

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Funding Vehicle
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 15-19

TO: STATE GOVERNORS
STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE APPRENTICESHIP AGENCIES
STATE DIRECTORS, OFFICE OF APPRENTICESHIP
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE EDUCATION AGENCIES

FROM: JOHN PALLASCH /s/
Assistant Secretary

SUBJECT: Availability of Program Year 2019 Funding for State Apprenticeship Expansion Grants, “Building State Capacity to Expand Apprenticeship through Innovation”

- Purpose.** This Training and Employment Guidance Letter (TEGL) announces the availability of \$73 million in Program Year (PY) 2019 funds to States through tiered funding. The goal of these funds is to expand the national Registered Apprenticeship system by funding baseline activities that improve States’ ability to serve, improve, and strategically scale the Registered Apprenticeship Program (RAP) model described in 29 C.F.R. parts 29, Subpart A, and 29 C.F.R.30; and to fund innovations aimed at using RAPs as a tool for developing the economy and building infrastructure.

Specifically, States will use grant awards to pursue the following goals and activities:

A: Tier I (Required): Baseline Goals and Activities: Every State applying that meets the application requirements will receive a base amount of funding (\$450,000 for States and \$300,000 for U.S. territories) to engage in activities to strengthen the structures supporting RAPs in their State. See Appendix III for details.

B: Tier II (Optional): Innovation Goals and Activities: ETA will award States as much as \$9 million if their application demonstrates improvements and innovations to RAPs in their State that spread the RAP model, develop infrastructure, and impact other significant policy issues. Applications must also credibly demonstrate that stated goals can be accomplished during the life of the grant. See Appendix III for details.

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This TEGL also announces application procedures and provides guidance on the use of funds.

Beginning in Program Year 2020, the Department intends to award funds competitively through a Funding Opportunity Announcement. Further, if additional funds remain available after awards are made under this TEGL, ETA will use the remaining balance to award grants through other competitively awarded RAP funding opportunities announced by the Department in PY 2019.

Funds awarded come from the Department's annual appropriated funds to develop and expand RAPs. This appropriation allows the Department to grant funds to "[e]xpand opportunities relating to apprenticeship programs registered under the National Apprenticeship Act[.]" This means recipients must spend these funds on activities that will create or assist in the creation of RAPs.

The term "State" means "any of the 50 States of the United States, District of Columbia, or any Territory or possession of the United States."¹ For the purposes of this TEGL, territories or possessions of the United States are defined as Puerto Rico, U.S. Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

2. **Action Requested.** States must submit applications responding to TEGL 15-19 including all required documents detailed in Appendix V to www.Grants.gov no later than 11:59:59 P.M. E.D.T., May 21, 2020.

3. **Summary and Background.**
 - a. Summary – This TEGL solicits applications from States for the State Apprenticeship Expansion Grants, "Building State Capacity to Expand Apprenticeship through Innovation" grants.

 - b. Background – In June 2017, the President issued an Executive Order (E.O.) 13801, *Expanding Apprenticeship in America*, with a focus on preparing workers to fill both existing and newly created jobs, and to prepare workers for the jobs of the future.² Apprenticeship is an industry-driven, high-quality career pathway where employers can develop and prepare their future workforce, and apprentices can obtain paid work experience, classroom instruction, and a portable, nationally-recognized credential. The E.O. directs the federal government to "promote apprenticeships and effective workforce development programs."

¹ e-CFR 29:29.2 https://www.ecfr.gov/cgi-bin/text-idx?SID=b9997eeaeab45b77ad8522923a1e0567&mc=true&node=se29.1.29_12&rgn=div8.

² Executive Order on Expanding Apprenticeships in America, available at <https://www.whitehouse.gov/presidential-actions/3245/>.

