

***National Apprenticeship Act of 2023***

**Section 1. Short Title**

This section states that the title of the bill is the *National Apprenticeship Act of 2023* (the Act or this Act).

**Section 2. Effective Date**

This section states that the Act and amendments made by it will take effect October 1, 2024.

**Section 3. Amendment**

This section amends the *Act of August 16, 1937* (commonly referred to as the *National Apprenticeship Act*), and all contents hereafter in this section contain amendments made to the *Act of August 16, 1937*.

*Section 1. Short Title and Table of Contents*

This section specifies that the Act may be cited as the *National Apprenticeship Act of 2023*.

*Section 2. Definitions*

This section defines key terms, including:

- *Apprentice*. This means an individual who is at least 16 years of age, except where a higher minimum age standard is otherwise required by law, who is employed by an employer that sponsors or participates in an apprenticeship program; and is a participant of an apprenticeship program.
- *National Program Standards of Apprenticeship*. This means a set of apprenticeship program standards developed and adopted by a sponsor that are designed for nontraditional apprenticeship occupations that are demonstrably national or multi-State in their design, suitability, and scope, and that are registered on a nationwide basis by the Office of Apprenticeship.
- *Nontraditional apprenticeship populations*. This means any group of individuals the members of which comprise fewer than 25 percent of the individuals participating in a program under the national apprenticeships system, or comprise a percentage of individuals employed in an occupation suitable for apprenticeship that is lower than the percentage of the total population comprised by such members.
- *Nontraditional apprenticeship occupations*. This means any occupation in an industry or sector that has averaged fewer than 10 percent of program participants for each of the past 5 years.
- *National apprenticeship system*. This means apprenticeships, youth apprenticeships, and pre-apprenticeships that meet the standards of this Act coordinated by the Office of Apprenticeship and State apprenticeship agencies.
- *Program participants*. This means apprentices, youth apprentices, or pre-apprentices.
- *Recognized postsecondary credentials*. This has the same meaning as such term is defined in the *Workforce Innovation and Opportunity Act* (WIOA), except that the definition in this Act does not include the certificate of completion of an apprenticeship program.
- *Registration agency*. This means the Office of Apprenticeship (OA) or State apprenticeship agency in a state that is responsible for registering programs under the national apprenticeship system and program

participants in the State or area, and carrying out the responsibilities of supporting the youth apprenticeship, pre- apprenticeship, or apprenticeship programs registered by such Office or agency.

### *Section 3. Programs Under the National Apprenticeship System*

This section ensures that any funds appropriated under the Act are used only for programs under the national apprenticeship system.

### *Section 4. Transition Provisions*

This section provides for an orderly transition between the existing law and the amendments made by the *National Apprenticeship Act of 2023*. It also authorizes the Secretary of Labor (Secretary) to create new regulations in accordance with this Act and to continue to administer regulations not affected or inconsistent with this Act.

### *Section 5. Disaggregation of Data*

This section ensures data disaggregation will not occur when such disaggregation would result in the release of personally identifiable information. It offers an exception for purposes of research and evaluation for program efficacy conducted through the Department of Labor (DOL).

### *Section 6. Relation to Other Laws*

This section provides that nothing in this Act invalidates, supersedes or limits the remedies, rights, and procedures under any federal, State or local law or the law of any state or political subdivision of any state or jurisdiction establishing minimum labor standards of apprenticeship or minimum requirements for equal employment opportunity under the national apprenticeship system that are more protective than those established under this Act, including laws governing the ratio of apprentices to journey workers, the minimum starting age of an apprentice, the minimum entry wage payable to a program participant, the minimum number of hours of on- the-job learning or related instruction, and the provision of remedies, rights, and procedures that provides greater or equal protection for individuals based on race, color, religion, national origin, sex, sexual orientation, gender identity, age, genetic information, or disability than are afforded by this Act.

### *Section 111. The Office of Apprenticeship*

This section codifies the OA within the Employment and Training Administration of DOL, specifies that it is to be headed by an Administrator who will facilitate the requirements of this Act and any subsequent regulations, and that the OA will have final-decision-making authority related to the registration, deregistration, and operation of registered programs. This section outlines the responsibilities of the OA, which include:

- Promoting programs under the national apprenticeship system;
- Providing technical assistance to State Apprenticeship Agencies (SAA) and programs for compliance, complaints, program development, grant delivery and execution, and sharing of best practices;
- Cooperating with other Federal agencies for the promotion and adoption of programs under the national apprenticeship system, by providing technical assistance to states, and supporting the stackability and portability of academic credit and credentials;
- Establishing and overseeing a State Office of Apprenticeship (SOA) in states without an SAA;
- Reviewing the standards for the registration process and occupations suitable for apprenticeship for programs under the national apprenticeship system. This includes the establishment and oversight of national standards for occupations suitable for apprenticeship that could be used by any sponsors across the country. The Act requires that, within one year and after consultation with industry and expert

stakeholders, the Secretary issue regulations regarding standards and requirements for occupations suitable for apprenticeship;

