

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship Services (OA) Washington, D.C. 20210	Distribution: A-541 Hdqtrs A-544 All Field Tech A-547 SD+RD+SAA 	Subject: Program Performance—Calculation of Registered Apprenticeship Program Completion Rates Code: 450.6
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PURPOSE: To provide updated completion rates and to remind the staff of OA and State Apprenticeship Agencies (SAA), Registered program sponsors, and other Registered Apprenticeship Partners of the process for calculating completion rates for Registered Apprenticeship programs required by Title 29 Code of Federal Regulations (CFR), part 29, Labor Standards for Registration of Apprenticeship Programs.

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

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

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

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

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

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

1. **Establish the Cohort.** An apprenticeship cohort is the group of individual apprentices registered to a specific program during a one-year time frame, except that a cohort does not include the apprentices whose apprenticeship agreement has been cancelled during the probationary period.
2. **Calculate the Expected Completion Date (ECD).** Take the ECD from the apprenticeship agreement form at the time of registration and add one full year.

3. **Formulate the Numerator.** Apprentices who have completed their apprenticeship program by that date (ECD plus one full year) are counted in the numerator.
4. **Formulate the Denominator.** The total number of registered apprentices in the cohort with that same ECD plus one full year minus the total number of registered apprentices in the cohort who exited the program during the probationary period is the denominator.
5. **Calculate the Completion Rate.** Calculate the completion rate for that cohort of apprentices by dividing the numerator by the denominator.

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

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

y = total number of registered apprentices in the cohort with an ECD for a set period of time (e.g., FY 2014) plus one full year

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

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

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

- **Retention Rate**: The percentage of an apprenticeship cohort that did not complete the program, for whatever reason, during the program's ECD plus one full year and are still active participants.
- **Cancellation Rate**: The percentage of an apprenticeship cohort that did not complete the program, for whatever reason, and exited after the probationary period.

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

TIME LAG: Because apprenticeships require extensive on-the-job learning (OJL), OA adds one full calendar year to the expected date of “normal” completion to accommodate factors outside the direct control of program management, such as bad weather and poor economic conditions. To accommodate this time lag, the calculation of the completion, retention, and cancellation rates for a particular Fiscal Year (FY) are based on the prior year’s expected completers. For example, the FY 2014 rates are calculated based on the number of expected completers in FY 2013. The FY 2013 rates are based on the number of expected completers in FY 2012, thus allowing the additional year for program participants to complete beyond their ECD.

PUBLICATION OF COMPLETION RATES FOR FISCAL YEAR 2014:

- The FY14 national average for completion rate is 46%
- The FY14 national average for cancellation rate is 41%
- The FY14 national average for retention rate is 13%

OA is also providing the completion rates for FY05 to FY10 for comparison. As the chart below illustrates, the national completion rate have improved over the last two Fiscal Years. While additional analysis is necessary, the improvement in completion rates is likely a result of the improving economy and staff effort to reduce the number of overdue apprentices in the system.

**FY 2005 to FY 2014
National Averages of Completion, Cancellation, and Retention Rates
Based on Federal Workload Only**

Fiscal Year*	Completion Rate	Cancellation Rate	Retention Rate
2005	52%	40%	8%
2006	50%	38%	12%
2007	50%	37%	13%
2008	50%	36%	14%
2009	43%	40%	17%
2010	38%	40%	22%
2011	37%	43%	20%
2012	39%	45%	16%
2013	44%	45%	11%
2014	46%	41%	13%

Source: Registered Apprenticeship Partners Information Data System (RAPIDS) as of 10/31/14 (Federal Workload)
* = Fiscal Year data is based on the prior year’s expected completers

If you have any questions, please contact Franchella Kendall, Chief of the Division of Standards and National Industry Promotion (DSNIP), at 202-693-3798, or Greg Wilson, Division of Program Administration and Management Systems (DPAMS), at 202-693-2954.

ACTION: OA and recognized SAA staff should familiarize themselves with this bulletin and all attachments. One of the best ways to improve a program’s completion rate is to ensure that program sponsors effectively manage their overdue apprentices.

NOTE: This bulletin is being sent via electronic mail.