

TRAINING AND EMPLOYMENT NOTICE	NO. 6-20
	DATE November 5, 2020

TO: STATE GOVERNORS
STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE APPRENTICESHIP AGENCIES
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
ALL STATE LABOR COMMISSIONERS
STATE VETERANS EMPLOYMENT AND TRAINING DIRECTORS
WIOA SECTION 166 GRANTEES
STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE
INNOVATION AND OPPORTUNITY ACT

FROM: JOHN PALLASCH 
Assistant Secretary

SUBJECT: Announcing the Availability of Resources to Support Industry-Recognized Apprenticeship Programs (IRAP) and Standards Recognition Entities (SRE)

1. **Purpose.** To inform stakeholders of resources available to support IRAPs and SREs as part of the Department of Labor's (DOL or the Department) implementation of the *Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations Final Rule*, which went into effect on May 11, 2020.
2. **Action Requested.** Please disseminate this information to appropriate staff.
3. **Summary and Background.**
 - a. Summary – To address America's skills gap and to increase rapidly the availability of high-quality apprenticeship programs in sectors where apprenticeship opportunities are not widespread, the DOL issued a final rule under the authority of the National Apprenticeship Act (NAA) to spur the creation of the new IRAP model. To read the final rule, visit <https://www.apprenticeship.gov/employers/industry-recognized-apprenticeship-program>.
 - b. Background – The IRAP final rule establishes a process for the Administrator of DOL's Office of Apprenticeship (OA), or any person designated by the Administrator, to recognize SREs, which are qualified third-party entities that meet the quality control criteria outlined in the final rule. Once recognized by DOL, SREs work with employers and other entities to establish, recognize, and monitor high-quality IRAPs that provide apprentices with industry-recognized credentials. Those interested in becoming an SRE can submit their application to the Department for recognition using the online SRE application portal at <https://www.apprenticeship.gov/employers/industry-recognized-apprenticeship-program>. OA

staff are located across the country and are available to provide technical assistance on submitting an application. To more learn about the IRAP Final Rule and how the Workforce System can utilize this new apprenticeship model, please refer to TEN 21-19: *Announcing the Publication of Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations Final Rule*.

4. Implementing IRAPs.

In furtherance of DOL’s commitment to help grow the American workforce through quality-driven workforce strategies, the DOL Final Rule governing IRAPs went into effect on May 11, 2020. Complementing the existing Registered Apprenticeship Program, the industry-led, market-driven IRAP approach outlined in the final rule will provide the additional flexibility necessary to help expand the apprenticeship model and address the needs of different industries and occupations as recommended by the Task Force on Apprenticeship Expansion while also adhering to the Department’s requirements for high quality apprenticeship programs.

SREs are trusted workforce development leaders in their industry. As an SRE, organizations set the standard for apprenticeships, ensuring more flexibility to meet the needs of industry, to help close the skills gap, and to improve our economy when our country needs it most. Organizations such as trade, industry, and employer organizations; companies and other corporate entities; state and local government agencies or entities; educational institutions; non-profit organizations; unions; joint labor-management organizations; certification and accreditation bodies; or a consortium of such organizations are all eligible to apply to be SREs. State and local workforce development boards are well-positioned to assume an SRE role to help facilitate the development of IRAPs, given that more than half of all board members are local employers.

Becoming an SRE presents a new avenue for workforce boards to achieve their goal of connecting workers to economic opportunity while meeting the skill needs of employers in high-demand industries. By becoming an SRE, workforce boards can:

- Expand customer choice by offering additional well-paying opportunities and a career pathway;
- Provide employers in the local area with an effective way to recruit, train, and retain skilled workers; and
- Promote better results for workers and businesses and higher performance outcomes for the workforce system.

On September 23, 2020, the U.S. Department of Labor recognized an initial 18 organizations as SREs to oversee the development of high-quality IRAPs. The Department’s announcement of this inaugural SRE cohort marks the culmination of the Department’s work in response to the recommendations of the Task Force on Apprenticeship Expansion. The 18 organizations newly recognized as SREs are:

- AED Foundation (National);
- Alabama Office of Apprenticeship (Alabama);

- American Nurses Credentialing Center Practice Transition Accreditation Program® (National);
- ANSI National Accreditation Board (National);
- Apprenticeship Missouri (Missouri);
- ApprenticeshipNC (North Carolina);
- Colorado Community College System (Colorado);
- Energy Sector Security Consortium INC (National);
- FANUC-ROCKWELL SRE (National);
- FASTPORT (National);
- Franklin Apprenticeships (National);
- Iowa Department of Education (Iowa);
- Ivy Tech Community College of Indiana (Indiana);
- National Institute for Metalworking Skills (National);
- Peregrine Technical Solutions (National);
- Smart Automation Certification Alliance (National);
- Texas Workforce Commission (Texas); and
- WTIA Workforce Consulting (National).

