

National Apprenticeship Act of 2021 (H.R. 447)

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Apprenticeship is a workforce development strategy that trains a worker in a recognized occupation using a structured combination of on-the-job training and related instruction. Congress has expressed interest in expanding the federal role in apprenticeship as part of a broader strategy to expand workforce development and postsecondary education options.

In February 2021, the House passed the National Apprenticeship Act of 2021 (H.R. 447). H.R. 447 would significantly increase the federal role in apprenticeship. In many cases, the bill would build on existing administrative structures and policies that have been established through a combination of statute, regulations, and administrative action. Title I of the bill would focus on establishing administrative structures and program standards. At the system level, Title I would codify the roles of the Office of Apprenticeship (OA) at the U.S. Department of Labor (DOL) and state-level apprenticeship units. At the individual program level, Title I would establish standards for individual registered apprenticeship programs as well as pre-apprenticeships and youth apprenticeships. It would also establish policies regarding reporting and oversight of these programs as well as related research. Title II of the bill would authorize a series of competitive grants to support the expansion of apprenticeship as a workforce development strategy. The grants would be available to eligible partnerships to engage in specified activities with the intent of increasing the number of apprenticeship programs and participation in such programs.

Authorization of administrative units. The bill would establish permanent authority for OA at DOL. The activities authorized by the bill would expand upon the current responsibilities of the existing OA. The bill would establish authority for state-level apprenticeship units that would register apprenticeship programs. States would have the option of establishing a State Apprenticeship Agency (SAA) or having DOL operate a State Office of Apprenticeship (SOA) in the state. The bill would provide funding to these state units, with the largest share going to states that establish SAAs.

Standards of apprenticeship. The bill would establish parameters and requirements for individual programs. Standards would relate to program design, apprenticeship protections, and rules concerning administration and recordkeeping. H.R. 447 would establish standards for apprenticeships, pre-apprenticeships, and youth apprenticeships. Each program type would have a dedicated set of standards. Some specified standards would apply across all three program types.

Oversight, reporting, and research. The bill would establish procedures for the registration of individual programs as well as reviews to ensure programs' ongoing compliance with the law. It would establish reporting requirements for sponsors as well as state registration agencies.

Competitive Grants. The bill would authorize a series of competitive grants to support the expansion of apprenticeship as a workforce development strategy. Eligible entities would be partnerships of specified types and may include numerous public and private entities. Eligible activities would include creation and expansion of programs, encouraging employer participation, engaging with intermediaries, and alignment with educational systems. Generally, these grants focus on building capacity rather than directly paying for apprenticeship activities.

Authorization of appropriations. The bill would authorize appropriations for FY2022 through FY2026. The total authorization of appropriations over the five years would be almost \$4 billion. The authorization of appropriations for competitive grants under Title II totals \$3 billion. The remaining authorizations, totaling almost \$1 billion, would support systems established under Title I.

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Background and Recent Legislative Action

Apprenticeship is a workforce development strategy that combines structured on-the-job training with related instruction to prepare a worker for employment in a specific occupation. Individual apprenticeship programs are administered by a *sponsor*, which can be an employer, a labor-management organization, or another entity. High costs associated with higher education and concerns about a mismatch between worker skills and employer needs have led to increased congressional interest in apprenticeship.

In February 2021, the House passed the National Apprenticeship Act of 2021 (H.R. 447). The bill would authorize administrative systems and grant funding with the intent of substantially increasing the federal role in supporting apprenticeship as a workforce development strategy.

This report describes and contextualizes H.R. 447. After a brief discussion of current law and existing systems, the report presents a thematic description of H.R. 447. The final section of the report discusses the bill in the context of the existing federal workforce system and compares H.R. 447 to existing workforce development efforts.

Current Law and Implementation

The original National Apprenticeship Act (NAA) was enacted in 1937 and has changed little since then. This short statute primarily directs the U.S. Department of Labor (DOL) to

- “formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices,”
- “extend the application of such standards by encouraging the inclusion thereof in contracts of apprenticeship,”
- “bring together employers and labor for the formulation of programs of apprenticeship,” and
- “cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship.”¹

The NAA has primarily been implemented through the registered apprenticeship system.² Under this system, DOL establishes programmatic standards and a framework for enforcing them. Because the NAA is a relatively short statute, most aspects of these standards are established in regulations.³ Programs that are in conformity with the standards are registered as meeting federal standards. Regulations establish a framework in which DOL can recognize State Apprenticeship Agencies (SAAs) that can register programs in the state.⁴

Neither registered apprenticeship programs nor their sponsors receive federal funding on the basis of being registered. In most cases, sponsors pay the actual costs of the programs while federal dollars support the development and application of standards. Registered apprenticeship programs

¹ 29 U.S.C. §§50 et seq.

² For a more detailed description of Registered Apprenticeship and the associated system, see CRS Report R45171, *Registered Apprenticeship: Federal Role and Recent Federal Efforts*.

³ See 29 C.F.R. §29.

