that would provide DOL with insight into Program performance, successes, and areas to address. Furthermore, some of the existing fields contained incorrect information or were left blank.
  - While DOL captures the type of Program deregistration (e.g., failed probation, closed Program) in its database, it doesn't capture the reason for termination. Having this information would enable DOL to better understand and identify potential problem areas.
- DOL doesn't adequately track and monitor Program completion rates and most classes of apprentices don't finish their Program timely, with some apprentices remaining in their Program for significantly longer than expected.

Key Recommendations

- Reduce the time to approve apprenticeship Program applications.
- Incorporate regular communication about new trades and the ESATC program into ATR monitoring practices and document relevant results to inform decision-making.
- Improve practices for conducting monitoring visits and completing Monitoring Reports.
- Enhance practices to improve apprenticeship data collection and reliability, which could include collecting estimated completion dates and reasons for deregistration and improving the accuracy of apprentice status data (e.g., active, exited).
- Develop and implement a mechanism to identify Programs with low completion rates.

Office of the New York State Comptroller
Division of State Government Accountability

July 31, 2025

Roberta Reardon
Commissioner
Department of Labor
W.A. Harriman Campus, Building 12
Albany, NY 12240

Dear Commissioner Reardon:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Oversight of Registered Apprenticeship Programs*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
DOL	Department of Labor	*Auditee*
Advisory	DOL Technical Advisory #23-01	*Key Term*
Apprentice	A person who is paid while learning a skilled trade through on-the-job training and related instruction	*Key Term*
ATR	Apprenticeship Training Representative	*Key Term*
CAP	Corrective Action Plan	*Key Term*
Cohort	Class of apprentices	*Key Term*
Council	State Apprenticeship and Training Council	*Key Term*
ESATC	Empire State Apprenticeship Tax Credit	*Key Term*
Guidance	DOL's Manual and Advisory, collectively	*Key Term*
Law	New York State Labor Law	*Law*
Manual	DOL's Apprenticeship Training Manual	*Key Term*
OSHA	Occupational Safety and Health Administration within the U.S. Department of Labor	*Federal Agency*
Program	Registered apprenticeship program	*Key Term*
Regulations	New York Codes, Rules and Regulations, as issued by DOL	*Regulations*
Signatory	A party that executes a written agreement with a Program Sponsor	*Key Term*
Sponsor	An employer, association, committee, or organization that operates a registered apprenticeship program	*Key Term*
UI	Unemployment insurance	*Key Term*
U.S. DOL	U.S. Department of Labor	*Federal Agency*

Background

The Department of Labor's (DOL) mission is to provide outstanding services to its customers—the workers and businesses in New York State. DOL assists New Yorkers by connecting them to employment, training, and upskilling opportunities to aid them in finding a career. It also supports businesses by helping them find qualified workers and informing them about tools and incentives to make their businesses thrive. As part of fulfilling its mission, DOL, through its Division of Workforce Development, oversees registered apprenticeship programs (Programs), which are formal training relationships between an employer and employee (apprentice) during which the apprentice learns a trade. Each Program requires 1 or more years of on-the-job training and hands-on work experience supplemented by related instruction (off-the-job, classroom-type training) that leads to professional, independent, and skilled workers.

Under Article 23 of the New York State Labor Law (Law), DOL has primary responsibility for administering, approving, promoting, and monitoring Programs that operate in the State and must cooperate with other agencies, such as the State Education Department, which is responsible for approving required Program-related instruction coursework. The Law provided for the formation of a State Apprenticeship and Training Council (Council), which is composed of representatives from employer and employee organizations and from the general public. The Council's duties include advising the DOL Commissioner on apprenticeship matters and maintaining a close relationship with governmental and non-governmental agencies that are concerned with skilled workforce development and problems. The Council may also recommend suggested standards for apprenticeship agreements.

Programs are generally offered at no cost to the apprentice by an employer, a group of employers, or a Joint Apprenticeship Committee that represents both employers and a union. Entities that offer Programs are referred to as Sponsors. Sponsors may also work with and execute a written agreement with another party or parties, such as an individual, employer, or association—referred to as Signatories or Signatory Employers. For example, Buffalo Security & Fire Co. is a Signatory that employs apprentices from the Electrician Program, which is sponsored by the Niagara County Electricians Union. Sponsors are responsible for Program administration and training the apprentices, which could include on-the-job training by an approved Signatory. All newly approved Programs must undergo a DOL-required 2-year probationary period, which begins on the date the Program is approved or the start date of its first apprentice, whichever is later.

The Program approach may be based on a set period (time-based; e.g., a 3-year apprenticeship), the completion of specific competencies (competency-based), or a combination of the two (hybrid). A Sponsor may have more than one Program, but each Program must focus on a single skilled trade and be approved by DOL. Single trades are also part of larger occupational groups. For example, the Electrician trade falls under the Construction and Allied Trades occupational group. Regulations issued by DOL (Regulations) require that each Program be conducted under an organized, written plan that includes the terms and conditions of employment, training, and supervision that apply to its apprentice(s). The plan must incorporate the numeric ratio of apprentices to journeyworkers for the Program, as determined

by DOL and posted on DOL's website. The ratio establishes the number of journeyworkers required for each apprentice in a Program and on a job site. For example, a 1:1, 1:4 ratio indicates that there must be one journeyworker for the first apprentice and four additional journeyworkers for each subsequent apprentice.

To become a registered apprentice, candidates must meet the Sponsor's minimum qualifications. Most Sponsors require a high school diploma or its equivalent. Other qualifications might be prior experience or physical requirements, such as being able to lift 40 pounds. The process for applying varies among Sponsors. For example, one Sponsor's process for applying to its Carpenter Program requires the prospective apprentice to attend an in-person information session and pass a substance abuse screening. Another Sponsor's process for its Plumbers & Steamfitters Program is done in person and requires applicants to have a valid driver's license and to pass a mechanical comprehension test. In general, once a candidate becomes a registered apprentice, they are considered either part of the Sponsor's workforce or, for group Program Sponsors, part of a Signatory Employer's workforce and enter into a written contract with the Sponsor acknowledging their shared commitment to the training process. This written contract is approved and registered by DOL.

Individuals intending to become an apprentice may also enroll in a Direct Entry program, which is an apprenticeship preparation program offered at no cost to help them obtain the skills to meet the minimum qualifications of a Program. Participants who complete a Direct Entry program are eligible to interview with a Sponsor, although they're not guaranteed acceptance to the Sponsor's Program. According to DOL public information, Direct Entry is a tool that is often used to help Sponsors reach underrepresented populations. We didn't include DOL's role in Direct Entry programs in the scope of our audit.

DOL maintains a series of 13 databases that house information on Sponsors, Programs, apprentices, and Signatories (hereafter we refer to these databases, collectively, as "database"). Programs are monitored by DOL Apprenticeship Training Representatives (ATRs), which includes ATR visits to Sponsors. During monitoring visits, ATRs must complete a Monitoring Report that summarizes each visit and includes questions about topics such as paying appropriate wages, Sponsor recruitment efforts, and ways apprentices are evaluated. The ATRs must answer all questions thoroughly and, where indicated, explain how they verified information. The ATRs must also verify that all active apprentices are registered and appropriately recorded on the Program roster reports and, if applicable, reasons apprentices are not listed and what's being done to update the reports. Program Sponsors are required to notify DOL within 30 days of each apprentice registration, cancellation, or completion, and for Program modifications or revisions, such as a change in Sponsor address or to apprentice collective bargaining status.