For more information about each SRE or to refer an organization interested in becoming an IRAP Sponsor, please visit: <https://www.apprenticeship.gov/employers/industry-recognized-apprenticeship-program/approved-standards-recognition-entities>.

How to Become an SRE.

Organizations interested in becoming an SRE should take the following steps:

- 1) Become familiar with the IRAP model by reviewing the [final rule](#), the [IRAP fact sheet](#), and [frequently asked questions](#).
- 2) Learn more about the criteria, roles, and responsibilities of an SRE by reviewing the [SRE fact sheet](#) and the recording of the [IRAP webinar for prospective SREs](#).
- 3) Identify the industries, occupations, and geographic areas for which you envision serving as an SRE. Consider convening employers and other organizations to assess their most immediate workforce development needs as well as the services required in each of these areas to scale up IRAPs.
- 4) Begin to document or develop the plans of action, policies, structures, and key partnerships that will form the basis for a successful SRE application.
- 5) Review the [pre-application checklist](#) to ensure you have all of the required documentation.
- 6) Submit your application to the U.S. Department of Labor for recognition using the online [SRE application portal](#). Once you enter the portal, you'll be asked to create an account that will allow you to start, save, and update your application as needed.

OA staff are located across the country and are available to [help](#) if you have any questions. We have developed an [SRE Technical Assistance Guide](#) to help prospective SREs with creating an account, uploading documents, and submitting their application. SRE

Application Portal Technical questions can also be submitted via the web at <https://www.apprenticeship.gov/help/irap-support> or emailed to irap@dol.gov.

For more information about becoming an SRE, including the responsibilities and criteria, please see the attachments.

IRAP Funding.

Additionally, there are several sources of potential funding to facilitate the development of IRAP SREs. For example, Workforce Innovation and Opportunity Act (WIOA) funds can be used to offset costs associated with IRAPs. SREs and IRAP sponsors can apply to be added to the state Eligible Training Provider (ETP) list, as is the case with any other prospective training provider. Once on the ETP list, local American Job Centers (AJCs) can refer WIOA participants to IRAP sponsors and use Individual Training Accounts (ITAs) to pay for the training costs of participants who enroll in those IRAPs.

In addition to ITAs, the AJCs can fund portions of the on-the-job training (OJT) component of the IRAP using contracts, based on local policies. WIOA allows for OJT to be paid for with contracts, which can be made with providers that are not on the ETP list. WIOA OJT contracts can be used to fund OJT for one or more eligible participants and can be used to reimburse employers for the extraordinary costs of training at a level of up to 75 percent of the participants' wages in certain circumstances. WIOA funds can also be used for supportive services such as transportation, books and supplies, and child care. We strongly encourage potential SREs and IRAP sponsors to partner with the workforce system and vice versa.

Other sources of funding include the following:

- **Trade Adjustment Assistance (TAA).** IRAPs are an allowable type of employer-based training that can be approved for a worker covered by the certification of group eligibility for the TAA program authorized by the Trade Act of 1974, as amended. For a worker to receive approval to enroll in an IRAP funded by TAA, the state must determine certain criteria are met in accordance with 20 CFR 617.22. For more information, please contact the appropriate Regional Trade Coordinator.
- **The GI Bill.** The GI Bill is administered by the Department of Veterans Affairs. GI Bill benefits can be used to help pay for books, supplies, and housing while a veteran is learning a trade or skill through OJT. The IRAP program must already be approved to receive benefits. If not, the SRE or IRAP sponsor can gain approval for GI Bill benefits using the following information to determine if they meet the requirements for approval (i.e. wage increases, etc.): <https://benefits.va.gov/benefits/factsheets/education/OJT.pdf>. For

additional information, please see <https://www.va.gov/education/about-gi-bill-benefits/how-to-use-benefits/on-the-job-training-apprenticeships/>.