- Conducting oversight through monitoring and evaluation of the SAAs and SOAs, apprenticeship programs, grantees, and sponsors of programs under the national apprenticeship system;
- Awarding grants, contracts, or cooperative agreements through Title II of this Act;
- Promoting diversity of apprenticeship programs and ensuring equal opportunity for participation in programs under the national apprenticeship system, including through supporting the recruitment of nontraditional apprenticeship populations like women, people of color, and individuals with barriers to employment; and
- Consulting with the National Advisory Committee on Apprenticeships.

This section also requires the OA to establish a single data collection system to support the collection of performance data, and to provide a publicly accessible website with information on programs under the national apprenticeship system, including available program offerings, program performance, and program credentials.

#### *Section 112. National Advisory Committee on Apprenticeships*

This section codifies the National Advisory Committee on Apprenticeships (Advisory Committee) within the DOL to advise the Secretary on policies, regulations, improving efficiencies, and the establishment of nontraditional occupations suitable for apprenticeship. The Advisory Committee has 27 members appointed by the Secretary and designates as *ex officio* representatives from several federal agencies. This section delineates the categories of participants, establishes staggered three-year terms, sets the frequency of meetings, and duties of the Advisory Committee.

#### *Section 113. State Apprenticeship Agencies and State Offices of Apprenticeship*

This section codifies the requirements to recognize SAAs, authorizes SAAs to approve programs under the national apprenticeship system within their state, and requires SAAs to establish and maintain a state apprenticeship council. This section requires SAAs and SOAs to submit a state plan to DOL that describes how the SAA or SOA will:

- Provide technical assistance to sponsors, employers, program participants, and relevant stakeholders;
- Provide reciprocity for programs under the national apprenticeship system registered in other states or with DOL;
- Promote diversity and equal opportunity in programs under the national apprenticeship system within their state;
- Resolve complaints from program participants, employers, sponsors, or other interested parties;
- Establish state apprenticeship hubs to act as regional centers for best practices and program expansion;
- Establish state performance goals, including goals on diversity within apprenticeship programs in the state and the recruitment of nontraditional apprenticeship populations;
- Align state workforce activities with the state's apprenticeship activities as is done in WIOA and the *Strengthening Career and Technical Education for the 21st Century Act*; and
- Provide apprenticeship programs with expedited consideration for inclusion on the list of eligible providers of training services under section 122(d) of WIOA.

This section authorizes funding for SAAs and SOAs, beginning with \$75 million for FY 2025 and increasing by \$10 million annually to reach \$115 million in FY 2029. The funding allocation is: one-third equally distributed to all states and outlying areas, and two-thirds distributed via formula to SAAs. Allowable uses of funds include: program administration; educational alignment (not less than 10 percent); workforce alignment (not less than 10 percent); and state leadership activities (no more than 15 percent), which includes

increasing population and industry diversity, incentives for employer to participate, and state initiatives for developing apprenticeships.

*Sec. 114. Interagency Agreement with Department of Education*

This section requires the Secretaries of Labor and Education to enter into an interagency agreement to promote and support integration and alignment among secondary, postsecondary, and adult education and programs under the national apprenticeship system. The section also sets out the activities this interagency agreement must include:

- Aligning youth apprenticeship programs and high school graduation requirements;
- Creating an apprenticeship college consortium or network of higher education institutions, apprenticeship program instructors, sponsors, qualified intermediaries, and employers to promote stronger connections between programs under the national apprenticeship system and participating 2- and 4-year postsecondary educational institutions;
- Developing and disseminating best practices; and
- Establishing a data sharing agreement.

*Section 121. Occupations Suitable for Apprenticeship*

This section codifies the requirements for an occupation to be considered suitable for apprenticeship and stipulates the criteria under which the OA will assess that qualification.

*Section 122. Quality Standards of Programs Under the National Apprenticeship System*

This section sets the standards for apprenticeship, pre-apprenticeship, and youth apprenticeship programs. The standards require that all programs under the national apprenticeship system:

- Provide organized and clearly written plans for related instruction, alignment of the program to high-skill, high-wage, or in-demand industry sectors and occupations, mentoring, and recognized postsecondary credentials;
- Meet required safety standards and training, including providing necessary accommodations, free from discrimination, including harassment and retaliation;
- Maintain all necessary records, including for veterans and eligible individuals to use educational benefits for programs under the national apprenticeship system;
- Provide all individuals with equal opportunity to participate in programs under the national apprenticeship system and with program materials that conform with accessibility standards required by the *Rehabilitation Act of 1973*;
- Provide a certificate of completion and an apprenticeship agreement for each program participant; and
- Provide a ratio of apprentices to supervisors based on the occupation, best practices, supervision, safety, relative hazards of the occupation, and employment continuity; and
- Are consistent with previous collective bargaining agreements, and does not contravene other Federal or State laws that may establish more protective standards with respect to the establishment of ratios of apprentices to journey workers.

