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BILL

DEPARTMENT OF LABOR

Employment and Training Administration

29 CFR Parts 29 and 30

[Docket No. ETA-2023-0004]

RIN 1205-AC13

National Apprenticeship System Enhancements

AGENCY: Employment and Training Administration, Labor.

ACTION: Proposed rule.

SUMMARY: The Department of Labor (DOL or the Department) is proposing issuing this notice of proposed rulemaking (NPRM or proposed rule) to revise the regulations for registered apprenticeship by enhancing worker protections and equity, improving the quality of registered apprenticeship programs, revising the State governance provisions, and more clearly establishing critical pipelines to registered apprenticeship programs, such as registered career and technical education (CTE) apprenticeships. The proposed rule would improve the capacity of the National Apprenticeship System to respond to evolving employer needs, provide workers equitable pathways to good jobs, and increase the system's long-term resilience.

DATES: Interested persons are invited to submit written comments on the proposed rule on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may send comments, identified by Docket No. ETA-2023-0004 and Regulatory Identification Number (RIN) 1205-AC13, by any of the following methods:

- Federal eRulemaking Portal: *https://www.regulations.gov*. Search for the above-referenced RIN, open the proposed rule, and follow the on-screen instructions for submitting comments.

- *Instructions*: All submissions received must include the agency name and docket number for this rulemaking or "RIN 1205-AC13."

Please be advised that the Department will post all comments received that relate to this NPRM without changes to *https://www.regulations.gov*, including any personal information provided. The *https://www.regulations.gov* website is the Federal eRulemaking Portal and all comments posted there are available and accessible to the public. Therefore, the Department recommends that commenters remove personal information (either about themselves or others) such as Social Security numbers, personal addresses, telephone numbers, and email addresses included in their comments, as such information may become easily available to the public via the *https://www.regulations.gov* website. It is the responsibility of the commenter to safeguard personal information.

Docket: For access to the docket to read background documents or comments received, go to *https://www.regulations.gov* (search using RIN 1205-AC13 or Docket No. ETA-2023-0004). The Department also will make all the comments it receives available for public inspection by appointment during normal business hours at the Office of Policy Development and Research, U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue NW, Room N-5641, Washington, DC 20210. If you need assistance to review the comments, the Department will provide appropriate aids such as readers or print magnifiers. The Department will make copies of this NPRM available, upon request, in large print and electronic file. To schedule an appointment to review the comments or obtain the NPRM in an alternative format or both, contact the Office of Policy Development and Research at 202-693-3700 (this is not a toll-free number). You may also contact this office at the address listed above.

Comments under the Paperwork Reduction Act (PRA): In addition to filing comments on any aspect of this proposed rule with the Department, interested parties

may submit comments that concern the information collection (IC) aspects of this NPRM to: Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for DOL-ETA, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503, Fax: 202-395-6881 (this is not a toll-free number), Email: *OIRA_submission@omb.eop.gov*.

Docket: Go to the Federal eRulemaking Portal at: h*ttps://www.regulations.gov/document/ETA-2023-0004-0001* for access to the rulemaking docket, including any background documents and the plain-language summary of the proposed rule of not more than 100 words in length required by the Providing Accountability Through Transparency Act of 2023.

FOR FURTHER INFORMATION CONTACT: Michelle Paczynski, Administrator, Office of Policy Development and Research, U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue NW, Room N-5641, Washington, DC 20210, Telephone: 202-693-3700 (voice) (this is not a toll-free number). For persons with a hearing or speech disability who need assistance to use the telephone system, please dial 711 to access telecommunications relay services.

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I. Acronyms and Abbreviations

AAI	American Apprenticeship Initiative
ACA	Advisory Committee on Apprenticeship
ARB	Administrative Review Board
BLS	U.S. Bureau of Labor Statistics
CHIPS Act	Creating Helpful Incentives to Produce Semiconductors Act of 2022
COVID-19	coronavirus disease of 2019
CTE	career and technical education
DEIA	diversity, equity, inclusion, and accessibility
DOL *or* the Department	U.S. Department of Labor
E.O.	Executive Order
ED	Department of Education
EDP	Energy Document Portal
EEO	equal employment opportunity
ERISA	Employee Retirement Income Security Act
ETA	Employment and Training Administration
ETP	Eligible Training Providers
FTC	Federal Trade Commission
FY	fiscal year
HR	human resources
IC	information collection
ICR	information collection request
ILO	International Labour Organization
IRA	Inflation Reduction Act of 2022
IRFA	initial regulatory flexibility analysis
IT	information technology
LEA	local educational agency
NAA	National Apprenticeship Act of 1937
NASTAD	National Association of State and Territorial Apprenticeship Directors
NCES	National Center for Education Statistics
NPRM *or* proposed rule	notice of proposed rulemaking

O*NET	Occupational Information Network
OA	Office of Apprenticeship
OALJ	Office of Administrative Law Judges
OIRA	Office of Information and Regulatory Affairs
OMB	Office of Management and Budget
Perkins	Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act
PRA	Paperwork Reduction Act of 1995
RAPIDS	Registered Apprenticeship Partners Information Data System
RFA	Regulatory Flexibility Act
RIA	regulatory impact analysis
ROI	return on investment
SAA	State Apprenticeship Agency
TEGL	Training and Employment Guidance Letter
TEN	Training and Employment Notice
UMRA	Unfunded Mandates Reform Act
VALOR	Veterans Apprenticeship and Labor Opportunity Reform Act
WANTO	Women in Apprenticeship and Nontraditional Occupations
WIOA	Workforce Innovation and Opportunity Act

II. Executive Summary

The Department's current regulations at 29 CFR part 29 addressing labor standards of apprenticeship and the governance of the National Apprenticeship System were last updated in a final rule published on October 29, 2008 (73 FR 64402). In this proposed rule, the Department seeks to strengthen, expand, modernize, and diversify the National Apprenticeship System by enhancing worker protections and equity, improving the quality of registered apprenticeship programs, and revising the State Apprenticeship Agency (SAA) governance provisions so that the National Apprenticeship System is more navigable and responsive to current worker and employer needs.

The proposed rule would enhance the ability of the Employment and Training Administration's (ETA) Office of Apprenticeship (OA) to implement and administer the National Apprenticeship Act of 1937 (NAA), Act of Aug. 16, 1937, 75th Cong., ch. 663, 50 Stat. 664 (codified as amended at 29 U.S.C. 50), including approving apprenticeship programs and standards as a Registration Agency and recognizing SAAs, to protect the

safety and welfare of apprentices, and to meet the 21st century skill needs of industry. Central to the expanded role is the ability to promote the value of apprenticeship, advance the benefits of apprenticeship as a diversity, equity, inclusion, and accessibility (DEIA) strategy for program sponsors, maintain National Apprenticeship System data for Registration Agencies, facilitate registered apprenticeship across the United States, and develop partnerships with stakeholders throughout the National Apprenticeship System.

Essential to strengthening, modernizing, expanding, and diversifying the National Apprenticeship System is the advancement of worker protections and equity. The Department's proposal would create more safeguards for apprentices to ensure that they have healthy and safe working and learning environments as well as just and equitable opportunities throughout their participation in a registered apprenticeship program. This emphasis on worker protections and equity for apprentices is founded on the recognition that some populations, such as women and people of color, have historically faced systemic barriers to successfully access, participate in, and complete a registered apprenticeship program. This proposed rule seeks to mitigate barriers and facilitate equal access and greater success for underserved communities, as defined in proposed § 29.2. Additionally, the proposed rule seeks to enhance opportunities for younger workers to safely and equitably participate in registered apprenticeship programs.

Through this proposed rule, the Department is proposing to modernize and standardize the criteria and process for developing quality labor standards for apprenticeship. To maintain the integrity of registered apprenticeship as an industry-driven workforce development model, the Department recognizes that all apprenticeship programs must maintain labor standards that are objective, accountable, flexible and efficient. The Department seeks to fulfill this modernization effort by creating a framework for developing minimum labor standards of apprenticeship that combines the key attributes of the competency- and time-based approaches to on-the-job training into a

unitary, coherent training model across all programs. The Department anticipates that modernizing and standardizing the labor standards for all registered apprenticeship programs would support the expansion of registered apprenticeships into new industries and occupations that do not have an established history with registered apprenticeship: programs in these industries new to apprenticeship would benefit from increased avenues to contribute to the development of industry- and occupation-specific training regimens, and from the increased clarity established by the universal baseline standards the Department seeks to apply across all registered programs. In addition, the Department is institutionalizing National Program Standards for Apprenticeship and National Guidelines for Apprenticeship Standards and aligning them with National Occupational Standards for Apprenticeship, a product that would further standardize industry-validated occupational standards for apprenticeship.

The Department's proposal would also create a more objective, proactive, and transparent process for the determination of occupations suitable for registered apprenticeship that balances the flexibility needed to accommodate programs in new and emerging industries while establishing safeguards against adverse impacts to existing, established registered apprenticeship programs. The Department's proposed updates to the suitability process are designed to include flexibilities that would support expansion of the registered apprenticeship model to emergent occupations in non-traditional apprenticeship industries while providing protections against the splintering of existing programs covering occupations previously established as suitable for apprenticeship training (which could have a negative impact on workers' wages and job quality). The Department seeks to reinforce that new occupations suitable for registered apprenticeship meet industry-recognized criteria that support apprentices' ability to access a lifelong career pathway and attain economic mobility. Ensuring that registered apprenticeship programs lead to quality careers and enhance apprentices' economic mobility is one of

the Department's guiding principles in overseeing the National Apprenticeship System, grounded in its statutory responsibility to protect the welfare of apprentices and the Administration's priority to promote economic opportunity for underrepresented or underserved populations. To help ensure that apprentices obtain the requisite skills and competencies for proficiency in an occupation suitable for registered apprenticeship, the Department has also proposed a new requirement in their approved quality labor standards for the assessment of apprentice progress by means of an end-point assessment.

The Department is also proposing to revise the framework for collecting program sponsor and apprentice data to ensure greater accountability, transparency, and equity, and would utilize the information collected to oversee program reviews, improve apprentice demographic data, and establish new program- and system-level metrics and indicators.

The Department has consulted, where appropriate, with the U.S. Department of Education (ED) in the development of the proposed registered CTE apprenticeship model, which seeks to align with secondary and postsecondary State-approved CTE programs, namely those funded by the Carl D. Perkins Career and Technical Education Act of 2006,[1] as amended by the Strengthening Career and Technical Education for the 21st Century Act[2] (as codified at 20 U.S.C. 2301 et seq.) (Perkins). This new model would establish specific standards of apprenticeship for students enrolled in high school or in community and technical colleges who seek to continue their education while participating in the labor market, and would provide students opportunities to attain a recognized postsecondary credential, complete college coursework and a registered apprenticeship program, and participate in paid on-the-job learning. This model is intended to result in participating students' enrollment in a postsecondary educational

[1] Pub. L. 109-270, 120 Stat. 683 (2006).
[2] Pub. L. 115-224, 132 Stat. 1563 (2018).

program, an apprenticeship program registered under subpart A, placement into employment, or a combination thereof. The registered CTE apprenticeship regulations as proposed would not govern or otherwise impact the operation of ED's Perkins CTE program, but rather the program would offer State-approved CTE programs as an additional discretionary program, which could provide students the benefits of participation in both CTE and an aligned registered CTE apprenticeship program.

Finally, the Department is proposing to revise State governance requirements for States seeking to be recognized by OA as an SAA State, and for renewing such status. The Department proposes revising the governance process to promote greater uniformity and accountability, including the establishment of a State planning requirement involving the development of a strategic vision and goals to expand and diversify registered apprenticeship, as well as robust data collection and reporting to track the achievement of systemwide goals. Through this proposed revision, the Department also sees an opportunity for States to lead on innovation and partner with intermediaries to create an interconnected ecosystem that can support existing and new industries and career seekers in the National Apprenticeship System.

The Department also proposes to make technical and conforming adjustments to the current text of 29 CFR part 30 (governing equal employment opportunity (EEO) in apprenticeships) as appropriate.

III. Background

A. Introduction to Registered Apprenticeship

For nearly a century, registered apprenticeship has been an effective and successful workforce development model that has helped employers recruit, train, and retain highly proficient, diverse workers in the skilled occupations employers need, and that has provided job seekers with access to high-quality training and stable, well-paying careers. Registered apprenticeship is a structured, industry-driven, flexible workforce

training model, and employers and industry stakeholders have updated and customized the model over decades to meet evolving workforce needs and address occupational skill needs that arise as incoming workers seek to establish or enhance successful careers. From the perspective of the apprentice, registered apprenticeship represents an affordable pathway to a high-quality, high-paying career. Apprentices obtain paid work experience and training so that they can sustain themselves and their families while training and preparing for success in their career of interest. Apprentices entering into a registered apprenticeship program share several common indicia: they enter into a paid job from the outset; they receive progressive wage increases reflecting their progress through a training regimen developed by industry stakeholders; they participate in related instruction informing them of the theoretical or academic concepts that underpin the work processes and competencies critical to success in their chosen career; and they ultimately develop a set of portable, in-demand job skills culminating with the awarding of a nationally recognized certificate of completion of a registered apprenticeship that benefit them throughout their careers.

As an earn-and-learn workforce development strategy, registered apprenticeship combines on-the-job training with related (classroom) instruction, blending the practical and theoretical aspects of training for highly skilled occupations. On-the-job training and related instruction are critical, definitional elements of registered apprenticeship that provide practical benefits to both employers and apprentices. Apprentices training in an occupation apply occupational techniques and theoretical concepts throughout their training and, later, throughout their careers, which helps them develop into the productive, skilled, and safety-conscious workers whom employers need. Registered apprenticeship is an effective tool for both providing the training necessary for a worker's success in an occupation, and for measuring an apprentice's developing proficiency in the occupation. Because registered apprenticeship is primarily driven by industry needs, and

employers are able to specifically tailor their workforce training regimen to such needs, registered apprenticeship provides assurances to employers that their incoming workforce is prepared and set up for success.

Registered apprenticeship programs are sponsored voluntarily by a wide range of organizations, including individual small to large employers, employer associations, joint labor-management organizations, workforce intermediaries, and educational institutions. These and other stakeholders comprise the National Apprenticeship System, a voluntary system of registered apprenticeship programs and their sponsors, SAAs, and the industry stakeholders that drive the formulation of apprenticeship training regimens that best fit their industry.[3] The National Apprenticeship System is further supported by the experts in workforce development policy that provide advice and counsel to the Department on matters relating to registered apprenticeship. These experts include the Advisory Committee on Apprenticeship (ACA); other workforce development programs that connect job seekers and employers (such as those programs funded through the Workforce Investment Act of 1998,[4] as amended by the Workforce Innovation and Opportunity Act[5] (as codified at 29 U.S.C. ch. 32) (WIOA)); and educational institutions that prepare students for quality careers.

Apprenticeship is an international workforce development strategy that provides high-quality training for desirable careers in many countries.[6] The Department engages in ongoing consultations and discussions with other national governments, international labor organizations, and other international stakeholders to further inform oversight of the system of registered apprenticeship in the United States. For example, the Department follows and contributes to the deliberations of the International Labour Organization

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[3] In registered apprenticeships, such training plans are referred to as "work process schedules."
[4] Pub. L. 105-220, 112 Stat. 936 (1998).
[5] Pub. L. 113-128, 128 Stat. 1425 (2014).
[6] For example, the ILO serves as an international repository of workforce development expertise from around the globe. *See* ILO, "Apprenticeships," *https://www.ilo.org/global/topics/apprenticeships/lang--en/index.htm* (last visited July 20, 2023).

(ILO) and the International Labour Conference that informs the ILO's recommendations and statements on best practices in labor policy (including the elements of quality apprenticeships). In addition, through joint declarations of intent and memoranda of understanding with foreign nations with sophisticated apprenticeship systems (such as with Austria, Germany, and Switzerland), the Department continues to engage with international partners to learn about the elements of successful apprenticeships across the globe, and to explore strategies for applying such lessons so as to improve the overall quality of training provided within the National Apprenticeship System.

Apprentices who complete a registered apprenticeship program receive an industry-recognized credential and a long-lasting economic benefit. Registered apprenticeship provides high-quality on-the-job training and related instruction, while conferring a nationally recognized credential upon successful completion of the program.[7] The success of this workforce development model with respect to apprentice outcomes is clearly validated by the data; for example, 90 percent of apprentices who complete a registered apprenticeship program retain employment with the employer connected to the program, and apprentices who complete such programs earn an average annual salary of $77,000.[8] One study of registered apprenticeship programs in ten States found that the estimated lifetime career earnings of registered apprenticeship participants in those States average $98,718 more than similar individuals who did not participate in a registered apprenticeship program. In the study, apprentices who completed the program in those States on average have lifetime earnings $240,037 greater than similar

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[7] The Certificate of Completion, conferred to apprentices who complete a registered apprenticeship program, represents the universal, nationally recognized credential available in all registered apprenticeship programs. In addition, many registered apprenticeship programs provide interim credentials upon the successful completion of interim trainings related to the development of occupation- or industry-critical job skills, or an occupational credential recognized throughout an industry (i.e., a portable credential).

[8] OA, "Explore Registered Apprenticeship," Aug. 2022, *https://www.apprenticeship.gov/sites/default/files/dol-industry-factsheet-apprenticeship101-v10.pdf.*

individuals who did not participate in a registered apprenticeship program.[9] Everyone benefits from enhanced systems to develop skilled workers in high-paying occupations, including job seekers and their families, employers, and communities. Education, industry, and government can work together to support quality training programs, supporting a national economy that provides opportunities for workers and businesses alike.

B. Statutory and Regulatory History of Registered Apprenticeship

The NAA (29 U.S.C. 50) authorizes the Secretary of the Department of Labor (the Secretary) to "formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to extend the application of such standards by encouraging the inclusion thereof in contracts of apprenticeship, to bring together employers and labor for the formulation of programs of apprenticeship, [and] to cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship." Under this authority, the Department has established the registered apprenticeship program. The Department has set forth labor standards designed to facilitate these statutory directives through its implementing regulations at 29 CFR part 29. Those regulations prescribe minimum quality and content requirements with respect to a program's standards of apprenticeship and its apprenticeship agreements; establish procedures concerning the registration, cancellation, and deregistration of apprenticeship programs; and set forth a mechanism for the recognition of SAAs as Registration Agencies authorized to register and oversee registered apprenticeship programs in a State. A companion regulation, at 29 CFR part 30, also implements the NAA by setting forth minimum EEO requirements that registered apprenticeship programs must follow in order to obtain and maintain registration status. The first version of the labor standards of

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[9] Mathematica Policy Research, "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States: Final Report," July 25, 2012, *https://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf*.

apprenticeship regulation at 29 CFR part 29 was issued by the Department in 1977 and was subsequently revised in 2008. The part 30 regulations were last updated in a final rule published in the *Federal Register* in December 2016.[10]

Within the Department, the responsibility for administering the requirements of the NAA and its implementing regulations rests with OA. OA oversees the National Apprenticeship System and currently serves as the Registration Agency for registered apprenticeship programs operating in 22 States and Puerto Rico.[11] OA also provides recognition, oversight, and technical assistance on the requirements of 29 CFR parts 29 and 30 to SAAs in the other States, and in the District of Columbia, the Virgin Islands, and Guam. In these "SAA States," the SAA has requested and received recognition from the Department to serve as the entity authorized to register and oversee State and local apprenticeship programs for Federal purposes. In SAA States, SAAs must work closely with OA to implement registered apprenticeship programs consistent with the Federal regulations to maintain their recognition status.

In the 15 years since the current version of 29 CFR part 29 was published, the scope and visibility of registered apprenticeship in the United States has expanded significantly. Since 2008, when the registered apprenticeship regulations were last updated, significant developments in technology, including its capabilities and centrality to business' priorities and Americans' daily lives, have altered the landscape for the primary stakeholders in the apprenticeship system. Historically, registered apprenticeship has been a successful model for the construction industry and for the skilled trades. For example, Federal benefits are tied to the use of apprentices in registered apprenticeship programs on construction projects under the Davis-Bacon and related Acts. The Davis Bacon and Related Acts regulations allow employers on certain construction projects to

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[10] 81 FR 92026 (Jan 18, 2017) (2016 EEO final rule).
[11] For a list of States and Territories where OA serves as the Registration Agency, see OA, "About Us," *https://www.apprenticeship.gov/about-us/apprenticeship-system* (last visited July 20, 2023).

pay apprentices participating in a registered apprenticeship program at less than the prevailing wage.[12] More recently, because the registered apprenticeship model has shown tangible benefits for both workers and employers in industries beyond the traditional trades, both Federal and State laws are increasingly promoting the utilization of registered apprenticeship for the training and employment of workers.[13] For example, at the Federal level, WIOA promoted the benefits of registered apprenticeship to increase economic opportunities for workers. Registered apprenticeship programs are automatically eligible to be listed as Eligible Training Providers (ETPs) within the Federally funded workforce development system under WIOA,[14] an important signal to job seekers, workforce policy stakeholders, and employers that registered apprenticeship programs offer quality occupational skills training intended to equip workers with the skills local employers are looking for. Additionally, since 2016, the Department has been appropriated specific resources for the purposes of expanding registered apprenticeship programs. Most recently, the Inflation Reduction Act of 2022 (IRA) signed into law by President Biden provided for the first Federal tax credit directly tied to the utilization of apprentices in registered apprenticeship programs on certain clean energy projects. In addition, several agencies funded under the Bipartisan Infrastructure Law and CHIPS and Science Acts, respectively, have prioritized applications that partner with registered apprenticeship programs in certain funding opportunities.[15]

C. Need for the Proposed Rulemaking

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[12] Wage and Hour Division, "Fact Sheet #66: The Davis-Bacon and Related Acts (DBRA)," Mar. 2022, *https://www.dol.gov/agencies/whd/fact-sheets/66-dbra.*

[13] For a list of States that offer tax credits and tuition support for apprentices, see OA, "State Tax Credits and Tuition Support," *https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/state-tax-credits-and-tuition-support* (last visited July 20, 2023).

[14] Abt. Associates and Urban Institute, "Challenges and Opportunities for Expanding Registered Apprenticeship with Workforce Innovation and Opportunity Act (WIOA) Title I: Findings from the American Apprenticeship Initiative Evaluation," Aug. 2022, *https://wdr.doleta.gov/research/FullText_Documents/ETAOP2022-39_AAI_Brief-WIOA_Final_508_9-2022.pdf.*

[15] DOL, "The Good Jobs Initiative Impact," https://www.dol.gov/general/good-jobs/gji-impact (last visited Oct. 2, 2023).

Registered apprenticeship is growing and diversifying. It has maintained its status as the "gold standard" for workforce development in the construction and skilled trades sectors where registered apprenticeship has been prevalent and successful for decades. In addition, it is increasingly seen as a viable option for employers to develop the incoming workforce, and for job seekers to identify and pursue quality career paths in a wide range of new and emerging industries. In 2009, the year after the last update to the part 29 regulations was finalized, there were 420,140 active apprentices in the United States, participating in 26,622 active programs (of which, 1,456 were new programs started within the previous year).[16] In 2022, there were 599,246 active apprentices participating in 24,400 active programs (of which, 2,343 were new).[17] Registered apprenticeship has proven resilient as well—though the coronavirus disease of 2019 (COVID-19) pandemic caused a 12-percent decrease in new apprentices between fiscal years (FY) 2019 and 2020, the program bounced back with a 9-percent increase in new apprentices in FY21.[18] Still, despite its growth and resiliency, registered apprenticeship is underutilized as a workforce development solution in the United States, where apprentices have constituted a significantly smaller share of the overall workforce than in other countries (such as Australia, Canada, Germany, and the United Kingdom).[19]

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[16] Apprenticeship data by fiscal year is accessible at OA, "About Apprenticeship," *https://www.dol.gov/agencies/eta/apprenticeship/about* (last visited July 20, 2023).
[17] *Ibid.*
[18] *Ibid.*
[19] *See* "Apprenticeships and their potential in the U.S.," Keith Rolland, Federal Reserve Bank of Philadelphia, Winter 2015, https://www.philadelphiafed.org/community-development/workforce-and-economic-development/apprenticeships-and-their-potential-in-the-us (citing at footnote 14 a presentation by Professor Robert I. Lerman of the Urban Institute, which noted that apprentices constituted only 0.2% of the U.S. labor force, compared with 2.2% in Canada, 2.7% in Great Britain, and 3.7% in Australia and Germany). *See also* Lerman, "Proposal 7: Expand Apprenticeship Opportunities in the United States," The Hamilton Project of the Brookings Institution, 2015, at p. 3, https://www.hamiltonproject.org/assets/legacy/files/downloads_and_links/expand_apprenticeship_opportunities_united_states_lerman.pdf.

Working with stakeholders like the ACA,[20] the Department continues to identify strategies and opportunities to expand registered apprenticeship into new sectors. The Department views registered apprenticeship as an important piece of America's workforce development system and Americans' economic well-being, and is committed to meeting the moment by updating and modernizing the regulations in part 29. Ultimately, the Department's goal in pursuing this rulemaking is to facilitate the evolution of a National Apprenticeship System that maintains the hallmarks of apprenticeship quality developed over the past century, keeps pace with the evolving needs of a growing set of industries, and incorporates flexibilities and system modernizations to facilitate the expansion and growth of registered apprenticeship.