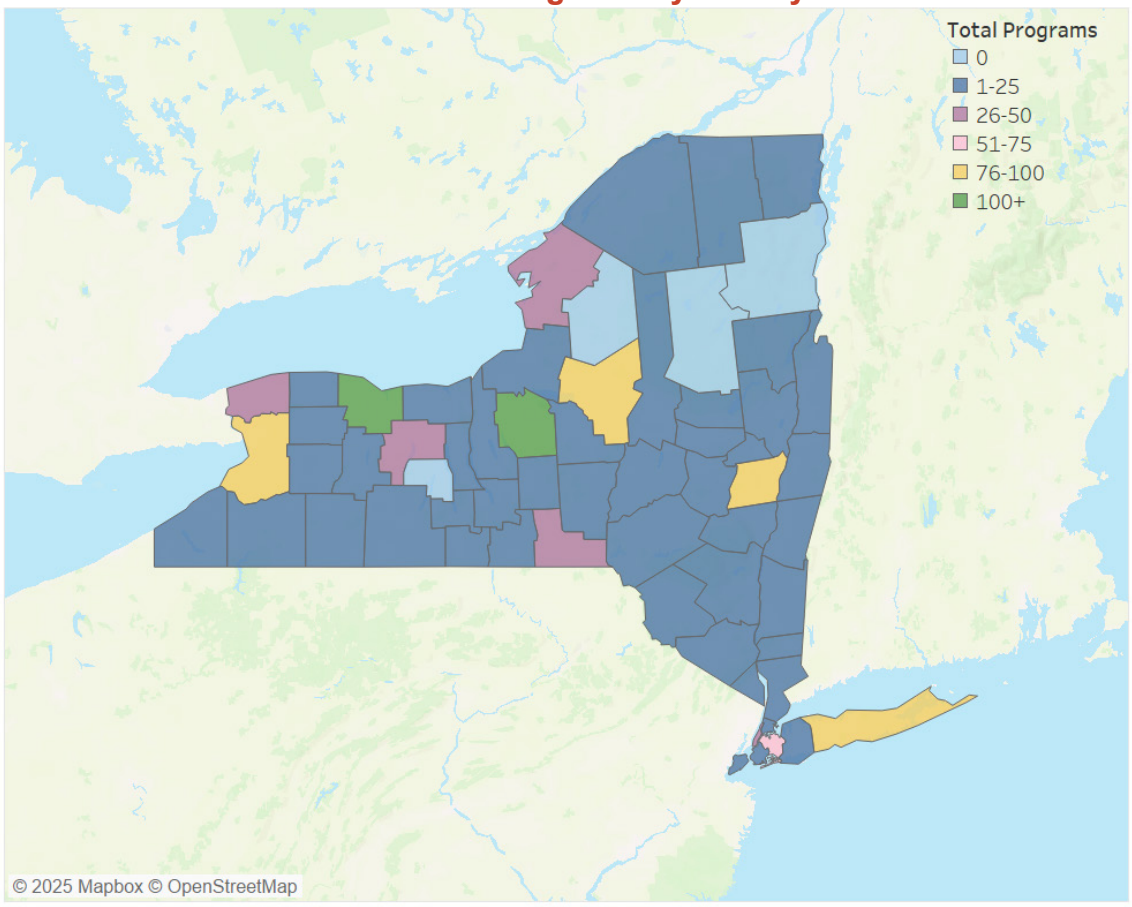
As of August 2024, there were 21 ATRs across five State regions. DOL officials said that ATRs spend about 60% of their time on Program monitoring visits and 40% of their time on other Program activities, such as recertifying Programs and recruitment efforts.

DOL's Apprenticeship Training Manual (Manual), last revised in 2018, describes procedures for Program oversight, including those that address Program development, registration, promotion, and monitoring. In September 2023, DOL issued Technical Advisory #23-01 (Advisory) to Sponsors that addressed monitoring. According to DOL officials, they are moving away from the Manual and toward creating public-facing policy guidance documents for transparency and awareness for Sponsors and staff. For the purposes of this report, we refer to the Manual and the Advisory, collectively, as Guidance.

Programs that aren't conducted, operated, or administered according to applicable laws or Regulations and fail to take corrective action within a reasonable period of time may be deregistered. Under the Regulations, active Programs can go for 1 year without an apprentice; after 1 year, they can either enroll an apprentice or request to go inactive. Sponsors may also voluntarily deregister existing Programs that they no longer are able to or wish to conduct. In the event of deregistration, a Sponsor must provide DOL all documentation that supports the progress of each apprentice for reference if the apprentice seeks transfer or employment in another Program.

According to the database, as of August 31, 2024, there were 584 Sponsors with 905 Programs representing 163 different trades. The five most common trades and number of Programs offering them were Electrician (117), Skilled Construction Craft Laborer (59), Machinist (40), Plant Maintenance-Electrician (31), and Sheet Metal Worker (25). Most Programs were time-based (868, or 96%), while 27 were competency-based and 10 were hybrid. There were 1,265 Programs active at some point during the period April 1, 2019 through August 31, 2024. As shown in the following map, of the State's 62 counties, 58 had at least one active Program and four had none (Essex, Hamilton, Lewis, Yates).

Number of Programs by County



As of August 31, 2024, there were seven counties with no active Program: the four cited above, plus Livingston, Orleans, and Seneca. Table 1 shows the 10 counties with the most Programs during the period. In aggregate, they accounted for 62% of the Programs that were registered during the period.

Table 1 – Ten Counties With the Most Programs
April 1, 2019 Through August 31, 2024

County	Active Non-Probationary Programs	Programs on Probation	Inactive Programs	Deregistered Programs	Total Programs
Monroe	101	18	2	36	**157**
Onondaga	64	15	0	33	**112**
Erie	50	14	1	24	**89**
Albany	59	10	0	18	**87**
Suffolk	56	6	1	17	**80**
Oneida	20	31	1	24	**76**
Queens	50	7	0	15	**72**
Jefferson	21	4	0	16	**41**
Broome	23	2	0	11	**36**
Niagara	17	5	1	11	**34**
Totals	**461**	**112**	**6**	**205**	**784**

During the period April 1, 2019 through August 31, 2024, 39,967 apprentices participated in approved Programs. Of those, 11,326 (28%) completed their Program, 11,403 (29%) exited prior to completion (e.g., quit, were laid off or terminated for cause, or exited due to Program termination), and 17,238 (43%) were active as of August 31, 2024. Table 2 shows the 10 counties with the most apprentices during the period. These counties accounted for about 86% of the total apprentices who were active at some point during the above period.

Table 2 – Ten Counties With the Most Apprentices
April 1, 2019 Through August 31, 2024

County	Number of Active Apprentices as of 8/31/24	Number of Apprentices Who Completed Program 4/1/19–8/31/24	Number of Apprentices Who Exited Program 4/1/19–8/31/24	Total Number of Apprentices During Period 4/1/19–8/31/24
Queens	6,543	4,595	2,818	**13,956**
Monroe	1,521	860	1,742	**4,123**
New York	1,572	835	836	**3,243**
Onondaga	1,312	567	1,278	**3,157**
Albany	1,179	719	1,144	**3,042**
Erie	985	552	654	**2,191**
Suffolk	821	554	667	**2,042**
Orange	439	332	213	**984**
Out of state*	335	416	180	**931**
Westchester	360	208	163	**731**
Totals	**15,067**	**9,638**	**9,695**	**34,400**

*According to DOL, these were two approved group-joint Sponsors with out-of-state addresses and a base operation in New York.

After a 40% drop in new Programs from 2019 to 2020—from 115 to 69, which was likely influenced by the emergence of the COVID-19 pandemic—the number of newly established Programs has ranged from 65 to 75 for calendar years 2021 through 2023 and was at 70 as of August 2024. DOL uses codes for trades that can be broken down into occupational groups that align with industries. Although the highest concentration of the Programs registered as of August 31, 2024 remained in the Construction and Allied Trades group at 485 of the 905 Programs, there have been increases in the number of Programs in Information Technology and Health and Human Services, as shown in the Exhibit at the end of the report.

Current and prospective Sponsors submit an application to DOL to register their proposed Program and must include the Sponsor's agreement to comply with the standards in the Regulations, as well as its certification regarding the accuracy and completeness of all information supplied in the application. DOL received 492 applications from Sponsors or prospective Sponsors seeking Program approval during the period April 1, 2019 through August 31, 2024, including applications for trades outside of the Construction and Allied Trades group. The number of applications per trade ranged from one for Piano Builder (and many other trades) to 36 for Electrician. The four next most common trades were Computer Numerical Control Machinist (18), Direct Support Professional (14), Skilled Construction Craft Laborer (12), and Electro-Mechanical Technician (10).

Audit Findings and Recommendations

We identified several areas that DOL should address to better oversee registered apprenticeship Programs. These areas include improving the timeliness of approving Program applications; improving research and promotion of new Programs; enhancing communication about tax credit benefits for Programs; monitoring Program performance; and determining, capturing, and using data on completion rates and causes of deregistration of Programs. Our audit report includes 10 recommendations that address ways DOL can help make this oversight more effective and provide better value to potential apprentices and Sponsors.

Apprenticeship Program Development

Sponsor Application Process

We found that, in some instances, DOL's time to approve Program applications was excessive, with some applications still pending approval despite having been received more than 3 years prior to our analysis. There were also weaknesses in DOL's reviews of Program applications.

Generally, to become a Sponsor and register a Program, an employer contacts a supervising ATR or their designee (contact information is on DOL's website), who will explain how the process works, visit the employer's place of business, help the employer complete the application packet, and provide any technical assistance necessary, including helping to determine which trade will best suit the employer's needs. Other information employers must submit includes work processes, related instruction availability, the apprentice training Program registration agreement, apprentice agreements, and a non-discrimination plan or apprentice Program affirmative action plan. Sponsors seeking to start a Program with a new trade that hasn't yet been approved must provide information so that DOL can determine whether it meets the apprenticeable trade criteria and, if it does, develop a new trade proposal. A Sponsor may not submit new Program applications during the 2-year probationary period.