- **Discretionary Grants.** DOL’s Employment and Training Administration (ETA) awards a variety of discretionary grants that can fund projects that include IRAPs as a training strategy. For instance, H-1B discretionary grant programs can incorporate IRAPs as a training strategy to provide participants with the skills, credentials, and experience necessary to enter middle- and high-skilled jobs across industries and occupations for which employers are using H-1B visas to hire foreign workers. In addition, the Education Stabilization Fund-Reimagining Workforce Preparation Grants from the Department of Education can be used for apprenticeship activities in general, including IRAPs, if such activity is included in the grantee’s Statement of Work. For more information please visit <https://www.federalregister.gov/documents/2020/06/23/2020-13480/notice-inviting-applications-nia-for-the-fy-2020-education-stabilization-fund-reimagine-workforce>.
 - **WIOA Governor’s Reserve.** Many states use the WIOA Governor’s Reserve funding to support Registered Apprenticeship Programs (RAPs), and consideration of the use of these funds to support IRAPs is strongly recommended. States have considerable flexibility in designing the uses of their statewide set-aside funds for allowable statewide activities, as noted in WIOA Section 134(a)(3). Such uses could pertain to RAPs, pre-apprenticeships, and IRAPs. Other state-level resources also can be used to support IRAPs, such as tax credits for eligible businesses for each apprentice employed in an IRAP.
5. **Inquiries.** For further information, please contact OA at IRAP@dol.gov. If you have additional questions or would like to speak to an OA representative about IRAPs or becoming an SRE, please visit <https://www.apprenticeship.gov/employers/express-interest-landing-page> to express your interest and to allow us to provide information targeted to your needs.
6. **References.**

Final Rule: <https://www.federalregister.gov/documents/2020/03/11/2020-03605/apprenticeship-programs-labor-standards-for-registration-amendment-of-regulations>

IRAP Fact Sheet:

https://www.apprenticeship.gov/sites/default/files/IRAP_General_Fact_Sheet.pdf

IRAP FAQs: https://www.apprenticeship.gov/sites/default/files/IRAP_FAQ.pdf

SRE Fact Sheet:

https://www.apprenticeship.gov/sites/default/files/IRAP_SRE_Fact_Sheet.pdf

IRAP Webinar for Prospective SREs:

<https://www.workforcegps.org/events/2020/03/06/17/25/Industry-Recognized-Apprenticeship-Programs-Information-for-SREs-and-Potential-IRAP-Providers>

Pre-application check-list:

https://www.apprenticeship.gov/sites/default/files/IRAP_SRE_Application_Checklist.pdf

TEN 21-19: *Announcing the Publication of Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations Final Rule*

https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5694

7. Attachments.

- Attachment 1: Standards Recognition Entity Factsheet



STANDARDS RECOGNITION ENTITY (SRE) FACT SHEET

BACKGROUND

In June 2017, President Donald J. Trump signed an Executive Order (EO) on Expanding Apprenticeships in America. Section 4 of the EO, titled “Establishing Industry-Recognized Apprenticeships,” directed the Secretary to consider proposing regulations that promote the development of apprenticeship programs by third parties. Section 8 of the EO directed the Secretary of Labor to establish a Task Force on Apprenticeship Expansion to identify strategies and proposals to promote apprenticeships, especially in sectors where apprenticeship programs are insufficient. In May 2018, the Task Force on Apprenticeship transmitted its final report to the President, including recommendations noting that the establishment of Industry-Recognized Apprenticeship Programs (IRAPs) could provide industry organizations and employers more tools to create high-quality apprenticeship programs and opportunities. To address America’s skills gap and to rapidly increase the availability of high-quality apprenticeship programs in sectors where apprenticeship opportunities are not widespread, the U.S. Department of Labor has issued a Final Rule that establishes a system for advancing the development of high-quality IRAPs.

WHAT IS AN INDUSTRY-RECOGNIZED APPRENTICESHIP PROGRAM (IRAP)?

IRAPs are an exciting new form of high-quality apprenticeship programs that provides individuals with opportunities to obtain workplace-relevant knowledge and progressively advancing skills. IRAPs include a paid-work component and an educational component and result in an industry-recognized credential. An IRAP is developed or delivered by entities such as trade and industry groups, corporations, non-profit organizations, educational institutions, unions, and joint labor-management organizations. The IRAP Final Rule establishes a process for the Department of Labor’s Office of Apprenticeship Administrator to recognize qualified third-party entities, known as Standards Recognition Entities (SREs), which will, in turn, evaluate and recognize IRAPs consistent with the Department’s standards.

WHAT IS AN SRE?