In this proposal to revise the part 29 regulations, the Department seeks to advance several interrelated goals that shape the Department's vision for an improved National Apprenticeship System. Foremost among these goals is the preservation of quality throughout all registered apprenticeship programs, both existing programs and new programs that will enter the system in the coming years. Throughout the proposal, the Department seeks to improve the quality of apprenticeship training and the quality of working conditions for apprentices, and to further promote DEIA principles and goals throughout the National Apprenticeship System. In line with the Department's statutory responsibility to safeguard the welfare of apprentices, the Department is proposing quality improvements throughout the system to improve the protection, safety, and welfare of apprentices, such as proposed prohibitions on non-compete and non-disclosure

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[20] Expansion into new and emerging industries was a significant focus of the most recent term of the ACA. The ACA organized a subcommittee entirely focused on such expansion efforts, and workforce development experts from the employer, labor, and public sectors came together to deliberate and deliver recommendations on this topic in the ACA's 2023 Biennial Report. ACA, "Biennial Report to the Secretary of Labor," May 10, 2023, *https://www.apprenticeship.gov/sites/default/files/Final%20ACA%20Biennial%20Report%20-%20May%2010%202023.pdf.*

provisions in apprenticeship agreements between sponsors and apprentices and enhanced protections against unreasonable participation costs for apprentices.

Relatedly, the Department has determined that establishing improved accountability measures throughout the system is a necessary component of maintaining the high level of quality that makes registered apprenticeship such a useful tool for job seekers and employers in the United States. Accordingly, the Department proposes several accountability enhancements throughout this proposal, including a clearer assignment of responsibilities for employers that participate in a registered apprenticeship program (but do not serve as a program sponsor). In line with its goals to maintain quality and improve accountability throughout the National Apprenticeship System, the Department is also proposing reforms to the governance structure and the relationship between OA and SAAs, including clarifying the respective roles and duties of SAAs and State Apprenticeship Councils.

In addition to the foregoing proposed enhancements to the registered apprenticeship model, the Department has determined that the core concepts of earn and learn, quality labor standards, and skill development can be expanded to benefit many additional groups, including in-school youth and individuals from underserved communities who have often faced barriers to the job market. The Department proposes to establish regulations for an additional model of apprenticeship that aligns State-approved CTE programs, in particular those funded under the Perkins program, with foundational elements of apprenticeship. This model, which the proposed rule defines as registered CTE apprenticeship, would deliver the industry-specific portions of the paid on-the-job training and related instruction components of registered apprenticeship through a State-approved CTE program. The Department envisions that registered CTE apprenticeship programs would be most accessible and propitious for secondary and

postsecondary students, and would generally target individuals at the earliest stages of their career development or who are transitioning into a different career.

Accordingly, the Department's proposed baseline requirements for registered CTE apprenticeship programs would account for this target population and the increased alignment with educational institutions (as compared to registered apprenticeship). The Department's vision for the possible outcomes of registered CTE apprenticeship programs also aligns with the unique considerations of those in the earliest stages of career development—registered CTE apprenticeship programs would place apprentices in employment, a postsecondary educational program, or a registered apprenticeship program under subpart A, potentially with advanced standing or credit to accelerate their progress through the program. This new model would bridge the existing education and workforce development systems to build a skilled talent pipeline.

Lastly, in the Department's view, the National Apprenticeship System and its diverse stakeholders would be better served by a more uniform and nationally applicable approach to system governance. Employers whose operations extend nationwide, or throughout a multistate region, face challenges when engaging with Registration Agencies across the National Apprenticeship System wherein the approach, parameters, and outcomes of such engagement may differ from State to State. Throughout this proposal, the Department seeks to establish a more uniform, national system, including by retaining the ultimate authority and responsibility to make determinations regarding an occupation's suitability for registered apprenticeship training and through the introduction of a State planning process for SAAs to establish transparency and alignment throughout the system. The Department also views the improved collection and analysis of apprenticeship data as a critically important goal of its proposal to update the part 29 regulations. To maximize the benefits of improved data collection for all stakeholders in the National Apprenticeship System, including apprentices, program

sponsors, and employers, the Department seeks to establish a truly national and comprehensive database of information about registered apprenticeship programs and apprentices in order to accurately assess the performance and equity of these important workforce development programs.

D. Stakeholder Outreach

The Department has been continuously engaged with apprenticeship stakeholders to pursue improvements and growth throughout the system, and such engagement has been particularly useful in the development of this proposal. The Department has sought advice, recommendations, and guidance from a number of external sources, research, and stakeholder inputs, including:

- The 2022 interim recommendations[21] of the ACA and its 2023 Biennial Report,[22] which incorporates the ACA's 2022 Interim Report recommendations and includes additional guideposts for OA to consider related to registered apprenticeship;
- Virtual Listening Sessions in 2021 coordinated by OA in partnership with various partners and stakeholders to hear perspectives on the current state of the National Apprenticeship System and to gather ideas and suggestions on ways to modernize registered apprenticeship programs;[23]
- National Online Dialogue in 2022, led by OA and launched by ePolicyWorks (entitled "Advancing the National Apprenticeship System"), which asked participants, including various partners and stakeholders, to describe what they

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[21] ACA, "Interim Report to the Secretary of Labor," May 16, 2022, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf.*
[22] ACA, "Biennial Report to the Secretary of Labor," May 10, 2023, *https://www.apprenticeship.gov/sites/default/files/Final%20ACA%20Biennial%20Report%20-%20May%2010%202023.pdf.*
[23] OA, "2021 Apprenticeship Listening Sessions," Dec. 2021, *https://www.apprenticeship.gov/sites/default/files/APPROVED%20Listening%20Session%20Report%20%2812-6-22%29%20%28002%29.pdf.*

believed to be the optimal implementation of the registered apprenticeship model;[24]

- Virtual Listening Sessions in 2023, coordinated by OA, wherein partners and stakeholders were given the opportunity to share perspectives on the current state of the National Apprenticeship System and to share policy recommendations for ways to strengthen and modernize the system. Questions for these sessions were developed, in part, by reviewing the ACA's 2022 Interim Report;
- The 2023 Quality Apprenticeships Recommendation (ILO Recommendation No. 208), adopted by the 111th International Labour Conference on June 16, 2023, which describes the fundamental attributes of quality apprenticeships;[25] and
- Regular stakeholder engagements related to the expansion of the registered apprenticeship model, including with industry groups, labor unions, worker advocates, State and local workforce partners, education systems, and intermediaries.

Ongoing oversight of the National Apprenticeship System conducted by OA's staff at the national and regional level, including technical assistance and support provided to registered apprenticeship program sponsors, potential sponsors interested in apprenticeship, and other stakeholders, as well as formal reviews of individual programs, internal processes, and apprenticeship's place in national workforce development, has also been an important source of data that underpins this proposal. Analyzing lessons learned from OA's outreach and support provided to potential program sponsors has helped OA better understand the misconceptions or barriers that employers perceive as they inquire about or pursue setting up a registered apprenticeship program. The

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[24] Entries in the Advancing the National Apprenticeship System dialogue are available at Ideascale Feedback Software, "Advancing the National Apprenticeship System," *https://advancingapprenticeships.ideascale.com/c* (last visited June 26, 2023).
[25] ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

Department considered these data in developing key priorities for the proposed regulation and to advance the Department's goal of expanding registered apprenticeship's footprint in new and emerging industries. Key reforms in this proposal that the Department expects will support this goal include system modernization and the definition and dissemination of new tools and resources to ease the program onboarding process.

OA's role providing oversight of the National Apprenticeship System by conducting reviews of programs, working with Federal, State, and local partners to resolve issues or disputes, and otherwise monitoring stakeholder compliance with the existing regulations, has also been informative and instrumental in developing the enhanced quality elements in this proposed rule. Program and system oversight has influenced OA's identification of the hallmarks of quality registered apprenticeship programs, persistent issues that impact programs, and gaps or weaknesses in the existing regulatory framework. Analyzing these data has informed the development of key quality and accountability aspects of this proposal, including the proposed protections for apprentices against undue costs of participation and restrictions on their labor market mobility and clarifications regarding the appropriate roles and responsibilities of stakeholders within the system (such as clearly articulating the roles and responsibilities of participating employers and clarifications on the appropriate role of State Apprenticeship Councils in system governance).

E. Vision and Goals of this Rulemaking

Overall, outreach and engagement with the National Apprenticeship System's many diverse stakeholders has been a central element of OA's efforts to identify high-level priorities for this proposed update to the part 29 regulations. These priorities reflect OA's consideration, synthesis, and proposed approach to the implementation of the recommendations and priorities arising from engagement with stakeholders holding diverse perspectives based on their backgrounds from different sectors of the economy

and roles within the National Apprenticeship System.[26] The resulting NPRM reflects a balance of priorities and perspectives that, in the Department's view, would result in a National Apprenticeship System that is responsive to industry needs, promote and maintain the hallmarks of high-quality apprenticeships, and clearly define and facilitate the roles and responsibilities of stakeholders. The following discusses this NPRM's guiding priorities, including the issues that give rise to each and the Department's proposed approach to addressing those issues.

Expansion with Quality

Stakeholders throughout the National Apprenticeship System, as well as potential stakeholders representing new industries or expressing interest in developing new opportunities for the system's growth, have consistently advised the Department that systemwide modernization is essential for advancing the Department's goal of expanding registered apprenticeship. The current regulations were finalized during an era in which the economy as a whole and the landscape for registered apprenticeship in particular were very different. The Department intends to modernize the regulations to reflect the contemporary era and the expanded potential for registered apprenticeship. The proposed rule would position registered apprenticeship as a mainstream, high-quality postsecondary training strategy that offers a career path across industries and sectors.

First, the scope of business sectors, industries, and occupations that have benefitted and would benefit from registered apprenticeship has expanded, including both the emergence of entirely new industries and occupations (within the IT and education sectors, for example), as well as evolutions within existing industries and occupations. Economic and technological evolution have also greatly impacted the outlook for existing

[26] For example, the ACA comprises equal numbers of representatives from the public, private, and labor sectors. Later in this NPRM, the Department proposes a parallel requirement for the makeup of State Apprenticeship Councils to ensure that these diverse perspectives (and the natural tension thereof) are considered as State Apprenticeship Councils deliberate and offer non-binding advice to SAAs.

and potential apprentices, including how they are made aware of registered apprenticeship and other workforce training programs, how they access such programs, their options for participation and interaction with such programs, and the scope of careers and job skills they can pursue.

Second, the advent of increased funding opportunities to support the development of registered apprenticeship programs has further expanded registered apprenticeship's potential scope. As Federal and State resources are made available to support the expansion of registered apprenticeship, this is a critical opportunity to strengthen and reinforce the labor standards to affirm the core guarantees of registered apprenticeship for workers and employers in an evolving labor market. Beginning in 2015, the Department began announcing the availability of funding for registered apprenticeship through several different vehicles. This included approximately $175 million to expand apprenticeship into sectors with few apprenticeships and to populations traditionally underrepresented in apprenticeship through AAI,[27] investments to support registered apprenticeship intermediaries focused on specific industries or equity,[28] and provide funding on an annual basis to support States' efforts to expand capacity, increase the number of registered apprentices, and modernize the National Apprenticeship System.[29] Grant funding appropriated for States between 2016 and 2023 was $419,500,000. Over the years, the further funding announced by the Department included over $10 million to support women's participation in registered apprenticeship programs through the Women in Apprenticeship and Nontraditional Occupations (WANTO) grants since 2019,[30] $20

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[27] See a list of past funding opportunities and awardees at OA, "Past Grants and Contracts," *https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/past-grants-and-contracts* (last visited July 20, 2023).

[28] *See* OA, "National Industry and Equity Apprenticeship Intermediaries: Advancing Registered Apprenticeship for Businesses and Workers in the U.S.," Jan. 19, 2021, *https://www.apprenticeship.gov/sites/default/files/Industry-and-Equity-Intermediary-Accomplishment-Fact-Sheet.pdf*.

[29] *See* OA, "State Apprenticeship Expansion," *https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/state-apprenticeship-expansion#awardee_list* (last visited July 20, 2023).

[30] DOL, WANTO Grant Program, https://www.dol.gov/agencies/wb/grants/wanto (last visited Oct. 23, 2023).

million to support the execution of a collaborative partnership with the American Association of Community Colleges to support the Expanding Community College Apprenticeship initiative in 2019, and $284 million to support expansion of apprenticeships into non-traditional industries in 2019-2020.[31] Competitive rounds of funding have also been awarded to reach other types of organizations. In 2020, the Department announced $42.5 million for Youth Apprenticeship Readiness Grants. In 2022, the Department announced more than $171 million for the Apprenticeship Building America grants.[32] The reauthorization of WIOA in 2014 and the reauthorization of Perkins in 2018 (also known as Perkins V) brought additional opportunities to align Federal education and workforce investments with registered apprenticeship programs. Opportunities include State and local workforce development board membership, State and local planning, funding for pre-apprenticeship programs, and funding availability to support WIOA participants' placement in registered apprenticeship programs.[33] The Department anticipates additional investments that align with The Good Jobs Principles, a shared vision of job quality, equity, and worker empowerment published in 2022 by the Department and Department of Commerce.[34] Additionally, the principles have been reflected or referenced in funding opportunities implementing infrastructure investments through the Bipartisan Infrastructure Law and the IRA.

These historic investments in the National Apprenticeship System, along with the new opportunities uncovered by an evolving economy and national workforce model, have introduced a much broader range of registered apprenticeship stakeholders

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[31] *See* "H-1B Skills Training Grants," *https://www.dol.gov/agencies/eta/skills-grants/h1-b-skills-training* (last visited July 20, 2023).
[32] ETA, "State Apprenticeship Expansion Formula," FOA-ETA-23-09, Mar. 17, 2023, *https://www.grants.gov/web/grants/view-opportunity.html?oppId=345785*.
[33] For information regarding how WIOA relates to apprenticeship, see OA, "Workforce Innovation and Opportunity Act," *https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/workforce-innovation-and-opportunity-act* (last visited July 20, 2023).
[34] *See* DOL, "The Good Jobs Initiative," *https://www.dol.gov/general/good-jobs/principles* (last visited July 20, 2023).

(including existing, newly established, and potential stakeholders) since the regulations were last updated in 2008. Accordingly, the Department has determined that the part 29 regulations must be modified and modernized in order to accommodate the growing set of stakeholders, provide tools and resources to ease their entry into the system, and maximize the impact of the aforementioned investments. In the proposed regulation, the Department introduces and defines the purpose of new products to support the development of new registered apprenticeship programs. These products—National Occupational Standards for Apprenticeship, National Guidelines for Apprenticeship Standards, and National Program Standards for Apprenticeship—would feature ample opportunities for industry to provide input and feedback. They would also leverage the Department's existing and emerging relationships to ensure efforts to expand registered apprenticeship are responsive to the evolving and distinct needs of all industries, including those targeted for expansion.[35]

The Department's vision for a modern system also includes an acceleration of its ongoing efforts to leverage advancements in technology to improve its internal systems and data analysis capabilities; modernize and strengthen the reporting tools available to registered apprenticeship program sponsors, SAAs, and other stakeholders; and move the system's administrative functions fully online. The Department anticipates that such improvements would complement the proposed regulation's introduction of industry-driven tools for onboarding new programs. Keeping pace with evolving industries, technological developments, and emerging opportunities for alignment among national workforce system programs is essential for achieving the Department's goal of expanding registered apprenticeship. It would also help the Department advance opportunities to

[35] In this proposal, the Department seeks to further clarify the role of industry through the text, including by defining the term "intermediary" (used commonly in practice by industries but not defined in the current regulations at part 29) and establishing clear roles for intermediaries in the process to develop National Occupational Standards for Apprenticeship, National Guidelines for Apprenticeship Standards, and National Program Standards for Apprenticeship.

access the National Apprenticeship System, provide oversight and assistance to new and existing stakeholders, and streamline administrative functions throughout the system.

In line with the Department's prioritization of system modernization in this proposed rule, the Department views the enhanced capacity to collect and analyze data as a key advantage of keeping pace with technological developments. As such, the Department is prioritizing the ongoing development of a modernized and enhanced data collection and analysis framework. Though much of this work occurs outside of the regulatory space, the Department has identified a need to update regulatory requirements around data collection to improve its ability to make data-driven decisions about apprenticeship policy, review and assess registered apprenticeship program performance, and communicate the value of apprenticeship as a viable workforce training model. The Department believes this is an opportunity to orient the National Apprenticeship System around increased performance accountability, transparency, and a focus on outcomes.

In the years since the registered apprenticeship regulations were last updated, the Department has invested resources to improve its processes for the collection of data pertaining to apprenticeship and the secure storage of such data. Such resources were also distributed among States to improve SAAs' data collection and reporting capabilities.[36] The Department has also collaborated with registered apprenticeship programs, industry intermediaries, other government agencies, and other interested stakeholders to better understand the insights and performance benchmarks that can be drawn and applied through targeted analyses of registered apprenticeship data. The lessons learned from these ongoing, collaborative engagements were echoed by the members of the ACA, who provided several recommendations related to data for the Department's consideration. The ACA discussed the value of developing a more national, comprehensive set of data

[36] ETA, "State Apprenticeship Expansion Formula," FOA-ETA-23-09, Mar. 17, 2023, *https://www.grants.gov/web/grants/view-opportunity.html?oppId=345785*.

related to registered apprenticeship. Currently, data pertaining to registered apprenticeship are collected in a disparate manner: data collection practices are distinct for SAA States and OA States, and not all States provide data to the Department's primary data repository, Registered Apprenticeship Partners Information Data System (RAPIDS).[37] The ACA also recommended that OA update its data collection and analysis capabilities to improve its ability to glean data-driven insights and make informed policy or oversight decisions based on such insights.[38] To do this, the Department must take steps towards developing a data collection framework that collects uniform data elements on a nationwide basis in order to disaggregate such data in key ways (such as by race and ethnicity, industry, occupation, from a State or national perspective) and assess information that accurately compares program outcomes.[39] The Department is interested in improving its ability to assess accurate, up-to-date registered apprenticeship data related to equitable participation and program outcomes for apprentices, the prevalence and usefulness of interim credentials or other industry-recognized certifications provided to apprentices, and wages earned by apprentices who complete registered apprenticeship programs, among other measures that may offer useful insights to registered apprenticeship program success and opportunities for targeted improvements.

Accordingly, the Department's proposed rule would update requirements regarding the collection and maintenance of data for program stakeholders. The proposed rule also presents new data elements for collection to better understand the apprenticeship

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[37] The ACA recommended that OA work with States to encourage full participation in RAPIDS, with the goal of developing a more national and comprehensive data set: "Generally, encourage those States that do not participate in the RAPIDS system, or participate to a lesser degree than full participant States, to participate in the collection and sharing of apprenticeship data for the benefit of the national dataset (RAPIDS)." ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 16, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

[38] The ACA recommended that OA "measure and track success through Equity Indices showing the representation of new, active, and completing apprentices from each underserved demographic group in the context of local area, industry, education/skills, and wages/promotions." *Id*. at II-10.

[39] The ACA recommended that OA "make apprentice demographic data, disaggregated by race, ethnicity, and sex, and separately for each State and for each standard occupation code, public on a dashboard site." *Ibid*.

landscape and enhance OA's and SAAs' ability to make data-driven decisions and improvements throughout the National Apprenticeship System. Such new data elements would include requiring program sponsors to provide data on the interim credentials or other industry-recognized certifications offered through their programs and requiring that applications for a determination on an occupation's suitability for registered apprenticeship training include information relating to the career wage profile of the subject occupation. Additionally, the Department would collect information from sponsors on pre-apprenticeship program engagement and placement as part of this proposed rule. Proposed reforms to the registered apprenticeship regulations would also prioritize collecting information on both postsecondary academic credit and industry-recognized credentials that apprentices acquire as part of their participation in registered apprenticeship programs, in addition to their acquisition of Certificates of Completion of registered apprenticeship programs. These reforms would allow students, job seekers, and workers to make better informed choices regarding their career needs.

These data elements, along with proposed updates to the part 29 regulations intended to encourage a more uniform and consistent approach to data collection and analysis,[40] would greatly enhance the Department's ability to derive accurate, timely, and consequential insights about registered apprenticeship on a nationwide basis. This would ultimately improve the Department's ability to provide guidance and oversight to stakeholders throughout the National Apprenticeship System.

Accurately assessing the quality of registered apprenticeship programs, and actively pursuing opportunities to improve such quality across all registered apprenticeship programs, remains one of the Department's most important responsibilities related to its oversight of the National Apprenticeship System.

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[40] For example, see the Department's discussion of its proposal to make SAA planning and data reporting more consistent through the implementation of State Apprenticeship Plans in the section-by-section analysis of this NPRM for proposed § 29.27.

Establishing a baseline for registered apprenticeship program quality is one of the most salient and practical functions of the part 29 regulations. While the Department believes that the current regulations have successfully guided the development and expansion of quality registered apprenticeship programs presently in existence, the Department has identified potential improvements to the program quality framework that it is pursuing in this proposed rule. The Department's identification of these quality improvements stems from its ongoing collaborations with industry partners and apprenticeship stakeholders, analysis of the persistent issues that arise as the Department executes program reviews, and feedback from apprentices, program sponsors, and employers participating in registered apprenticeship programs (including both success stories and efforts to review and address complaints related to registered apprenticeship programs).

First, the Department relies on the part 29 regulation's standards of apprenticeship to apply quality standards consistently across all registered apprenticeship programs. Any program seeking registration by the Department for Federal purposes must develop a set of program standards that apply to the specific program and align with the minimum quality standards contained within the part 29 regulations (currently at 29 CFR 29.5). Accordingly, many of the program quality enhancements the Department is pursuing in this proposed regulation would update the proposed section for standards of apprenticeship (at proposed 29 CFR 29.8). Engagement with stakeholders, including the ACA, and review of the Administration's priorities for the Department (such as the Good Jobs Initiative driven by the Administration and led by the Department[41]), has helped the Department identify several areas ripe for improved quality standards for registered apprenticeship. These include ensuring that all registered apprenticeship programs convey competencies and lead to occupational proficiency for apprentices who complete

[41] See information about the Good Jobs Initiative and its impact at DOL, "The Good Jobs Initiative," *https://www.dol.gov/general/good-jobs* (last visited July 20, 2023).

programs (see the Department's proposed consolidation of the apprenticeship training models at proposed 29 CFR 29.8(a)(4)), assurances that determinations on occupations' suitability for registered apprenticeship training consider the career wage profile related to the subject occupation (see the Department's proposed inclusion of wage considerations in occupational suitability determinations at proposed 29 CFR 29.7(b)(2)), and enhanced protections for apprentices against unreasonable training costs and restrictions on their labor market mobility (at proposed 29 CFR 29.9).

Embedding Equity at the Center of Registered Apprenticeship

Advancing equity in registered apprenticeship programs—applicable to program recruitment, participation, treatment during the course of a program, and program outcomes—remains a critical priority for the Department as a whole. The Nation's implementation of an industrial strategy through historic investments in infrastructure,[42] technology,[43] and clean energy[44] together generate tremendous opportunities for good jobs but also challenges for recruiting skilled workers. Engaging workers from underserved communities can be a key strategy for addressing these challenges. In addition, advancing equity in registered apprenticeship is central to the Department's proposed updates to the quality baselines contained in the part 29 regulations. In particular, the Department has identified several opportunities to align the part 29 regulations with the EEO in Apprenticeship regulations at 29 CFR part 30, which were finalized in 2016. The Department seeks to align the proposed updates to 29 CFR part 29 with elements of the 2016 EEO final rule to advance equity in registered apprenticeship programs by requiring sponsors to identify and reduce barriers to enrollment in, and completion of, such programs by individuals from all underserved communities. In

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[42] Infrastructure Investment and Jobs Act, Pub. L. 117-58, 135 Stat. 429 (2021).
[43] Creating Helpful Incentives to Produce Semiconductors Act of 2022 (CHIPS Act), div. A of Pub. L. 117-167, 136 Stat. 1366 (2022).
[44] IRA, Pub. L. 117-169, 136 Stat. 1818 (2022).

furtherance of this effort, the proposed regulation would require all sponsors seeking registration of an apprenticeship program to articulate an equitable, intentional, and achievable strategy for advancing the program's recruitment, hiring, and retention of individuals from underserved communities, including through documented partnerships with pre-apprenticeship or registered CTE apprenticeship programs. In addition, the proposal would continue to require registered apprenticeship programs to adhere to all of the applicable non-discrimination and EEO requirements contained in 29 CFR part 30.

In general, the Department is pursuing greater alignment between the regulations at parts 29 and 30, which were finalized 8 years apart and have not been updated since the EEO regulations were promulgated in 2016. The Department notes that it is not considering substantive changes to 29 CFR part 30 in this proposal, and the proposed amendments to 29 CFR part 30 are limited to the sections and changes necessary to align with the proposed changes in 29 CFR part 29. As a result, the Department is not accepting comments on the substantive content of the regulations at 29 CFR part 30 (beyond the proposal to incorporate the part 30 definitions into part 29 and any technical edits to part 30 necessary to align with proposed changes to part 29). However, the Department encourages the public to submit comments on how to best advance equity in registered apprenticeship as proposed in this NPRM.

The Department understands, based on several decades of oversight of the National Apprenticeship System, that the quality standards and other regulatory requirements are only as strong as the accountability measures that establish roles, responsibilities, and expectations of key stakeholders in the National Apprenticeship System. Where such accountability is unclear or undefined in the part 29 regulations, individuals' or entities' responsibility for preventing or addressing issues, shortcomings, or problematic outcomes related to registered apprenticeship programs can be questioned, contested, or avoided. This leaves apprentices with an unclear path forward and, at times,

stuck with an unfavorable outcome. In order to fulfill its statutory obligation to protect apprentices' welfare and well-being, the Department has identified several areas where accountability within the system can be strengthened or clarified. For example, this proposed rule contains provisions intended to ensure that both registered apprenticeship program sponsors and, critically, any employers that have adopted the sponsor's standards of apprenticeship (referred to in the proposed regulation as "participating employers") are responsible for adhering to the minimum labor standards stipulated in 29 CFR part 29, as well as the EEO requirements contained in 29 CFR part 30. The proposed rule would also require the sponsors of group programs to both screen and actively monitor participating employers to ensure their compliance with the foregoing regulatory provisions. Such enhanced accountability mechanisms are intended to ensure that apprentices are afforded all of the rights and protections required under the Federal rules pertaining to apprenticeship.