⁴ 29 C.F.R. §29.13. Currently, about half of the states have an SAA; see <https://www.dol.gov/agencies/eta/apprenticeship/contact>.

can receive preferential treatment in certain federal workforce and education programs where apprenticeship is an allowable, but not a required, use.⁵

The Office of Apprenticeship (OA) is the administrative unit at DOL that administers most components of the registered apprenticeship system.⁶ In addition to registration activities, OA also engages in outreach and technical assistance.

Historically, *apprenticeship* and *registered apprenticeship* have been synonymous in the federal context. In March 2020, under the relatively broad authority of the NAA, DOL established regulations for Industry-Recognized Apprenticeship Programs (IRAPs). These regulations established a parallel system in which DOL could recognize non-federal Standards Recognition Entities that would be authorized to establish standards and approve individual IRAP programs as being in conformity with those standards. The IRAP system was designed to be an alternative to the registered apprenticeship system and had no direct effect on the operation of registered apprenticeships.⁷

In February 2021, DOL expressed a re-emphasis on registered apprenticeship as the focal point of the federal apprenticeship strategy.⁸ Concurrent statements from the Biden Administration further expressed an intent to slow the implementation of the IRAP regulations and advised DOL to consider repealing them.⁹

Overview of H.R. 447

H.R. 447 passed the House in February 2021 by a vote of 247-173.¹⁰ The bill would authorize a coordinated national apprenticeship system with the goal of expanding apprenticeship under a unified framework and regulatory scheme.¹¹ The bill uses the existing registered apprenticeship system, which coordinates both federal and state entities, as a foundation.

The bill would codify permanent authority for OA at DOL and establish the authority for state-level apprenticeship units. It would codify standards for registered apprenticeship programs as well as pre-apprenticeship and youth apprenticeship programs.

⁵ For more information on funding streams that can support apprenticeship, see U.S. Department of Labor (DOL), *The Federal Resources Playbook for Registered Apprenticeship*, <https://www.apprenticeship.gov/sites/default/files/playbook.pdf>.

⁶ OA is within the Employment Training Administration (ETA) at DOL. It is established in regulations in 29 C.F.R. §29.2.

⁷ For more information on IRAPs, see CRS Report R46622, *Final Rule on Industry-Recognized Apprenticeship Programs*.

⁸ U.S. Department of Labor, “U.S. Department of Labor Undertakes Several Actions to Strengthen Registered Apprenticeship Program, Eliminate Duplication,” February 17, 2021, <https://www.dol.gov/newsroom/releases/eta/eta20210217>.

⁹ See The White House, “Biden Administration to Take Steps to Bolster Registered Apprenticeship,” fact sheet, February 17, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/17/fact-sheet-biden-administration-to-take-steps-to-bolster-registered-apprenticeships/#:~:text=President%20Biden%20endorses%20Congressman%20Bobby,apprenticeships%20and%20pre%2Dapprenticeship%20programs>.

¹⁰ Clerk of the U.S. House of Representatives, Roll Call 31, Bill Number H.R. 447, <https://clerk.house.gov/Votes/202131>.

¹¹ H.R. 447 did not have a committee markup and does not have a committee report. In the 116th Congress, the House passed H.R. 8924, which shared the same name and was substantively similar to H.R. 447. The committee report associated with H.R. 8294 was H.Rept. 116-567.

The bill uses several methods to expand apprenticeship as a workforce strategy, including engaging with nontraditional occupations, industries, and populations. Over five years, H.R. 447 would authorize approximately \$4 billion for apprenticeship-related activities.

H.R. 447 does not explicitly address the IRAP programs established under the Trump Administration, but programs established under the IRAP regulations would likely not meet the definitions of apprenticeship or the components of the national apprenticeship system that would be established by the bill.¹²

H.R. 447: Key Definitions¹³

- *Apprenticeship program* means a program that meets specified standards and is registered under the act. It is generally synonymous with *registered apprenticeship* under current policy and this report will use *apprenticeship* and *registered apprenticeship* interchangeably.
- *Pre-apprenticeship program* means a program that prepares individuals for entrance into an apprenticeship program, meets specified standards, and is registered under the act.
- *Youth apprenticeship program* means a program designed for youth apprentices who are in high school at the start of the program and includes specified core elements and is registered under the act.
- *National apprenticeship system* means registered apprenticeship programs, pre-apprenticeship programs, and youth apprenticeship programs that meet the requirements of the act.
- *Program participant* means an individual participating in an apprenticeship, pre-apprenticeship, or youth apprenticeship program.
- *Sponsor* means an employer, joint labor-management organization, trade association, professional association, labor organization, education and training provider, or qualified intermediary that is applying to administer and operate a program under the national apprenticeship system.
- *State Apprenticeship Agency (SAA)* is a state agency recognized under the act.
- *State Office of Apprenticeship (SOA)* is a federal unit designated by DOL to administer programs under the national apprenticeship system in a state.
- *Registration agency* means an SOA or SAA responsible for approving or denying applications from sponsors for programs under the national apprenticeship system.
- *Office of Apprenticeship (OA)* is the administrative unit at DOL that is responsible for administering the act.
- *National Advisory Committee on Apprenticeship (ACA)* is an appointed group of stakeholders, largely appointed by the Secretary of Labor, with the responsibility to advise, consult with, and make recommendations to DOL on matters relating to the administration of the act.
- *Nontraditional apprenticeship population* means individuals from a group comprising less than 25% of the program participants in an apprenticeable occupation under the national apprenticeship system (e.g., individuals from an underrepresented gender or race).
- *Nontraditional apprenticeship industry or occupation* refers to an industry sector or occupation that represents less than 10% of the apprenticeable occupations or the programs under the national apprenticeship system.