The ATR is responsible for reviewing the accuracy of completed apprenticeship agreement forms and forwarding copies to DOL's Central Office to update its computer records accordingly. The Sponsor application process is largely manual and involves hard copy forms that are transferred between the Sponsor and DOL via either postal mail or email. Some forms, such as the apprenticeship agreements, require signatures from the apprentice and an official representative of the Sponsor and must be forwarded to DOL by mail, while others don't require signatures and may be mailed or sent via email. Because the application process doesn't allow for electronic signatures, any form that requires a wet signature must be mailed to DOL. According to DOL officials, the time to approve an apprenticeship Program application can range from 45 days to several months.

According to the Regulations, all applications will be reviewed to determine the applicant's compliance with State and federal laws and regulations; provision for equal opportunity in employment; and ability to employ, train, and instruct

apprentices. In addition, during the application process, DOL will conduct a review of the applicant's history of liens and judgments to determine if it has shown the fiscal responsibility necessary to continue the Program through to graduation (collectively referred to as the due diligence review). The Guidance doesn't address how staff should document any issues identified and whether and how they were resolved prior to approving a Program application.

DOL staff manually enter the information into the apprenticeship database. Sponsor information maintained in the database includes trade and Program effective date and term; apprentice information includes Sponsor code, trade code, apprentice birth date, and date the apprentice started the Program.

According to the database, DOL received 492 new Program applications during the period April 1, 2019 through August 31, 2024, as shown in Table 3.

Table 3 – New Program Applications Received
April 1, 2019 Through August 31, 2024

	Number of Program Applications Received
2019 (partial year)	98
2020	78
2021	96
2022	88
2023	68
2024 (partial year)	64
Total	**492**

DOL approved 417 of the 492 applications, or 85%. The remaining 75 applications were denied, pending approval, or withdrawn, as shown in Table 4. They include 29 applications that were pending approval after having been received more than 12 months prior, of which 23 had been received more than 36 months (3 years) prior.

Table 4 – Status of Program Applications Received
April 1, 2019 Through August 31, 2024

Time to Determine Status	Approved	Denied	Pending Approval	Withdrawn	Total
0–3 months	233	0	3	3	239
> 3 months–6 months	121	0	9	4	134
> 6 months–12 months	31	0	11	5	47
> 12 months–24 months	26	0	6	3	35
> 24 months–36 months	4	0	0	2	6
> 36 months–48 months	1	1	22	3	27
> 48 months–60 months	1	1	1	0	3
> 60 months (5+ years)	0	0	0	1	1
Totals	**417**	**2**	**52**	**21**	**492**

After we brought this information to DOL's attention, 23 of the 29 pending applications cited above were approved during February and March 2025, including 20 of the 22 that had been pending for 36+ to 48 months and three of the six that had been pending for 12+ to 24 months.

Of the 32 Sponsors we visited with registered Programs across the State, representatives from 13 provided insight into their experience with the application process. Eight Sponsors cited things that might improve the process, such as having a portal for submitting documentation, less physical paperwork, quicker DOL response and turnaround times, and the ability to track what documentation has been submitted and what is still outstanding.

We also found weaknesses in DOL's due diligence review of Program applications. Of a sample of 20 applications that DOL received from April 2019 through March 2024, we identified problems with six, as follows:

- For three, DOL was unable to provide documentation to support that a due diligence review was done.
- For two, documentation showed that issues were identified during the approval process, but DOL was unable to provide sufficient documentation to support that they were resolved. For example, for one application, the potential Sponsor had an outstanding unemployment insurance (UI) balance and a public work issue. DOL officials provided support that the UI issue was resolved, but none to support the public work issue was resolved, despite the application being approved.
- For one, the potential Sponsor had an outstanding UI balance and an Occupational Safety and Health Administration (OSHA) violation. DOL officials provided documentation to show resolution of the UI issue, but none to show the OSHA violation was resolved. In response to our observations, DOL officials stated that the application was withdrawn.

Delays in the application approval process may postpone the availability of apprenticeship opportunities for potential job seekers and discourage potential Sponsors' interest in pursuing developing Programs. In response to our findings, DOL officials explained that applications could be delayed for various reasons, such as due diligence issues or the development of a new trade, and that the review process can take between 45 days and several months, including a required 30-day comment period. They added that a newly established Office of Special Initiatives will assist new businesses and emerging industries with understanding the requirements of registered apprenticeship Programs and the application process. DOL officials also said they're prioritizing modernizing their system to include a secure portal where Sponsors will submit Program applications and supporting information, and that the first phase of the modernized system is expected to roll out in spring 2025.

Research and Promotion

DOL promotes apprenticeship Programs through its ATRs' contacts with Program Sponsors and through staff attendance at career fairs and similar events, and

also pursues information about new trades. However, this communication isn't an established part of ATR monitoring visits.

Both the Law and the Guidance address DOL's responsibility to research and promote apprenticeship Programs. Under the Law, DOL has the authority to encourage and promote apprenticeship agreements, and to study and distribute information on apprenticeship training, trends of employment opportunities in various trades, the impact of technological changes on skill levels and requirements, and the supply of and needs for a skilled workforce. The Guidance states that one of the ATRs' responsibilities is to promote new Programs. According to DOL officials, during monitoring visits, ATRs may discuss the possibility of adding new trades to fill workforce needs.

Sponsors who want to propose a new trade must develop a new trade proposal, including a training outline describing the worksite training and related instruction requirements. After a trade is developed, information about the new trade is posted on DOL's website for a 30-day public comment period, and the related instruction requirements are reviewed and approved by SED. The new trade is then presented to the Council for recommendation and to DOL's Commissioner for approval. Once approved, a training outline is available for use by any Sponsor. Despite these responsibilities, the Monitoring Report that ATRs use when they visit Sponsors doesn't include this topic among the areas to cover at these visits.

According to DOL officials, while the addition of new trades and associated trends is driven by prospective Sponsors who ultimately determine the Program trade they sponsor, DOL has made efforts to encourage the expansion of registered apprenticeship Programs in industries outside of the building and construction trades, such as Advanced Manufacturing, Information Technology, Agriculture, Hospitality, and Health Care. From July 2023 through August 2024, DOL staff attended 47 career fairs and 17 roundtable events to promote opportunities to both job seekers and companies. Staff logged their efforts to establish new Programs in new trades such as Baker, Butcher, Dog Groomer, Financial Services Representative, and Fitness Instructor. These efforts included in-person and virtual meetings as well as phone calls with potential Sponsors. DOL's log documentation didn't include whether these efforts led to the registration of a new Program.

Of the 32 Sponsors we visited, 13 commented on the application process, including two who said their ATR had conversations with them that addressed new trades. Though it's unclear whether the other Sponsors we spoke with would have benefited from this discussion, there is currently no established practice for ATRs doing so at monitoring visits, and the Guidance doesn't address whether, how often, or under what circumstances to inquire about new trades at existing Sponsors, nor does the Monitoring Report include a question on potential new trades or Programs. In responding to our observations, DOL officials said that, in general, ATRs talk to Sponsors about potential new Programs when it makes sense to do so, and that Programs on probation can't apply for a new Program until they finish probation. They also said that they plan to incorporate a question on the Monitoring Report that addresses potential new apprenticeship job titles.

Empire State Apprenticeship Tax Credit

We found that DOL issued Empire State Apprenticeship Tax Credit (ESATC) program certificates to some Signatories without having verified their eligibility; and it lacks a unique identifier for Signatories in its database, making potential analysis more difficult. In addition, DOL lacks an established practice of communicating information about the ESATC with Sponsors.

The ESATC provides refundable tax credits against New York State income or franchise tax to eligible employers with an approved Program that register qualified apprentices. The program, which first became available for apprentices registered on or after January 1, 2018, focuses on in-demand occupations and generally excludes construction trades unless the related Programs meet certain criteria. The tax credit can be used for up to 5 years of the apprenticeship, with increasing amounts for each year the apprentice is in the related Program, from $2,000 for each apprentice for the first year of apprenticeship to $6,000 for each apprentice in the fifth year. Additional credit amounts apply for disadvantaged youth apprentices and for those who are counseled by a mentor for the full year. Under the Law's provisions, DOL must promote, publish, and disseminate information concerning the ESATC and other available funding, particularly targeting industries and fields of business not currently taking advantage of apprenticeships.