The Department expects that these proposed updates to the part 29 regulation would advance quality, equity, and accountability throughout the National Apprenticeship System. These proposed quality enhancements would benefit both existing registered apprenticeship programs and any new programs entering the system in the coming years. The Department anticipates that apprentices entering the system, along with their parents, guardians, dependent family members, and community members, would benefit from increased confidence in the consistency of quality throughout the system. The Department invites comments from the public on the best ways to advance quality, equity, and accountability throughout the National Apprenticeship System, including reactions to the proposed updates to the part 29 regulations contained in this proposal and any additional suggestions or recommendations for the Department's consideration.

Building a More Consistent and Innovative National Apprenticeship System

In addition to the recommendations to pursue systemwide modernization, better leverage apprenticeship-related data, and promote quality, equity, and accountability in the National Apprenticeship System, stakeholders have consistently advised the Department to consider additional pathways to participating in a registered apprenticeship program and pursuing the apprenticeship model for career preparation and development, particularly for younger students or job seekers. The ACA advanced several recommendations related to career pathways for youth (including those developed by the ACA's dedicated subcommittee for this issue, the Pathways subcommittee). These included recommendations to define what is meant by a "pre-apprenticeship" program,[45] invest and encourage participation in workforce readiness and pre-apprenticeship programs,[46] and pursue opportunities for collaboration with other sectors (such as education) to promote awareness and uptake of pre-apprenticeships and registered apprenticeships.[47] The Department is energized by these discussions of the evolving strategies to achieve growth throughout the National Apprenticeship System by identifying and promoting opportunities for younger students or job seekers to prepare for, and eventually enter into, a registered apprenticeship program.

The proposed regulations, in addition to the enhancements to the registered apprenticeship model, would provide a more robust framework for identifying and promoting a system of apprenticeship-related pathways that can lead to sustainable careers. This would include defining pre-apprenticeship models that the Department

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[45] See the ACA's recommendations, arising from multiple subcommittees, that the Department "Define 'apprenticeship,' 'pre-apprenticeship,' and 'youth apprenticeship'" to ensure programs align with quality metrics. ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 13 and 33, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

[46] See the ACA's recommendations that "Federal and State agencies should invest in quality workforce readiness and pre-apprenticeship programs" and that the Department encourage employers and registered apprenticeship programs to uplift pre-apprenticeship (e.g., provide conditional offers of registered apprenticeship employment or interviews upon completion of pre-apprenticeship). *Id.* at 36 and II-13.

[47] See the ACA's recommendation to include (1) tools for school counselors and teachers to integrate pre-apprenticeship into curricula and offer students advice on career pathways; (2) resources to connect employers, schools, students, and parents to achieve greater buy-in; and (3) retooling of Apprenticeship.gov to educate public and highlight opportunities. *Id*. at 36.

believes could lead to diverse pathways to registered apprenticeship, with greater assurance that registered apprenticeship would be accessible, particularly for underserved communities. The proposal would also provide career seekers looking to get into registered apprenticeship programs entry points into programs, particularly if they do not currently meet the entry-level requirements for registered apprenticeship programs. Pre-apprenticeship programs are designed to equip apprentices with the foundational skills required by registered apprenticeship programs, in order to facilitate the placement of pre-apprenticeship program participants. Therefore, instead of designing a model of registering pre-apprenticeships, the Department believes registered apprenticeship program sponsors would be best positioned to determine the quality of pre-apprenticeship programs. The proposed rule would provide more clarity in the system about the meaning of pre-apprenticeship programs, enable data collection on these programs from sponsors, and promote greater alignment with other Federal workforce investments that may support pre-apprenticeship models.

Additionally, a key proposed reform in this rulemaking would be the development of labor standards for a new model of registered apprenticeship focused on registered CTE apprenticeships. This proposed new model of registered apprenticeship would be consistent with stakeholder recommendations[48] and the Department's ongoing efforts to expand employment and training opportunities for youth. Registered CTE apprenticeship programs would create stronger and more seamless linkages between educational institutions and workforce development programs, and they would expand the registered apprenticeship model to support youth and other individuals entering the workforce through their enrollment in State CTE programs funded by ED's Perkins program.

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[48] For example, see the ACA's recommendation to support promotion, awareness, and uptake of apprenticeship programs among youth, including through tools to integrate pre-apprenticeship elements into educational curricula. ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at p. 36, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

Proposed subpart B is designed to strengthen the ties between individuals in State-approved CTE programs and employment around a quality framework of labor standards. The Department, in coordination with ED, has identified an opportunity to increase job quality and training for youth and other individuals enrolled in State-approved CTE programs to benefit from structured and common basic labor standards. The registered CTE apprenticeship model would build on the key tenets of registered apprenticeship but would have some differences to account for the unique needs of the population it is designed to serve and individuals enrolled in State-approved CTE programs.

National Apprenticeship System Governance and Planning

A key role in implementing the promises of the proposed rule is to ensure the development of a system of governance for key partners and leaders in the National Apprenticeship System, particularly SAAs that have been provided OA's authority to serve as Registration Agencies in their States. As mentioned previously, OA is responsible for establishing a system of recognition and governance of SAAs, which operate as key partners in the National Apprenticeship System. To that end, the Department is seeking to build a more cohesive system and structure that promotes greater consistency and minimum standards for the roles and responsibilities of SAAs through a State planning approach, as well as criteria around SAAs' approval of registered apprenticeship programs for Federal purposes, while simultaneously encouraging strategic planning and innovation in registered apprenticeship models in the States.

With more than 30 States currently recognized or seeking recognition as an SAA State, this proposed rulemaking seeks to modernize and build a State planning framework for the recognition of SAAs that both satisfies the need for procedural reform and encourages innovative strategies and ideas for the expansion and modernization of registered apprenticeship. Accordingly, the proposed rule includes provisions that would

carefully delineate the respective roles and responsibilities of OA, SAAs, and State Apprenticeship Councils within the National Apprenticeship System. The proposed rule would also establish a planning process for SAAs to ensure coordination within the National Apprenticeship System in pursuit of apprenticeship expansion and quality, equity, and consistency in experience for sponsors. This State planning process would also ensure that SAAs are maintaining minimum standards of registered apprenticeship that safeguard the safety and welfare of apprentices. Submission of State Apprenticeship Plans would take place on a cyclical basis, thereby allowing OA to ensure sufficient staffing capacity to review plans and provide technical assistance as needed.

The Department anticipates that the National Apprenticeship System under this proposed rule would provide both workers and businesses with high-quality, inclusive, and adaptable training models to build a skilled American workforce for the 21st century across numerous industries. This proposed rule seeks to ensure the expansion of apprenticeship models with high-quality standards to address the evolving needs of the labor market. The Department is proposing §§ 29.1 through 29.6 as applicable to the entire part, while also proposing three unique subparts for this proposed rulemaking. Subpart A would address standards for registered apprenticeship programs, which would update the current section of 29 CFR part 29 regarding the approval of occupations suitable for registered apprenticeship, the registration standards of apprenticeship, apprenticeship agreements, and other requirements related to the development of quality labor standards. Subpart B would address the proposed registered CTE apprenticeship model, including the requirements associated with registering a program under that model. Subpart C would address the Administration and Coordination of the National Apprenticeship System, including the reporting requirements, SAA recognition and planning provisions, and a provision about sharing information to support the integration of registered apprenticeship into other Federal and State laws. The Department welcomes

comments throughout this proposed rule, particularly those focused on ideas to promote higher quality and to facilitate expansion to new industries and occupations.

IV. Section-by-Section Discussion of the Proposed Changes

A. Introduction to the Regulations for the National Apprenticeship System under the National Apprenticeship Act of 1937

Section 29.1 – Purpose and scope.

The "Purpose and scope" section in the current regulation describes and cites to the Secretary's statutory authority to formulate and promote labor standards for registered apprenticeship programs to safeguard the welfare of apprentices participating in such programs. The Department proposes to remove existing § 29.1(a), which describes and cites to the Department's authority under the NAA, because it is unnecessary to repeat the statutory language in the text of the regulation. The Department has determined that the "Purpose and scope" section for 29 CFR part 29 should instead focus on the Department's intent and objectives for the part 29 regulations and the sub-issue areas that follow in the part 29 regulations, all of which would be consistent with the Department's statutory authority.

Proposed 29 CFR 29.1 would largely retain the regulatory text from current 29 CFR 29.1(b), with a few additions to reflect updates to the evolving system of registered apprenticeship programs and priorities to address the expanded role education partners and intermediaries bring in facilitating the connections between employers and labor as described in the NAA. Other proposed additions would cover the Department's role in promoting the expansion of quality registered apprenticeship programs across a wide array of industries, the critical role the Department and Registration Agencies have in ensuring equitable and inclusive opportunities for all American workers, the proposed

new registered model for CTE apprenticeship, the collection of data, and the oversight of registered apprenticeship programs.

Section 29.2 – Definitions.

In 2007, when the Department proposed an update to the part 29 registered apprenticeship regulations in an NPRM, the preamble noted that the Department's proposed updates to the "Definitions" section in 29 CFR 29.2 were intended to clarify and redesignate existing definitions and establish new definitions used in the registration of registered apprenticeship programs and in "ongoing operations of the National Apprenticeship System."[49] Since 2008, there have been numerous changes that have impacted the terminology related to the registration of registered apprenticeship programs and the National Apprenticeship System's ongoing operations, including revisions or changes to reflect new understandings or uses of previously defined terms, the introduction of new terminology to reflect the expansion of registered apprenticeship concepts, stakeholders, and strategies, as well as updates that have rendered existing definitions inaccurate, irrelevant, or obsolete.

One important development was the revision to the regulations at 29 CFR part 30, which introduced a set of key defined terms that are relevant and applicable to the regulations at 29 CFR part 29. Having misaligned definitions, as well as two sets of definitions governing OA's regulations, could cause unnecessary confusion and burden for the regulated community and other stakeholders. Accordingly, the Department proposes to set forth all applicable definitions governing 29 CFR parts 29 and 30 at 29 CFR 29.2. This would centralize the definitions governing all aspects of the National Apprenticeship System, thereby better aligning the operation of parts 29 and 30 and eliminating unnecessary duplication and any inadvertent inconsistency. To effectuate this change, the Department proposes to revise 29 CFR 30.2 to state that part 30 incorporates

[49] 72 FR 71019 (Dec. 13, 2007) (NPRM and request for comments).

the definitions found at 29 CFR 29.2. The Department invites comment on this organizational change, particularly on its efforts to ensure the regulated community has one section for all of the definitions pertaining to the National Apprenticeship System. The Department requests that any comments on the substance of a proposed definition reference 29 CFR 29.2 rather than 29 CFR 30.2.

Proposed modifications to any definitions currently found at 29 CFR 30.2 as a result of this proposed rulemaking are explained below. The terms currently found at 29 CFR 30.2 that are not identified below as undergoing modification would remain unchanged and would simply be recodified at 29 CFR 29.2. These terms are "direct threat," "disability," "EEO," "ethnicity," "genetic information," "major life activities," "physical or mental impairment," "qualified applicant or apprentice," "race," "reasonable accommodation," "selection procedure," and "undue hardship." The Department is proposing that the definition of "qualified applicant or apprentice" include the clarifying clause "for purposes of part 30." This change is proposed to clarify that the definition of "qualified apprentice" in this proposed rule would apply only to the part 30 regulations and would not conflict with the definition of "qualified apprentice" under the IRA's registered apprenticeship requirements.[50] The term "qualified apprentice" would not appear in the part 29 regulations other than in the "Definitions" section of the proposed rule and therefore this clarifying clause would have no impact on the requirements of part 29 or part 30. Moreover, the Department views this clarifying clause as important to avoiding potential confusion about the definition of "qualified apprentice."

The remainder of this discussion of proposed § 29.2 discusses, in alphabetical order, new, revised, or deleted definitions for part 29 and definitions from part 30 that the Department is proposing to change. In addition to the definitions proposed for deletion and replacement by another definition as described below, the Department proposes

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[50] 26 U.S.C. 45(b)(8)(E)(ii); *see* Pub. L. 117-169 sec. 13101(f)(8)(E)(ii).

deleting the definitions of "registration of an apprenticeship agreement," "registration of an apprenticeship program," and "State Office" from the part 29 regulations. While these definitions are proposed for deletion, the concept for "registration of an apprenticeship agreement" would be addressed by the proposed "apprenticeship agreement" definition and the apprenticeship agreement section in proposed § 29.9. Similarly, while the definition of "registration of an apprenticeship program" is proposed for deletion, the concept would be addressed by the proposed "registered apprenticeship program" definition and the operative sections at proposed §§ 29.8 and 29.10. Likewise, the Department believes the definition of "State Apprenticeship Agency" includes the meaning that a State government agency assumes the roles of an SAA and, therefore, the Department does not believe the term "State Office" would have utility under the proposed rule. The Department believes these concepts would be addressed in the modified definitions but welcomes comments as to whether there are reasons to keep these definitions for the regulated community.

Proposed § 29.2 would define terms applicable to all sections of the NPRM unless otherwise stated.

Proposed § 29.2 would retain the existing definition of "Administrator" from the existing registered apprenticeship regulations. This term would still refer to the Administrator of OA or any person specifically designated by the Administrator of OA.

Proposed § 29.2 would add a new definition of "annual completion rate," which would be a new program quality measure a Registration Agency would be able to calculate to assist in assessing program quality. This measure would be calculated by identifying all the apprentices who leave a program during a fiscal year as the denominator and the number of those who complete the program as the numerator. This new measure would assist Registration Agencies in seeing if programs are exiting significant numbers of apprentices without graduating them and enable them to use that

information as a basis for technical assistance. This measure, unlike the proposed cohort completion rate, would not exclude exiters during the probationary period of the program. This measure would also align with the Department's ETP reporting under WIOA for program completion rates. This measure would be calculated as part of the data requirements of proposed § 29.25 and be subject to program reviews under proposed § 29.19. The Department would consider this measure as being useful for considering any impacts in program design that lead to apprentices not completing their programs once they are apprentices. The Department is interested in any comments on this approach, whether probationary period should be a consideration, as well as any other measures proposed.

Proposed § 29.2 would modify the definition of "apprentice." The proposed modification clarifies that an apprentice, as the term is used in parts 29 and 30, is an individual participating in a program subject to the requirements of 29 CFR parts 29 and 30, rather than an individual participating in any apprenticeship program. The Department would retain language that an apprentice must be a worker at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, to align with the Fair Labor Standards Act (29 U.S.C. 212) and its implementing regulations (29 CFR part 570), which generally permit bona fide apprentices to perform otherwise prohibited work in nonagricultural employment once they reach the age of 16.

Proposed § 29.2 would modify the definition of "apprenticeship agreement." The proposed modification would stipulate that an apprenticeship agreement must satisfy each of the applicable regulatory requirements contained in proposed § 29.9. The proposed definition also stipulates that such agreements must describe the terms and conditions of the employment and training of the apprentice, and it further clarifies that an apprenticeship agreement may also include the execution of any subsequent contractual

provisions or agreements between the apprentice and the program sponsor (or a participating employer) during the remainder of the apprenticeship term.

Proposed § 29.2 would retain the definition for "apprenticeship committee (committee)" from the existing regulations.

Proposed § 29.2 would modify the definition of "cancellation." The Department is proposing to modify this definition to reflect that an apprenticeship agreement may be canceled by either the apprentice or the sponsor as discussed in proposed § 29.9. Additionally, the Department is proposing to modify this definition to remove the concept of cancellation of a program because this concept is synonymous with voluntary deregistration of a program. The Department does not see a difference between these two concepts, and so the Department is proposing that cancellation be a term that applies only to apprenticeship agreements, and that voluntary deregistration, as described in proposed § 29.20, to be the appropriate process for programs seeking to end their registration status.

Proposed § 29.2 would add the definition for "career and technical education (CTE)," which would be utilized primarily in subpart B, from the existing definition in sec. 3(5) of Perkins.[51] The proposed registered CTE apprenticeship model intends to incorporate Perkins' program elements. To provide consistency and clarity for the regulated community, the Department is aligning the proposed definition of CTE with the definition used in Perkins.

Proposed § 29.2 would add the existing definition of "career pathway" from WIOA.[52] The purpose of adding career pathway is to intentionally connect the regulation to the concept of a career pathway that is used in practice across the broader workforce development system and enable the use of shared terminology for practitioners

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[51] Strengthening Career and Technical Education for the 21st Century Act, Pub. L. 115-224, 132 Stat. 1563 (2018).
[52] 29 U.S.C. 3102(7); WIOA sec. 3(7).

developing opportunities for participants in education and workforce development programs.

Proposed § 29.2 would eliminate the existing definition of "certification or certificate" and establish definitions for the different certificates described in part 29. The purpose of establishing standalone definitions for certificates is to minimize confusion and provide clarity for National Apprenticeship System stakeholders on the functional types of documentary evidence that may be provided or used for the purposes of proposed § 29.18, proposed § 29.30, or any other applicable purpose.

Proposed § 29.2 would add a definition for "Certificate of Completion" and incorporate the existing language at 29 CFR 29.2 that a Certificate of Completion is a document that establishes that a Registration Agency has determined that an individual has successfully completed a registered apprenticeship program as set forth at proposed § 29.16(d).

Proposed § 29.2 would add a definition for the new term "certificate of completion of registered CTE apprenticeship." A certificate of completion of registered CTE apprenticeship would be a document that establishes that a Registration Agency has determined that an individual has successfully completed a registered CTE apprenticeship program as documented under proposed paragraph (f). The purpose of this new term is to differentiate between the certificate of completion for registered apprenticeship under subpart A and a certificate of completion of registered CTE apprenticeship discussed for the new proposed model of registered CTE apprenticeship under subpart B.

Proposed § 29.2 would add a definition for "Certificate of Participation" and define it for the first time as documentation that an apprentice has participated or is participating in a registered apprenticeship program. Examples of a Certificate of Participation could include evidence necessary to document a construction contractor's compliance with the Davis-Bacon and related Acts' registered apprenticeship

requirements regarding the payment of prevailing wages to apprentices at 29 CFR part 5 or a verification of an individual's status as an apprentice. Such a certificate would be OA's official method of verifying an apprentice's participation in a registered apprenticeship program.

Proposed § 29.2 would add a definition for "Certificate of Recognition" to describe the document provided to indicate that OA has approved a sponsor's National Guidelines for Apprenticeship Standards as described in proposed § 29.15.

Proposed § 29.2 would add a definition for "Certificate of Registration" to describe the document provided to indicate that a Registration Agency has registered an apprenticeship program under proposed § 29.10(c).

Proposed § 29.2 would define "cohort completion rate," and this definition would modify the language from the current definition of "completion rate," which covers the percentage of an apprenticeship cohort that receives a Certificate of Completion within 1 year of the projected completion date. The proposed definition of "cohort completion rate" describes an apprenticeship cohort as the group of individual apprentices registered to a specific program during a given fiscal year, which is a change from the current language in the current definition of "completion rate" that describes it as the group of individual apprentices registered to a specific program during a 1-year timeframe. The term "cohort completion rate" is designed to distinguish this concept from the proposed addition of "annual completion rate." This change would provide clarity on the existing practice of calculating the cohort completion rate on a fiscal year basis to enable more consistent data reporting. This proposed definition continues to explain, without change, when an apprentice will not be included in the calculation.

Proposed § 29.2 would add a definition for "collective bargaining agreement" and define it for the first time in parts 29 or 30 as the written agreement between an employer (or a group of employers) and the bargaining representative(s) of a labor union to which

employees of the employer(s) belong that addresses such topics as wages, hours, workplace health and safety, employee benefits, and other terms and conditions of employment. When applicable, collective bargaining agreements inform the development of registered apprenticeship program standards and, typically, govern an employer's participation in a group program. This is a term used often in this proposed rule and the 2008 final rule. The Department believes that it is important for the regulated community to understand what the Department means when it uses this term, particularly for industries not familiar with registered apprenticeship. This proposed term was first used by OA in Bulletin 2010-29.[53] The Department proposes to modify and elaborate upon that definition to more closely align it with the common understanding of collective bargaining agreements. The Department is seeking any comments or proposed modifications to the proposed definition to increase clarification on this term.

Proposed § 29.2 would modify the definition of "competency" to describe the attainment of knowledge, skills, and abilities specified in a work process schedule. The Department is removing the terms "manual, mechanical or technical skills and knowledge" from the technical definition to be in greater alignment with the Department's understanding of what the attainment of competency means based on competency frameworks, such as the Occupational Information Network (O*NET) system, DOL competency models,[54] and competency-based occupational frameworks,[55] that are used as industry-recognized reference tools in the development of a work process schedule, as specified in proposed § 29.7(b). In addition to knowledge, skills, and

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[53] OA, Bulletin 2010-29, "Amendment to the Revised National Guidelines for Apprenticeship Standards Boilerplates – Individual Non-Joint (INJ), Group Non-Joint (GNJ), Individual Joint (IJ), and Group Joint (GJ) for Federal, State or Local Government Agency Programs," Sept. 30, 2010, *https://www.apprenticeship.gov/sites/default/files/bulletins/Bulletin_2010-29a_Amendment_Revised_Boilerplates-Federal_Programs.doc*.

[54] *See* Competency Model Clearinghouse, "Overview of the Competency Model Clearinghouse," *https://www.careeronestop.org/CompetencyModel/GetStarted/overview-of-cmc.aspx* (last visited July 20, 2023).

[55] *See* Urban Institute, "Competency-Based Occupational Frameworks for Registered Apprenticeship," *https://www.urban.org/policy-centers/center-labor-human-services-and-population/projects/competency-based-occupational-frameworks-registered-apprenticeships* (last visited July 20, 2023).

abilities, the proposed definition includes the measurable attainment of techniques as a qualifier for the types of hands-on practices, such as the physical use of equipment and tools, associated with on-the-job, industry-based proficiency.

Proposed § 29.2 would add a definition for "corrective action plan" to describe the product that must be produced when a State Apprenticeship Plan is not granted full approval by the Department as described in proposed § 29.27 of this part. This plan is designed to provide SAAs with clear actions needing to be taken to be eligible for full approval of the State Apprenticeship Plan.

Proposed § 29.2 would add a definition for "credential rate" to explain how to calculate the percentage of registered apprenticeship program completers in a cohort that receive an interim credential, as defined below. This new program performance measure is intended to incentivize the leveraging of recognized postsecondary credentials, including industry-recognized credentials, into a registered apprenticeship program's design. While the Certificate of Completion remains the premier credential obtained for participation in a registered apprenticeship program, this measure would not include Certificates of Completion. This measure would incentivize additional credentials to be included and tracked and would drive greater portability and national recognition for programs and credentials obtained in programs. Programs are not required to offer interim credentials as a requirement for registration; however, the Department considers a measure that tracks this attainment as a key opportunity to enhance data collection and understanding of programs for both apprentices in programs and job seekers considering registered apprenticeship programs. The Department acknowledges that not all industries or sectors may issue interim credentials. For that reason, the Department is not intending this proposed measure to be a sole indicator of program quality. The metric would help OA to understand which programs provide credentials while participating in a program, ultimately leading to a Certificate of Completion. Lastly, similar to the cohort completion

rate measure, the Department is proposing to exclude those apprentices whose participation in the program ends during the program's probationary period because apprentices may decide early in a program that they do not wish to pursue the chosen occupation, and OA does not seek to disincentivize programs or add barriers to programs seeking to recruit and accept participants. Additionally, for this measure an apprentice would be unlikely to attain a credential during that time. The Department is open to comments on whether this measure should include those apprentices who leave during the probationary period.

Proposed § 29.2 would add the definition for the new term of "CTE apprentice." CTE apprentices are participants at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, in a registered CTE apprenticeship program covered by the requirements of subpart B and part 30. The Department is aligning the definition with the definition of "apprentice" that is utilized for the purpose of subpart A. As described in the "apprentice" definition discussion, the Department is retaining language that an apprentice must be a worker at least 16 years of age, to reflect the general 16-year minimum age requirement for employment under the Fair Labor Standards Act. *See* 29 U.S.C. 203(l). However, the proposed definition explicitly states that the minimum age standard may be higher than 16 years if required by Federal, State, or local law. The Department is generally seeking alignment as much as possible between the terms "CTE apprentice" and "apprentice." The primary purpose of this new term is to differentiate the use of the term "apprentice," which is used throughout subpart A to refer to an individual participating in a registered apprenticeship program registered under subpart A of this part. This would help ensure clarity for the regulated community as to which model apprentices are participating in going forward. The proposed definition also provides that a CTE apprentice is not an apprentice for purposes of 29 CFR 4.6(p), 5.2, 5.5(a)(4), and 570.50(b).

Proposed § 29.2 would add a definition for the new term "CTE apprenticeship agreement." A CTE apprenticeship agreement would be a written agreement that complies with the requirements in proposed § 29.24 and that contains the terms and conditions for the employment and training of the CTE apprentice. The purpose of this new term is to differentiate between the apprenticeship agreement for registered apprenticeship under subpart A and a CTE apprenticeship agreement discussed for the new proposed model of registered CTE apprenticeship under subpart B. As discussed below in the section-by-section analysis for subpart B and the CTE apprenticeship agreement at proposed § 29.24(e), the proposed requirements for the makeup of a CTE apprenticeship agreement largely follow the proposed requirements for apprenticeship agreements for registered apprenticeship at proposed § 29.9, with a few minor differences reflecting the differences between registered apprenticeship and the newly proposed registered CTE apprenticeship model (e.g., a shorter maximum duration for the length of a probationary period under registered CTE apprenticeship).