Administrative Components Codified by H.R. 447

H.R. 447 would codify a number of systems and policies that would support apprenticeship as a workforce strategy. In many cases, the administrative systems would be based on frameworks that are currently in place but not authorized in statute.

¹² The committee report for the similar H.R. 8294 in the 116th Congress explicitly stated that that bill “does not authorize the IRAPs that are being advanced by the DOL under the Trump Administration.” See page 67 of H.Rept. 116-567.

¹³ Definitions are largely adapted from Section 2 of H.R. 447. Definitions listed were chosen to clarify key terms that

Office of Apprenticeship

H.R. 447 would create a statutory authorization for OA within the Employment and Training Administration (ETA) at DOL. The chief official of the agency would be the administrator.¹⁴

The general structure of OA and the role of the administrator that would be established by H.R. 447 generally reflects the existing agency that was established under the broad authority of the NAA.¹⁵ Many of the agency responsibilities established in H.R. 447 are related to current functions of OA, though some of the specific activities in the bill represent an expansion of the agency's responsibilities.

Specific responsibilities for OA that would be established by H.R. 447 include the following:¹⁶

- promotion and awareness activities;
- technical assistance to sponsors, employers, state agencies, and other entities;
- establishment of SOAs in states without an SAA (see “State-Level Administrative Units” for more information);
- reviewing and updating procedures associated with establishing compliance with program standards (see “Standards of Apprenticeship” for more information);
- maintenance of requirements for apprenticeable occupations,¹⁷ including reviewing and making determinations for new occupations and collaborating with the National Advisory Committee on Apprenticeship (see “National Advisory Committee on Apprenticeship” for more information) and industry sector leaders where applicable;
- monitoring of SAAs, SOAs, grantees, and sponsors of programs to ensure compliance with the act;
- promotion of diversity in the national apprenticeship system, including ensuring the programs under the national apprenticeship system provide equal opportunity;
- awarding competitive grants under Title II of the act (see “Competitive Grants” for more information);
- consultation with the National Advisory Committee on Apprenticeship (ACA) and transmission of the committee's reports to the applicable agencies and congressional committees (see “National Advisory Committee on Apprenticeship” for more information);
- coordination and alignment of programs under the national apprenticeship system with related federal programs; and
- provision of data collection and dissemination systems, including the establishment of a single information technology infrastructure to support data collection and reporting from SAAs, SOAs, grantees under Title II, and program administrators under the national apprenticeship system.

appear throughout this report; they do not reflect the full universe of definitions established in Section 2.

¹⁴ §111(a).

¹⁵ See also regulatory mentions in 29 C.F.R. §29.

¹⁶ §111(b)-(c).

¹⁷ The characteristics of *apprenticeable occupations* are established in Section 121.

H.R. 447 would establish dedicated funding to support the operation of OA at the federal level. The authorization of appropriations would be \$50 million in FY2022 and increase by \$10 million each year to \$80 million in FY2025.¹⁸

OA does not have a dedicated authorization of appropriations under current law but does typically receive appropriations under more general DOL administrative funding. In FY2021, comparable funding for OA was approximately \$36 million.¹⁹

National Advisory Committee on Apprenticeship

H.R. 447 would codify the authorization of the ACA. Under current law, the NAA authorizes DOL to appoint an advisory committee but provides no additional detail.²⁰

Under H.R. 447, the ACA would have 27 voting member members appointed by the Secretary of Labor.²¹ Nine would be from employers or industry associations who participate in an apprenticeship program, nine would be from labor organizations or joint labor-management organizations, and nine would be single representatives from nine specified groups.²²

The ACA would advise, consult with, and make recommendations to OA on matters relating to the administration of the act. The ACA would be required to have at least four annual meetings and would annually prepare a set of recommendations to be shared with the relevant congressional committees.

State-Level Administrative Units

Under current regulations, DOL has the authority to recognize SAAs. These agencies have nonexclusive authority to register programs as being in compliance with published standards.²³ In states without SAAs, OA is responsible for registering apprenticeship programs.

H.R. 447 would maintain the general framework of SAAs and federally operated offices in states that do not establish an SAA, but it would make a number of administrative and procedural changes.

H.R. 447 would establish statutory procedures for the recognition of SAAs. SAA applications would need to include a state plan and describe how the state would comply with specified standards. Recognition of SAAs would be for a four-year period, after which it would need to be

¹⁸ §141(a).

¹⁹ See page PA-35 of the “Program Administration” volume of the FY2022 DOL budget at <https://www.dol.gov/sites/dolgov/files/general/budget/2022/CBJ-2022-V1-09.pdf>.