The standards specific to apprenticeship programs include:

- An organized and clearly written plan addressing the on-the-job learning and related instruction the apprentices will receive, including whether the program will be time-based, competency-based, or a hybrid of the two models;
- A schedule of progressively increasing wages to be paid to apprentices and the program's term of apprenticeship;
- Ongoing evaluation of skill and competency development, including an expected timeline for such evaluation;

- An award of advanced standing or credit for eligible individuals, including veterans' service-acquired skills and competencies;
- Minimum qualifications for participants; and
- Any interim credentials awarded.

The standards for pre-apprenticeship programs, which prepare individuals to meet the requirements to enter an apprenticeship program, include:

- A formal agreement with at least one apprenticeship program to inform the training and education needed as part of the pre-apprenticeship program; and
- Career exposure, career planning, and career awareness activities;

The standards for youth apprenticeship programs are intended to prepare students who are currently enrolled in high school for entry into an apprenticeship program, further education, or employment upon completion of the youth apprenticeship program and graduation, and include:

- A clearly defined plan for classroom-based related instruction and on-the-job learning similar to the apprenticeship standards, which can be fulfilled through dual or concurrent enrollment that is, to the extent practicable, aligned to high school diploma requirements;
- A schedule of progressively increasing wages to be paid to youth apprentices and the program's terms of the youth apprenticeship;
- Awarding advanced standing or credit for eligible individuals;
- Minimum qualifications for participants; and
- Any interim credentials awarded.

#### *Section 123. Apprenticeship Agreement*

This section codifies the requirements for the apprenticeship agreement between the program sponsor and the apprentice, pre-apprentice or youth apprentice. These agreements contain the program standards under section 122, including:

- A description of the time-based, competency-based, or hybrid model;
- A description of the related instruction, including the hours and related costs such as equipment and related instruction, and the recognized postsecondary credentials the program participants would receive;
- A schedule of the work processes;
- The graduated wage scale, benefits, and how such wages and benefits compare to the State, local or regional wages for apprentices or youth apprentices; and
- A demonstrated commitment to ensuring equal opportunity for participation in programs under the national apprenticeship system, including through supporting the recruitment of nontraditional apprenticeship populations like women, people of color, and individuals with barriers to employment.

#### *Section 124. Registration of Programs Under the National Apprenticeship System*

This section codifies the process for registering programs under the national apprenticeship system, including the information that is required of the registration agency, the registration approval process, and the process for modifications or changes to programs once registered.

#### *Sec. 131. Apprenticeship Program Evaluations*

This section requires that the registration agencies collect data on performance indicators, which include the core performance accountability indicators required under WIOA and program completion rates. Each SAA or SOA must annually submit a performance report to the Administrator, which contains the following

information, disaggregated by program type (apprenticeship, pre-apprenticeship, youth apprenticeship), including:

- The levels of performance for programs in the state as compared to the state performance goals;
- The diversity of program participants in the state as compared to the working age population in the recruitment area of the program;
- The percentage of program participants that obtain unsubsidized employment in a field related to the occupation suitable for apprenticeship;
- The average time to completion;
- The average cost per participant;
- The percentage of program participants that received supportive services; and
- Information on state uses of funds.

This section codifies the existing requirement that registration agencies conduct reviews of each program they have registered at least once every five years. Registration agencies can provide technical assistance to program sponsors that need assistance in:

- Meeting the state goals for diversity and equal opportunity;
- Developing a program improvement plan if the program is not in operation or complying with the requirements of the Act; or
- Achieving the state goals for levels of performance.

The registration agency can take corrective action and may deregister a program if:

- The sponsor consistently fails to register at least one apprentice, pre-apprentice or youth apprentice;
- The program shows a pattern of poor results on indicators over a period of three years;
- The program does not improve in the areas set out by the registration agency in a performance plan; or
- The sponsor does not administer the program in a manner that complies with the program's registration or with this Act's requirements.

#### *Sec. 132. National Apprenticeship System Research*

This section establishes requirements for the Secretary, with guidance from the National Advisory Committee, to conduct research on the programs and activities related to programs under the national apprenticeship system through an independent entity. The research must address:

- Programs' general effectiveness related to their costs, including through the improvement of skills and competencies, employment, recognized postsecondary credentials, and responsiveness to the labor market;
- The impact of the policy changes made by the *National Apprenticeship Act of 2023*; and
- Best practices for increasing nontraditional apprenticeship populations' participation.