Proposed § 29.2 would add a definition for the new term "CTE apprenticeship-related instruction." CTE apprenticeship-related instruction would be the organized and systematic form of instruction that provides a CTE apprentice with knowledge of the theoretical and technical subjects related to an approved industry skills framework. CTE apprenticeship-related instruction would be required to be delivered through a State-approved CTE program. A sponsor could prescribe additional coursework, including coursework outside of the program, as part of the CTE apprenticeship-related instruction. Instruction could be given in a classroom, through electronic media, or through other forms of study approved by the State CTE Agency and Registration Agency. The purpose of this new term is to differentiate it from the defined term "related instruction" used in subpart A, which does not directly require a State-approved CTE program.

Proposed § 29.2 would add a definition for "day" to provide clarity to the regulated community that the usage of the word "day" throughout this proposed rule and 29 CFR part 30 means calendar day, and not business day or workday. The Department considers this an important term to include to remove ambiguity where this term is used. When the word "day" is used throughout this proposed rule this meaning (i.e., calendar day) is meant.

Proposed § 29.2 would retain the existing definition of "Department" from the existing registered apprenticeship regulations. This term would still refer to DOL and is used accordingly throughout this NPRM.

Proposed § 29.2 would add the existing definition of "direct threat" in 29 CFR part 30.

Proposed § 29.2 would add the existing definition of "disability" in 29 CFR part 30.

Proposed § 29.2 would add the existing definition of "EEO" in 29 CFR part 30.

Proposed § 29.2 would modify the definition of "electronic media" to remove the examples from the regulatory text because any examples too quickly become outdated due to the rapid pace of technological development. Updated and contemporary examples of electronic media as of the date of this proposal include but are not limited to end-users utilizing a computer or mobile device to: access and interact with an interactive map or database on an accessible web-based platform; download, edit, and transmit digital files of PDFs, images, or project-management tools; participate by using a chat function or providing verbal or non-verbal visual cues in a meeting through a video conferencing platform; and access digital written documents through an enterprise-level document-sharing application.

Proposed § 29.2 would revise the existing definition of "employer" to specify that, in relation to apprentices, the employer is the entity that employs an apprentice

during the on-the-job training component of the apprenticeship program and provides the apprentice training under an approved set of standards of apprenticeship and apprenticeship agreement. This proposed definition also includes a clarification that it applies to the employment of apprentices for subparts A, B, and C of this part. This is meant to address the employment of apprentices for both registered apprenticeship programs under subpart A and the employment of CTE apprentices under subpart B. For the purposes of subpart C, it would apply to the requirement of reporting from sponsors on employers in the system described in that subpart. The Department uses the term "employer" as a general term in the proposed rule as well as a term specific to the employer of apprentices; therefore, the Department proposes clarifying these two uses of the word in the definition. The Department has determined that the existing definition of "employer," when used in reference to employers of apprentices, does not sufficiently describe the employer/apprentice relationship with regard to the provision of the on-the-job training component of the registered apprenticeship program and is required to be in accordance with the program's standards. This proposed definition is meant to ensure that all entities employing an apprentice during the apprentice's time in the registered apprenticeship program understand their role as employers as articulated in the standards of apprenticeship governing the program. The Department thinks that this revision would provide clarity for the regulated community and would assure apprentices that any entities participating as employers in their registered apprenticeship program would understand their role in the apprenticeship program and abide by the on-the-job training requirements and program standards set forth in their apprenticeship agreement.

Proposed § 29.2 would add the existing definition of "ethnicity" in 29 CFR part 30.

Proposed § 29.2 would add a definition for "exit" for the purpose of calculating certain performance measures such as "annual completion rate," "cohort completion

rate," or "credential rate" described in proposed § 29.25. Under the proposed definition, an exit is when an apprentice has ended their participation in a registered apprenticeship program. This would include apprentices who have completed a registered apprenticeship program or who have canceled or been canceled from a registered apprenticeship program. The Department proposes including these groups together to ensure it can accurately measure outcomes of all apprentices in a program after their probationary period.

Proposed § 29.2 would revise the definition of "Federal purposes" by adding "registered" before the term "apprenticeship" to align with the changes throughout this proposed rule. This proposed change would clarify that the use of apprenticeship means "registered apprenticeship" unless otherwise stated in the proposed rule. The Department notes that the use of the term "Federal purposes" throughout this proposed rule is used to characterize apprenticeship registration in the National Apprenticeship System as overseen by OA. Additionally, registration for Federal purposes may convey additional benefits or obligations that arise under Federal laws such as the Davis-Bacon and related Acts, the IRA, and WIOA, among others. This term is meant to capture the authority the Department conveys when registering apprenticeship programs or recognizing SAAs to perform this function.

Proposed § 29.2 would add a definition for the term "fiscal year." Fiscal years are the accounting period of the Federal Government, and while these proposed regulations would not directly impact financial reporting, the Department is proposing the inclusion of this term to be used and commonly understood as a 1-year period covering October 1 of a given calendar year through September 30 of the following calendar year. The corresponding name of the fiscal year is always the calendar year in which the covered period ends. For example, the time period covering October 1, 2022, to September 30, 2023, is fiscal year 2023. The Department is proposing the term be used to set parameters

around the "annual completion rate" and "cohort completion rate" measures defined in this section.

Proposed § 29.2 would add the existing definition of "genetic information" in 29 CFR part 30.

Proposed § 29.2 would add a definition for the term "group program." This term, which has been widely used on an informal basis over the years, refers to a program that is sponsored and registered by an organization that develops a set of registered apprenticeship program standards that are adopted on a formal, contractual basis by one or more participating employers (typically pursuant to a collective bargaining agreement or a program standards adoption agreement) in accordance with the program standards developed by the sponsor of the group program.

Proposed § 29.2 would add a definition for the new term "industry skills framework." The purpose of this new term is to establish the concept of an industry skills framework for utilization in the development of an on-the-job training outline, which would be a distinct component of the standards of a registered CTE apprenticeship program under subpart B.

Proposed § 29.2 would add the definition of "institution of higher education" from an existing definition in the Higher Education Act of 1965.[56] Proposed § 29.24 in subpart B identifies institutions of higher education as eligible program sponsors of registered CTE apprenticeships. To provide consistency and clarity for the regulated community, the Department is aligning the definition of institution of higher education with the definition used in the Higher Education Act of 1965.

Proposed § 29.2 would modify the definition of "interim credential" to specify that an interim credential is a recognized postsecondary credential (*see* proposed definition in § 29.2) and to acknowledge that it is documentation of the significance of an

[56] 20 U.S.C. 1001 et seq.

apprentice attaining competency milestones within an occupation suitable for registered apprenticeship training. An interim credential is usually earned as a part of a career pathway, sequence, or progression towards the attainment of more advanced competencies and credentials in that occupation.

This proposed change would bring the definition into alignment with ETA's definition of recognized postsecondary credentials by aligning it with acceptable documentation for measuring credential attainment under WIOA.[57] While interim credentials may be used as documented milestones in the progress toward completion, interim credentials under the proposed definition would be standalone recognized postsecondary credentials, and much like the concept of non-degree credentials, could be bundled or stacked and portable across industries and occupations.[58] Existing § 29.5(b)(16) provides for interim credentials as credentials issued by the Registration Agency, upon request of the appropriate sponsor, as certification of competency. The Department is changing this definition to align with WIOA and focus on the importance of attaining industry-recognized credentials in a program, which the Department considers to be valuable. In this proposed rule, interim credentials could be provided to apprentices by a sponsor, in coordination with a related instruction provider, employer, or industry intermediary, to recognize and document completion of competency attainment, or another form of measurable skill gain, that would be part of a work process schedule in an approved occupation under proposed § 29.8(a)(8).

Proposed § 29.2 would add a new proposed definition for "intermediary" to recognize these important stakeholders within the National Apprenticeship System and

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[57] ETA, Training and Employment Guidance Letter (TEGL) No. 13-16, "Guidance on Registered Apprenticeship Provisions and Opportunities in the Workforce Innovation and Opportunity Act (WIOA)," Jan 12, 2017*, https://dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-13-16.*
[58] Rutgers Education and Employment Research Center, "Non-Degree Credential Quality: A Conceptual Framework to Guide Measurement," July 2019, *https://smlr.rutgers.edu/sites/default/files/Documents/Centers/EERC/rutgerseerc_ndcquality_framework_full_paper_final.pdf.*

describe their role within the system. Given intermediaries' current prevalence in apprenticeship and role described in these proposed regulations, the Department wanted to codify the definition to ensure a common understanding of the term. The Department proposes to define "intermediary" as an entity that assists in the provision or coordination of a registered apprenticeship program or that otherwise provides support to a registered apprenticeship program. Consistent with current practice within the National Apprenticeship System, such support could include assistance with the important industry-driven aspects of a registered apprenticeship program, including industry vetting of training and related instruction components necessary for proficiency in an occupation; the establishment of networks and partnerships to support registered apprenticeship program development and functionality; and other types of support arising from the intermediary's familiarity with and expertise within an industry. In adding this proposed definition to the registered apprenticeship regulations, the Department also seeks to clarify that intermediaries' appropriate role within the National Apprenticeship System would not include any of the responsibilities reserved for Registration Agencies (i.e., SAAs and OA), such as the responsibility for making final determinations on an occupation's suitability for registered apprenticeship training or final approval of a program's standards. The Department has invested in industry intermediaries[59] to support the expansion of registered apprenticeship programs into high-growth industries to date and to improve equity in these programs, and their role has shown promise in this regard.[60] Such entities to date have included labor organizations, trade organizations, industry experts, and other organizations with experience in registered apprenticeship.

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[59] *See* OA, "Industry Intermediaries to Expand Registered Apprenticeship Programs," *https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/industry-intermediaries-expand-registered* (last visited July 20, 2023).

[60] *See* OA, "National Industry and Equity Apprenticeship Intermediaries: Advancing Registered Apprenticeship for Businesses and Workers in the U.S.," *https://www.apprenticeship.gov/sites/default/files/Industry-and-Equity-Intermediary-Accomplishment-Fact-Sheet.pdf* (last visited July 20, 2023).

The Department is committed to providing a definition for these important stakeholders in the National Apprenticeship System and welcomes comments on this definition to accurately define their role in the system.

Proposed § 29.2 would revise the definition of "journeyworker" to simplify the definition and clarify that such workers should be experienced in their industry or occupation and proficient in the skills and competencies necessary to be successful in an industry or occupation. Accordingly, the Department proposes to add "experienced" before "worker" in the existing definition and proposes to replace existing language stating that journeyworkers must have "attained a level of skill, abilities and competencies recognized within an industry as having mastered the skills and competencies required for the occupation" with language clarifying that journeyworkers must be "proficient" in such skills and competencies. The Department recognizes that the level of experience to gain proficiency would differ among industries and occupations. The Department has determined that the use of the term "proficient" is appropriate and uses it throughout the registered apprenticeship regulations because it is a clear and understandable term capturing the extent of an individual's mastery or expertise with respect to critical job skills and competencies necessary for such individuals to transfer their mastery and expertise to apprentices training in a registered apprenticeship program. The Department also acknowledges this term may be used interchangeably in industries with the following terms: mentor, experienced worker, technician, specialist, supervisor, or skilled worker, among other similar terms. The Department is also proposing to add language that a journeyworker may be proficient in an industry or occupation. The Department recognizes that industry expertise may be sufficient to obtain the proficiency necessary for someone to properly oversee and train an apprentice. However, the Department is encouraging commenters to identify if industry proficiency is sufficient for a journeyworker or if occupational proficiency for a journeyworker must be present.

The concept of "proficiency," as defined in proposed at § 29.2, is central to registered apprenticeship and apprentices' success in the careers they are pursuing by enrolling in a registered apprenticeship program. For a journeyworker to effectively provide the on-site instruction, the Department considers it important that the journeyworker has proficiency in the industry or occupation to effectively train the apprentice on-the-job. Consider an electrician or other trades worker who has been called to a residence to complete a job. If the worker is proficient in the job skills and competencies required for their profession, they will be able to complete the task to the satisfaction of the customer and their employer and within a period that allows their employer to make a profit, or otherwise gain a meaningful economic benefit, for the services rendered. Often within the trades, time to complete a task is set by the market, and tradespeople must be able to complete the task within that period to remain competitive. Employers may also need workers to complete multiple tasks or orders within a given timeframe, and workers' proficiency in completing each task or order directly correlates with the employer's bottom line in employing the worker and advertising their available services. Someone who does not possess the level of proficiency to accomplish these tasks safely and efficiently is not someone whom the Department thinks could or should be training and supervising the work of an apprentice. Accordingly, the Department proposes to include the term "proficiency" in the definition of "journeyworker."

Proposed § 29.2 would add the definition of "local educational agency (LEA)" from an existing definition in the Elementary and Secondary Education Act of 1965.[61] Proposed § 29.24 in subpart B identifies LEAs as eligible program sponsors of registered CTE apprenticeships. To provide consistency and clarity for the regulated community,

[61] 20 U.S.C. 8101 et seq.

the Department is aligning the definition of LEA with the definition used in the Elementary and Secondary Education Act of 1965.

Proposed § 29.2 would add the definition of "local registration" and define it for the first time. The purpose of adding this definition is to formally define a term and concept that is currently used to describe the registration of an apprenticeship program for Federal purposes by a Registration Agency within a particular State. In accordance with proposed § 29.7(a), occupations determined suitable for registered apprenticeship would be eligible for local registration for Federal purposes by a Registration Agency, consistent with the approved work process schedule and related instruction outline. This is designed to indicate the difference between programs registered locally and programs registered nationally. Both methods of registration convey the benefits of registered apprenticeship to a program for Federal purposes; however, national programs are defined separately with separate criteria as discussed in proposed § 29.14. Additionally, local registration pertains to the registered apprenticeship program registration process of a local affiliate that belongs to a national organization that has established templates and program guidelines through National Guidelines for Apprenticeship Standards under proposed § 29.15(c).

Proposed § 29.2 would add the existing definition of "major life activities" in 29 CFR part 30.

Proposed § 29.2 would add a definition of "National Apprenticeship System" to describe the full scope of stakeholders involved with maintaining and supporting registered apprenticeship in the United States. In this proposed regulation, the Department seeks to describe and regulate a national, comprehensive system to develop, oversee, and promote registered apprenticeship across the country. In addition to the relevant Registration Agencies within the system—the Department's OA and SAAs recognized by OA—employers, labor unions, business organizations, trade and industry

groups, educational institutions, intermediaries, and other stakeholders play critical roles in the country's system of registered apprenticeship by establishing robust connections between job seekers, workers, and employers, and equipping the system with capable instructors, trainers, and educators. Throughout this proposal, including the NPRM's preamble and the proposed regulatory text, the Department makes use of the term "National Apprenticeship System" where appropriate to describe and refer to the coordinated efforts of the Department and stakeholders in the system of registered apprenticeship. The Department's proposed definition of this term is intended to provide clarity to the regulated community as to which entities are included as registered apprenticeship stakeholders when the Department makes reference to the national system.

Proposed § 29.2 would add the definition of "National Guidelines for Apprenticeship Standards." While National Guidelines for Apprenticeship Standards currently exist as an option, commonly being used as a template of registered apprenticeship program standards, developed by a labor union, trade or industry association, or other organization with national scope, that is recognized by OA and may be adapted for local registration, proposed § 29.15 is new and would establish criteria and a process for the recognition of National Guidelines for Apprenticeship Standards.[62] The Department proposes to add this definition here in conjunction with the proposed addition at § 29.15.

Proposed § 29.2 would add a new definition for "National Occupational Standards for Apprenticeship" as part of the Department's effort to define the different products in the system it has made available, or would make available, to support the development of registered apprenticeship programs both in traditional industries and occupations as well as new and emerging industries and occupations where registered apprenticeship is not

[62] ETA, OA Circular No. 2022-02, "Guidance – National Guidelines for Apprenticeship Standards," Feb. 16, 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-02.pdf*.

widespread. The Department's definition of this term would help stakeholders understand the product described at proposed § 29.13 of this part. OA is committed to updating and refining these tools, and the proposed definition for "National Occupational Standards for Apprenticeship" lays the groundwork for OA's future development and refinement of this important program onboarding resource.

The related National Guidelines for Apprenticeship Standards and National Program Standards for Apprenticeship would also be nationally applicable but represent different use profiles within the system. The proposed definition for National Guidelines for Apprenticeship Standards describes these as a template of registered apprenticeship program standards that are developed by an entity with national scope (such as a labor union or trade association), recognized by OA, and later adapted for local registration of a registered apprenticeship program. In contrast, the proposed definition for National Program Standards for Apprenticeship states that these are developed by a program sponsor for registration on a nationwide, reciprocal basis by OA. Eventually, the Department envisions that any programs basing their standards on National Guidelines for Apprenticeship Standards or National Program Standards for Apprenticeship would adopt National Occupational Standards for Apprenticeship that are tailored to the specific occupation covered by a registered apprenticeship program. The Department recognizes that the development of National Occupational Standards for Apprenticeship requires a robust process to ensure that they are relevant to industry stakeholders and would only require program sponsors to adopt National Occupational Standards as they become available.

Proposed § 29.2 would add the definition of "National Program Standards for Apprenticeship" and define it for the first time. While National Program Standards for Apprenticeship have been in common practice as a set of registered standards of apprenticeship developed and adopted by a program sponsor that are registered on a

nationwide, reciprocal basis by OA,[63] proposed § 29.14 is new and would establish criteria and a process for the registration of National Program Standards for Apprenticeship. The Department proposes to add this definition here in conjunction with the proposed addition at § 29.14.

Proposed § 29.2 would add the definition of "non-compete clause," which means a term in the apprenticeship agreement or other agreement between an employer or sponsor and an apprentice that prohibits the apprentice from seeking or accepting employment with another employer during the registered apprenticeship program or registered CTE apprenticeship program.

Proposed § 29.2 would largely retain the existing definition of "Office of Apprenticeship" from the registered apprenticeship regulations but would make minor changes to more accurately reflect the designation of responsibility for National Apprenticeship System oversight within DOL. In the proposed update to the definition of "Office of Apprenticeship (OA)," the Department proposes to add a reference to the Secretary's designation of National Apprenticeship System oversight to ETA and OA. The Department also proposes to capitalize "Apprenticeship" in this updated definition to align with OA's official title.

Proposed § 29.2 would add the definition of "on-the-job training" and define the term for the first time. This term is referred to as "on-the-job learning" in the current rule. The Department is both proposing a definition for this concept in registered apprenticeship and updating it to "training" to align with other workforce development programs, such as those authorized under WIOA. Registered apprenticeship has two essential yet distinct components: related instruction and on-the-job training. While learning is involved in all aspects of apprenticeship, it is important to define on-the-job

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[63] ETA, OA Circular No. 2022-01, "Updated Guidance – Minimum National Program Standards for Registered Apprenticeship Programs," Feb. 16, 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-01.pdf.*

training as distinct, to explain what programs are required to provide and to mitigate compliance issues about the component of an apprenticeship that requires an apprentice to be paid wages while they are employed and learn an occupation suitable for registered apprenticeship. On-the-job training is an organized and systematic form of training conducted at a workplace or jobsite that is designed to provide the apprentice with the hands-on knowledge, skills, techniques, and competencies that are necessary to achieve proficiency in an occupation determined suitable for registered apprenticeship training. It is a requirement for apprentices in on-the-job training to be paid a wage based on the wage progression schedule in approved program standards or a collective bargaining agreement when apprentices are on the worksite and contributing to an employer's productivity. In contrast, related instruction is an organized and systematic form of instruction designed to provide the apprentice with knowledge of the theoretical and technical subjects related to the apprentice's occupation. Such instruction, unlike on-the-job training, may be given in a classroom, through occupational or industrial courses, or by correspondence courses of equivalent value, electronic media, or other forms of self-study approved by the Registration Agency with a requirement of no less than an average of 144 hours per every 2,000 hours of on-the-job training under proposed § 29.7(b)(4). In contrast, the registered CTE apprenticeship model proposed under subpart B will require a minimum of 540 hours of CTE apprenticeship-related instruction, which encompasses not less than 12 postsecondary credit hours as part of the program.

Proposed § 29.2 would add a definition for the term "participating employer." A participating employer would be an employer that does not assume the role of a program sponsor under the proposed rule, but that has agreed—pursuant to either a collective bargaining agreement establishing a joint committee that sponsors a registered apprenticeship program, or a program standards adoption agreement (defined below) with a sponsor that is reached outside of a collective bargaining process—to adopt the

sponsor's standards of apprenticeship and to serve as the employer of record for the apprentices who are enrolled in the sponsor's program. Accordingly, a participating employer would pay wages and provide closely supervised, on-the-job training to the apprentices. As discussed below, this arrangement is designed to ensure that participating employers would be held accountable for meeting the requirements contained in this part and in 29 CFR part 30.

Proposed § 29.2 would add the existing definition of "physical or mental impairment" from 29 CFR part 30.

Proposed § 29.2 would add a definition of "pre-apprenticeship program" to the text of 29 CFR part 29. While the EEO in Apprenticeship regulations at 29 CFR 30.2 currently contains a definition of pre-apprenticeship, there is no corresponding definition of that term in the current version of the labor standards of apprenticeship regulation at 29 CFR 29.2. This proposed definition would apply to the usages of the term in both parts 29 and 30 to ensure consistent use in the regulations governing the National Apprenticeship System. The proposed definition retains many aspects of the 29 CFR part 30 definition regarding pre-apprenticeship, but some changes are proposed to more closely align to the definitions of the same term that appear in the WIOA regulations at 20 CFR 681.480 and in the 2023 Quality Apprenticeships Recommendation (ILO Recommendation No. 208).[64] The proposed definition includes elements regarding access to educational and career counseling, supportive services, and opportunities to earn industry-recognized credentials as described in the WIOA definition. The inclusion of this definition in a revised 29 CFR part 29 is relevant because the proposed rule (at 29 CFR 29.25) would authorize the collection of information from registered apprenticeship

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[64] ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 1(c), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

program sponsors about pre-apprenticeship programs, and the apprentices they recruit from these programs, with which the sponsor has established a written partnership. The Department notes that an individual participating in a pre-apprenticeship program would not be considered an "apprentice" covered by these regulations. However, the role the Department has in promoting opportunities for workers and in promoting labor standards includes these critical talent pipelines to registered apprenticeship programs. Therefore, the Department is defining the proposed term here and in doing so recommending criteria that may be utilized by sponsors to accurately report the efficacy of such activities under 29 CFR 29.25. Additionally, it is important for registered apprenticeship programs to partner and form agreements and partnerships with pre-apprenticeship programs to establish a reliable pipeline of apprentices into the program and ensure they are diversifying their recruitment methods to meet EEO requirements in 29 CFR part 30. Pre-apprenticeship models should have an equitable, intentional, and achievable strategy for advancing the program's recruitment, hiring, and retention of individuals from underserved communities, and use the non-discrimination and EEO requirements contained in 29 CFR part 30 as the basis for identifying and eliminating barriers to opportunity in the program. As the Department has invested in pre-apprenticeship program models over the years, it has identified the elements laid out in this definition to be critical to laying a foundation in the broader workforce development community of what elements must be in a pre-apprenticeship program. The Department's experience further suggests that it is necessary to collect more robust information on pre-apprenticeship programs' effectiveness in placing participants as apprentices, as well as to better ascertain a registered apprenticeship program's efforts to meet their outreach and recruitment goals required in 29 CFR part 30. This definition would be necessary for stakeholders to understand how the term is used throughout the proposed regulation, and it also would better align registered apprenticeship and WIOA, with the Department's

long-term goal being greater integration between pre-apprenticeship programs and registered apprenticeship programs to benefit career seekers, prospective apprentices, and employers.

Finally, the Department views pre-apprenticeship, registered CTE apprenticeship, and registered apprenticeship collectively as a broader apprenticeship pathways system with additional entry points for career seekers, particularly those from underserved communities, leading to registered apprenticeship. Pre-apprenticeship activities, including other forms of work-based learning such as job shadowing, project-based learning, and internships, may be utilized for CTE students, particularly those younger than 16, to better prepare them for success in registered CTE apprenticeship. Ultimately, in certain situations, an individual could progress from pre-apprenticeship to registered CTE apprenticeship, and then to registered apprenticeship.

Proposed § 29.2 would add the definition of "proficiency" and define it for the first time. Proficiency would mean, for purposes of subpart A of this part, the demonstrated, measurable attainment by an apprentice of each of the relevant job skills and competencies that are necessary to perform successfully at the journeyworker level in a given occupation. The purpose for adding the definition, among other things, is to clarify that the attainment of each of the various competencies associated with an occupation culminates in an apprentice's acquisition of overall occupational proficiency in that field.

Proposed § 29.2 would add a new definition for "program review" to replace the definition of "quality assurance assessment," which the Department proposes removing, and bring the registered apprenticeship regulations in line with current administrative practices related to OA's oversight of the National Apprenticeship System. OA conducts program reviews to assess whether programs are in full compliance with the registered apprenticeship regulations in parts 29 and 30. The Department has determined that it

would benefit the regulated community to include a definition for this important administrative process in the proposed update to the registered apprenticeship regulations so that stakeholders, in particular program sponsors, fully understand what is meant by a program review as that term is used below and as used in any communications or interactions with the Department or SAA. As discussed below, a program review could include technical assistance, which could be provided to a program sponsor as needed to assist the program with achieving full compliance with the regulations.

Proposed § 29.2 would add a definition for the term "program standards adoption agreement." This term would apply to written agreements reached outside of a collective bargaining process between a sponsor that has developed a written set of registered standards of apprenticeship and work processes, and a Participating Employer that has agreed to utilize and adhere to the program sponsor's standards of apprenticeship and work processes for the training of apprentices in its employ.