An employer is eligible to apply for the ESATC, which is done using an online application, if it's either a Sponsor or an approved Signatory of an active or probationary Program. Qualified apprentices must be registered in an eligible Program and employed full time (a minimum of 35 hours per week) for at least 6 months during the relevant calendar year. After reviewing a qualified employer's completed application and determining that it's eligible, DOL issues a preliminary certificate of eligibility that establishes the employer as a participating employer and states the maximum amount of the credit for which the applicant may be eligible. To receive a final certificate of tax credit, the participating employer must submit a final report to DOL demonstrating that it has satisfied all eligibility requirements. DOL is granted access under the Law to any and all books and records needed to monitor ESATC eligibility.

Of the 1,265 registered Programs during the period April 1, 2019 through August 31, 2024, 514 (41%), representing 292 Sponsors, were potentially eligible for the ESATC. For the calendar and tax years 2019 through 2023, DOL issued 491 ESATC certificates to 163 Sponsors or Signatories for 258 Programs, representing 1,145 apprentices in 56 trades and totaling $4.53 million in potential tax credits. The number of certificates and potential value of the tax credits ranged from 85 certificates totaling $692,000 for 2021 to 111 totaling $1.22 million for 2023.

DOL officials stated that before issuing a final ESATC certificate, they verify that Sponsors and Signatories are in their database, along with the start date(s) of the apprentices claimed, to determine if they've been enrolled for 6 months. Yet, we found that DOL issued tax certificates to two Signatory Employers that weren't listed in the database and whose eligibility they didn't verify in line with their stated

practices. These certificates totaled $10,000 in potential tax credits. In responding to our observations, DOL officials acknowledged this was an error and that the database has since been corrected to include these two Signatory Employers.

In addition, although DOL assigns a unique code to each Sponsor, which is a required field on the online tax credit application and is entered in the database, it doesn't assign codes to Signatories, nor does the application or the database have a field for the Signatory's Federal Employer Identification Number or any unique identifier other than its name and address. Lack of a unique identifier for Signatories makes potential analysis of ESATC use more difficult and, when we analyzed the data, resulted in many fields with similarly named or spelled Signatories that represented a single Signatory.

Of the 32 Sponsors we visited, the trades for 18 were non-Construction and Allied Trades, making the Sponsors potentially eligible for ESATC participation. Of the 18 Sponsors, 11 said that they didn't apply for the ESATC at any point from 2019 to September 2024 and seven said that they had. It's unclear whether those that didn't apply were unaware of the program or were aware and chose not to participate. The remaining 14 Sponsors, whose trades were among the Construction and Allied Trades, said they didn't apply for the ESATC. Of the 25 Sponsors that didn't apply for the ESATC (11 Sponsors that didn't apply and 14 whose trades were among the Construction and Allied Trades), 18 said that they didn't receive any information about the program from their respective ATR.

In response to our observations, DOL officials said they post ESATC information online, including a fact sheet and Frequently Asked Questions, and send annual emails to potential Sponsors with information about the tax credit enrollment process, along with additional reminders. Despite its responsibility to promote the tax credit program, however, DOL doesn't have an established practice of communicating or promoting information about the ESATC with Sponsors during monitoring visits, when this may be most effective.

Recommendations

1. Reduce the time to approve apprenticeship Program applications.
2. Develop and communicate guidance that addresses how to document resolution of—or inability to resolve—issues that arise in due diligence reviews.
3. Implement a method to:
    - Improve assurance that Sponsors and Signatories that apply for the ESATC are eligible to do so; and
    - Identify unique ESATC Signatories in the database.
4. Incorporate regular communication about new trades and the ESATC program into ATR monitoring practices and document relevant results to inform decision-making.

Monitoring Visits and Reports

Under the Regulations, DOL will periodically monitor every registered apprenticeship Program for the quality of its performance in providing apprenticeship training. Monitoring visits occur both during probation and after the Program is established. We found that DOL doesn't perform monitoring visits as frequently as called for in its Guidance, both for Programs on probation and those that have passed probation, and that the scant information in its database limited the ability to determine if end-of-probation visits occurred. The objectives of these visits are to ensure that apprentices are receiving the training necessary to attain journeyworker skills and status in their occupation, that the Program is being conducted in accordance with approved operating standards, and that the welfare of apprentices is safeguarded. As a result, Sponsors have operated Programs for extended periods without adequate DOL oversight and potentially without technical assistance, and unaddressed issues may negatively impact the number and quality of Programs available to apprentices. In addition, key information was missing from Monitoring Reports.

Probationary Programs

For Programs on probation, the Guidance states that ATRs will visit within the first 6 months of Program approval to provide technical assistance as needed and visit twice per year. The final probationary visit should be done about 90 days before the 2-year probation ends, after which the ATR recommends that the Program passes or fails probation or that probation be extended.

According to its database, 196 of the 905 registered Programs were on probation as of August 31, 2024, including 32 (16%) that had not been visited at all, despite having become effective from July 2020 to February 2024—more than 6 months to as many as 4 years prior to that date. Depending on the start date, each Program should have had from two to nine visits during the period April 1, 2019–August 31, 2024, depending on probationary status. Also, for one non-probationary Program with an effective date of February 2020 and registered as of August 31, 2024, the database indicated that it passed probation without ever having a monitoring visit during probation or since probation ended.

Of the other 164 probationary Programs, 48 had effective dates within the 6 months prior to August 31, 2024 and were within the allowed time for the ATR's first visit. For the remaining 116, ATRs hadn't visited 31 for periods ranging from 1 to more than 3 years. This included one that ATRs hadn't visited in more than 3 years, 20 without a visit in 2 to 3 years, and 10 with no visit in 1 to 2 years.

Between April and September 2024, we visited a sample of 32 Sponsors and reviewed Monitoring Reports for the period April 1, 2019 to August 31, 2024. Of the 32 Programs, 14 were on probation at some point during the period April 1, 2019 to the time of our visit, including nine that began probation after April 1, 2019. We found that ATRs visited two of the nine Programs within the first 6 months. For the remaining seven, the first visit was more than 6 months to 1 year after probation began for four, more than 1 year for two, and more than 2 years for one.

Lastly, we couldn't determine whether ATRs did the final visit about 90 days before the end of probation, as the Guidance indicates, because of limitations in what's captured in the database. Because DOL captures only the dates of the two most recent monitoring visits and may not have captured the end-of-probation visit, we couldn't determine if these were done as required for the Programs on probation whose data we analyzed. In response to our observations, DOL officials said that staff weren't able to regularly monitor some probationary Programs due to the extenuating circumstances that surrounded the pandemic and that, as a result, 74 Programs passed probation "by default." They also said that ATRs are always available for technical assistance, including during periods outside of the monitoring process.

Non-Probationary Programs

For Programs that pass probation and are in good standing, the Guidance calls for ATRs to conduct monitoring visits once per year—and twice per year for those that have an active Corrective Action Plan (CAP). Prior to September 2023, the policy was that ATRs visit all Programs twice per year. Visits may alternate between in-person and virtual at the discretion of the ATR.

According to its database, as of August 31, 2024, 695 of the 905 registered Programs had passed probation and were active. Of the 695, 352 Programs weren't visited on schedule, including four with no visit in more than 3 years, 142 with no visit for a 2- to 3-year period, and 205 with no visit for between 1 and 2 years.

Of the 32 Sponsors we visited, 18 weren't on probation during the period and all said that their ATRs made at least one monitoring visit per year since April 1, 2019. Yet, when we reviewed the Monitoring Reports for these Sponsors for the period April 1, 2019 to August 31, 2024, we found that both prior to September 2023 (when visits were twice per year) and after September 2023 (when visits were reduced to once per year), ATRs visited most of the 32 Programs either once each calendar year or not at all, with the exception of 2019.[1] In 2020, the number of Sponsors that ATRs didn't visit was the highest, with 17 not visited. In 2022, ATRs didn't visit seven Sponsors at all, and conducted only one of the two required visits for 19. In 2023, the last full year of data we reviewed, ATRs didn't visit eight Sponsors.

We note the likely impact of the pandemic on aspects of oversight of both probationary and non-probationary Programs. DOL officials acknowledged that during the pandemic, they redirected ATRs from their apprenticeship monitoring duties to assist with processing UI claims, and that all travel and in-person visits were prohibited. The result, however, is that many Sponsors have operated Programs for extended periods without adequate DOL oversight and potentially without technical assistance.

1 Calendar year 2019 includes visits from 4/1/2019–12/31/2019 only; 2024 includes visits from 1/1/2024–8/31/2024 only.

Monitoring Reports

In some instances, we found ATRs did not adequately complete Monitoring Reports. For seven of the 32 reports we reviewed, there was no supporting information about how the ATR verified apprentice-to-journeyworker ratios, and answers to other questions suggested that the ratio for at least one Program may not have been in compliance. Specifically, the ATR answered a question concerning the accuracy of the number of apprentices on the Program roster report at that time—which is needed to assess the ratio—by stating that the report wasn't up to date and the number of apprentices was off by more than 300. The ATR noted on the Monitoring Report that they were working with the Sponsor to reconcile the number of apprentices on the roster.