#### *Sec. 141. Authorization of Appropriations*

This section authorizes appropriations for the OA at \$50 million in Fiscal Year (FY) 2025, increasing by \$10 million annually to reach \$90 million in FY 2029. It also authorizes appropriations for the Interagency Agreement at \$10 million in FY 2025, increasing \$2 million annually to reach \$18 million in FY 2029.

#### *Sec. 201. Grant Requirements*

This section authorizes DOL to award "Modernizing Apprenticeship Programs for the 21st Century" grants to eligible entities for the purpose of:

- Creating new apprenticeships in nontraditional apprenticeship industries or occupations or expanding existing programs for apprenticeships, pre-apprenticeships, and youth apprenticeship;
- Encouraging employer participation in the national apprenticeship system, including:

- Targeting individuals with barriers to employment for participation, prioritizing nontraditional apprenticeship populations such as women, minorities, long-term unemployed, individuals with disabilities, individuals with substance abuse issues, veterans, military spouses, individuals experiencing homelessness (including individuals currently or recently incarcerated); individuals impacted by the criminal or juvenile justice system, and foster and former foster youth;
- Providing opportunities in high-need social service-related industries, sectors, or occupations, such as direct care workers and early childhood educators;
- Supporting small- and medium-sized employers;
- Supporting intermediaries, including:
  - National industry intermediaries to expand programs under the national apprenticeship system in key sectors such as manufacturing, information technology, cyber security, health care, insurance and finance, energy, hospitality, retail, construction, and other sectors identified by the Secretary and the Advisory Committee;
  - Equity intermediaries to support nontraditional apprenticeship populations, such as women, minorities, individuals with disabilities, and individuals impacted by the criminal or juvenile justice system; or
  - Local or regional intermediaries to promote and expand programs through training or related instruction, engagement with local education providers to align with programs under the national apprenticeship system, providing participants with access to supportive services, and providing technical assistance for sponsors; and
- Strengthening alignment between programs under the national apprenticeship system with education and training providers at the secondary and postsecondary levels.

This section establishes the duration of grants and a requirement for grantees to match no less than 25 percent of the grant funds. The eligible entity may make the matching funds available directly or through donations from non-Federal, public, or private organizations, in cash or in kind. This requirement may be waived for exceptional circumstances. This section requires prioritization of grant awards for eligible entities proposing to serve a high number or high proportion of nontraditional apprenticeship populations, and, to the extent practicable, geographically diverse distribution of awards. It also requires the demonstration of partnerships with stakeholders to be eligible for a grant, including an industry or sector partnership and labor or joint labor management organizations, to the extent practicable.

This section establishes the grant application requirements, including a description of:

- The ability of the eligible entity to carry out the grant requirements;
- A labor market analysis for the geographic area that is being served by the grant;
- A description of potential program participants and strategies to support recruitment, retention, and completion, including for nontraditional apprenticeship populations and individuals with barriers to employment, and strategies to recruit and support employers;
- A plan to:
  - comply with evaluation requirements;
  - coordinate activities across various federal programs including the *Carl D. Perkins Career and Technical Education Act of 2006*, the *Elementary and Secondary Education Act of 1965*, the *Higher Education Act of 1965*, and WIOA;
  - use funds for this grant and continue the program after the grant period ends; and
  - recruit and retain program participants, including from nontraditional populations, and how this plan will support the eligible entity in meeting the equal opportunity requirements of this Act; and
- Additional requirements based on the activities being carried out by the eligible entity.

*Section 202. Uses of Funds*

This section establishes eligible uses of grant funds based on activities being carried out by the eligible entity. It requires that at least five percent be reserved for emergency grants to program participants to support their financial needs to enter, remain enrolled in, and complete such program (e.g., support for the related costs of supplies and equipment, courses, transportation, child care, or housing).

*Section 203. Grant Evaluations*

This section establishes that each grant recipient must conduct an annual independent evaluation of the activities conducted under the grant and submit it to the registration agency and Secretary. The annual report requirements mirror the evaluation requirements from Section 131 of the amendments to the *National Apprenticeship Act* and include a description of how grant funds were used and how many program participants were served by the grant.

*Section 204. Authorization of Appropriations for Grants*

This section authorizes appropriations for five years to carry out the grant activities beginning at \$400 million in FY 2025 and increasing by \$100 million annually to reach \$800 million in FY 2029.

**Section 4. Conforming Amendments.**

This section modifies a current provision of the *Immigration and Nationality Act* that directs 50 percent of H-1B visa fees collected by the U.S. Government to DOL for job training programs and designates it for use by DOL for the Modernizing the National Apprenticeship System for the 21st Century Grants, including a provision that eases the transition of existing grants using such funds.