Proposed § 29.2 would largely retain the definition of "provisional registration" from the existing registered apprenticeship regulations with a few minor proposed adjustments. The proposed definition for "provisional registration" would replace "rescinded" with "deregistered" to align with current administrative practices and the proposed language and process for program registration at proposed § 29.10 because, as discussed below, the Department has determined that "deregistered" is a more suitable term to describe the scenario wherein a program that has been granted provisional approval is determined to be out of compliance with the registered apprenticeship regulations following a review by the Registration Agency. The Department is proposing to remove the term "1-year" to align with the procedural changes described in proposed § 29.10, which provides for a provisional period covering the first full training cycle of a registered apprenticeship program. In addition to the change described above, the Department proposes to change the cross-reference at the end of the existing definition of

"provisional registration" to refer to "this part" (i.e., the registered apprenticeship regulations at 29 CFR part 29). The Department has determined that it would be beneficial to clarify to the regulated community that provisional registration involves reviews for compliance with the entirety of parts 29 and 30, and not just compliance with the provisions cited in the existing definition (existing 29 CFR 29.3(g) and (h)).

Proposed § 29.2 would add the existing definition of "qualified applicant or apprentice" in 29 CFR part 30.

Proposed § 29.2 would add the existing definition of "race" in 29 CFR part 30. This definition would have the same meaning as under the Office of Management and Budget's (OMB) Standards for the Classification of Federal Data on Race and Ethnicity, or any successor standards.

Proposed § 29.2 would add the existing definition of "reasonable accommodation" in 29 CFR part 30.

Proposed § 29.2 would add the definition of "reciprocity of registration" and define it for the first time. While the concept of reciprocity is referenced in existing regulation at § 29.13(b)(7) as a requirement imposed on SAAs, the purpose of adding the definition is to define the concept of reciprocity more clearly as the provision of local registration status by an SAA in that State for a registered apprenticeship program registered by another Registration Agency.

Proposed § 29.2 would add the definition of "recognized postsecondary credential" and define it for the first time. The purpose of adding the definition of a recognized postsecondary credential is to clarify what this type of credential is in the National Apprenticeship System and to align with WIOA's definition of this term so that there is a shared definition across programs to assist program sponsors and workforce professionals operating and administering WIOA programs. Recognized postsecondary credentials awarded in a registered apprenticeship program should confer recognition of

an apprentice's attainment of measurable technical or industry and occupational skills necessary to advance within an industry and occupation. These technical or industry and occupational skills generally are based on standards developed or endorsed by employers or industry associations. Apprentices may attain more than one recognized postsecondary credential during a program or upon completion. Relatedly, the Department has proposed modifying its definition for interim credential, discussed above, to be those recognized postsecondary credentials obtained during an apprentice's participation in a registered apprenticeship program. For the purposes of registered apprenticeship, the proposed definition of a recognized postsecondary credential includes: an industry-recognized certificate or certification, a Certificate of Completion, which is a requirement for all registered apprenticeship program sponsors, in coordination with a Registration Agency, to administer and provide to an apprentice upon completion of an approved program; a Federal, State, or local license in an occupation suitable for registered apprenticeship where such occupational licensure is required; or an associate or baccalaureate degree. Defining the term for Federal purposes would bring it into better alignment with usage and application as a programmatic outcome under WIOA and Perkins, and it could be used for assessing apprentices' rate of credential attainment for program and system reporting purposes under proposed § 29.25.[65] The Department is encouraging commenters to describe any increased opportunities for alignment with WIOA's credential measure, any comments where there may be challenges to alignment with this measure, and if the Department should continue its role in providing interim credentials strictly for competency attainment.

Proposed § 29.2 would delete the definition of "apprenticeship program" that appears in the current version of the labor standards of apprenticeship regulation at

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[65] ETA, Training and Employment Notice (TEN) No. 25-19, "Understanding Postsecondary Credentials in the Public Workforce System," June 8, 2020, *https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-25-19*.

29 CFR 29.2 and replace it with a more comprehensive definition of "registered apprenticeship program." The new definition would stipulate that such apprenticeship programs must be of minimum duration and consist of both a paid on-the-job training component and a related instruction component and be registered by a Registration Agency.

Proposed § 29.2 would add a definition for the new term "registered CTE apprenticeship program." A registered CTE apprenticeship program would be a program registered under subpart B and refers to a model of registered apprenticeship that is a structured integrated education and career training program embedded within a CTE program and includes a paid, on-the-job training component. This program would be distinct from registered apprenticeship programs in subpart A. Such a program would admit students, as CTE apprentices, who have signed a CTE apprenticeship agreement approved by a Registration Agency. Registered CTE apprenticeship programs would be designed to provide curriculum and on-the-job training for industrywide skills and competencies that may be applicable for any number of occupations. However, it should be noted that registered apprenticeship under subpart A would have a requirement of no less than an average of 144 hours per every 2,000 hours of on-the-job training under proposed § 29.7(b)(4). In contrast, the registered CTE apprenticeship model proposed under subpart B would require a minimum of 540 hours of CTE apprenticeship-related instruction, which encompasses not less than 12 postsecondary credit hours. Registered CTE apprenticeship programs would not be a substitute for registered apprenticeship programs under subpart A. Program sponsors of registered CTE apprenticeship would be encouraged to develop standards for use in a registered apprenticeship program under subpart A and meet the requirement of that part, especially where there are programmatic opportunities and a workforce need for alignment.

Proposed § 29.2 would revise the existing definition for "Registration Agency" to align with proposed changes to the part 29 regulations. The proposed definition for "Registration Agency" largely retains the existing definition but capitalizes "Agency" and adds language clarifying that a Registration Agency must be a governmental entity to clarify that these are official government entities with a defined role and mission. The proposed definition also replaces the existing definition's references to "reviews for compliance" and "quality assurance assessments" with a general reference to "program reviews" that encompass assessments for compliance with both 29 CFR parts 29 and 30. In this proposed regulation, the Department proposes to refer to such compliance checks as "program reviews," includes a proposed new definition for the term "program review," and proposes to include a new section at § 29.19 that describes program reviews (*see* proposed § 29.19).

Proposed § 29.2 would retain the existing definition of "related instruction." As discussed above, related instruction would be distinct from "on-the-job training" in a registered apprenticeship program.

Proposed § 29.2 would make minor changes to the existing definition for "Secretary" intended to clarify DOL's key role in overseeing the National Apprenticeship System. The proposed definition for "Secretary" would clarify that the referenced individual is the U.S. Secretary of Labor and would further clarify that "Secretary" may also refer to any official of DOL designated by the Secretary to clarify the scope individuals to whom the Secretary's authority may be delegated.

Proposed § 29.2 would add the existing definition for "selection procedure" from 29 CFR part 30.

Proposed § 29.2 would modify the definition of "sponsor" by expanding the illustrative list of entities that could be a sponsor to include intermediaries, which aligns with current practice. The proposed definition adds "employer" to more accurately

describe the parties that can be a sponsor. In addition, the proposed definition retains association, committee, or organization that operates a registered apprenticeship program in whose name that program is registered. The proposed definition specifies that, in addition to operating a program, a sponsor also administers a program. The proposed definition also specifies that a Registration Agency is the registration and approval entity.

Proposed § 29.2 would add a new definition for "Standards of Apprenticeship" to the list of defined terms in the part 29 regulations. "Standards of Apprenticeship" is an important term of art in registered apprenticeship that refers to the organized, written plan containing the terms and conditions of employment, training, and supervision within a given registered apprenticeship program, the requirements of which are discussed in proposed § 29.8 below. The Department's proposed definition for "Standards of Apprenticeship" clarifies that these apply to registered apprenticeship programs.

Proposed § 29.2 would modify the definition of "State" to align with WIOA. The definition of "State" under section (sec.) 3 of WIOA includes the Commonwealth of Puerto Rico explicitly. The Department's proposed definition also utilizes WIOA's definition of "outlying area" rather than the existing term "Territory or possession of the United States." Outlying area under WIOA includes American Samoa, Guam, Commonwealth of the Northern Mariana Islands, the Republic of Palau, and the United States Virgin Islands. This proposed alignment is another area where the Department is attempting further integration between apprenticeship and the broader workforce system by recognizing that the outlying areas, which receive funding under title I of WIOA, should be able to make greater use of the National Apprenticeship System to develop a more comprehensive workforce strategy.

Proposed § 29.2 would retain the definition for "State Apprenticeship Agency" from the existing regulations with minor adjustments. The proposed definition provides

more clarity that only a State government agency or department may seek recognition as an SAA.

Proposed § 29.2 would modify the definition of "State Apprenticeship Council." The previous definition was updated in the 2008 final rule and limited an earlier definition that granted authority to promulgate apprenticeship laws in the event a State Apprenticeship Council was established as a regulatory body. The purpose of the proposed changes to § 29.2 in this proposed rule is to reflect the proposed changes in § 29.26, which would require that State Apprenticeship Councils act solely in an advisory capacity and prohibit an SAA from delegating regulatory or oversight functions to the State Apprenticeship Council.

Proposed § 29.2 would add a definition for "State Apprenticeship Plan." This definition is being added due to its inclusion in proposed § 29.27 as a mandatory submission from a State government agency seeking to obtain or maintain recognition as an SAA. Establishing a definition of "State Apprenticeship Plan" is necessary to provide clear differentiation from other required plans in this part and 29 CFR part 30. This definition would also clarify that a plan covers a State government agency's recognition for 4 years as an SAA.

Proposed § 29.2 would add a definition for the term of "State CTE Agency." A State CTE Agency would be a State board designated or created consistent with State law as the sole State government agency responsible for the administration of CTE in the State or for the supervision of the administration of CTE in the State, or another State government agency delegated the authority by such State board to administer Perkins. Under subpart B, the State CTE Agency would have the responsibility to coordinate with a Registration Agency for the coordination of registered CTE apprenticeship programs if a State chooses to register such programs.

Proposed § 29.2 would add the definition of "supportive services" and define it for the first time. The purpose of adding the proposed definition is to recognize the types of services provided in current practice by National Apprenticeship System stakeholders and partners that are necessary to enable an individual to participate and succeed in registered apprenticeship programs, as well as registered CTE apprenticeship and pre-apprenticeship programs. The proposed definition is aligned with the existing definition found under sec. 3 of WIOA. Under WIOA, the term "supportive services" means services such as transportation, childcare, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate in activities authorized under the Act. The holistic provision of supportive services through cross-system coordination has been found to be beneficial as a programmatic intervention that enables program participants who may face barriers, such as affordable childcare, housing assistance, and reliable transportation, to participate in and complete a pre-apprenticeship or registered apprenticeship program. Supportive services may include, but are not limited to: assistance with transportation; assistance with childcare and dependent care; linkages to community services; assistance with housing; assistance with educational testing; referrals or coverage for physical or mental health care services; assistance with uniforms or other appropriate work attire and work-related tools, including such items as eyeglasses and protective eye gear; assistance with books, fees, school supplies, and other necessary items for students enrolled in college or career readiness, secondary, and postsecondary education classes; payments and fees for employment and training-related applications, tests, and certifications; needs-related payments; and legal aid services.[66] Several types of National Apprenticeship System stakeholders and partners, including

[66] For more on the Department's approach to supportive services, see 20 CFR 680.900 ("What are supportive services for adults and dislocated workers?") in the WIOA regulations and ETA, TEN No. 12-21, "Practitioners Guide to Supportive Services," Oct. 15, 2021, *https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-12-21*.

intermediaries and local workforce boards, provide supportive services. Local workforce areas may provide supportive services, in coordination with career or training services or both, consistent with WIOA sec. 134(d)(2) and State and local policies, to participants in a registered apprenticeship program.[67]

Proposed § 29.2 would largely retain the existing definition for "technical assistance," with a minor change to the final clause describing what technical assistance is meant to accomplish. The existing part 29 regulations define "technical assistance" as guidance or assistance to further program compliance with the part 29 regulations or guidance provided to an SAA on how to "remedy nonconformity" with the regulations. The Department has proposed to replace that language to clarify that "technical assistance" refers to any support provided to help an entity—a program sponsor or an SAA—satisfy the requirements of parts 29 and 30. Technical assistance does not only arise out of a problem, or in response to a finding of noncompliance with the registered apprenticeship regulations. Technical assistance is also a proactive activity or resource that can help stakeholders understand and comply with requirements at the outset of setting up a program, during the course of a program when a question arises, or in response to new developments that affect a given program's circumstances. To assist the regulated community with understanding and complying with this proposed regulation, and in accordance with the Department's historical practice, the Department plans to engage in a proactive, comprehensive technical assistance campaign that includes written resources and guides and increased avenues for the provision of customer service, including additional staffing to address individual issues and improved forums or portals for requesting and receiving technical assistance.

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[67] ETA, TEGL No. 19-16, "Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service (ES)," Mar. 1, 2017, *https://www.dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-19-16*.

Proposed § 29.2 would retain the definition for "transfer" from the existing regulations.

Proposed § 29.2 would add a definition of "underserved communities." One of the key goals of this proposed rule is to enhance opportunities to support greater equity in the National Apprenticeship System. The Department is adding this term, as it is used throughout the proposed rule, to ensure SAAs, program sponsors, and other stakeholders have an intentional strategy to recruit from and retain individuals from these communities. The Department's proposed definition is derived from several sources: the Good Jobs Principles; the protected bases in 29 CFR part 30; and populations described in WIOA as potentially needing more services for full access to training and employment. The Department welcomes comments on this proposed definition, as well as recommendations for how to embed strategies for recruiting and retaining apprentices from these communities into the National Apprenticeship System. The Department welcomes comments on this proposed definition, as well as recommendations for how to embed strategies for recruiting and retaining apprentices from these communities into the National Apprenticeship System.

Proposed § 29.2 would add the existing definition of "undue hardship" from 29 CFR part 30.

Proposed § 29.2 would add a definition of "work process schedule." The current version of 29 CFR 29.2 does not include a definition of the term "work process schedule," although this term is referenced at current § 29.5(b)(3), as well as in other provisions of the current regulations. This omission would be rectified in proposed § 29.2 of the NPRM so that there is clear understanding of what the regulations mean when they use the term work process schedule. The new definition of the term would clarify that a work process schedule is a training plan that establishes a series of measurable

competency benchmarks whose acquisition by the apprentice should lead to occupational proficiency by the conclusion of the apprenticeship term.

Section 29.3 – Office of Apprenticeship.

This proposed section "Office of Apprenticeship" is included to describe the roles and responsibilities of the DOL's OA, which have evolved over time, and is intended to provide clarity to the regulated community on the activities OA performs. OA is the office established in ETA to be the administrative and coordinating entity of the National Apprenticeship System. The Department is adding this section to more accurately describe the role and responsibilities of OA, particularly in light of the changes that have occurred in apprenticeship and in the broader economy that occurred since the publication of the current 29 CFR part 29 in 2008.

In a rapidly changing apprenticeship environment, OA continues to have the responsibility to implement and administer the NAA, including by safeguarding the welfare of apprentices through approving registered apprenticeship programs and standards as a Registration Agency and cooperating with State government agencies by recognizing SAAs. The proposed section also recognizes and describes OA's role and responsibility to lead and coordinate the National Apprenticeship System on national policy efforts, manage any resources provided to support apprenticeship, convene industry to promote the importance of apprenticeship including the advantages of adopting standards of apprenticeship, promote the value of apprenticeship, advocate EEO for apprentices and the benefits of apprenticeship as a DEIA strategy for sponsors, maintain National Apprenticeship System data for OA and SAAs, and provide technical assistance to National Apprenticeship System partners, including sponsors and SAAs. Finally, OA has the role and responsibility to engage with a variety of entities and organizations to develop and facilitate apprenticeship in the United States and develop

partnerships with stakeholders throughout the National Apprenticeship System including sponsors, intermediaries, and States.

Proposed § 29.3(a) through (d) describe the administrative duties OA fulfills to formulate and update regulations, issue subregulatory guidance, policies, and procedures in connection with the implementation of the NAA (29 U.S.C. 50), and to register apprenticeship programs and standards that satisfy the requirements of 29 CFR parts 29 and 30. Proposed § 29.3(c) also maintains OA's existing role for granting recognition to SAAs that are established under State laws and regulations, and that also satisfy the requirements that are outlined in proposed § 29.26. These proposed paragraphs also include OA's role in promoting the development of industry-validated standards as part of the suitability determination process described in proposed § 29.7, the development of National Occupational Standards for Apprenticeship described in proposed § 29.10, and industry skills frameworks described in subpart B of this part.

Proposed § 29.3(e) would require OA to maintain National Apprenticeship System data pertaining to apprentices and apprenticeship programs that are registered by either OA or SAAs. The purpose of this provision is to support proposed §§ 29.25 and 29.8 as a modernization effort to facilitate data collection and reporting. OA's operation and management of this data system would make the system more transparent and accountable; promote equitable program outcomes for apprentices; and build capacity to disaggregate demographic, geographic, and industry data to evaluate and assess program quality.

Proposed § 29.3(f) would establish the administrative role of OA to promote DEIA in apprenticeship, including for those from underserved communities. In addition, this provision would include OA's role in enforcing equal opportunity for apprentices and applicants for apprenticeship in registered apprenticeship programs consistent with part 30.

Proposed § 29.3(g) would establish the coordinating role for OA to deliver technical assistance to registered apprenticeship program sponsors, SAAs, companies, Federal agencies, and other key stakeholders in the development of apprenticeship program standards and the operation of apprenticeship programs. The Department also anticipates that under this proposed rule it would provide significant technical assistance to SAAs and sponsors on the data reporting requirements in proposed §§ 29.25 and 29.28, including promoting and training on the practices for the collection and utilization of data. An example of how this coordination role has been operationalized is through the Department's investments in industry intermediaries that work across both OA and SAA States to deliver timely technical assistance. Technical assistance is a critical OA function that provides assistance to employers, education providers, and other stakeholders in program design and in compliance-related matters as well.

Proposed § 29.3(h) would also establish a coordinating role for OA to engage in discussions with relevant stakeholders, including multilateral institutions, businesses, and non-governmental organizations in order to facilitate the development and expansion of apprenticeships in the United States. The purpose of this new provision is to institutionalize longstanding relationships the Department has created with apprenticeship stakeholders across the globe through mechanisms such as the development of memoranda of understanding that promote the exchange of ideas and best practices for expanding registered apprenticeship programs, bolster U.S. efforts to establish new apprenticeship programs, increase awareness of opportunities, and create career pathways for apprentices. This paragraph would also establish a coordinating role for OA to develop partnerships with apprenticeship stakeholders that could facilitate and accelerate the expansion of quality registered apprenticeship programs across the National Apprenticeship System.

Proposed § 29.3(i) would provide OA the flexibility to conduct other activities that support the National Apprenticeship System. This is to account for the wide array of activities that OA may conduct to further the goals of the National Apprenticeship System. Such activities have historically included overseeing registered apprenticeship-related appropriations and investments, an annual National Apprenticeship Week, recognition programs such as Apprenticeship Ambassadors, and many others.

Section 29.4 – Relation to other laws and agreements.

Proposed § 29.4 would describe how the proposed regulation would relate to other laws and agreements that could apply to the entities covered by this proposed rule. To align with a similar existing provision in part 30, proposed § 29.4(a) makes clear that the provisions set forth in the revised part 29 would not invalidate or supersede any other Federal, State, or local law establishing more protective or stringent minimum labor standards of apprenticeship than those contained in part 29. Similarly, proposed § 29.4(b) stipulates that part 29 would not invalidate any provision in any collective bargaining agreements applicable to a registered apprenticeship program that establishes more protective or stringent minimum labor standards of apprenticeship. The provisions of part 29 establish the minimum requirements or a floor for program standards, and not a ceiling. The Department notes that there are many successful programs that exceed these minimum standards and encourages all programs to do so in support of developing high-quality training programs for apprentices and employers. Where such higher standards are established, this provision would make it clear that they, rather than the requirements of this part, are controlling.

Section 29.5 – Severability.

The Department proposes to include a severability provision as part of this proposed rule. To the extent that any provision, or any portion of any provision, of 29 CFR part 29 that has been proposed or modified in this proposed rule is declared

invalid by a court of competent jurisdiction, the Department intends for all other provisions of this part that are capable of operating in the absence of the specific provision, or portion of such provision, that has been invalidated to remain in effect.

Section 29.6 – Transition provisions.

The Department is proposing this section to establish reasonable transition periods to allow for the orderly implementation of the amended regulations. In developing these proposed transition periods, the Department has made a concerted effort to account for the unique needs, circumstances, and potential burdens different stakeholders and regulated entities may face in transitioning their operations, policies, or administrative procedures to come into compliance with the updated regulation. These proposed transition periods balance a reasonable timeline to accommodate current and potential system stakeholders against the need to build a stronger National Apprenticeship System with core quality elements.

The essential quality elements that the Department seeks to realize within the National Apprenticeship System relate to approving occupations with respect to their suitability for registered apprenticeship training, registering apprenticeship programs, approving work process schedules, enhancing worker protections in apprenticeship agreements, and enhancing data and performance reporting and measuring. The Department invites comments on each transition provision, including whether a transition period is necessary, the length of time provided, and whether additional transition provisions should be included. In particular, the Department is interested in comments from the primary parties that would have to come into compliance in the time allotted by these proposed provisions—namely, applicants for suitability determinations, existing and potential program sponsors, labor organizations, Registration Agencies (SAAs), and any other organizations or stakeholder groups that would be impacted (or whose constituencies would be impacted) by the proposed transition timelines. The Department

seeks their input on the reasonableness and feasibility of the proposed transition provisions, their impact on the National Apprenticeship System and efforts to expand registered apprenticeship, and any additional considerations from their valuable perspectives.

Proposed paragraph (a) addresses the implementation of the proposed rule as it pertains to proposed § 29.7 and the updated process for making determinations on occupations' suitability for registered apprenticeship. The provisions at proposed § 29.7 would ultimately pertain to occupations not yet determined suitable prior to the effective date of the proposed regulation (potential occupations), occupations previously recognized as suitable for registered apprenticeship training (formerly, "apprenticeable") by the Administrator (OA) under the existing regulatory framework at § 29.4 (existing suitable occupations), and occupations recognized as suitable for registered apprenticeship training by an SAA prior to the effective date of the proposed regulation (SAA-approved occupations). The Department has organized the proposed transition provisions related to proposed § 29.7 around these three categories to promote clarity. In short, if an occupation has not been previously determined to be suitable for registered apprenticeship training prior to the effective date of this proposed regulation, the provisions at proposed § 29.7 would apply within 90 days of the effective date of the final rule. If an occupation has been previously determined to be suitable for registered apprenticeship training prior to the effective date of the regulation, the provisions at proposed § 29.7 would apply 4 years following the effective date of the final rule.

The following table summarizes the proposed transition provisions relating to proposed § 29.7, which would apply to applicants for suitability determinations as described above (as well as sponsors of existing programs utilizing occupations recognized as suitable for registered apprenticeship training prior to the final rule's effective date):

Proposed Transition Provisions for § 29.7 (occupations' suitability for registered apprenticeship)

Scenarios	Proposed Transition Timeline
Potential occupations – occupations not determined suitable for registered apprenticeship training prior to the effective date of the final rule	90 days following the effective date of the final rule
Existing suitable occupations – occupations deemed suitable for registered apprenticeship training by the Administrator prior to the effective date of the final rule	4 years following the effective date of the final rule
SAA-approved occupations – occupations deemed suitable for registered apprenticeship training by an SAA	4 years following the effective date of the final rule

As described in the table above, the Department believes these are the three different scenarios relevant to the proposed transition provisions for proposed § 29.7. Proposed paragraph (a)(1) is for occupations that have not been determined suitable (formerly "apprenticeable") as of the effective date of this proposed rule. The Department is proposing that applications for suitability determinations for potential new occupations must reflect the updated requirements in proposed § 29.7 beginning 90 days after the effective date of the final rule, and that during this transition period, the requirements of the existing rule's § 29.4 would remain in effect. The Department seeks to implement the new proposed process for making determinations on occupations' suitability for registered apprenticeship training shortly after the effective date of the final rule, but recognizes that it could be necessary to provide a transition period to accommodate any applications that may have been in process, update systems, develop and issue technical

assistance documents, and otherwise leave time for both the regulated community and the Department to prepare for the changes to the updated process.

Proposed paragraph (a)(2) would implement the proposed requirement of § 29.7(a) that occupations may only be determined suitable by the Administrator. Under this transition provision, SAAs that make apprenticeability determinations under the current rule's §§ 29.4 and 29.13 would not be able to make suitability determinations under proposed § 29.7 for Federal purposes upon the effective date of this proposed rule.

Proposed paragraph (a)(3) addresses the transitioning of occupations previously determined apprenticeable under the current regulatory framework at § 29.4. These occupations would be considered suitable for registered apprenticeship by the Administrator until OA reviews the occupation for continued suitability under proposed § 29.7(h), which provides for a 5-year review process of suitable occupations, work process schedules, and related instruction outlines. The Department recognizes the significant undertaking required to review previously approved occupations under current § 29.4 with the criteria under proposed § 29.7, and thus it proposes in § 29.7(h) an ongoing 5-year review process for suitable occupations to maintain their suitability status. The Department intends to avoid and minimize any adverse impacts to established programs associated with the implementation of this proposed rule, and the provisions of proposed § 29.7(h) provide programs with sufficient notice about the timing regarding an update to existing occupations. The Department also intends to develop and disseminate comprehensive technical assistance resources around the updated suitability process and continue to provide responsive, effective customer service to existing and potential stakeholders at the regional, State, and local levels. The Department has decided not to permanently exempt existing occupations beyond the provisions described in proposed § 29.7(h) because the Department wants to ensure a process where all occupations remain updated to the needs of industry to ensure the training of apprentices remains at the

highest quality possible. The Department is interested in comments about the length of this transition provision, impacts to current sponsors, and alternatives such as permanently exempting those occupations versus the goal of building a more cohesive National Apprenticeship System with occupations that are approved under a consistent approach as envisioned in this proposed regulation.