An SRE is a third-party entity, recognized by the Department as qualified to recognize apprenticeship programs as IRAPs. The types of entities that can become SREs include, but are not limited to:

- Trade, industry, and employer groups or associations;
- Companies and other corporate entities;
- Educational institutions, such as universities or community colleges;
- State and local government agencies or entities;
- Non-profit organizations;
- Unions;
- Joint labor-management organizations;
- Certification and accreditation bodies or entities for a profession or industry; or
- A consortium or partnership of entities such as those above.

WHAT ARE THE RESPONSIBILITIES OF AN SRE?

SREs are responsible for recognizing and overseeing IRAPs in accordance with the final rule. This means:

- SREs are responsible for recognizing or rejecting IRAPs in a timely manner.
- SREs must notify the Office of Apprenticeship within 30 days when they have recognized or derecognized an IRAP and include the name and contact information for the program.
- SREs are responsible for providing program and performance data to the Office of Apprenticeship in a timely manner.
- SREs are responsible for only recognizing high-quality IRAPs that meet minimum safety, pay, and training requirements for IRAP apprentices.
- SREs must establish policies and procedures for recognizing, and validating compliance of, programs that ensure that SRE decisions are impartial, consistent, and based on objective and merit-based criteria.



- SREs will review programs and validate that each program meets the high-quality criteria of an IRAP at initial recognition and on an annual basis.
- SREs must remain in an ongoing quality-control relationship with the IRAPs they have recognized, to include periodic compliance reviews and consideration of apprentices' credential attainment, program completion, retention rates, SREs must publicly disclose the credential(s) that apprentices will earn during their participation in, or upon completion of, an IRAP.
- SREs are responsible for developing policies and procedures for the suspension or derecognition of IRAPs that fail to comply with the SRE's requirements.
- SREs are responsible for developing policies and procedures that require IRAPs' adherence to applicable Federal, State, and local laws pertaining to EEO and reflect comprehensive outreach strategies to reach diverse populations.
- SREs are responsible for having policies and procedures for addressing complaints filed against their IRAPs.
- An SRE must notify the Administrator and must provide all related material information if:
 - It makes any major change that could affect the operations of the program, such as involvement in lawsuits that materially affect the SRE, changes in legal status, or any other change that materially affects the SRE's ability to function in its recognition capacity; or
 - It seeks to recognize apprenticeship programs in additional industries, occupational areas, or geographical areas.
- SREs must have the appropriate industry and occupational expertise and resources in place to recognize IRAPs in their selected geographical area (nationwide or limited to a region, State, or local area).
- SREs cannot recognize IRAPs that seek to train apprentices to perform construction activities.

HOW DO YOU BECOME AN SRE?

- Those interested in becoming an SRE must apply to DOL for recognition.
- Organizations may submit their applications online beginning on May 11, 2020. Entities may consult with and receive technical assistance from DOL about how to prepare their applications.
- DOL's Office of Apprenticeship will review the application and make a determination within approximately 90 days.
- An SRE will be recognized for 5 years and must reapply at least 6 months before the date that its current recognition is set to expire if it seeks re-recognition.
- To reapply to continue serving as an SRE, an entity must complete and submit an updated application to the Administrator for re-recognition as an IRAP SRE.



WHAT ARE THE CRITERIA TO BECOME AN SRE?

SREs are trusted workforce development leaders in their industry. An entity is qualified to be recognized as an SRE if it demonstrates the following:

- SREs must have the expertise to set competency-based standards, through a consensus-based process involving industry experts, for the requisite training, structure, and curricula for apprenticeship programs in the industry(ies) or occupational area(s) in which they seek to be an SRE.
- SREs must have the capacity and quality assurance processes and procedures to ensure IRAPs comply with DOL standards for safety, compensation, and quality.
- SREs must have the resources to operate as an SRE for a 5-year period.
- SREs must demonstrate impartiality by disclosing partners who will be engaged in recognition activities, describing their roles, including their relationships with subsidiaries.
- SREs must be in good standing with the U.S. Federal Government. They cannot be suspended or debarred from doing business with the federal government.
- SREs must have policies, processes, procedures, or structures in place to mitigate any conflicts of interest.

TO LEARN MORE ABOUT IRAPS AND SRES

- Visit www.apprenticeship.gov to review the IRAP Final Rule and resources to become familiar with IRAPs and the roles and responsibilities of SREs.
- Sign up for our [Apprenticeship Newsletter](#) to receive the latest apprenticeship-related news from the USDOL.