Expanding apprenticeships can help individuals gain the skills necessary to fill vacancies and help employers find skilled workers more easily and quickly. Research suggests several factors contribute to the current skills gap: a lack of people with fundamental employability skills; a lack of workers who have the specialized skills needed to fill many trade positions; and a lack of applicants in the fields of science, technology, engineering, and math (STEM) needed for many of today's jobs.³ To address the skills gap, employers across all industries are increasingly turning to apprenticeship as a workforce development solution. With a 94 percent retention rate and proven return on investment, companies of all sizes are creating apprenticeship programs to train students and adults for careers of today and tomorrow.⁴ Research has also shown a \$1.47⁵ return on investment for every dollar an employer spends on apprenticeship; registered apprentices earn \$300,000⁶ more during their career than non-apprenticeship workers; and registered apprentice completers earn on average \$70,000 per year,⁷ about \$10,000 more than someone graduating with a degree.⁸

Other factors, including an aging workforce and technology changes, impact the unemployment rate in the country. The E.O. provides a roadmap for the government to address some of these concerns. Of note, the E.O. created a Task Force that provided several recommendations to best expand the apprenticeship model in America, including a recommendation on the identification and availability of capacity-building resources. The Task Force report indicates that the government should provide “clarification or alignment of funding availability (or both) via [Workforce Innovation and Opportunity Act] (WIOA), the Carl D. Perkins Career & Technical Education Act, Federal Work-Study, and/or the Federal Pell Grant Program, at a minimum.”⁹

In addition to federal efforts, States have taken actions to share capacity-building resources and to encourage the alignment of multiple funding sources to support individuals entering apprenticeships. Most States have already developed apprenticeship

³ Business Roundtable, *Closing the Skills Gap*, available at <https://www.businessroundtable.org/policy-perspectives/building-americas-tomorrow-ready-workforce/closing-the-skills-gap>

⁴ U.S. Department of Labor, *Apprenticeship Toolkit Frequently Asked Questions*, available at <https://www.dol.gov/apprenticeship/toolkit/toolkitfaq.htm#2e>

⁵ U.S. Department of Labor, *Apprenticeship Toolkit Frequently Asked Questions*, available at <https://www.dol.gov/apprenticeship/toolkit/toolkitfaq.htm#2e>

⁶ U.S. Department of Labor, *Apprenticeship Toolkit Frequently Asked Questions*, available at <https://www.dol.gov/apprenticeship/toolkit/toolkitfaq.htm#2e>

⁷ https://www.doleta.gov/OA/data_statistics.cfm

⁸ U.S. Department of Labor, *Apprenticeship Toolkit Frequently Asked Questions*, available at <https://www.dol.gov/apprenticeship/toolkit/toolkitfaq.htm#2e>

⁹ *Taskforce on Apprenticeship Expansion Final Report to: the President of the United States*, May 10, 2018, available at <https://www.dol.gov/apprenticeship/docs/task-force-apprenticeship-expansion-report.pdf>

programs, while others have formed temporary work groups, advisory councils, or committees to study and better understand successes in apprenticeship and how state legislation could create these programs. Some States have also enacted laws to promote the alignment of apprenticeships with education systems, namely Career and Technical Education (CTE) programs within high schools. In 2019, 26 States enacted 49 bills promoting workforce development programs at the post-secondary educational level. Additionally, at least nine States introduced bills related to education and workforce development data.¹⁰

Since the passage of WIOA, the Department has published guidance, provided technical assistance, and encouraged States to integrate apprenticeships into workforce development strategies through their local workforce boards. Workforce boards are ideally positioned to integrate apprenticeships in local work-based learning agendas; boards and the American Job Centers (AJCs) they oversee already provide training, refer job seekers to employment opportunities, and work with businesses to find talent development solutions that meet the local labor demand.¹¹ By taking advantage of apprenticeship opportunities, boards and AJCs can expand work-based learning options to their jobseeker customers.

As it continues to provide guidance, the Department has allotted funds to States to promote the development or expansion of RAPs with a focus on integrating RAPs into the local economy as a go-to workforce development solution.

Expanding Registered Apprenticeships means strategically scaling the RAP model into new industries and occupations; increasing diversity of RAP populations by actively recruiting veterans and their spouses, as well as those demographic groups historically underrepresented within RAPs (including women, people of color, ex-offenders, and persons with disabilities); and extending into new communities, including rural and inner-city employers.

In 2016, the Department awarded \$50.5 million in State Apprenticeship Expansion (SAE) grants to expand RAPs to more workers and more companies and advance RAPs as a go-to talent solution within States' education and workforce development systems. Subsequently, the Department also awarded \$49 million to support continued state apprenticeship expansion efforts.