Proposed paragraphs (b) and (c) address the implementation of proposed §§ 29.8 through 29.23, which concern proposed standards for registered apprenticeship programs and other proposed regulatory requirements pertaining to registered apprenticeship programs. For these sections of the proposed regulation, program sponsors would ultimately be responsible for their registered apprenticeship program's compliance with the updated part 29 regulations, consistent with these transition provisions. As with the proposed transition provisions for § 29.7, the Department envisions three different scenarios relevant to the proposed transition provisions for the remainder of proposed subpart A. First, the Department proposes that any new programs that were not registered by the Administrator prior to the effective date of the final rule (potential programs) would need to comply with the updated requirements in subpart A after the effective date of this proposed rule. The Department plans to make available to sponsors an electronic submission process for the submission of registered apprenticeship applications, at which time those sponsors would be expected to comply with the updated submission process. The Department anticipates making this process available as close to the effective date of the proposed rule as possible and communicating the electronic process through subregulatory guidance. Second, the Department proposes that programs registered by the Administrator prior to the effective date of the final rule (existing registered apprenticeship programs) would need to comply with the updated requirements in subpart A within 2 years of the effective date of the final rule.

The following table summarizes the proposed transition provisions relating to the remainder of subpart A:

Proposed Transition Provisions for Subpart A (§§ 29.8 through 29.23)

Scenarios	Proposed Transition Timeline
Potential programs – new programs not previously registered by the Administrator prior to the final rule's effective date	Effective date of the final rule or when OA makes available an electronic submission process to potential sponsors
Existing registered apprenticeship programs – registered apprenticeship programs previously registered by the Administrator prior to the effective date of the final rule	2 years following the effective date of the final rule
SAA-approved registered apprenticeship programs – registered apprenticeship programs previously registered by an SAA prior to the effective date of the final rule	2 years following the SAA coming into compliance with the final rule; all programs approved by SAAs after the effective date of the final rule must remain in provisional status until the SAA has determined them in compliance with the requirements of their approved State Apprenticeship Plan

Proposed paragraph (b) provides an immediate effective date for programs not previously registered by the effective date of the final rule for registering programs under subpart A, when an electronic submission process would be available to sponsors. The Department is proposing this to allow OA to provide the necessary supports and technical assistance to potential sponsors relating to the requirements of this proposed rule through an electronic submission process. Such technical assistance could include the development of boilerplate standards of apprenticeship for use by sponsors, webinars on different aspects and requirements of the proposed rule, electronic tools to assist programs, and any other requirements. The Department is interested in any comments on the sufficiency of this time period, including whether this transition period is necessary, whether it is sufficient to allow for OA to develop the necessary supports for potential sponsors while also adhering to the goal of transitioning this provision more quickly

(which may impact OA's ability to provide sufficient technical assistance to stakeholders).

Proposed paragraph (c) addresses the transition timeline for programs previously registered by OA to comply with the requirements of this proposed rule. The Department anticipates significant changes would need to be made to program standards, apprenticeship agreements, and other requirements proposed in subpart A. The Department recognizes that established programs could need a longer transition period than new, potential programs, and thus it proposes a 2-year timeline for registered apprenticeship programs in the system prior to the effective date of the final rule to comply with the updated regulation. For example, an established program could need time to complete the training cycle for a cohort of apprentices under its previous standards before moving to update them or could need time to develop questions pertaining to their program in response to subregulatory guidance issued by the Department. The Department is interested in any comments regarding the appropriate length of time to transition previously approved programs to the enhanced quality requirements of this proposed rule taking into account the burden of sponsors and the goals of ensuring the enhancements made in this rulemaking are implemented throughout the National Apprenticeship System.

The Department recognizes that occupations and registered apprenticeship programs established within the National Apprenticeship System prior to the effective date of the final rule would need to consider two different compliance timelines: a longer, 4-year timeline for ensuring their occupation meets the updated suitability requirements at proposed § 29.7, and a 2-year timeline for ensuring their program standards and other program elements align with proposed subpart A. For example, an existing registered apprenticeship program would have to update its program standards within 2 years of the final rule's effective date, and it could also need to gather and report data to the

Administrator regarding the subject occupation's typical wage profile within 4 years of the final rule's effective date. The Department anticipates that established programs could need significant time, technical assistance, or other support to align with either the updated standards or suitability requirements. In particular, a competency-based program or a hybrid program (under the existing training model framework) could need significant support in transforming their program's work process schedule to meet the 2,000-hour on-the-job training requirement. The Department plans to extend opportunities to such programs to submit requests for extensions of the transition timeline for good cause, which would also help the Department identify types or trends of technical assistance issues throughout the implementation process. The Department invites comment, particularly from stakeholders of existing programs, as to the feasibility and reasonableness of the proposed transition timelines, opportunities for requesting extensions for good cause, or any other potential questions or issues with respect to this proposed rule and the proposed transition timelines in this section.

Paragraph (d) proposes transition provisions related to SAAs recognized by the Administrator as of the effective date of the proposed rule, the occupations they have approved as "apprenticeable" under the current rule, and the programs they have registered for Federal purposes under the current rule. Proposed paragraph (d) provides that SAAs recognized under the current rule would be recognized until December 31, 2026. The Department anticipates this would provide sufficient time for a State to make the needed changes to transition. State government agencies seeking continued recognition for Federal purposes would need to seek recognition as described in proposed § 29.27 within that timeframe or they would lose their status as recognized SAAs. The Department is interested in comments about the timing and other relevant factors impacting previously recognized SAAs as they work towards complying with the requirements of the proposed rule. The Department is aware that States may need to

change their apprenticeship-related laws to address the requirements in this proposed rule and is interested in comments regarding whether the proposed transition timeline provides sufficient time for those laws to be updated and for the recognition requirements of proposed § 29.27 to be fulfilled. The Department has an interest in building greater alignment in the National Apprenticeship System through these proposed regulations but is interested in comments that may address implementation challenges and timing for those States.

Proposed paragraph (d)(1) concerns programs registered by SAAs prior to the approval of a State's State Apprenticeship Plan (discussed in detail in the section-by-section discussion at proposed § 29.27 of this NPRM). Under proposed paragraph (d)(1), SAAs must ensure that such programs' registration is consistent with the applicable elements of an approved State Apprenticeship Plan within 2 years of the date the State Apprenticeship Plan is approved. The Department recognizes that this would be a longer time period for compliance in programs registered by SAAs, because the Department acknowledges that SAAs would need to make changes to their laws to meet the requirements of this proposed rule and because they would be responsible for the registration of programs it would not be fair to hold programs accountable for registration in the State prior to the State making the needed updates to their State laws. The 2 years from approval of the State Apprenticeship Plan would be in alignment with the 2 years the Department proposes providing for programs registered by OA from the approval of this proposed rule. While the Department proposes providing this longer period for programs in SAAs to be compliant with these requirements, proposed paragraph (d)(1) also provides that any program registered after the effective date of the final rule, but before the State Apprenticeship Plan, would remain in provisional status until the program is determined by the SAA to be in compliance with the requirements of its State Apprenticeship Plan, which includes compliant laws with the requirements of proposed

§§ 29.26 and 29.27. Paragraph (d)(2) proposes a transition period for occupations that may have been determined "apprenticeable" by an SAA, but not by the Administrator. As described below in proposed § 29.7, this proposed rule reserves the role of making determinations regarding occupational suitability for registered apprenticeship training (previously called "apprenticeability") role exclusively for the Administrator. The Department is proposing a 4-year period by which those occupations previously approved by SAAs must be approved by the Administrator under proposed § 29.7 in order to continue to be registered for Federal purposes. These timelines, and the relevant members of the regulated community for scenarios involving occupations or registered apprenticeship programs previously deemed suitable, or registered, by SAAs, are clarified in the tables above (see rows for "SAA-approved occupations" and "SAA-approved registered apprenticeship programs" in the tables above). The Department is interested in comments regarding this transition period, particularly those that weigh the benefits of a more aligned and consistent system against the burden on sponsors or SAAs to submit suitability requests under proposed § 29.7 to continue their registration.

Paragraph (e) proposes that for State government agencies not previously recognized as an SAA by the Administrator, they must seek recognition under proposed § 29.27 upon the effective date of the final rule.

The following table summarizes the proposed transition periods related to SAAs, the occupations they have previously determined suitable for registered apprenticeship training, and the apprenticeship programs they have previously registered.

Proposed Transition Provisions for SAAs, SAA-Approved Occupations, and SAA-Registered Apprenticeship Programs

Scenarios	Proposed Transition Timeline

Potential SAAs not previously recognized by the Administrator prior to the effective date of the final rule	The effective date of the final rule – new SAAs will need to comply with the proposed requirements at § 29.27 to receive recognition as an SAA from the Administrator
SAAs previously recognized by the Administrator prior to the effective date of the final rule	Previously recognized SAAs must come into full compliance with the updated regulations at proposed § 29.27 by December 31, 2026
SAA-approved registered apprenticeship programs – registered apprenticeship programs previously registered by an SAA prior to the effective date of the final rule	2 years following the SAA coming into compliance with the final rule (2 years following the approval of a State Apprenticeship Plan)
SAA-approved occupations – occupations deemed suitable for registered apprenticeship training by an SAA	4 years following the effective date of the final rule

B. Subpart A – Standards for Registered Apprenticeship Programs

Section 29.7 – Occupations suitable for registered apprenticeship.

The National Apprenticeship System is built on registering apprenticeship programs, and the first step to registering any program is determining whether it involves an occupation that is suitable for registered apprenticeship training. For this reason, determining whether an occupation is suitable for registered apprenticeship training—

what OA used to describe as an "apprenticeable occupation" determination—is a critical responsibility within the National Apprenticeship System. An occupation's suitability for registered apprenticeship training is inextricably linked with the requirements and purpose of apprenticeship itself. The primary purpose of a registered apprenticeship program is to support industry's needs for hiring and training a skilled and diverse workforce and preparing apprentices for successful careers by producing individuals who are fully proficient in their chosen occupation. The Department believes the criteria established in this section are critical for achieving these goals.

To have a successful career and achieve full proficiency requires a degree of rigor that distinguishes apprenticeship from other forms of training and work-based learning and goes beyond the acquisition of short-term credentials. These consistent factors across a range of industries and occupations also provides an indicator of quality and results for all stakeholders. This is important for building a National Apprenticeship System wherein apprentices receive training and instruction to prepare them for successful, sustainable careers within a quality career path and skills that are portable across an industry.

Determinations of an occupation's suitability for registered apprenticeship training is also a central consideration in the Department's efforts to expand registered apprenticeship to new industries and sectors. The expansion of registered apprenticeship is an ongoing, driving focus for the Department. However, expansion efforts must balance flexibility and quality control to ensure that any potential new programs have room within the regulatory framework to adapt the model to their industry and occupation, while also ensuring that potential apprentices seeking to enter into a program can expect to receive quality training that is transferrable throughout an industry and applicable and beneficial throughout their careers.

Under the current regulatory framework, an occupation is considered suitable for registered apprenticeship training if it meets four distinct criteria set forth at current 29

CFR 29.4. Occupations suitable for registered apprenticeship training ("apprenticeable" occupation) must: (1) involve job skills customarily acquired through on-the-job training; (2) be "clearly identifiable and recognizable" in an industry; (3) involve the progressive acquisition of skills and knowledge which would require at least 2,000 hours of on-the-job training; and (4) require related instruction in addition to the on-the-job training component.

The Department has determined, based on the successful functioning of the National Apprenticeship System, consideration of national and international apprenticeship practices,[68] and input from industries where registered apprenticeship has successfully led to the development of a skilled workforce that meets industries' evolving needs, that a quality registered apprenticeship program must involve at least 1 year of full-time training or its equivalent in the subject occupation. Accordingly, in this revision to the registered apprenticeship regulations at proposed 29 CFR 29.7(b)(4), the Department proposes to retain the existing requirement from 29 CFR 29.4(c) that states "apprenticeable" occupations must involve the progressive attainment of skills and knowledge over the course of "at least 2,000 hours" of on-the-job training. This time period equates to approximately 1 year of full-time work,[69] and the Department has determined that in order for an occupation to be suitable for registered apprenticeship training and eligible for registration within the National Apprenticeship System, the training regimen for that occupation must meet this minimum duration requirement. The Department views this minimum duration requirement as an important hallmark of a

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[68] Apprenticeships in Canada ordinarily are between 2 and 5 years in duration. *See* Government of Canada, "How to become an apprentice," *https://www.canada.ca/en/services/jobs/training/support-skilled-trades-apprentices/become-apprentice.html* (last updated Mar. 31, 2023). Apprenticeships in Australia are ordinarily between 1 and 4 years in duration. *See* Fair Work Ombudsman of the Australian Government, "Guide to Starting an Apprenticeship," June 2023, at 2, *https://www.fairwork.gov.au/sites/default/files/migration/712/guide-to-starting-an-apprenticeship.pdf.* Apprenticeships in England are ordinarily between 1 and 5 years in duration and cannot be less than 1 year in duration. *See* Andrew Powell, "Apprenticeships Policy in England," House of Commons Library, Jan. 20, 2023, at 10, *https://researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf,* as well as the information available at *https://www.gov.uk/employing-an-apprentice* (last visited July 20, 2023).

[69] Based on a 40-hour workweek and 50 weeks of full-time work in a year.

quality registered apprenticeship program that effectively imparts occupational proficiency for apprentices.

As discussed throughout, the Department recognizes the importance of ensuring that apprentices who complete a registered apprenticeship program are proficient in the subject occupation. The 2023 Quality Apprenticeships Recommendation of the ILO advises Member States to consider the scope of competencies required for an occupation, as well as the duration of the apprenticeship term that would be required to impart such competencies, in making determinations about an occupation's suitability for registered apprenticeship training.[70] Based on its experience and in its work with its international peers, the Department views the 2,000-hour minimum duration requirement as an important minimum quality assurance for employers that hire apprentices who have completed registered apprenticeship programs. The Department intends for the National Apprenticeship System to consistently produce cohorts of workers employed in skilled careers that employers are eager to hire, that are competent in the individual job tasks and skills that constitute the full scope of work for an occupation, and that are fully proficient in the covered occupation. Before assigning key aspects of their business operations to new workers, employers must have confidence that they can rely on such workers to perform tasks safely, accurately, efficiently, and in a timely manner such that the work rendered contributes to a profitable enterprise. The Department has determined that the 2,000-hour minimum duration requirement is critical for imparting the necessary safety training, competency development, and strategies for the efficient completion of tasks to apprentices. For example, programs registered for the electrician occupation typically

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[70] ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 9(c), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

have a time-based requirement for an apprentice to achieve occupational proficiency in no less than 8,000 hours, or approximately 4 years.

In order to become proficient in the subject occupation, apprentices must learn the appropriate safety techniques and technical procedures associated with an occupation and must continuously apply such techniques and procedures in order to strike the appropriate balance between safety, accuracy, and efficiency. This learning and continuous application of safety measures, skills, and techniques takes time and resources, and such an investment of time and resources is critical to realizing the benefits of quality apprenticeship training for both employers and workers.

Further, the Department views the 2,000-hour minimum duration requirement as an important protection for apprentices, and in line with the Department's statutory obligation to protect the welfare of apprentices. Such a minimum duration requirement is important for the protection of apprentices' welfare in three important respects—acquiring occupational proficiency on-the-job, ensuring the delivery of adequate and proper safety training to new and inexperienced workers (particularly in higher hazard occupations), and demonstrating success in competency acquisition through supervised on-the-job training. Approximately 1 year of full-time training is necessary to establish a track record of occupational proficiency, demonstrated understanding of safe occupational and workplace practices and techniques, and experience in learning and achieving competencies on-the-job under appropriate supervision. With respect to apprenticeships in hazardous occupations, safety training does not solely involve teaching apprentices the appropriate techniques for the safe and secure operation of a piece of machinery or interaction with a known hazard. In order for apprentices to operate in a safe environment, they must also be trained to recognize the signs of a potential hazard, to be proactive in applying safety measures and precautions, and to be diligent and aware on the job.

Registered apprenticeship is ultimately meant to transform apprentices into full-time, proficient, and highly effective employees. In a registered apprenticeship program, apprentices learn job skills and techniques that are portable within an occupation and across employers hiring for that occupation. Completing a quality registered apprenticeship program should firmly place apprentices on a pathway to a stable, quality career. Conversely, if a training program only prepares an apprentice to enter into employment with a single employer, with little opportunity for vertical or horizontal career mobility, the benefits of the training program are limited for both the trainee and any prospective employer. As with safety training, developing the full set of occupational competencies necessary to become proficient in the occupation (i.e., to transform from an apprentice to a fully proficient skilled worker in the occupation) takes time, continuous practice and application of learned skills, and periodic assessments by program operators to confirm that apprentices are learning all the skills necessary for immediate and future career opportunities. The Department's proposal is ultimately based on its experience operating the National Apprenticeship System and consideration of the minimum program requirements for demonstrated occupational proficiency in other countries with highly sophisticated apprenticeship systems, such as Canada, Switzerland, Germany, the United Kingdom, and Austria.

The Department is interested in any public comments on a minimum duration of the training period for quality registered apprenticeship programs, and whether the longstanding quality hallmark of a 2,000-hour, yearlong training program works well for existing stakeholders, and whether this period should be shorter or longer. In particular, for comments on the 2,000-hour minimum duration requirement, the Department is interested in reviewing data, statistics, and practical examples from existing workforce training programs (including existing registered apprenticeship programs) that illustrate

or inform the merits of establishing a minimum duration of training in terms of overall training program quality.

Relatedly, apprentices in most registered apprenticeship programs currently operating within the National Apprenticeship System receive at least 144 hours (on average per year, or per 2,000 hours, of on-the-job training) of related instruction to complement the on-the-job training elements of their program. Such related instruction—also referred to as "classroom" learning or by other terms that reflects the academic nature of related instruction in the apprenticeship context—enables apprentices to learn the theoretical concepts that underpin the work performed in the subject occupation and supplements their understanding of the job skills and competencies they acquire through on-the-job training. The Department views related instruction as a critical element of quality registered apprenticeship programs that is essential for the ultimate success of the apprentice in their transformation from an apprentice into a fully proficient worker in the occupation. While 144 hours of related instruction is only a minimum recommendation under the current regulatory framework at 29 CFR 29.5(b)(4), because of its importance to the future success of an apprentice, at proposed § 29.7(b)(4), the Department is proposing to require that an occupation's proposed work process schedule include at least 144 hours of related instruction, on average, per 2,000 hours of on-the-job training, in order for the Department to determine that the occupation is suitable for registered apprenticeship training. For example, under this proposal a submission of an occupation for 4,000 hours of on-the-job training would need to provide a related instruction outline that includes at least 288 hours of related instruction to maintain the 144-hour average requirement. Because this applies at 2,000-hour on-the-job training intervals, a 3,000-hour on-the-job training program would only be required to provide at least 144 related instruction hours.

The Department believes that proposing the establishment of a uniform minimum requirement of 144 hours of organized, related instruction in technical subjects related to the covered occupation—rather than merely referencing such a quantitative instructional standard as a recommendation, as the current regulation at 29 CFR 29.5(b)(4) does—accords with the usual instructional standard of 144 hours of related instruction for each year of on-the-job training that is, with very few exceptions, utilized by registered apprenticeship programs across a wide range of occupations in their standards of apprenticeship. The 144-hour related instruction standard posits a scenario where an apprentice attends such classroom instruction for 4 hours per week over the course of a 36-week period (4 x 36 = 144), a period that coincides with the term of instruction in a typical school year calendar. The Department takes the view that it is essential for apprentices to have a broad educational and theoretical component to their training as a foundation of knowledge to help them adapt to changes in the market and to maintain currency with occupation competencies. Hence, the Department believes that the establishment of a uniform 144-hour related instruction requirement would help to ensure that apprentices receive a sufficient number of hours of classroom instruction to supplement and reinforce the practical skills obtained during the on-the-job training component of the apprenticeship, thereby ensuring the attainment of the requisite occupational competencies at the conclusion of the apprenticeship.

In most instances, program sponsors require that an apprentice fulfill the related instruction component of the apprenticeship during after-work hours. This approach is both realistic and sensible, given that the average age of apprentices in the United States is approximately 29 years old[71] – a considerably older age cohort than is found in the national apprenticeship systems of the European Union, where an average age under the

[71] Taylor White, "Young Adults in Registered Apprenticeship: What New Data Can and Cannot Tell Us," New America, Sept. 20, 2022, https://www.newamerica.org/education-policy/edcentral/young-adults-in-registered-apprenticeship-what-new-data-can-and-cannot-tell-us/.

age of 20 is not uncommon.[72] As a practical matter, the prevalence of an older apprenticeship age cohort in the United States means that many such apprentices may be required to balance competing work-life demands, such as holding down a second job or providing parental care for young children. Additionally, while many apprenticeship sponsors pay for or reimburse apprentices for the related instruction component of an apprenticeship, some sponsors may require an apprentice to absorb the costs of such classroom instruction. Because of the widespread prevalence of such outside obligations and economic burdens among older apprentices, the Department believes that the retention of the usual 144-hour quantitative standard for related instruction for each 2,000 hours of on-the-job-training in this proposal would be sensible, and that any significant increase in the duration of such instruction could prove unduly burdensome to those U.S. apprentices who must navigate such challenges.

The Department is interested in comments to this approach, including any alternatives such as a minimum ratio of 144 hours of related instruction per 2,000 that would be applied to the total hours. In the example of a 3,000-hour on-the-job training program, the ratio of 144 related instruction hours to 2,000 hours of on-the-job training would equate to a floor of 216 hours of related instruction. The existing requirement for apprenticeability only requires that there must be related instruction to supplement the on-the-job training, without setting a minimum number of hours.

The Department seeks comments on the inclusion of the related instruction hours as part of the determination of suitability, particularly those that may recommend no criteria be used in the occupational eligibility process and how the Department could still ensure more occupational consistency and integrity in its training of apprentices. The Department is also interested in comments about a minimum average as part of the

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[72] Briefing Note, "Apprenticeships for Adults," European Centre for the Development of Vocational Training, June 2020, https://www.cedefop.europa.eu/files/9147_en.pdf.

suitability process, particularly whether to apply it at the 2,000-hour level or if an alternative method of scaling an increase in related instruction consistent with an increase in on-the-job training hours should be considered. In line with the Department's guiding principle to ensure registered apprenticeship programs are responsive to employer needs, the Department is proposing these minimum standards for consideration by the regulated community in this NPRM and is interested in feedback from all apprenticeship stakeholders regarding the proposed minimum standards for occupational suitability in this proposal.

In addition to the minimum standards proposed in this section, an applicant submitting a suitability request could submit an occupation, work process schedule, and related instruction outline that exceeds the minimum standards for the purposes of setting an industry standard for the suitable occupation. For example, an electrician apprenticeship program could submit an occupational request for 8,000 on-the-job training hours as the industry standard at proposed paragraph (c). At proposed § 29.7(d), the Administrator would solicit public comment to assist in evaluating whether submissions meet the requirements of proposed paragraph (c). Additionally, the Administrator could consider other information such as industry or occupational data to assist in making any determinations. An example could include the utilization of the O*NET system,[73] which includes national and localized data. Such requests for comment and information may include an opportunity for industry leaders, programs, and other members of the public to comment on the number of hours proposed for the occupation's industry standard, including feedback that it should be higher. Due to its statutory obligation to protect the welfare of apprentices, the Department's strong view is that programs training apprentices to perform an occupation must meet some minimum parameters related to on-the-job training and related instruction, which may also be

[73] DOL, O*NET OnLine, https://www.onetonline.org/ (last updated Oct. 3, 2023).

higher based on an industry standard for that occupation. Such consistency is important for ensuring that all apprentices attain proficiency in an occupation through their participation in a registered apprenticeship program, an important goal and protection for apprentices within the National Apprenticeship System that ensures they enjoy labor market mobility in their careers (both with employers associated with the program, and other employers hiring workers in that occupation).

The Department recognizes that, in the United States, many jobs do not require a year of paid, full-time, work-based learning, nor a significant investment of time spent providing related instruction to workers. Ultimately, registered apprenticeship training is not suitable for all occupations, including many occupations that are essential for the healthy functioning of the national economy. Because the Department must meet its statutory obligation to protect apprentices' welfare in overseeing the National Apprenticeship System, it must consider programs' potential effectiveness for preparing apprentices to enter into stable, rewarding careers. As such, determining an occupation's suitability for registered apprenticeship training is central and definitional to the registered apprenticeship model and quality assurance throughout the National Apprenticeship System. This more uniform approach to suitability minimizes the possibility that individual programs provide vastly different employment and training experiences. As discussed above, these minimum standards are designed to ensure a minimum framework for determining the suitability of occupations for use in registered apprenticeship programs, acquiring skills and competencies acquired, and the type and amount of related instruction, as well as common expectations on how much on-the-job training is necessary for a typical apprentice to achieve proficiency. Accordingly, the Department proposes to carry forward the existing 2,000-hour minimum duration of on-the-job training requirement criterion for an occupation's suitability for registered apprenticeship training, and to require, rather than recommend, that an occupation

provide at least 144 hours of related instruction, on average, per 2,000 hours of on-the-job training.