Recommendation

5. Improve practices for conducting monitoring visits and completing Monitoring Reports, which may include, but not be limited to:
    - Adhering to the established frequency for monitoring visits for both probationary and non-probationary programs;
    - Capturing additional information on monitoring visits, including the final probationary visit date; and
    - Obtaining and recording support for Monitoring Report questions as necessary, especially support used to verify apprentice-to-journeyworker ratios.

Program Improvements

DOL doesn't maintain information in its database that would allow ATRs to track resolution of problems; and in some cases, existing fields that would provide some of this information aren't completed.

According to DOL Guidance, a finding identifies an area where a Sponsor is out of compliance with the Law, Regulations, or DOL policy directives, whereas an observation is an area where changes are recommended to improve Program quality, service, effectiveness, or results, which, if left unresolved, could lead to a finding and require corrective action. The Guidance states that observations will be reviewed for inconsistencies, patterns, and/or trends. If a problem is identified during a visit, the ATR should document it on the Monitoring Report and issue a "findings and observation" letter, sent via certified mail to the Sponsor within 30 days of the visit. The Sponsor must then complete a CAP, which can cover more than one finding, within 30 days of the date of the letter. The Guidance states that DOL will follow up on late or unsubmitted CAPs with a letter. Failure of the Sponsor to submit a CAP or address the relevant concerns will result in the Program being recommended for deregistration.

There are many reasons a CAP might be required, such as a Sponsor's failure to ensure that apprentices attend related instruction classes, to pay agreed-upon

wages and benefits, or to provide a safe work environment. A CAP might also be required if a Sponsor doesn't maintain accurate, accessible records and/or doesn't provide them upon request. The ATR may provide technical assistance to help the Sponsor develop the CAP, and after it's approved, the ATR monitors its progress and records the results on subsequent Monitoring Reports. DOL retains only the information for the three most recent CAPs in its database, and includes information about just one finding per CAP, even if the CAP covers more than one finding.

According to the database, from April 1, 2019 to August 31, 2024, DOL issued 112 findings to Sponsors of 87 Programs that required them to submit a CAP. (The number of findings actually issued could be greater, based on the limitation of one finding per CAP described above). We identified an additional finding issued to a Sponsor dated May 2020 that was not reflected in the database and for which no CAP was submitted, for a total of 113 findings to 72 Sponsors of 88 Programs. The three most common reasons cited for the findings were:

- No Program completions in the previous 5 years – 32 of 113 (28%)
- Sponsor not paying apprentices appropriate wages – 29 of 113 (26%)
- Apprentices not attending required instruction – 18 of 113 (16%)

For 46 of the 113 findings (41%), either the CAP wasn't due at the time of our testing (three) or DOL had received it within 30 days, as required (43). Of the remaining 67 findings, one was rectified, according to a February 2022 Monitoring Report (although there was no record of a CAP); for 35, DOL received CAPs after the due date; and for 31, DOL hadn't yet received a CAP, including five that had been outstanding for more than 3 to more than 5 years as of August 31, 2024.

Of the 113 findings, 14 were issued to eight of the 32 Sponsors in our sample. As of March 2025, DOL had approved CAPs for 10 of the 14 findings; for three, DOL was unable to provide support for whether a CAP was submitted or approved or if the identified issues were resolved, and for one, DOL provided support that the finding was rectified but none to show dates that the CAP was submitted or approved —these fields are not in the database. Of the 10 CAPs, six were submitted timely and four were submitted more than 1 month to more than 6 months after the letter was issued. According to documentation DOL provided, as of mid-March 2025, seven of the 10 findings were resolved, including two that were resolved after more than 1 year, and three weren't yet resolved. To determine when the CAPs were submitted by the eight Sponsors, we had to use the database as well as Program hard copy and electronic files; however, the information in these sources didn't agree. For example, for two of the three findings that weren't yet resolved, the database had the CAP type (e.g., probation or recurring monitoring visit), reason, and due date, but not the date the CAP was received or approved, whereas all of that information was in Program files.

In addition to the database lacking fields to capture the dates a CAP is submitted and approved, and retaining just the three most recent Program findings, there are no fields for the following key dates:

- Date the “findings and observation” letter is sent
- Date of follow-up letter for late or unsubmitted CAPs, if applicable
- Date of CAP rejection letter
- Date the finding(s) was resolved

DOL also doesn’t have a field for information about observations, which impedes its ability to monitor patterns and trends, as the Guidance calls for. Of the 32 Sponsors in our sample, ATRs issued 14 observations to seven, none of which were reflected in the apprenticeship database.

Without relevant data, DOL lacks the ability to effectively identify trends, problem areas, and areas of success, diminishing the effectiveness and value of its oversight.

Recommendation

6. Improve methods of capturing relevant information about findings and observations, including reason, timeliness, status, and resolution of CAPs, to facilitate analysis, and follow up with Programs as needed.

Completions and Deregistrations

Completion Rates

Although DOL tracks changes, such as completions, by Program, it doesn’t evaluate Program completion rates overall, or by trade or region, making it less equipped to evaluate how effective Programs are at supporting apprentices and Sponsors to develop a skilled workforce and a pipeline of qualified workers. We found that most cohorts (classes of apprentices) don’t finish their Program timely, including some instances in which apprentices remained in their Program for significantly longer than expected based on the length of the relevant Program. In addition, DOL’s current practices for addressing completion rates and issuing related findings aren’t aligned well enough with the duration of most Programs to add value to its oversight.

The term of apprenticeship is determined by the length of the Program, which is equal to the sum total of hours for all component parts of the working skills of each apprenticeable trade and can range from 1 to 5 or 6 years. According to DOL officials, the estimated completion date for a Program accounts for the term of apprenticeship plus 1 additional year, which allows apprentices to complete the Program and also considers time for unforeseen occurrences such as seasonality or economic conditions. As a result, the apprenticeship term may be as long as 7 years. An apprentice with documented completion of both the worksite requirements and related instruction will be considered a journeyworker. DOL officials said that if it appears apprentices aren’t on track to complete the Program timely, the ATR will address the issue with the Sponsor and work to resolve it. However, DOL doesn’t capture estimated Program completion dates in either its database or its Monitoring Reports, nor does it track completion rates in either.

Each Sponsor is required to notify DOL of apprentice registrations, cancellations, and completions within 30 days. In addition, the Regulations state that DOL will periodically monitor every registered Program for the quality of its performance in providing apprenticeship training, including, for the purposes of federal reporting, completion rates, which will be calculated annually by cohort.

During monitoring visits, ATRs evaluate completions by asking the Sponsor questions such as:

- How many completions has the Program had since the last monitoring visit?
- When was the last completion?
- What obstacles has the Program faced regarding completions?
- If there have not been any completions, why not?

According to DOL officials, the national average for completion rates has not been officially updated by the U.S. Department of Labor (U.S. DOL) since the federal fiscal year ending September 30, 2014, when the national average for completion rates was 46%. Based on our analysis of information in the database, 72% of the new Program cohorts[2] that started during the period April 1, 2019 to December 31, 2022 (297 of 413 cohorts) had completion rates of 50% or less, and about 48% of the apprentices in these cohorts (1,895 of 3,949) completed their Program by the estimated completion date.[3] About 52% of the apprentices—2,054—exited the Program, completed after the expected completion date, or were still active in their respective Program.

Furthermore, 44% of new Program cohorts had no completions within their expected completion date. For the Programs that started a cohort of new apprentices in the period April 1, 2019 to December 31, 2022, the number and percentage of apprentices that didn't complete the Program by the estimated completion date were as follows:

- Calendar year 2022: 16 apprentices from 4 of 8 (50%) Programs
- Calendar year 2021: 208 apprentices from 24 of 56 (43%) Programs
- Calendar year 2020: 185 apprentices from 51 of 110 (46%) Programs
- Calendar year 2019 (partial): 277 apprentices from 104 of 239 (44%) Programs

DOL officials explained that most of their Programs are smaller in size and not large enough to reflect a reliable completion rate. Although some Programs are smaller in size, of the 905 registered Programs as of August 31, 2024, 137 of them had over 50 apprentices and another 177 had between 11 and 50. For these Programs, which

2 The number of Programs with a new cohort of apprentices includes only those cohorts with a duration that allowed adequate time for completion and calculation of the completion rate.

3 Because DOL didn't capture this information, we calculated the estimated completion date using the apprentice's start date in the Program plus the Program term and an additional year to account for unforeseen occurrences. We divided the total number of apprentices in a cohort who completed before or on their expected completion date by the total number of apprentices in the cohort (minus any who exited the Program within 1 year of starting).

represent about 35% of the 905 Programs, determining a reliable completion rate may have been both possible and beneficial.