²⁰ For statutory authorization, see 29 U.S.C. §50a. DOL has used this authority to establish a committee, though details on recent activity are unclear. In December 2016, DOL announced an intention for a two-year renewal of the ACA charter that was set to expire in January 2017. See *Federal Register*, December 19, 2016, “Notice of Intent to Renew the Advisory Committee on Apprenticeship (ACA) Charter,” <https://www.govinfo.gov/content/pkg/FR-2016-12-19/pdf/2016-30486.pdf>. CRS was unable to find a subsequent renewal. In February 2021, the Biden Administration announced an intention to “to reinstate the longstanding National Advisory Committee on Apprenticeships.” See The White House, “Fact Sheet: Biden Administration to Take Steps to Bolster Registered Apprenticeship,” February 17, 2021; <https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/17/fact-sheet-biden-administration-to-take-steps-to-bolster-registered-apprenticeships/>.

²¹ The committee would also include nonvoting members from specified federal agencies; §112(a)(2)(C).

²² §112(a)(2)(A)-(B).

²³ 29 C.F.R. §29.13.

renewed.²⁴ SAAs that were recognized by DOL prior to the enactment of the bill would need to submit a new application under the requirements of the new law within one year of enactment.²⁵ Once recognized, SAAs “have sole authority to recognize and register a pre-apprenticeship, youth apprenticeship, or apprenticeship program in such State.”²⁶

H.R. 447 specifies that for an SAA to receive funding under the bill, it would need to submit a state plan and have the plan approved by OA. Among other provisions, the plan must include details on how the state will provide technical assistance to various apprenticeship stakeholders, recognize programs from other states, promote diversity, receive and resolve complaints, and collect and report performance data.²⁷ State plans must also describe how apprenticeship activities and strategy are aligned with other state and federal workforce and education programs.²⁸

In states that do not establish an SAA, H.R. 447 directs OA to establish an SOA.²⁹ The SOA would serve as the registration agency in the state. Each SOA would be administered by a director, who would be responsible for submitting a state plan.³⁰

Funding for State-Level Units

H.R. 447 would establish a formula grant program for SAAs and SOAs. Under the formula, one-third of the funds would be allotted equally among each eligible SAA and SOA. The remaining two-thirds of the funds would be allocated only to states with an SAA. These funds would be allotted based on a series of calculations that consider each grantee’s relative share of apprentices, apprenticeship completers, the labor force, unemployed workers, and persons in poverty.³¹ SAAs that receive funding under the grant would have to provide a 25% match.³²

H.R. 447 specifies a range of activities that SAAs may use the funding to support, including program administration, alignment with educational systems (at least 10% of funding), alignment with workforce systems (at least 10%), and leadership activities (not more than 15%) that may include efforts related to diversity, employer incentives, and state-specific initiatives.³³

Total authorized funding for these grants would be \$75 million for FY2022 and increase \$10 million each year to \$115 million in FY2026.³⁴

Interagency Agreement Between DOL and the Department of Education

H.R. 447 would direct DOL to enter into an interagency agreement with the Department of Education (ED) “to promote and support integration and alignment of programs under the

²⁴ §113(a)(3)(B)

²⁵ §113(a)(3)(C)

²⁶ §113(b)(2).

²⁷ §113(c).

²⁸ §113(c)(10)-(12).

²⁹ §111(b)(3)(A).

³⁰ §111(b)(3)(B).

³¹ §113(f)(1).

³² §113(d)(5).

³³ §113(d).

³⁴ §113(g). See **Table 1** for annual authorization levels.

national apprenticeship system with secondary, postsecondary, and adult education.” The bill would establish specific activities to increase the alignment between Youth Apprenticeships and existing secondary education systems. The bill would establish an Apprenticeship College Consortium to support alignment between the national apprenticeship system and postsecondary institutions, include facilitating data sharing and articulation agreements.³⁵

The bill would provide dedicated funding for the purpose of carrying out this agreement. Funding would be \$10 million in FY2022 and increase each year to \$18 million in FY2026.³⁶

Standards of Apprenticeship

Standards of apprenticeship establish parameters and requirements for individual sponsor-level programs. Standards relate to program design, apprenticeship protections, administration, and recordkeeping. H.R. 447 would establish standards for apprenticeships, pre-apprenticeships, and youth apprenticeships. Each program type would have a dedicated set of standards. Some specified standards would apply across all three program types.

General Requirements³⁷

H.R. 447 would require that all program participants enter into a written apprenticeship agreement with the sponsor of the program. Participants who complete a program would be awarded a certificate of completion, provided by the applicable registration agency.

The bill would require all programs to provide an equal opportunity for participation in the program and to support the recruitment, employment, and retention of nontraditional apprenticeship populations.³⁸ The bill would also require adequate and safe equipment, environments, and facilities and would require adequate safety training for apprentices, mentors, and qualified instructors. Programs would be required to have ratios of program participants to supervisors “that are based on evidence-based and evidence-informed best practices ... except if such ratios are expressly prohibited by the collective bargaining agreements.”