The Department has further determined that the existing regulatory framework on "apprenticeability" needs to be modernized and strengthened in order to preserve and enhance quality, maintain and build both registered apprenticeship program and occupational consistency, and ensure apprentice mobility throughout a national system of quality apprenticeships. Many employers with multistate or nationwide operations would benefit from a registered apprenticeship program to train their future workforce and address their talent needs. Such employers and apprentices would benefit from a clear, national, uniform set of regulatory parameters related to the identification of occupations that are suitable for registered apprenticeship training. For an employer operating in multiple States or on a nationwide basis, the potential for an occupation to ultimately be determined to be suitable for registered apprenticeship training in one State, but not in another, would present challenges in planning and operations for multistate employers and would dilute the effectiveness of registered apprenticeship in addressing workforce needs. For example, the current approach does not require any showing that a particular occupation is recognized throughout an industry as a stand-alone occupation, nor does it require a general understanding of the skills and time necessary to obtain proficiency. This proposed approach would establish a more uniform process and uniform results, reducing uncertainty, preventing fragmentation of workforce training operations, and enhancing the attractiveness and potential effectiveness of a registered apprenticeship program for a nationwide or multistate employer.

The ACA's 2022 Interim Report included recommendations related to the "apprenticeability" framework to complement efforts to expand registered apprenticeship, including a recommendation from the Industry Engagement in New and Emerging Sectors ACA subcommittee for the Department to have sole responsibility for

designating occupations as suitable for registered apprenticeship training.[74] The ACA recommended that the criteria for determining an occupation's suitability for registered apprenticeship training should be universal for all potential programs—that is, a potential program sponsor seeking recognition for an occupation in one State should not face a different set of circumstances in seeking to register a program in other States or nationwide. The Department concurs with these recommendations to ensure a truly national system of occupations eligible for registration for Federal purposes based on established, universal criteria, which the Department views as key principles to advance the goals of program transparency, enhanced portability of programs and credentials, equity among programs and participating apprentices, and program quality and integrity. Accordingly, the Department proposes several changes to the process for determining an occupation's suitability for registered apprenticeship, as further discussed below.

Another consideration to guide expansion and quality oversight of the National Apprenticeship System, arising from the Department's ongoing consultations with registered apprenticeship stakeholders, including the ACA and representatives from industries where registered apprenticeship is both new and well-established, is striking the appropriate balance between expansion of the registered apprenticeship model and the impact of any change on established programs. The proposed regulation would set the minimum occupational standard by which an occupation may be determined suitable for registered apprenticeship and provide for the input of industry to set higher minimum standards for on-the-job training at proposed § 29.7(d). The minimum standard exists in the current regulation at 29 CFR 29.4(c), which provides for both the 2,000-hour minimum and that it be in accordance with the "industry standard for the occupation." For example, an established program may have a set of standards of apprenticeship that

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[74] ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 28, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

exceed the minimum 2,000-hour on-the-job training requirements in the existing regulation based on the "industry standard for the occupation." This industry standard is not imposed by OA, but rather is set through the apprenticeship suitability process. In this example, an industry standard for an occupation may be the equivalent of 3 full-time years of training (e.g., 6,000 hours of on-the-job training, well above the minimum requirement of 2,000 hours for a time-based program under the existing regulation). If a new program enters the system in the same occupation and submits standards of apprenticeship that are significantly lower than those associated with the established program, such as only requiring the minimum 2,000 hours of on-the-job training, the established program is not in alignment with the industry standard for the occupation. A departure this significant likely indicates an entirely separate occupation potentially only training in a subset of the skills required or outside of an industry norm for an apprentice to achieve the same degree of proficiency. The Department would have concerns that an existing program's quality standards would be undercut by the introduction of a new, less rigorous program in the same occupation. These concepts about maintaining and enhancing both a minimum floor for any occupation to be eligible for a registered apprenticeship program, and potentially a higher floor based on industry standards, help to ensure greater consistency both in the skill acquisition and occupational proficiency of apprentices. The introduction of a new, less rigorous program also would raise concerns in the marketplace where employers may be competing for talented workers and would also be eligible for potential Federal, State, and local benefits associated with employing apprentices in a registered apprenticeship program. Maintaining and building on both of these concepts is critical to avoid a "race to the bottom" and to avoid incentivizing less skilled labor, less safe workplaces, and potentially lower wages for workers in any particular occupation. Ultimately, OA seeks to preserve and enhance the established level of quality for all registered apprenticeship programs in the occupations that have been

determined suitable for registered apprenticeship training within the National Apprenticeship System, and to maintain that standard of quality going forward. The ACA framed this potential issue as "splintering" and discussed it from two different perspectives—the potential for recognition of an occupation to detract from the successful operation of established programs for very similar occupations, and the "excessive partitioning" of an occupation into overly specific job skill sets.

The ACA identified these potential "splintering" issues in its 2022 Interim Report,[75] and proposed addressing the issues related to splintering, in part, by leveraging labor data, such as industry data from DOL's O*NET and the DOL's Bureau of Labor Statistics (BLS), to inform expansion efforts. The Department agrees that the issues identified by the ACA are worth considering as it pursues efforts to expand and strengthen the National Apprenticeship System and has determined that updates to strengthen the regulatory framework for determining an occupation's suitability for registered apprenticeship training are necessary to facilitate expansion efficiently and without adverse impacts to the existing, successful National Apprenticeship System. Accordingly, the Department proposes to create an updated and expanded provision in the part 29 regulations, discussed in further detail below.

Proposed § 29.7 would make several significant changes to update key terminology to more accurately describe this important first step in creating a registered apprenticeship program. The proposal would replace the term "apprenticeability" with the term "suitability," and describes the process that OA would use to determine if an occupation is suitable for registered apprenticeship training. Proposed § 29.7 would also implement the ACA's recommendation to avoid "splintering"[76] within occupations. The

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[75] ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 15, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf.*

[76] See the recommendation from the ACA's Modernization subcommittee. ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 14, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf.*

Department believes that the changes to existing § 29.4 would ensure that completing a registered apprenticeship program places apprentices on a pathway to sustainable careers with a fair opportunity for career advancement and economic mobility, discussed in more detail below. The Department also proposes that if no sponsor has registered a program in a given occupation for a number of years, OA may, at its discretion, rescind an existing apprenticeability or suitability determination.

Proposed paragraph (a) explains that an occupation determined to be suitable for registered apprenticeship would be eligible for local registration by any Registration Agency. The reference to local registration is intended to clarify that while a positive suitability determination would be the first step for registration of National Program Standards for Apprenticeship or National Guidelines for Apprenticeship Standards, such registration would require sponsors to satisfy the additional criteria in proposed §§ 29.14 and 29.15 in this part, respectively.

The 2008 final rule did not definitively state whether SAAs have the authority to approve occupations for Federal purposes. This lack of clarity has created several problems, including ambiguity around whether occupations approved by SAAs are eligible for Federal purposes as defined in proposed § 29.2. Some States have delegated apprenticeability (suitability) determinations to non-governmental advisory boards. In addition, there are different applications of the regulatory criteria in approving occupations that create inconsistency in both the identification of industry recognition of an occupation and the minimum quality standards associated with such occupation. This has created planning and operational challenges for national employers seeking to establish workforce training programs through registered apprenticeship in multiple States and complicates the Department's planning and execution of targeted efforts to expand registered apprenticeship's footprint nationwide. To address these issues and clarify who is able to fulfill this key duty, proposed paragraph (a) states that the

Administrator would have the sole discretion to determine whether an occupation is suitable for registered apprenticeship. This would apply to States where OA serves as the Registration Agency, as well as States where SAAs serve as Registration Agencies.

In pursuing a national approach to making determinations about an occupation's suitability for registered apprenticeship training, the Department seeks to maximize the impact of Federal benefits (such as the disbursement of investments, the availability of tax credits available under the IRA, prevailing wage considerations for apprentices under the Davis-Bacon and related Acts, resources providing support to apprentices such as WIOA, and uniformity in administrative and oversight practices related to registered apprenticeship) throughout the system. The Department considers it critical that suitability determinations be made by OA to maintain consistency across the National Apprenticeship System so that different States do not make substantially different suitability determinations. In addition, centralized suitability determinations would ensure that they can be made with the benefit of conferring with industry leaders across the country, and, once occupations are deemed suitable for apprenticeship, they could be registered across the country. Moreover, given the role and increasing Federal benefits associated with registration for Federal purposes, OA seeks to avoid situations in which the same occupation would be ineligible for registration in some States but eligible for registration and Federal benefits in other States.

Under this proposed rule, SAAs would be able to submit suitability applications to the Department for determination, including for those occupations they have previously approved but OA has not approved. The Department acknowledges that its decisions could impact receipt of State benefits conferred to employers, organizations, or other apprenticeship stakeholders.[77] Under this proposed rule, the Department would

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[77] For example, many States offer tax credits for businesses that hire apprentices from approved registered apprenticeship programs. For a list of such programs by State, see OA, "State Tax Credits and Tuition

consider any such implications when a State submits suitability applications for previously recognized occupations to OA and would prioritize avoiding any adverse impacts to established programs.

The Department is interested in comments about this approach, or any alternatives, such as whether States should formally have the authority to approve occupations for Federal purposes within their State, or an additional option where an SAA could apply to OA for approval of an occupation for Federal purposes specific to that State. The Department is particularly interested in any comments on how this approach may impact reciprocity with other States or OA, the transferability and portability of a program that is approved for Federal purposes exclusively in that State, and what criteria the Department should consider when approving and implementing the determination that an occupation is suitable for "Federal purposes" (as described in § 29.2 of this proposed rule) specific to a State. The Department considered another alternative approach to revising the regulations for making suitability determinations wherein occupations could be approved for Federal purposes as "regional" occupations where appropriate (for example, an occupation that is prevalent in a State or region of States, but that otherwise does not have a nationwide footprint), and invites comments on this and all other regulatory alternatives, including transferability, criteria, implementation, or any other alternative approaches to the suitability process.

Proposed paragraph (b) would establish the minimum criteria that must be met for an occupation to be determined to be suitable for registered apprenticeship.

Proposed § 29.7(b)(1) would replace existing § 29.4(b) with the additional clarification that to be suitable for registered apprenticeship, the occupation must be clearly identified and commonly recognized as a *stand-alone and distinct* occupation.

Support," *https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/state-tax-credits-and-tuition-support* (last visited July 20, 2023).

The added terms are intended to be responsive to the ACA's Interim Recommendation to avoid "splintering," which the ACA described as occurring when an occupation is too specific or specialized within an occupational subset. This proposal is intended to prevent a favorable suitability determination where an occupation may be clearly identified and commonly recognized yet be so similar to all or parts of an existing occupation that recognizing both occupations could undermine the labor mobility, transferability, and career prospects of apprentices. For example, if a sponsor were to submit a suitability determination request for an occupation that replicates many, but not all, of the work processes in an occupation previously determined to be suitable for registered apprenticeship, the Administrator could determine that the occupation in question is not stand-alone and distinct and thus not suitable for registered apprenticeship. The Department has determined that avoiding the "splintering" of occupations into occupational subsets is critical for ensuring that completing apprentices possess portable credentials that are widely recognized by employers in the apprentice's industry. If the occupation were determined to be suitable, then the lesser standard it represents would lead to a less skilled apprentice who would be less able to find and retain the type of work the registered apprenticeship program is designed to provide to apprentices. The Department remains committed to working with industry to inform suitability determinations and invites public comments on the Department's proposed approach to avoid splintering occupations, potential examples of overly specific occupational subsets, or any other elements of the proposed process for making determinations about occupations' suitability for registered apprenticeship training. If OA concludes that a new occupation cannot be recognized as suitable for apprenticeship because of proposed § 29.7(b)(1), OA would inform the applicant of already suitable occupations to facilitate the registration of a program using an already suitable occupation.

Proposed § 29.7(b)(2) is new and would require applicants for a suitability determination to demonstrate that the occupation under consideration leads to a sustainable career. A sustainable career is one that places apprentices who complete their program on a trajectory to a sustainable career, one that provides a fair opportunity for career advancement and economic mobility. This proposed requirement is responsive to the ACA's interim recommendation that wages be taken into consideration in the process of determining which occupations may be suitable for registered apprenticeship. The proposed requirement is not intended to limit the number of programs or apprentices in occupations that have slower-than-average projected growth rates or estimated future job openings. The applicant may also provide supplemental information demonstrating that the occupation is associated with a career ladder or a "stackable" set of occupational credentials in that occupation to demonstrate the occupation's opportunity for career advancement and economic mobility.

The Department provides the following scenarios to illustrate the options available to applicants proposing a new occupation for a suitability determination. An applicant could propose a new occupation, such as Technologist I (term of 1 year), that upon completion has a compensation profile for a journeywork of $25,000 per year. An applicant could also propose a new occupation, such as Technologist II (term of 2 years), that has a compensation profile for a journeyworker of $70,000 per year. Finally, an applicant could propose a "stackable" apprenticeship model for Technologist II (term of 2 years) but include an interim credential at Year 1 to convey competency at the Technologist I level.

The Department is interested in hearing views on this approach, including perspectives on whether applying a more specific wage standard as part of the suitability determination process is appropriate, or if alternative standards or approaches should be considered, balanced against the goal of expanding apprenticeships models into new

industries and building career ladders to higher quality jobs. In addition, the Department invites comments on what criteria should be taken into account to determine whether an occupation leads to sustainable careers.

Proposed § 29.7(b)(3) and (4) would replace existing § 29.4(a) and (c) and would require that a structured registered apprenticeship program provide the skills, techniques, and competencies required to attain proficiency in the occupation. However, proposed § 29.7(b)(3) would remove the qualifier of skills being "manual, mechanical or technical" as those terms are linked specifically to skilled trades and are not as broadly applicable to other industries expanding into developing registered apprenticeship models. The requirement that skills attainment be progressive would also be deleted in favor of the requirement of skill acquisition leading to proficiency in the occupation, as would be required by proposed § 29.7(b)(3). Proposed § 29.7(b)(4) would retain the requirement that at least 2,000 hours of on-the-job training be necessary to achieve proficiency in the occupation. As explained above, this 2,000-hour requirement is intended to capture roughly 1 year of full-time on-the-job training. The requirement is intended to distinguish between other forms of work-based learning, such as programs that only support on-the-job training, incumbent worker training, and other shorter certificate programs on the one hand, and proficiency in an occupation that would afford apprentices a lifelong career, on the other. Notably, the 2,000-hour requirement would apply specifically to on-the-job training—work process schedules that would last a calendar year or more but that would not require 2,000 hours of on-the-job training would not satisfy this requirement. The fact that an individual applicant for a suitability determination would require 2,000 hours of on-the-job training would not be dispositive in OA's analysis because OA would look to the number of on-the-job training hours typically required to achieve proficiency in the occupation. In addition, proposed § 29.7(b)(4) would require an industry standard of not

less than a minimum average of 144 hours of off-the-job, related instruction for every 2,000 hours of on-the-job training in order to obtain proficiency in the occupation.

Proposed § 29.7(c) is new and explains the information that would be submitted electronically to the Administrator in support of a suitability determination request. The Department believes that specifying the documentation and explanation necessary for the Administrator to reach a new suitability determination would assist applicants who may be unfamiliar with this process.

Proposed § 29.7(c)(1) explains that an applicant for a suitability determination would need to submit sufficient documentation to demonstrate that the elements in proposed § 29.7(b)(1) through (4) are satisfied.

Proposed § 29.7(c)(2) would require that the applicant provide a work process schedule as well as an explanation of how the components of the work process schedule are appropriately structured such that completing apprentices will have achieved proficiency in the occupation. As part of the suitability determination, the work process schedule associated with the occupation submitted in this section would be the work process schedule in which sponsors must substantially align their standards of apprenticeship under proposed § 29.8.

Proposed § 29.7(c)(3) would require an applicant for a suitability determination to document the number of hours required to achieve proficiency in an occupation. Although the minimum number of hours would always be 2,000 as established by proposed § 29.7(b)(4) above, some occupations could require more than 2,000 hours of on-the-job training to achieve proficiency. For example, an industry standard term might be set at 8,000 hours for certain occupations. If an 8,000-hour term were to be set for an occupation through this process, future sponsors' work process schedules and related instruction outlines would need to substantially align with the work process schedule and related instruction outline approved under proposed § 29.7. If a work process schedule

and related instruction outline submitted for registration under proposed § 29.10 do not substantially align, for example because the required hours of on-the-job training are substantially fewer, then a new suitability determination would be required as provided for in proposed § 29.10(b)(1). The Department acknowledges that an industry standard may change over time given changes in technology or other factors, which is addressed through proposed paragraph (h) of this section.

Proposed § 29.7(c)(4) is new and would require a related instruction outline that describes the proposed curriculum. The number of hours of related instruction would need to be at least an average of 144 hours for every 2,000 hours of on-the-job training. The number of related instruction hours would not need to be evenly distributed during the term of the apprenticeship as long as this average were achieved.

Proposed § 29.7(c)(5) is new and would require an applicant for a suitability determination to disclose if there are any interim credentials, recognized postsecondary credentials, or license requirements for an apprentice to obtain during their registered apprenticeship program to work in that occupation. This is important to ensure OA can validate those submissions through a process to ensure programs registered in an approved occupation provide the industry-validated credentials required for the occupation. The Department notes that programs may provide interim credentials to apprentices, which can signify the attainment of industry-recognized competencies; however, under this provision applicants would need to disclose required credentials needed to practice an occupation in a given State. For instance, some occupations, such as a teacher, nurse, or electrician, require a license in every State. This criterion would help provide more clarity to sponsors seeking to register programs regarding what credentials they must offer in a program, as well as what credentials a program may offer to apprentices.

As described earlier, proposed § 29.7(d) explains that the Administrator would solicit public comment for at least 30 days on all occupational suitability determinations. This addition would also ensure feedback from industry leaders is considered, while also allowing for additional registered apprenticeship and industry experts to provide input into the occupational and work process schedule design. The Administrator would render a determination within 90 calendar days from receiving a completed application, though this time period could be extended by notifying the applicant that more time is needed to reach a determination. Proposed § 29.7(d) would also require the Administrator to maintain an up-to-date publicly available list of all occupational determinations related to suitability for registered apprenticeship.

Generally, as a first step in evaluating an application, the Administrator would utilize a standardized process to identify a proposed occupation and determine whether it is already recognized as part of an existing suitable occupation. In practice, the Administrator currently utilizes industry-validated resources to assist in this determination such as the O*NET Program. The O*NET program assists the Administrator in identifying standardized and occupation-specific descriptors, such as core Tasks, and important knowledge, skill, and ability areas, for almost 1,000 occupations covering the entire U.S. economy. As an example of what might occur under this proposed provision, the Administrator could identify an O*NET code for each submission. Next, the Administrator would share the application with industry leaders and solicit feedback. Soliciting feedback from such stakeholders regarding whether an application for a suitability determination satisfies the requirements in proposed § 29.7(b) would assist the Administrator to adjudicate applications and to ensure that the work process schedule and related instruction outline are in accord with industry standards.

Although the Department feels that a process of soliciting feedback from industry leaders has worked well to date, the Department requests comments regarding how it may

seek input from a wider distribution of industry leaders, the public, and other stakeholders, or utilize alternative or innovative methods such as analyzing data to assist the Administrator in making suitability determinations. In addition, the Department is interested in comments regarding when it may be appropriate to vary the process (i.e., when it may be most appropriate to consult with the public versus employing data analysis). In particular, the Department wants to ensure that a process of soliciting feedback from industry leaders does not limit the expansion of apprenticeship into new industries where fewer industry leaders familiar with apprenticeship may exist.

Proposed § 29.7(e)(1) through (4) explain the basis by which the Administrator could reach an unfavorable suitability determination. Proposed § 29.7(e)(1) explains that an application for a suitability determination could be rejected if the application were incomplete, meaning that it did not include or address all of the elements in proposed § 29.7(b) or include all of the information required in proposed § 29.7(c).

Proposed § 29.7(e)(2) explains that to be suitable for registered apprenticeship, all of the criteria in proposed § 29.7(b) would need to be satisfied. Ultimately, the discretion as to whether these criteria are satisfied would rest solely with the Administrator for the reasons discussed above.

Proposed § 29.7(e)(3) and (4) are intended to prevent the "splintering" of occupations as described above. Proposed § 29.7(e)(3) would prevent the Administrator from recognizing as suitable for registered apprenticeship an occupation if the scope of the apprenticeship training is confined to a narrowly specialized subset of skills and competencies within an established occupation that are not readily transferable between employers in the sector.

Proposed § 29.7(e)(4) would prohibit the Administrator from making a favorable suitability determination where the occupation under adjudication replicates a significant portion of the work processes from another occupation that OA previously approved as

suitable for registered apprenticeship training without leading to a more advanced occupation. Thus, for example, if an occupation already considered suitable trains apprentices in 48 competencies and would result in a professional certification, but the Administrator were to receive a suitability determination request for a new occupation that replicates some, but not all, of the 48 competencies and would not result in a professional certification, the Administrator could decline to find the new occupation suitable for registered apprenticeship. The Administrator would consult with industry leaders and stakeholders to inform the determination as to whether an occupation is not suitable for registered apprenticeship due to splintering concerns. The standard supplied in proposed § 29.7(e)(4) is not intended to present an opportunity for a single industry leader or stakeholder to "veto" a new occupation, and the Administrator would analyze all feedback received in reaching a determination. If an occupation under consideration replicates a significant portion of the work processes of more than one occupation previously determined to be suitable for registered apprenticeship, the Administrator would analyze the multiple occupations for potential splintering according to the standard in § 29.7(e)(4). The qualifier that a new occupation may replicate a significant number of work processes but lead to a more advanced occupation is intended to facilitate the development of occupations with multiple levels (i.e., Boilermaker I versus Boilermaker II) and stackable credentials.

Proposed § 29.7(f) explains that in the event the Administrator determines that an occupation is not suitable for registered apprenticeship, the Administrator would notify the applicant and provide the Administrator's reasoning. In such cases of a final agency determination, the Administrator would need to publish the final agency determination on an OA public-facing website in compliance with proactive disclosure requirements under the Freedom of Information Act (5 U.S.C. 552 (a)(2)). An applicant could reapply by addressing the issues raised by the Administrator, and the Administrator could, in their

discretion, reevaluate such an application and approve the application provided that it meets the criteria for approval.

Proposed § 29.7(g) provides that adjustments to existing suitable occupations, work processes, duration, or other significant adjustments in scope would need to be submitted to and approved by the Administration to remain valid. The Department anticipates that over time occupations could significantly adjust in scope or duration based on the needs of industry, advancements in technology, or other changes. Requiring adjustments to be submitted to the Administrator would help ensure that suitable occupations and work process schedules remain relevant for industry and provide the required training for an occupation.

Proposed § 29.7(h) is new and explains that the Administrator would review existing occupations determined to be suitable for registered apprenticeship on a 5-year cycle. In addition to determining whether the occupation is still suitable for registered apprenticeship, the Administrator would review to ensure that the work process schedule(s) and related instruction outline(s) approved with the prior suitability determination remain consistent with industry standards. In conducting this review, the Administrator would use the process described in § 29.7(d), meaning that the Administrator would seek public comment, input from industry leaders or other stakeholders, and make use of other relevant information to assist with reaching a suitability determination and updating the work processes schedule and related instruction outline. The substantive criteria for determining continued suitability on a 5-year cycle would be the same as outlined in § 29.7(b). If the Administrator determines that previously approved work processes schedules and related instruction outlines require revisions, the Administrator would notify in writing existing programs in the occupation of the need for updates. Existing programs would need to submit updated standards to their Registration Agency that reflect updates before the start of the next

training cycle. If an occupation is determined to no longer be suitable for registered apprenticeship, the Administrator would notify any existing programs in writing and the programs would no longer be permitted to register apprentices in the occupation after the conclusion of their current training cycle.

Section 29.8 – Standards of apprenticeship.

Proposed § 29.8 describes the minimum standards of apprenticeship that would apply for all apprenticeship programs that are registered by a Registration Agency. The establishment and implementation of robust standards of apprenticeship is essential to ensuring that registered apprenticeship programs deliver consistently high-quality training to apprentices, while also ensuring that apprentices are trained in a safe and accessible workplace environment where they are protected from exploitation and abuse. While the current version of the labor standards of apprenticeship regulation at 29 CFR 29.5 does establish minimum standards of apprenticeship for the conduct of registered programs that address key program components (such as progressively increasing wages, apprentice-to-journeyworker ratios, work process schedules, safety requirements, probationary periods, and advanced standing and credit), the revised regulation would further elaborate and strengthen those minimum standards. As discussed in detail below, the proposed rule would extend the application of such minimum standards of apprenticeship to important topics that are not addressed in the current regulation, such as establishing a cost transparency and reasonableness requirement for registered apprenticeship programs, as well as stipulating that such programs undertake effective measures to ensure that apprentices are free from violence, intimidation, and retaliation in the workplace. Proposed § 29.8 would change the order in which the standards of apprenticeship are listed to assist program sponsors, participating employers, apprentices, and other interested parties in understanding the minimum standards of apprenticeship. Finally, proposed § 29.8 would include additional requirements as a result of statutory

changes enacted by Congress. Taken together, the updated standards provisions contained in proposed 29 CFR 29.8 are intended to enhance registered apprenticeship program quality and to safeguard the welfare of apprentices.

Proposed paragraph (a) is based on an existing provision that sets forth that a registered apprenticeship program must have a written set of standards of apprenticeship and outlines what provisions must be included in those standards.