We also identified 877 apprentices across 61 Sponsors who appeared, based on the database, to have been in their respective Program for more than 6½ years as of August 31, 2024. For example, for one large Sponsor, two apprentices appeared in the database as having been active in the Program for between 16 and 22 years. According to the Sponsor, they recently began cleaning up their Program roster report to remove inactive apprentices. In this situation, it appears that neither DOL nor the Sponsor were proactive at identifying or addressing these inaccuracies.

According to DOL officials, data errors—including entry errors and data not being updated—accounted for 107 of these instances. They said that as of late November 2024, the remaining 770 of the 877 apprentices were still active. Of those, 152 (20%) had been active for 10 years or more, including 19 who had been active for 20 years or longer without attaining journeyworker status.

Current practices to monitor and issue findings related to completion rates are also not as effective as they could be because findings are generally not provided, if at all, at a time where Sponsors can implement corrective action. DOL issues completion-related findings only for Programs that haven't had a completion in 5 years. However, its data indicates that the length of most Programs is less than 5 years, with a maximum duration of 5½ years. In fact, of the 905 registered Programs as of August 31, 2024, 656 (or 72%) had a Program length of fewer than 5 years. Under this scenario, DOL is unlikely to issue most Programs a related finding at a time when it makes the most sense. Furthermore, ATRs may not be identifying Sponsors whose Programs are struggling and offering timely technical assistance that could help address issues such as low completion rates. This could result in Programs deregistering, reducing the number of available apprenticeship opportunities, and could have a negative impact on DOL, the Program or Sponsor, and/or a trade's reputation.

Of the 104 Programs with cohorts in 2019 with no completions, DOL didn't issue findings to the Sponsors for 75 Programs, despite each of them having a monitoring visit at some point from April 2019 through August 2024. Results for subsequent years were as follows: for 2020, no findings issued for 39 of 51 Programs with no completions; for 2021, none issued for 20 of 24 Programs with no completions; and for 2022, none issued for four of four Programs with no completions.

Improvement in this area could better position DOL to assist Programs, Sponsors, and apprentices before they leave the Program unsuccessfully. In response to our observations, DOL officials said that, although the Regulations provide for the calculation of completion rates for purposes of federal reporting, DOL is not asked to report this information to the U.S. DOL.

Deregistered Programs

We found that, although DOL captures the type of Program deregistration (e.g., failed probation, closed Program) in its database, it doesn't capture the reason for termination. Having this information would enable DOL to better understand and identify potential areas of focus to possibly prevent deregistration of Programs.

Programs may end, whether voluntarily or at DOL's initiation, during their 2-year probationary period or later, after the Program is established and running, depending on the circumstances. Programs may end within or at the end of their probationary period for three reasons:

- Closure – a Program voluntarily closes during its probationary period and may apply for reinstatement or registration at any time.
- Cancellation – a Program may be canceled if, during probation, DOL determines that it isn't operating in compliance with Regulations.
- Failure – a Program fails when, at the end of the probationary period, DOL determines it's not operating in compliance with Regulations.

According to the Regulations, deregistration of an existing Program may occur under the following circumstances:

- The Sponsor submits a written request for voluntary cancellation of its Program registration.
- The Sponsor has had no registered apprentice in the Program for a period of 12 consecutive months and is deemed deregistered.
- Formal deregistration proceedings are initiated by DOL.

Deregistration doesn't require that an apprentice's employment be terminated, but it automatically ends the apprentice's registration. A Program's voluntary deregistration could be a result of one or more factors, such as a Sponsor no longer wanting to conduct a Program or being unable to comply with DOL apprenticeship standards. Apprentices who are impacted by a Program deregistration may seek to transfer to another Program. According to DOL data, 360 Programs were deregistered during the period April 1, 2019 through August 31, 2024, and 244 apprentices transferred between Programs, including 35 who transferred from a Program that was deregistered as of August 31, 2024. Table 5 presents the types of deregistration and number of Programs deregistered during the period.

Table 5 – Deregistered Programs
April 1, 2019 Through August 31, 2024

Type of Deregistration	Total Programs	Percent
Voluntary Deregistration	213	59%
Failed Probation	6	2%
Closed Program	94	26%
Canceled	3	1%
Deemed Deregistered	44	12%
Totals	**360**	

We interviewed Sponsors of 14 Programs that ended after April 1, 2019, according to DOL's database. Based on their statements, ATRs' frequency of engagement with Sponsors, including providing technical support, has been, in some instances, not adequate to support their stated needs. The Sponsors cited reasons for Program deregistration that included trouble finding apprentices, the Program not being profitable, lack of DOL support, lack of work, and the pandemic. Sponsors for four of the 14 Programs said that they didn't have adequate support from DOL or their ATR when their Program was active, including one Sponsor that said they would like DOL to be more proactively engaged with the Program, such as calling or emailing them relevant information or opportunities. Another explained that, while they did a lot of recordkeeping, DOL didn't check it regularly. This Sponsor also said they would've liked to see more interaction between ATRs and the apprentices, possibly providing additional motivation. Two Sponsors stated that unresolved corrective action issues caused the Program to deregister.

Sponsors for six of the 14 Programs said that they have other Programs with different trades that remained open. Nearly all Sponsors—11 of 14—said they would consider reopening the deregistered Program in the future. Without capturing the reasons for deregistration, however, DOL has a reduced ability to identify and address areas of concern that may contribute to Program deregistration.

A successful statewide registered apprenticeship Program plays a key role in offering a valuable path to career development, providing hands-on experience and industry-recognized skills, and an opportunity to earn while learning, potentially leading to higher earning potential and career success. Weaknesses in data collection and reliability reduce DOL's ability to use its data effectively to monitor Programs' progress and success and to identify and respond to emerging and existing concerns. Improvement in this area could better position DOL to assist Programs, Sponsors, and apprentices and potentially prevent deregistration and other unwanted outcomes. We recommend DOL work to improve the apprenticeship data it records in the database and to improve its engagement with Programs.

Recommendations

7. Enhance practices to improve apprenticeship data collection and reliability, which could include collecting estimated completion dates and reasons for deregistration and improving the accuracy of apprentice status data (e.g., active, exited).
8. Develop and implement a mechanism to:
    - Identify Programs with low completion rates;
    - Better align procedures for issuing findings that relate to completion rates with Program duration; and
    - Identify Sponsors that may need additional engagement and technical assistance.

Database Limitations and Errors

DOL maintains data regarding its monitoring efforts in the database. ATRs use the database to assist with monitoring their caseloads; supervising ATRs use it to determine which Programs are due for a monitoring visit. Though the database includes fields such as a Program's probation end date and, as applicable, the three most recent findings, along with dates the respective CAP was due, received, and approved, it includes only the dates of the two most recent monitoring visits and doesn't capture data that's necessary to monitor the progress of and Sponsors' compliance with CAPs. There's also no field for dates when observations are issued, which, according to the Guidance, should be reviewed for patterns or trends because these can result in findings if left unresolved. We also found errors in apprentice and Sponsor data, some of which indicated the database hadn't been updated with new information. These limitations reduce the database's value for DOL to adequately oversee Program performance and determine if ATRs are meeting their responsibilities.

There were also instances in which key fields were left blank, such as the "reason a finding was issued" field for CAPs. Without capturing this information, and because so much information is kept in hard copy or in scanned documents, if staff want to get a sense of a Program's progress in addressing findings, they have to review hard copy documents, such as findings and observation letters, and electronic Monitoring Reports, in addition to the database, which is time-consuming and inefficient.

For example, as of August 31, 2024, the database included start dates that showed five apprentices as having been in the Program since 1994 or earlier—about 30 years—an unlikely apprenticeship duration that would have been flagged by an appropriate data validation mechanism or through analysis for anomalies. In response, DOL officials said that, for these entries, apprentice birth dates were entered in error as their start date and that the data would be fixed accordingly. In another example, Sponsors for four Programs that we selected as part of a sample of 14 and contacted in November 2023 said they had been deregistered at some point between November 2021 and July 2023, despite them being registered per the database. DOL's process of manually entering data from paper forms and letters from Sponsors and ATRs into its database likely contributed to outdated information and data errors. It's unclear whether DOL reviews or analyzes its apprenticeship data to identify and address inaccuracies or inconsistencies.

Recommendations

9. Work with Sponsors to identify and correct errors in apprenticeship data to improve the accuracy and completeness of the database.
10. Incorporate data validation mechanisms in the new apprenticeship data system.

Audit Scope, Objective, and Methodology

The objective of our audit was to determine whether DOL is providing adequate oversight of registered apprenticeship Programs. The audit covered Programs active during the period April 2019 through August 2024. We also considered DOL activities related to those Programs through March 2025.