Standards for Apprenticeship³⁹

The standards H.R. 447 would establish for apprenticeship programs would be generally similar (but not identical) to the standards that are established in current regulations for registered apprenticeship programs.⁴⁰ Some key standards include the following:

- A written plan that includes an outline of the work processes in which the apprentice will receive supervised experience and training, the approximate

³⁵ §114.

³⁶ §141(b). See **Table 1** for annual authorization levels.

³⁷ See §121(e).

³⁸ See Section 121(e)(3), which references Section 111(b)(7)(B)-(C), which, among other provisions, references 29 C.F.R. Section 30, which establishes Equal Employment Opportunity requirements for registered apprenticeship programs.

³⁹ See §122(b)

⁴⁰ See 29 C.F.R. Section 29.5 for current standards. In some cases, H.R. 447 applies elements of standards that are in current regulations for registered apprenticeships to all programs in the national apprenticeship system. See the “General Requirements” section of this report and Section 121(e) of the bill.

amount of time spent on each process, and the methods for assessing skills and competencies.

- A description of the related instruction the apprentice will receive in a classroom or alternative setting. A minimum of 144 hours of related instruction per year is required “unless an alternative requirement is put forth by the employment and sponsor that reflects industry standards is accepted by the registration agency.”⁴¹
- A schedule of progressively increasing wages for the apprentice that is consistent with skill gains. The entry wage may not be less than the federal minimum wage or a higher wage level if required by another federal law, state law, or collective bargaining agreement.
- The term of apprenticeship, which may be measured using a time-based model, a competency-based model, or a hybrid model that blends the time-based and competency-based models.

Standards for Pre-apprenticeship⁴²

There are no codified standards for pre-apprenticeship programs in the current apprenticeship regulations.⁴³ DOL has issued guidance on the characteristics of quality pre-apprenticeship programs.⁴⁴

H.R. 447 specifies that pre-apprenticeship programs would be “designed to assist individuals who do not meet minimum qualifications for an apprenticeship program” to “prepare them to enter and succeed in such an apprenticeship.” Pre-apprenticeship sponsors must have a written agreement with at least one registered apprenticeship program and must demonstrate “sufficient demand in an apprenticeship program at the completion of a pre-apprenticeship program to support a transition from a pre-apprenticeship to an apprenticeship.” Pre-apprenticeship programs would be required to have a written plan developed in consultation with the partnering registered apprenticeship program.

Standards for Youth Apprenticeship⁴⁵

H.R. 447 would establish standards for youth apprenticeship programs, which would be designed for youth apprentices who are in high school at the start of the program. These programs would combine on-the-job training with related instruction and be designed to “prepare the youth apprentice for placement in further education, employment, or an [registered] apprenticeship program.”⁴⁶

⁴¹ §122(b)(1)(c)(i).

⁴² See §122(c)

⁴³ Under the regulations established for Youth Activities under the Workforce Innovation and Opportunity Act, DOL promulgated definitions for pre-apprenticeship in the context of that program; see 20 C.F.R. §681.480.

⁴⁴ For an example of formal guidance, see U.S. Department of Labor, “Defining a Quality Pre-Apprenticeship Program and Related Tools and Resources,” Training and Employment Guidance Letter 13-12, November 30, 2012, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5842. For examples of more informal guidance, see the “Explore Pre-Apprenticeship” page on DOL’s apprenticeship website at <https://www.apprenticeship.gov/employers/explore-pre-apprenticeship>.

⁴⁵ See §122(d).

⁴⁶ §122(d)(2)(G)

Similar to registered apprenticeship programs, standards for youth apprenticeship programs would include an outline of the work processes and a progressively increasing schedule of wages. Youth apprenticeship programs must also have related classroom-based instruction that is, to the extent practicable, aligned with high school diploma requirements and career clusters.

Apprenticeship Agreements

H.R. 447 would require each sponsor to develop an apprenticeship agreement to be signed by the participant and the sponsor.⁴⁷ The agreement must be the same for each program participant and describe specified components of the program. Apprenticeship agreements would be required for all programs under the national apprenticeship system (i.e., apprenticeships, pre-apprenticeships, and youth apprenticeships), though the specific content of the agreements would vary somewhat by program type.⁴⁸

Registration Process

H.R. 447 would codify the process by which sponsors would register programs with registration agencies. Applications from sponsors must include a description of how the sponsor will meet the specified standards for the program and how it will comply with other components of the act.⁴⁹

Upon receipt of a compliant application, a registration agency would have 30 days to register the program for a provisional one-year period. By the end of the provisional registration period, the registration agency would review the program for compliance and either (1) fully approve the program or (2) continue provisional registration and conduct an additional provisional review at the conclusion of the training cycle. If a program does not meet requirements after provisional review, the registration agency would recommend either (1) technical assistance and corrective action or (2) deregistration.⁵⁰

A program that was already registered prior to enactment of H.R. 447 would maintain its status if the program meets the requirements of the act. If a previously registered program does not meet the requirements of the act, the registration agency would provide technical assistance to the sponsor to ensure that the program is in compliance not less than three years after enactment of H.R. 447.⁵¹

Reporting Requirements and Program Reviews

H.R. 447 would require registration agencies to collect specified performance information on programs it has registered as well as specified information on program participants. This information would be compiled into annual reports that would be submitted to DOL. The annual reports would include performance data disaggregated by program type (i.e., apprenticeship, pre-

⁴⁷ §123(a).