In 2019, the Department awarded \$73 million in Apprenticeship State Expansion grants to States to advance three goals: (1) increase the number of apprentices in RAPs nationwide; (2) support and encourage RAP diversification, including increasing the

¹⁰ Education Commission, Postsecondary Workforce Development Policy, <https://www.ecs.org/wp-content/uploads/Postsecondary-Workforce-Development-Policies.pdf>

¹¹ National Association of Workforce Boards and Jobs for the Future, *The State of Apprenticeship Among Workforce Boards*, available at https://irp-cdn.multiscreensite.com/dc0a626e/files/uploaded/NAWB-Apprenticeship-092717_Final.pdf

diversity of apprentices and growing apprenticeship across industry sectors; and (3) support the integration of RAPs into State workforce development, education, and economic development strategies and programs, ensuring that Registered Apprenticeship is a viable career path for youth, adults, and career seekers, as well as a valuable workforce development strategy for businesses.

Building on these efforts, this TEGL creates a funding opportunity supporting statewide RAP expansion through tiered funding as described above.

4. **Program Authority.** Funds awarded come from the Department’s annual appropriated funds to develop and expand RAPs. This appropriation allows the Department to grant funds to “[e]xpand opportunities relating to apprenticeship programs registered under the National Apprenticeship Act[.]” This means recipients must spend these funds on activities that will create or assist in the creation of RAPs. Funding is authorized under the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (Public Law 115-245, Division B, Title I) and will be awarded under CFDA Number 17.285.
5. **Inquiries.** Please direct questions regarding this funding opportunity to Anu Mathew, Grants Management Specialist, Office of Grants Management, at Mathew.Anu@dol.gov, specifically referencing “ETA-TEGL-15-19.” Applicants should include a contact name, phone number and email with all questions to provide a means of response. This announcement is available on the ETA website at <http://www.doleta.gov/grants> and at <https://www.grants.gov>.
6. **References.**
 - National Apprenticeship Act (Fitzgerald Act)
 - Original Version (<https://www.doleta.gov/oa/history.cfm#original>)
 - Amended Version (<https://www.doleta.gov/oa/history.cfm#amendments>)
 - Labor Standards for the Registration of Apprenticeship Programs (Title 29, CFR Part 29, Subpart A) (<https://www.doleta.gov/OA/pdf/FinalRule29CFRPart29.pdf>)
 - Equal Employment Opportunity (EEO) in Apprenticeship (Title 29, CFR Part 30) (<https://www.doleta.gov/oa/eo/>)
 - Training and Employment Guidance Letter (TEGL) 13-16: Guidance on Registered Apprenticeship Provisions and Opportunities in the Workforce Innovation and Opportunity Act (WIOA) (https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9125)
7. **Attachments.**
 - **Attachment I** (Required): Applies to all applicants:
 - I-1: Project Narrative Requirements – Tier I Baseline Goals and Activities
 - I-2: Work Plan Template
 - I-3: Template: Performance Outputs and Outcomes

- I-4: Budget Narrative Guidance
- I-5: Governor’s Letter
- I-6: Abstract
- **Attachment II (Optional):** Applies only to applicants applying for Tier II funding:
 - II-1: Project Narrative Requirements – Tier II: Innovation Goals and Activities
 - Select Only One Option: Up to \$3 million; \$3,000,001 to \$6 million; or \$6,000,001 to \$9 million
 - II-2: Work Plan Template
 - II-3: Template: Performance Outputs and Outcomes
 - II-4: Budget Narrative Guidance
- **Attachment III: Application Submission Checklist**

8. Appendices.

- Appendix I: Primary Goals and Activities of this Funding Opportunity and Definitions
- Appendix II: Award Information
- Appendix III: Goals and Activities
 - A: Tier I (Required): Baseline Goals and Activities
 - B: Tier II (Optional): Innovation Goals and Activities
- Appendix IV: Funding Restrictions
- Appendix V: Application Submission
- Appendix VI: Application Review and Award
- Appendix VII: Administrative Program Requirements
- Appendix VIII: ETA Evaluation
- Appendix IX: Reporting Requirements
- Appendix X: Grant Recipient Training
- Appendix XI: Agency Contacts
- Appendix XII: OMB Information Collection
- Appendix XIII: Resources