To accomplish our objective and assess related internal controls, we reviewed relevant State and federal laws and State regulations, as well as DOL guidance, policies, and procedures related to the Programs. We held interviews with relevant DOL, Sponsor, and Program officials to gain an understanding of their oversight practices and how Programs operate. We also reviewed DOL and Sponsor responsibilities and DOL's monitoring of the Programs. We reviewed case files and other documentation maintained by both DOL and Sponsors and also visited selected Programs. We analyzed DOL data about their oversight activities, including application review and approval, monitoring visits, apprentice completion rates, CAP resolution, and eligibility of ESATC certificate Signatories.

We used a non-statistical sampling approach to provide conclusions on our audit objective and to test internal controls and compliance. We selected judgmental samples. Because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations. Our samples, which are discussed in detail in the body of our report, are described below:

- A judgmental sample of 14 of 911 Programs listed as active in DOL's apprenticeship database as of August 2023, which we selected based on the workload of the ATR assigned to monitor the Program, the timing of the Program's most recent monitoring review, the length of time Program apprentices had been active, and the location of the Program.
- A judgmental sample of 25 of 807 Programs with no CAP due during the period April 1, 2019 through January 31, 2024 and that were listed as active in the database as of January 31, 2024, which we selected based on Program trade, type (e.g., group, individual), approach, region, start date, and completion rate; the number of apprentices, length of time they'd been active, and their age when starting the Program; as well as whether the employer received an ESATC certificate from DOL.
- A judgmental sample of 7 of 71 Programs active as of January 2024 with a CAP due during the period April 1, 2019 through January 31, 2024, which we selected based on Program trade, type, and region; the number of apprentices; and the reason for and number of CAPs.
- A judgmental sample of 14 of 184 Sponsors with a Program that was deregistered between April 1, 2019 and January 31, 2024, which we selected based on the number of the Sponsor's Programs that were deregistered and the time of the deregistration.
- A judgmental sample of 20 of 459 applications for new Programs that DOL received during the period April 1, 2019 to March 5, 2024, which we selected based on Program trade, when the application was received by DOL, and the status of the application. We attempted to include a variety of Sponsors in our sample.

We obtained data from DOL's database and, while we were able to determine accuracy, we were unable to test and therefore can't conclude on the data's completeness. We limited our reliance on this data when forming our audit conclusions, relying instead on other sources, such as site visits or hard copy documentation, where applicable.

As part of our audit procedures, we used data visualization software to enhance understanding of our report.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. These duties could be considered management functions for the purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent performance audit of the DOL's oversight of registered apprenticeship programs.

Reporting Requirements

We provided a draft copy of this report to DOL officials for their review and formal written response. We considered their response in preparing this final report and have included it in its entirety at the end of the report. In their response, DOL officials described the actions they have taken, and plan to take, to address our recommendations.

Within 180 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Labor shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Exhibit

Occupational Group	Programs by Calendar Year							Number of Registered Programs During the Period 4/1/2019–8/31/2024	Number of Programs Deregistered During the Period 4/1/2019–8/31/2024	Number of Registered Programs as of 8/31/2024
	Prior to 2019	2019	2020	2021	2022	2023	2024 1/1-8/31			
Construction and Allied Trades	495	37	23	25	13	17	9	**619**	134	485
Metal Allied Trades	125	21	8	5	14	9	3	**185**	70	115
Service and Repair Trades	53	17	9	11	15	8	11	**124**	39	85
Plant Maintenance Trades	70	9	4	3	4	4	3	**97**	35	62
Miscellaneous Services	24	11	8	13	11	7	9	**83**	29	54
Other Manufacturing Industries Trades	20	9	12	12	6	7	5	**71**	26	45
Information Technology	2	9	4	2	5	7	14	**43**	18	25
Health and Human Services	1	1	0	1	5	3	6	**17**	5	12
Business Services	0	1	0	0	1	2	4	**8**	1	7
Justice Public Order & Safety	6	0	0	0	0	0	1	**7**	1	6
Administration of Human Resources	0	0	0	0	1	0	4	**5**	0	5
Agriculture	0	0	0	2	0	0	1	**3**	1	2
Retail and Wholesale Services	0	0	0	0	0	1	0	**1**	0	1
Printing and Allied Trades	1	0	1	0	0	0	0	**2**	1	1
Total Programs	**797**	**115**	**69**	**74**	**75**	**65**	**70**	**1,265**	**360**	**905**

Agency Comments

WE ARE YOUR DOL

NEW YORK STATE | Department of Labor

Kathy Hochul, Governor
Roberta Reardon, Commissioner

June 13, 2025

Ms. Heather Pratt
Audit Director
Office of the State Comptroller
110 State Street
Albany, NY 12236

Dear Ms. Pratt,

The New York State Department of Labor (NYSDOL) has reviewed the Office of the State Comptroller's (Comptroller) draft report related to Audit Report Number 2023-S-33 issued on May 15, 2025, titled Department of Labor's Oversight of Registered Apprenticeship Programs, for the period April 1, 2019 through August 31, 2024. Below is NYSDOL's response to the ten recommendations.

Recommendation #1:

Reduce the time to approve apprenticeship Program applications.

NYSDOL Response (06/13/2025):

Currently, the new Program application review process can take between 45 days to several months. This timeframe includes the required 30-day comment period. Entities that submit Program applications in a new trade or occupation, applications with filing errors, or with issues identified through a due diligence review, can cause significant delays. To reduce these delays, NYSDOL has established a new Office of Special Initiatives staffed with Apprenticeship Navigators, which will assist new businesses and emerging industries with understanding the requirements of Registered Apprenticeship (RA) in general as well as the application process. Additionally, NYSDOL is prioritizing the modernization of the RA system and has procured a vendor to develop and implement a Microsoft Dynamics-based system (System). This System will include a secure portal where potential Sponsors will create an online, password-protected ny.gov account. Through this account, entities will be able to submit Program application(s), including supporting documentation. NYSDOL Apprenticeship staff will also be available to provide technical assistance and securely communicate any concerns through the System. The System will notify Sponsors about requests for information and their application status. Using the System will streamline the application submission and review process. It is expected that the assistance of the team of Apprenticeship Navigators through the new Office of Special Initiatives, and the implementation of the System will reduce the time it takes to approve apprenticeship Program applications.

Recommendation #2:

Develop and communicate guidance that addresses how to document resolution of – or inability to resolve – issues that arise in due diligence reviews.

NYSDOL Response (06/13/2025):

If an issue is revealed through a due diligence review, NYSDOL's Apprenticeship Office will email the appropriate division to determine the validity of the issue. If the issue is determined to be valid, NYSDOL will notify the applicant of any issue(s) and provide them with the contact information for the appropriate division(s) so they may resolve the issue(s). NYSDOL will then verify that appropriate action has been taken through subsequent due diligence reviews and through follow-up with the appropriate division for confirmation of resolution. The NYSDOL procedure for assessing the impact of a due diligence issue is based on specific indicators, which are outlined in a document provided to all staff.
In response to this recommendation, NYSDOL Apprenticeship Unit will develop further written guidance that clearly defines the current process. It will include how to document resolution of – or inability to resolve - issues that arise in due diligence reviews. This guidance will be communicated via email to appropriate staff.

Recommendation #3:

Implement a method to:

- improve assurance that Sponsors and Signatories that apply for ESATC are eligible to do so; and
- identify unique ESATC Signatories in the database.

NYSDOL Response (06/13/2025):

NYSDOL's Apprenticeship Office maintains databases of all RA Programs and approved signatory employers. These databases are used to verify eligibility of applicants for the Empire State Apprenticeship Tax Credit (ESATC) Program. If it is determined that an entity is not an approved Sponsor or signatory, they would be ineligible and would not receive the tax credit.

The Apprenticeship Office will review the documented procedures for reviewing and approving signatories to verify the signatory database is up to date. This will ensure the eligibility for signatories who apply for the tax credit can be easily and accurately verified. This includes verifying the Program and trade/occupation, address, Sponsor name, and Sponsor code the signatory employer lists on the ESATC application matches what is listed in the databases. This will also help to ensure that Sponsors and signatories that apply for the ESATC are eligible and help identify unique signatories in the database.

Recommendation #4:

Incorporate regular communication about new trades and the ESATC program into ATR monitoring practices and document relevant results to inform decision-making.