⁴⁸ §123(b).

⁴⁹ §124(a).

⁵⁰ §124(b)(1)-(3).

⁵¹ §124(b)(4).

apprenticeship, youth apprenticeship) and by program participants' race, ethnicity, sex, age, and barriers to employment.⁵²

H.R. 447 would establish an oversight framework in which registration agencies would perform "Comprehensive Program Reviews" of registered programs at specified intervals. The registration agencies would review programs' performance and compliance with other parts of the act, such as reporting requirements, and would then issue a report and submit it to the administrator.⁵³

Programs that are not in compliance with the act would be subject to technical assistance and, under specified circumstances, corrective action and deregistration. H.R. 447 would establish several procedures for programs subject to deregistration, including a right to a hearing and notification requirements for affected program participants.⁵⁴

National Apprenticeship System Research

H.R. 447 would direct DOL to conduct, through an independent entity, "research for the purpose of improving the management and effectiveness of the programs and activities carried out under this Act."⁵⁵ The research must address a number of specified issues, including the general effectiveness of apprenticeship programs relative to their cost, and the extent to which such programs improve skills, increase employment and credential attainment, and respond to local labor market needs. The resultant final report, including policy recommendations, must be submitted to each authorizing committee in the House and the Senate and be made publicly accessible.⁵⁶

There is no specific timeline associated with the independent research provisions in H.R. 447. This effort is funded out of the more general OA authorization of appropriations.

Competitive Grants

Title II of H.R. 447 would establish a series of competitive grants under the heading "Modernizing the National Apprenticeship System for the 21st Century Grants." These grants are the largest proposed funding stream in H.R. 447, accounting for \$3 billion of the almost \$4 billion that would be authorized by the bill. The annual authorization of appropriations would be \$400 million in FY2022 and increase each year to \$800 million in FY2025.⁵⁷ See **Table 1** for full annual authorization levels.

With limited exceptions, these grants would not directly support the operation of apprenticeship programs (e.g., paying apprentice wages). Instead, the grants would focus on strengthening systems and facilitating connections between sponsors, apprentices, and other stakeholders.

The grants would be administered at the federal level by OA. Eligible grantees would be partnerships of two or more of the following eligible entities:⁵⁸

- a state or local workforce development board or state or local workforce agency;

⁵² §131(b)(1). Barriers to employment are defined as those specified in Section 3(24) of WIOA.

⁵³ §131(b)(2).

⁵⁴ §131(b)(3).

⁵⁵ §132(a).

⁵⁶ §132.

⁵⁷ §204.

⁵⁸ §201(d).

- an education and training provider, or a consortium thereof;
- a state apprenticeship agency;
- an Indian tribe or tribal organization;
- an industry or sector partnership, a group of employers, a trade association, or a professional association that sponsors or participates in a program under the national apprenticeship system;
- a governor;
- a labor organization or joint labor-management organization;
- a community-based organization that assists program participants in accessing supportive services; or
- a *qualified intermediary*, defined as “an entity that demonstrates expertise in building, connecting, sustaining, and measuring the performance of partnerships” between apprenticeship stakeholders.⁵⁹

The bill specifies that “to the extent practicable,” such partnerships should be part of an industry or sector partnership and partner with a labor or joint labor-management organization.⁶⁰

Grants would support one or more of the following purposes:⁶¹

- *creation and expansion activities*, including creating new apprenticeship programs in nontraditional industries and occupations, expanding existing apprenticeship programs, and creating or expanding pre-apprenticeship or youth apprenticeship programs;
- *encouraging employer participation* in the national apprenticeship system, including employers that participate in programs that target individuals with barriers to employment, nontraditional apprenticeship populations, or currently incarcerated persons; employers that are in high-need social services fields such as direct care workers and early childhood educators; and small and medium-sized employers;
- *intermediary grants* to qualified intermediaries to establish or expand sector-based partnerships under the national apprenticeship system, including through industry intermediaries in specified sectors and equity intermediaries that serve nontraditional apprenticeship populations; and
- *educational alignment activities* to strengthen alignment between programs under the national apprenticeship system and education and training providers with secondary, postsecondary, and adult education systems.

Grants would be awarded for a period of not more than three years. Grantees could apply for a two-year extension if they are able to demonstrate specified indicators of success.⁶² Grantees would be required to provide a 25% match “in cash or in kind, fairly evaluated.”⁶³ Priority would be given to applicants who propose to “serve a high number or high percentage of participants

⁵⁹ Definition from §2.

⁶⁰ §201(d)(2).

⁶¹ See Section 201(a)(1)(A)-(D) for descriptions of each purpose.

⁶² §201(a)(2).

⁶³ §201(b). The match can be waived in “exceptional circumstances.”

who are from nontraditional apprenticeship populations” and provide “opportunities in high-wage, high-skill, or in-demand sectors and occupations.”⁶⁴

H.R. 447 specifies a series of application requirements that would apply to grants for all four purposes as well as requirements that would be specific to applications for each distinct purpose.⁶⁵ Similarly, the bill specifies allowable uses that apply to all grants as well as additional uses that apply to grants for each of the four specified purposes.⁶⁶

Each grantee would be required to provide for an independent evaluation of activities carried out under the grant.⁶⁷ Grantees would be required to provide an annual report as well as a final report that described how the funds were used and provided specified data on program participants, performance, and outcomes.⁶⁸

H.R. 447 specifies that OA would prepare an interim evaluation of the grants no later than 36 months after enactment of the law and a final evaluation no more than 60 months after enactment. The evaluations would address “the general effectiveness of the activities in relation to their cost” as well as specific indicators related to participation, employment, and other factors.⁶⁹

Funding Authorized by H.R. 447

H.R. 447 would authorize several new funding streams. Authorization levels for each funding stream would gradually increase over the course of the five-year authorization. Total authorized funding would increase from \$535 million in the first year to \$1.023 billion in the fifth year (see **Table 1**).

The bulk of the funding authorizations in H.R. 447 would be supported by appropriated funds. The bill would also direct funds from specified immigration visa fees to activities it would establish.⁷⁰ Under current law, these fees are allocated to DOL for more general workforce development purposes.⁷¹ The authorization for these funds under current law is somewhat broad and DOL has historically used the funds to support a range of workforce development activities.

⁶⁴ §201(c).

⁶⁵ Section 201(e) specifies general requirements and Section 201(f)(1)-(4) specifies requirements for each purpose.

⁶⁶ Section 202(a) specifies general activities and Sections 202(b)(1)-(4) specify uses for each purpose.

⁶⁷ §203(a)(1).

⁶⁸ §203(a)(2).

⁶⁹ §203(b).

⁷⁰ See Section 4 of H.R. 447, which amends Section 286(s)(2) of the Immigration and Nationality Act (8 U.S.C. §1356(s)(2)) and repeals Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. §2916a).

⁷¹ See Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. §2916a).

Table I. Authorizations of Appropriations in H.R. 447

(In millions of dollars)

Activity (Relevant Sections)	FY2022	FY2023	FY2024	FY2025	FY2026	Total
DOL Office of Apprenticeship (Authorization in Section 141 to carry out Sections 111, 112, 131, 132)	50.0	60.0	70.0	80.0	90.0	350.0
State Apprenticeship Agencies and State Offices of Apprenticeship (Authorization in Section 113 to carry out that section)	75.0	85.0	95.0	105.0	115.0	475.0
Interagency Agreement with the Department of Education (Authorization in Section 141 to carry out Section 114)	10.0	12.0	14.0	16.0	18.0	70.0
Competitive Grants (Authorization in Section 204 to carry out Sections 201 through 204)	400.0	500.0	600.0	700.0	800.0	3,000.0
Total	535.0	657.0	779.0	901.0	1,023.0	3,895.0

Source: CRS analysis of H.R. 447

H.R. 447 in the Context of the Federal Workforce System

While H.R. 447 would be aligned in purpose with the existing federal workforce system established under the Workforce Innovation and Opportunity Act (WIOA, P.L. 113-128), the strategic approach of H.R. 447 differs at least somewhat from most WIOA partner programs. Whereas most funding for WIOA partner programs directly supports career services and a range of training activities, the funding under H.R. 447 primarily supports system and program development: establishing administrative structures and program standards and engaging stakeholders to work with sponsors to expand the availability and use of apprenticeship programs that meet those standards.

Alignment with WIOA

WIOA is the primary federal workforce development legislation. The law establishes a system in which state and local workforce development boards (WDBs) coordinate federal funds through approximately 2,400 American Job Centers (known as the one-stop delivery system). WIOA also authorizes many of the funding streams that WDBs coordinate, including three formula grants that separately target funds for career services and training to adults, dislocated workers, and youth.⁷²

⁷² For more information on WIOA, associated systems, and formula grant funding, see CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*.

H.R. 447 specifies a number of ways in which its authorized activities would be aligned with the existing federal workforce development system authorized under WIOA.

- OA would be required to coordinate and align programs under the national apprenticeship system with “related federal programs,” including a number of WIOA partner programs.⁷³
- State plans for states seeking to establish an SAA would specify how apprenticeship efforts are aligned with WIOA efforts, including a description of the state’s strategy for joint planning and the degree to which programs under the national apprenticeship system align with the skill needs of employers identified by the state WDB.⁷⁴
- Performance metrics for each registered program include indicators related to employment, earnings, and credential attainment that are established under WIOA and used for oversight of WIOA grantees.⁷⁵
- Many definitions and concepts in H.R. 447 would be aligned with WIOA, including defining a *worker with a barrier to employment* and numerous administrative terms.⁷⁶

Comparison of H.R. 447 and WIOA Partner Programs

As noted previously, WIOA establishes a framework in which state and local WDBs coordinate federal funding streams to meet the needs of the local labor market. The specifics of each funding stream that the boards coordinate vary, but programs can generally be categorized into those that (1) target the general population, (2) target workers based on the circumstances of their layoff (e.g., workers dislocated by international trade), and (3) target workers based on personal characteristics (e.g., veterans, older workers, disadvantaged youth). Most, but not all, WIOA partner programs support training.⁷⁷

The strategic approach of H.R. 447 varies from most WIOA partner programs in several ways.