NYSDOL Response (06/13/2025):

Apprenticeship Training Representatives (ATRs) routinely speak with existing Sponsors about possibilities for growing their programs, including the development of new trades, discussions about programs in additional trades/occupations the Sponsor may want to establish, and funding opportunities such as the ESATC Program. NYSDOL plans to incorporate questions to the Monitoring Report (AT12 Form) regarding potential new and/or additional trades/occupations the Sponsor may be interested in, as well as ensuring the ATR is informing them of available funding opportunities. These questions and the responses will be added to the AT12 Form, which will ensure regular communication around new trades and funding opportunities, including the ESATC, are occurring during monitoring and documented accordingly.

Recommendation #5:

Improve practices for conducting monitoring visits and completing Monitoring Reports, which may include, but not be limited to:

- Adhering to the established frequency for monitoring visits for both probationary and non-probationary programs;
- Capturing additional information on monitoring visits including the final probationary visit date; and
- Obtaining and recording support for Monitoring Report questions as necessary, especially support used to verify apprentice to journeyworker ratios.

NYSDOL Response (06/13/2025):

As indicated in the RA Program Technical Advisory #23-01, issued on September 15, 2023, NYSDOL ATRs monitor Programs in good standing once a year. Visits will generally alternate between in-person and virtual and will be conducted in-person more often if deemed necessary. NYSDOL ATRs will monitor Programs that are on probation twice a year. Visits may alternate between in-person and virtual. Newly approved programs will have their first monitoring visit conducted within the first six months of the date of Program approval.

Additionally, the System will include an agency-facing portal with a monitoring "dashboard" and a system of notifications and tasks that will enable field staff to easily identify Programs that are due for monitoring, are on probation, and/or require follow-up. The System will also have reporting capabilities, which will allow management and supervisory staff to analyze the status of monitoring and Program probationary status statewide, regionally, and by Program. It will allow for clear and concise follow-up with staff and Program Sponsors to ensure monitoring policies, including those related to probationary Programs, are being followed appropriately, and that Sponsors are complying with regulations.

NYSDOL has already begun taking steps to ensure monitoring visits are conducted timely for all Programs. RA Program Technical Advisory #23-01 provides clear guidance to staff, Sponsors, and stakeholders on the monitoring process for RA programs. In October 2023, NYSDOL created and filled a new Field Operations Manager position. Adding this position enabled increased oversight of field staff and their responsibilities and roles, especially those pertaining to Program monitoring. Weekly meetings are held virtually with the Field Operations Manager and the Field Supervisors. Quarterly, the Field Operations Manager meets in person with RA staff in each field office throughout New York State. Understanding the importance of timely monitoring, the Field Operations Manager has been working to develop performance standards to be included in the performance evaluation of all ATRs and Supervising ATRs. The proposed performance standards contain measurable criteria which will establish a consistent way to manage field staff accountability. NYSDOL is confident the increased oversight of Program monitoring and the introduction of performance standards related to Program monitoring as part of an employee's performance evaluation will improve timeliness and documentation of monitoring.
The AT12 Form captures the number of active apprentices, the number of active journeyworkers and the required ratio of apprentices to journey workers for the Program being monitored. It also captures whether the Program is in compliance with the required overall apprentice to journeyworker ratio, which is determined by comparing the number of active apprentices and active journey workers. As indicated in the RA Program Technical Advisory #23-01, in preparation for each monitoring visit, the ATR will provide a copy of the AT 1003 – Program Roster Report, which lists all active apprentices, to the Sponsor in advance of or during the visit so that the Sponsor can compare the information with their records to ensure the

roster is correct and up to date. If there is a discrepancy with the established ratio discovered during monitoring, the ATR will work with the Sponsor to address the issue and come into compliance. If an apprentice discloses a concern related to the ratio on the jobsite, the ATR will solicit more detailed information from the apprentice(s), discuss the matter with the Sponsor, request further documentation, issue a Finding and require a Corrective Action Plan (CAP) if warranted.

Recommendation #6:

Improve methods of capturing relevant information about findings and observations, including reason, timeliness, status, and resolution of CAPs, to facilitate analysis, and follow up with Programs as needed.

NYSDOL Response (06/13/2025):

The new System will include an agency-facing portal and monitoring dashboard. This will include functionality to verify where CAPs are required due to Findings identified in Program monitoring visits, as well as for the status, management, and resolution of CAPs. Observations, which may lead to a Finding if unresolved, will also be catalogued in the System.

Beyond benefiting staff, these features will also benefit Program Sponsors by providing prompts and reminders for tasks required of the Sponsors, such as completion and submission of CAPs. The System will also make it easier for staff to track items needing follow-up via reports, as well as a user dashboard that will display follow-up items, along with other notifications. The System and increased oversight of the monitoring process will help to ensure Observations, Findings, and CAPs are approved, managed, and resolved in a timely manner.
These improved methods of capturing relevant information about Findings and Observations, including reason, timeliness, status, and resolution of CAPs, will help to facilitate analysis, and allow for follow up with Programs as needed.

Recommendation #7:

Enhance practices to improve apprenticeship data collection and reliability, which could include collecting estimated completion dates and reasons for deregistration and improving the accuracy of apprentice status data (e.g., active, exited).

NYSDOL Response (06/13/2025):

In addition to an agency-facing portal that will improve functionality and reporting capabilities for NYSDOL, the System will also include both Sponsor and apprentice-facing portals. This will allow Sponsors and apprentices direct access to pertinent apprenticeship-related information in real time. This will also improve data collection by making it faster and easier for both to provide necessary information. For example, if an apprentice's enrollment status changes, the Sponsor will have the ability to update the apprentice record using the System by submitting the updated record for review instantly, rather than needing to submit a paper form and waiting for processing.

The System will also include a required field to capture the reason a Program deregisters. This will allow NYSDOL to identify reasons Programs are deregistering to determine any needs for improvement.

Further, the System will capture estimated completion dates for apprentices. This will allow NYSDOL staff to access that information during monitoring and have informed discussions with the Sponsor and the apprentice regarding their estimated completion date, and appropriately identify and address any issues or barriers to progressing through the Program timely.

Implementing and enhancing these practices will improve apprenticeship data collection and reliability, and keep staff better informed on apprentice and Program status.

Recommendation #8:

Develop and implement a mechanism to:

- Identify Programs with low completion rates;
- Better align procedures for issuing findings that relate to completion rates with Program duration; and
- Identify Sponsors that may need additional engagement and technical assistance.

NYSDOL Response (06/13/2025):

The System will include an agency-facing portal which will provide increased functionality for staff to analyze Program performance, including apprentice completions.

NYSDOL is planning to add functionality within the System to calculate estimated completion date as an additional data element, which would increase NYSDOL's ability to track and evaluate completion rates, including identifying Programs with low completion rates, as well as overall Program performance. NYSDOL will evaluate current procedures for issuing findings that relate to completion rates and determine how additional elements should be considered when issuing a finding.
NYSDOL has also discussed the need for broadened reporting capabilities within the System, which will help identify trends, assist with promoting engagement, and allow for improved technical assistance.

Recommendation #9:

Work with Sponsors to identify and correct errors in apprenticeship data to improve the accuracy and completeness of the database.

NYSDOL Response (06/13/2025):

The System will improve data collection and management. It will allow Program Sponsors to input their Program and apprentice information, then necessary data validation mechanisms will be in place to ensure data is being entered accurately and completely. Both Sponsors and apprentices will need to verify the accuracy and attest to the information entered.

Sponsor input is included in the implementation of the System. Sponsors have been invited to provide suggestions on what they would like to see in the System, and to participate in testing of the System while in the development stages. This invitation has been extended to Sponsors at the quarterly Council meetings and was also published in the first edition of NYSDOL's Apprenticeship newsletter, issued in April 2025.

As part of the System, data will be updated in real time, mitigating the issue of inaccurate data. The System will include dashboards that can be customized, as well as task functions to easily identify any items that need review or updating. This will help to further ensure the database is updated in a timely manner. Once the System is rolled out, and Sponsors have access to their records in real time, they can submit updates to correct errors for NYSDOL's review and approval. This System will enable Sponsors to identify and correct errors in apprenticeship data, and communicate them to NYSDOL, which will improve the accuracy and completeness of the database.

Recommendation #10:

Incorporate data validation mechanisms in the new apprenticeship data System.

NYSDOL Response (06/13/2025):

The System will allow Program Sponsors to input their Program and apprentice information. Necessary data validation mechanisms will be in place to ensure data is being entered accurately and completely, and Sponsors and apprentices will need to verify the accuracy and attest to the information entered. The data validation checks that will be implemented will improve the accuracy, reliability, and completeness of the data collected.

If you have any questions or if additional information is needed, please do not hesitate to contact Donald Temple at Donald.Temple@labor.ny.gov or (518-457-7332).

Sincerely,

Scott B. Melvin

Executive Deputy Commissioner of NYSDOL

CC: Roberta Reardon, Commissioner
Jill Archambault, Deputy Commissioner, General Counsel
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