- *Emphasis on a specific training approach.* H.R. 447 codifies systems and targets funding that supports registered apprenticeship and related pre-apprenticeship and youth apprenticeship programs. The bill makes efforts to target support to nontraditional populations and industries, but it focuses on specified groups of training strategies with somewhat clearly delineated components. This contrasts with most WIOA partner programs that target a specific population but may support a broader range of activities and offer grantees more flexibility in specific strategies to support jobseekers.⁷⁸ For example, funds provided under the WIOA Dislocated Worker formula grant program (which supports training and career services for workers who involuntarily lose their jobs and meet other

⁷³ §111(b)(10).

⁷⁴ §§113(c)(10)(B) and 113(c)(12).

⁷⁵ §131(b)(1)(A)(i).

⁷⁶ In Section 2 of H.R. 447, a number of terms are defined as their meaning under WIOA.

⁷⁷ For more information on WIOA partner programs, see CRS Report R43301, *Programs Available to Unemployed Workers Through the American Job Center Network*.

⁷⁸ One notable exception is the Job Corps program, which is authorized under Title I of WIOA and provides specific approaches to career and technical training and education at residential facilities. For more information on Job Corps, see the applicable section of CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*.

criteria) can be used for a wide range of training strategies of varied durations, including (but not limited to) classroom training, occupational skills training, on-the-job training, or various forms of customized training.⁷⁹ Eligible workers can also use WIOA Dislocated Worker funds to support their participation in an apprenticeship program.⁸⁰

- *Focus on intensive, sponsor-supported workforce development strategies.* Apprenticeship programs typically last several years and apprentices develop professionalized skills. In apprenticeship programs, training costs are primarily borne by the sponsor or employer.⁸¹ WIOA partner programs typically focus on lower-cost, shorter-term services with emphasis on more immediate employment, often in entry-level positions.⁸² In these programs, training and other costs are typically paid out of federal grants.
- *Emphasis on supporting the creation of new training programs.* H.R. 447 has a stated intention of facilitating the creation of new apprenticeship programs.⁸³ Most WIOA partner programs do not directly support training providers in the development of new programs. WIOA grantees typically engage existing training providers and programs with an intention of meeting local workforce demand.⁸⁴
- *Supporting training programs through intermediaries.* The competitive grants that account for most of the funding in H.R. 447 would primarily support activities such as outreach, program development, and expanding supportive services through entities such as subfederal government agencies, community-based organizations, and other intermediaries. Generally, funds authorized under the bill would not be paid directly to apprenticeship program sponsors based on providing additional apprenticeship opportunities. Conversely, in most WIOA partner programs training funds are typically paid directly to training providers (e.g., paying tuition, subsidizing wages during on-the-job training).

⁷⁹ §134(c)(3)(D) of WIOA, 29 U.S.C. §3174(c)(3)(D).

⁸⁰ For a more detailed discussion of the integration of WIOA and registered apprenticeship, see U.S. Department of Labor, “Guidance on Registered Apprenticeship Provisions and Opportunities in the Workforce Innovation and Opportunity Act (WIOA),” Training and Guidance Letter 13-16, issued January 12, 2017, https://wdr.doleta.gov/directives/corr_doc.cfm?docn=9125. Section 7 of the TEGE explicitly aligns allowed uses of WIOA funds with registered apprenticeship activities.

⁸¹ Employer costs for registered apprenticeship programs are not systematically documented. A 2016 report commissioned by the Department of Commerce provided a series of case studies of registered apprenticeship programs of varied lengths and noted that, “Not considering start-up costs, the most expensive program in our sample of firms cost \$250,000 per apprentice; the least less than \$25,000.” See U.S. Department of Commerce, *The Benefits and Costs of Apprenticeships: A Business Perspective*, November 2016, <https://files.eric.ed.gov/fulltext/ED572260.pdf>.

⁸² For example, in program year 2019, the cost per training participant served was approximately \$1,800 in the WIOA Adult program and about \$2,500 in the WIOA Dislocated Worker program. See U.S. Department of Labor, WIOA PY2019 Performance Report, <https://www.dol.gov/sites/dolgov/files/ETA/Performance/pdfs/PY%202019%20WIOA%20Performance%20Summary.pdf>.

⁸³ The text of the bill does not establish a numeric expectation for new apprenticeships. Other documentation establishes an intent to support “nearly 1 million new apprenticeship programs.” See House Committee on Education and Labor, “National Apprenticeship Act of 2021 (H.R. 447) Fact Sheet,” <https://edlabor.house.gov/imo/media/doc/2021-01-25%20National%20Apprenticeship%20Reauthorization%20Fact%20Sheet.pdf>. See also the previously cited H.Rept. 116-567 associated with the substantively similar H.R. 8294 in the 116th Congress.

⁸⁴ §134(c)(3)(G) of WIOA, 29 U.S.C. §3174(c)(3)(G).

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