Proposed § 29.8(a)(1), which is based on an existing provision, would require that the standards of apprenticeship contain a provision that establishes the minimum eligibility requirements for entry into the registered apprenticeship program. Proposed § 29.8(a)(1), as with the existing provision, sets forth the minimum starting age for an apprentice of not less than 16 years to reflect the general 16-year minimum age requirement for apprentices to be employed in otherwise prohibited occupations in nonagricultural employment under the Fair Labor Standards Act. *See* 29 U.S.C. 203(l). However, proposed § 29.8(a)(1) would update the provision by explicitly stating that the minimum starting age could be higher than 16 years if required by Federal, State, or local law. Certain occupations suitable for registered apprenticeship could be subject to Federal or State laws that require a minimum starting age that is higher than 16 years; for example, an electrician's occupation would require individuals to be at least 18 years of age in many circumstances.[78]

Proposed 29 CFR 29.8(a)(2) is not a new requirement for program sponsors. Under the current regulations at 29 CFR 29.5(b)(21), the Department requires program sponsors to include a provision in their program standards that describes the program's method for the selection of apprentices. The current regulations specify that program standards for all registered apprenticeship programs must fully comply with the EEO in

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[78] *See* ETA, TEN No. 31-16, "Framework on Registered Apprenticeship for HS Students," including Attachment 1, "Guide on Child Labor Laws and Workers' Compensation for Apprentice Minors," Jan. 17, 2017, *https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-31-16.*

Apprenticeship regulations at 29 CFR part 30, and current 29 CFR 29.5(b)(21)—which forms the basis for the language proposed at § 29.8(a)(2) in this NPRM—specifies that selection procedures must conform to the regulations governing the selection of apprentices at current 29 CFR 30.10. The current regulatory text covers selection procedures within a provision that includes other requirements for program sponsors that have EEO elements and corresponding part 30 requirements. The Department has determined that the regulatory community would benefit from the clarity that would arise from separating these elements out into distinct provisions. Accordingly, the Department proposes to relocate a distinct provision covering selection procedures to proposed 29 CFR 29.8(a)(2) and clarifies in this proposed provision that selection procedures must conform to the corresponding requirements at 29 CFR 30.10.

The EEO in Apprenticeship regulations at 29 CFR 30.10 reiterate the part 29 requirement that sponsors must submit selection procedures in the written plan for their program standards, which are submitted to and approved by the Registration Agency. The regulations at 29 CFR 30.10 stipulate that sponsors may use any method or combination of methods for the selection of apprentices, as long as the selection method(s) comply with the Uniform Guidelines on Employee Selection Procedures found at 41 CFR part 60-3, which require an evaluation of the selection procedures' impact on race, sex, and ethnic groups, as well as a demonstration of the business necessity for procedures that result in an adverse impact across any of these demographic groups. The regulations at 29 CFR 30.10 also stipulate that selection procedures be applied uniformly and consistently across all applicants and apprentices, and that the selection procedures must comply with title I of the Americans with Disabilities Act (ADA) and the implementing regulations at 29 CFR part 1630. Finally, the regulations at 29 CFR 30.10 clarify that selection procedures must be facially neutral with respect to race, color, religion, national origin, sex, sexual orientation, age (40 or older), genetic information, and disability. Per the

ruling from *Washington v. Davis*, 426 U.S. 229 (1976),[79] a decision (or selection procedures, in the case of the apprenticeship regulations at parts 29 and 30) appears facially neutral if it neither creates a "suspect classification" nor infringes on a "fundamental right." These regulatory requirements are unchanged by this NPRM, and existing program sponsors in compliance with the existing regulations would not need to make any changes to their current practices with respect to selection procedures and the submission of information about selection procedures to the Registration Agency. Any potential new programs seeking to enter the National Apprenticeship System must comply with the selection procedures regulations at parts 29 and 30, and the Department stands ready to provide subregulatory guidance on these requirements or any other requirements related to the development, submission, and approval of program standards.

Proposed 29 CFR 29.8(a)(3) is a new proposed provision in the program standards section of the part 29 registered apprenticeship regulations, but it corresponds to existing requirements in the part 30 EEO regulations regarding the registered apprenticeship program sponsor's obligation to take affirmative steps to provide EEO in apprenticeship. Proposed paragraph (a)(3) would require program sponsors to include a description of their recruitment area for new apprentices in their program in the written program standards they submit to the Registration Agency. The Department has determined that the benefits of requiring a written statement on recruitment area in the program standards are two-fold: first, as a matter of transparency and access, receiving this information from sponsors would enable OA, SAAs, and other stakeholders to collaborate with program sponsors in outreach and awareness efforts to attract new apprentices to a program. Understanding whether a program is recruiting new participants online, in a given geographic area, or some combination thereof, for example, is useful

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[79] Thomas B. Henson, "Proving Discriminatory Intent From a Facially Neutral Decision With A Disproportionate Impact," 36 Wash. & Lee L. Rev. 109 (1979), *https://scholarlycommons.law.wlu.edu/wlulr/vol36/iss1/5.*

information for OA, SAAs, and other stakeholders to include in publicizing registered apprenticeship program availability and options for potential apprentices, such as through the Apprenticeship Finder portal on Apprenticeship.gov.

In addition to the benefits related to access and transparency for this proposed addition, the Department has determined that requiring sponsors to report their recruitment area in their program standards would ultimately benefit sponsors in meeting their EEO obligation to engage in universal outreach and recruitment, as required by the existing regulations at 29 CFR 30.3(b). Identifying the recruitment area is a key piece of a program's outreach because the EEO regulations require that sponsors implement measures to ensure outreach and recruitment efforts extend to all people available to potentially participate in a registered apprenticeship program without excluding any person based on race, sex, ethnicity, or disability. Understanding a program's recruitment area is also important for identifying potential partnerships in a given area—these may be local government-funded resources, like one-stop centers or local workforce development boards, private-sector partners looking to support workforce development and locate potential talent for businesses, or community-based organizations or other community non-profit entities that are engaged and active with the local community and its resident. Ultimately, proposed paragraph (a)(3) is not a new requirement for program sponsors, which must identify their recruitment area as part of compliance with the part 30 EEO regulations. The Department has determined that requiring that program sponsors include information about their recruitment area in their program standards would provide transparency on programs' recruitment processes, would improve access to programs for interested apprentices, and would assist programs in meeting their EEO requirements. Examples of the recruitment area could include a range of miles from the location of the sponsor (e.g., within 100 miles of a city) or a political jurisdiction (e.g., residents of a State or counties). Identifying the program's recruitment area would also help the

program identify resources to assist with outreach to a diverse set of prospective apprentices in a given area. OA's Universal Outreach Tool includes contact information for non-profit, State, local, and community organizations, and other resources to assist with targeted outreach.[80] Ultimately, the requirement for programs to divulge their recruitment area is meant to assist programs with recruitment. Programs benefit from diversity within apprentice cohorts due to the variety of experiences and perspectives that diverse communities bring to the table, and the corresponding EEO requirements are intended to assist programs with recruiting valuable candidates and to help connect prospective apprentices with opportunities they might not be aware of but for such active recruitment efforts.

Under the current labor standards of apprenticeship regulation at § 29.5(b)(2), a registered apprenticeship program may adopt one of three alternative approaches to providing apprenticeship training: (1) a "time-based" approach, which imputes an apprentice's acquisition of relevant occupational skills through their completion of at least 2,000 hours of on-the-job apprenticeship training; (2) a "competency-based" approach, under which a sponsor determines the apprentice's acquisition of relevant occupational skills during the apprenticeship, without specifying the minimum duration of such training; or (3) a "hybrid" approach, under which an apprentice acquires skills through a combination of a minimum number of on-the-job training hours and the successful demonstration of occupational competency. In addition, § 29.5(b)(4) of the current regulation stipulates that a program's standards of apprenticeship provide for organized, related instruction in technical subjects related to the occupation, and further states that a minimum of 144 hours of such instruction is recommended for each year of apprenticeship training.

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[80] OA, "Outreach Tool," *https://www.dol.gov/agencies/eta/apprenticeship/eeo/recruitment/outreach-tool* (last visited July 20, 2023).

In this proposed rule at § 29.8(a)(4)(i), the Department proposes to eliminate the tripartite on-the-job training approaches established in the current regulation and substitute a streamlined, unitary training approach for use by all registered apprenticeship programs that would combine key features of the current time-based and competency-based approaches to on-the-job training approaches. Proposed § 29.8(a)(4)(i) would establish a uniform minimum term of on-the-job apprenticeship training of not fewer than 2,000 hours in duration to ensure an apprentice's acquisition of proficiency in all of the skills and competencies relevant to an occupation during that apprenticeship term[81]; it would combine this minimum on-the-job durational component with a requirement that the apprenticeship program provide an apprentice with all of the skills and competencies necessary to become proficient in the covered occupation. In effect, the proposed unitary approach to on-the-job training for all apprenticeship programs would resemble the "hybrid" approach to apprenticeship training found at 29 CFR 29.5(b)(2)(iii) of the current regulation, one that that measures skill acquisition through a combination of a specified number of hours of on-the-job training and a demonstration of relevant occupational competencies.

The Department recognizes that the minimum apprenticeship term for a particular occupation may be greater than the 2,000-hour threshold in those instances where a longer term of apprenticeship training is the customary industry standard for acquiring technical proficiency within that occupation. Conversely, the Department notes that the proposed minimum 2,000-hour requirement for program duration could be reduced on a case-by-case basis for individual apprentices in instances where an apprentice is granted advanced standing or credit by the program for prior learning or

[81] As a matter of current administrative practice, OA has ordinarily not registered a set of standards of apprenticeship that have included fewer than 2,000 hours of on-the-job training for apprentices, as the current regulations (at 29 CFR 29.4) do not regard an occupation that requires fewer than 2,000 hours as one that is suitable for apprenticeship training.

previously acquired skills and experience,[82] or in instances where an apprentice makes accelerated progress in the acquisition of occupational competencies during the course of their apprenticeship (*see* proposed § 29.8(a)(20)).

The adoption of a unitary on-the-job training approach in the standards of apprenticeship would serve to clearly differentiate registered apprenticeship programs from shorter-term, less intensive workforce training approaches (i.e., training programs of less than a year of full-time work in duration), while also expressly linking this minimum durational requirement to a fundamental premise: that all registered apprenticeship programs must impart occupational skills and competencies to the apprentices whom they train, and that apprentices reach proficiency in the occupation when they complete the apprenticeship (this idea was discussed at length in the preamble to proposed § 29.7 above). Combining occupational competency and proficiency outcomes with a uniform minimum durational requirement would address a criticism that the current "time-based" approach to apprenticeship training permitted under the current regulation only obligates apprentices to complete a designated quantity of on-the-job "seat time" in that program to obtain a Certificate of Completion. Moreover, this proposed reform would prevent sponsors from providing considerably less than 2,000 hours of on-the-job training by utilizing the "competency-based" approach. Such a lower durational threshold for competency-based training would be conspicuously at odds with the current 2,000-hour minimum standard required for an occupation to be considered suitable for registered apprenticeship training under the current regulation at 29 CFR 29.4 and in proposed § 29.7. That approach, if used by a program to seek program registration for the Federal benefits associated with such registration but without providing an opportunity for the

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[82] The Department notes that the proposed minimum 2,000-hour requirement for program duration could be reduced on a case-by-case basis for individual apprentices in instances where an apprentice is granted advanced standing, receives credit by the program for prior learning or previously acquired skills and experience, or completes a registered CTE apprenticeship or pre-apprenticeship program, or in instances where an apprentice makes accelerated progress in the acquisition of occupational competencies during the course of their apprenticeship (*see* proposed § 29.8(a)(20)).

apprentice to reach proficiency in an occupation through dedicated employment in on-the-job training, would harm the apprentice's ability to learn and benefit from registered apprenticeship.

The notion of linking the minimum duration of an apprenticeship term to the acquisition of key occupational competencies by apprentices received a clear endorsement in the ACA's 2022 Interim Report, which recommended updating the current regulatory framework "to ensure competency attainment is achieved through all [training] models, while providing certain protections into standards with regard to time in [on-the-job training] to ensure proficiency is obtained, potentially expanding the hybrid model as a long-term goal for quality standards."[83] The proposed unitary training approach also would align with the 2023 Quality Apprenticeships Recommendation of the ILO, which advises Member States to establish standards for quality apprenticeships that address, among other things, "the expected minimum and maximum duration of [an] apprenticeship"[84], and it also would be fully consistent with another provision of the same ILO recommendation, which advises Member States to take into account "the duration of the apprenticeship required to acquire [occupational] competencies."[85]

The proposed establishment of a 2,000-hour (or 1 year of full-time work equivalent) minimum standard for on-the-job-training would also be consistent with the notion of a minimum duration of on-the-job training for apprenticeship programs that are

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[83] ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 14, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf.*

[84] ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 10(g), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

[85] ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 9(c), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

regulated in G20 nations and other peer countries,[86] including Canada,[87] Australia,[88] the United Kingdom (i.e., England),[89] Switzerland,[90] and Germany.[91] Accordingly, if workers in the United States who complete a registered apprenticeship program are to remain competitive with their counterparts from these other nations, it is imperative that American apprentices receive the same quality and quantity of substantial, sustained, on-the-job apprenticeship training that is offered to similarly situated workers elsewhere.

The advantage of linking a minimum term of on-the-job apprenticeship training to the acquisition of an apprentice's acquisition of occupational proficiency was articulated in a 2012 landmark report prepared for the Government of the United Kingdom (the Richard Review of Apprenticeships[92]) that spurred the enactment of major apprenticeship reforms by the United Kingdom parliament. The review's author, Doug Richard, made the following observations, which the Department believes are both relevant and applicable to registered apprenticeship in the United States:

> [A]pprenticeships must endure. There is real value in an apprenticeship lasting for a year or more. Apprenticeships measured in weeks or months, even if it is enough time to teach the required material and gain the requisite experience, can still fall short. It is as though the apprenticeship experience itself requires time to bed in and for the individual to transform

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[86] ILO, "Overview of Apprenticeship Systems and Issues: ILO Contribution to the G20 Task Force on Employment," Nov. 2012, at 5 (*see* Table 2, "Regulated apprenticeship and youth unemployment in selected G20 countries").

[87] Apprenticeships in Canada ordinarily are between 2 and 5 years on duration. *See* Government of Canada, "How to become an apprentice," *https://www.canada.ca/en/services/jobs/training/support-skilled-trades-apprentices/become-apprentice.html* (last updated Mar. 31, 2023).

[88] Apprenticeships in Australia are ordinarily between 1 and 4 years in duration. *See* Fair Work Ombudsman of the Australian Government, "Guide to Starting an Apprenticeship," June 2023, at 2, *https://www.fairwork.gov.au/sites/default/files/migration/712/guide-to-starting-an-apprenticeship.pdf.*

[89] Apprenticeships in England are ordinarily between 1 and 5 years in duration and cannot be less than 1 year in duration. *See* Andrew Powell, "Apprenticeships Policy in England," House of Commons Library, Jan. 20, 2023, at 10, *https://researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf,* as well the information on the following website: *https://www.gov.uk/employing-an-apprentice.*

[90] Apprenticeships in Switzerland are ordinarily between 1 and 2 years in duration. *See* SwissInfo, "Apprenticeships and high school," *https://www.swissinfo.ch/eng/politics/apprenticeship-system/43796482* (last visited July 20, 2023).

[91] Apprenticeships in Germany are ordinarily between 2 and 3.5 years in duration. *See* Fazit Communication GmbH, "Dual vocational training," *https://www.tatsachen-ueber-deutschland.de/en/working-germany/dual-vocational-training* (last visited July 20, 2023).

[92] Doug Richard, "The Richard Review of Apprenticeships: Main Report," Nov. 2012, *https://www.gov.uk/government/publications/the-richard-review-of-apprenticeships*.

> from an apprentice to a skilled worker.[93] . . . [A] minimum duration [of apprenticeship training] should be made mandatory . . . [and] may help guard against instances of poor employer practice and protect the interests of the learner.[94]

The Department expects that ensuring that the on-the-job-training component of a registered apprenticeship program has a sustained duration of at least 2,000 hours would benefit program sponsors, employers, and the economy at large because workers completing such programs would be well-grounded and proficient in the skills and competencies associated with the occupation for which they have received training, thereby enhancing their overall productivity and labor market mobility.[95, 96] To ensure that such a minimum durational requirement could be sustained by apprentices who face structural barriers to registered apprenticeship programs, the proposed regulation contains a provision (at § 29.10(a)(4)) that would require sponsors, as a condition for program registration, to submit a written plan for the equitable recruitment and retention of apprentices. The plan could describe any partnerships that the apprenticeship program will establish with external entities to provide for the delivery of supportive services to apprentices who face such impediments.[97] The Department also believes that the adoption of this proposed unitary approach to apprenticeship training would provide all apprentices, including those from underserved communities, with a more sustained and comprehensive training regimen for acquiring the skills required to attain proficiency in

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[93] Doug Richard, "The Richard Review of Apprenticeships: Call For Evidence," June 2012, at 10, *https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/34708/richard-review-full.pdf*.
[94] *Id.* at 90.
[95] *See* Beth Stackpole, "Practical Ways to Tackle Manufacturing's Labor Crunch," Massachusetts Institute of Technology Sloan School of Management, May 16, 2022, *https://mitsloan.mit.edu/ideas-made-to-matter/practical-ways-to-tackle-manufacturings-labor-crunch*.
[96] *See* Beth Stackpole, "How to Make 'Work of the Future' Work for Everyone," Massachusetts Institute of Technology Sloan School of Management, Apr. 26, 2022, *https://mitsloan.mit.edu/ideas-made-to-matter/how-to-make-work-future-work-everyone*.
[97] *See* Gregory Ferenstein, "Job Training Programs Are Rarely Flexible Enough to Succeed," Brookings Institution, Sept. 16, 2019, *https://www.brookings.edu/blog/techtank/2019/09/16/jobs-training-programs-are-rarely-flexible-enough-to-succeed*.

an occupation than the shorter-term "competency-based" alternatives that have been proposed by some applicants.

It is also important to note that the longstanding 2,000-hour minimum durational standard in the United States for the on-the-job training component of an apprenticeship that is expressed in the current regulation actually predates the enactment of the NAA. The standard was established, pursuant to the labor standards-setting authority contained in the National Industrial Recovery Act of 1933, under President Franklin D. Roosevelt's Executive Order (E.O.) 6750-C (June 27, 1934); the same presidential directive also established the Federal Committee on Apprenticeship Training (the forerunner of today's ACA) to advise the Secretary on apprenticeship-related matters. Pursuant to that executive order, the Secretary issued "General Regulation No. 1" on August 14, 1934, which directed the Federal Committee on Apprenticeship Training to promulgate standards of apprenticeship consisting of not fewer than 2,000 hours of on-the-job training and not fewer than 144 hours of "group instructions in general and technical subjects."[98] There has been almost 90 years of successful implementation of this 2,000 hour minimum on-the-job training durational standard at the Federal level, and this standard has been accepted over the years and across all industries as a key attribute of a high-quality apprenticeship program.

The proposed rule at § 29.8(a)(4)(ii) also would modify the current regulatory provision that appears at 29 CFR 29.5(b)(4) by expressly requiring, rather than recommending, that registered apprenticeship programs provide to apprentices a minimum average of 144 hours of related instruction in technical subjects relevant to the occupation for every 2,000 hours of on-the-job training provided by the program. As discussed above, the related instruction portion of the program is necessary to

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[98] Lucius Q.C. Lamar, "History of General Exemptions," National Recovery Administration, Division of Review, Mar. 1936, at 36-37, *https://www.govinfo.gov/content/pkg/GOVPUB-Y3_N21_8-07cbfa706293e70fe6faff2cd615eb3d/pdf/GOVPUB-Y3_N21_8-07cbfa706293e70fe6faff2cd615eb3d.pdf.*

complement the on-the-job training by providing an apprentice with a sufficient amount of classroom learning that conveys key foundational and theoretical concepts that an apprentice needs to acquire in order to obtain full proficiency in the occupation covered by the program. In this connection, the Department invites comment from the public on whether the proposed 144-hour minimum durational requirement for related instruction is sufficient, or whether it should be raised to a higher amount, given that several Western nations (such as Canada,[99] Austria,[100] and England[101] (in the case of English apprentices who work more than 30 hours a week)) stipulate that at least 20 percent of the apprentice's paid hours, over the usual minimum duration of a 1-year apprenticeship, have to be spent on off-the-job training (which would correspond to a 400-hour minimum durational requirement for related instruction for U.S. apprenticeships of 2,000 hours in duration). Commenters who advocate a higher minimum threshold for related instruction than the one set forth in this proposal should also provide their opinion regarding whether such a revised requirement should be phased in over time.

The Department is also interested in any alternative suggestions from commenters, particularly as the Department is looking to align education systems more closely with registered apprenticeship, on whether a topic such as semester or trimester hours should be considered. Based on analysis by ED, 30 in-class or "clock" hours equates to 1 semester hour of academic credit.[102] The 144-hour standard would approximately equate to 4 semester or trimester hours, plus an additional 24 clock hours

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[99] *See* Government of Canada, "How to become an apprentice," *https://www.canada.ca/en/services/jobs/training/support-skilled-trades-apprentices/become-apprentice.html* (last updated Mar. 31, 2023).
[100] *See* Federal Ministry of Labour and Economy, "Apprenticeship training procedure (vocational training, apprenticeship diploma)," Feb. 24, 2023, *https://www.oesterreich.gv.at/en/themen/bildung_und_neue_medien/lehre/Seite.333400.html.*
[101] *See* Andrew Powell, "Apprenticeships Policy in England," House of Commons Library, Jan. 20, 2023, at 10, *https://researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf.*
[102] *See* Federal Student Aid, "Implementation of updated clock-to-credit conversion regulations," May 25, 2021, *https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-05-25/implementation-updated-clock-credit-conversion-regulations-ea-id-general-21-34*.

The Department is proposing flexibility for program sponsors in how they would count the number of hours related to this requirement. Sponsors may utilize contact hours, credit hours, a conversion of credit to clock hours, or any combination. The Department is interested in any comments related to ensuring and calculating the total number of hours of related instruction for programs. The Department considers this to be an appropriate minimum amount because additional related instruction such as safety training, EEO training, anti-harassment training, and other sponsor or employer specific related instruction is likely necessary to successfully supplement the on-the-job training portion of the registered apprenticeship program. The Department believes that a minimum number of hours should be required but is open to comments on these alternative amounts or on whether a minimum amount should be established by occupation, and if so, how such occupation specific standards should be established.

Proposed § 29.8(a)(5) would require that the program's occupation(s), work process schedules, and related instruction outline(s) be included in the standards of apprenticeship. The submission by a registered apprenticeship program of the occupation and work process schedule is currently required under the existing regulation at 29 CFR 29.5(a)(3). However, the proposed revised standards of apprenticeship would also expressly require the submission of a related instruction outline so that a Registration Agency would have a clear understanding of the breadth and quality of such an off-the-job curriculum, and its relevance to providing an apprentice with the theoretical knowledge needed to attain full proficiency in an occupation. The Department notes that a sponsor could submit standards for multiple occupations as part of their submission, and if so, would need to submit work process schedules and related instruction outlines for every occupation for which it is seeking program registration.

Proposed § 29.8(a)(6) would add a new requirement that the standards of apprenticeship must include the related instruction provider and the instructional methods

used to deliver related instruction. Currently, there is not a provision for including the related instruction provider or the instructional methods used to deliver related instruction in the development and subsequent approval of standards of apprenticeship. However, information about the related instruction provider and types of methods to deliver instruction is collected during program registration through Section I of the ETA 671 Form. Currently § 29.5(b)(4) requires standards of apprenticeship to include a "[p]rovision for organized, related instruction in technical subjects related to the occupation" and provides examples of how the instruction in technical subjects may be delivered. Permissible instructional methods include in-person classroom instruction; occupational or industry courses; electronic media, such as delivery via web-based instructional platforms; or other appropriate instructional methods that are approved by the Registration Agency. The proposed requirement for including this new information in standards of apprenticeship would create a record of the instructional methods utilized by the program to deliver related instruction to apprentices, thus providing the Department with a better picture of the types and prevalence of the different instructional modes and methods used by programs generally.

Proposed § 29.8(a)(7) is new and would create a requirement that the standards of apprenticeship include an attestation to document in writing that the qualifications and experience of the trainers and instructors providing the on-the-job training and related instruction to apprentices satisfy the requirements in proposed § 29.12. The proposed requirement in this section would be an acknowledgment in the standards that the requirements of proposed § 29.12 are being met. The Department believes it is important that the standards of apprenticeship include this requirement so that programs can ensure they meet these requirements and submit it as part of their application in the standards in proposed § 29.10.

Proposed § 29.8(a)(8) is new and would create a requirement that the standards of apprenticeship include a description of interim credentials (including recognized postsecondary credentials), qualification, or credit received by an apprentice during the term or upon the completion of the registered apprenticeship program. The Department proposes this new requirement to provide increased transparency to the apprentice who, with this description, would be better able to understand the credentials and credit that they would receive because of participating in the apprenticeship program. Proposed § 29.8(a)(8)(i), which is based on an existing requirement, would require that the description include any interim credentials issued to an apprentice during the term of the registered apprenticeship program. Proposed § 29.8(a)(8)(ii) would require that the description include any industry-portable occupational qualification, license, credential, or certification that the apprentice receives, or may be eligible to receive, upon completion of the registered apprenticeship program. The Department is interested in collecting this information because it is aware that some programs do provide this information, and the potential benefits to apprentices as result of the attainment of these credentials means that the Department should begin collecting more information from program sponsors on this development. The Department is interested in any comments on this new requirement to collect more information about credentials and other measures as part of the registration process.

Proposed § 29.8(a)(8)(iii) would recognize that some registered apprenticeship programs may be operated by, or in partnership with, educational institutions that provide postsecondary credit.[103] Accordingly, this provision would require that the description include any postsecondary credit that an apprentice receives, or may be eligible to receive, upon completion of the related instruction or on-the-job training components of

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[103] ED, Office of Career, Technical, and Adult Education, "Opportunities for Connecting Secondary Career and Technical Education (CTE) Students and Apprenticeship Programs," June 2017, *https://careertech.org/resource/connecting-secondary-cte-and-apprenticeships.*

the registered apprenticeship program. The Department notes that there would not be a requirement to provide additional credentials or postsecondary credit in a registered apprenticeship program; however, it acknowledges that many programs do provide this already, and is requiring this to be included in the standards to support the welfare of apprentices by providing them key information about the credentials and credit they would obtain as part of their participation in a registered apprenticeship program.

Proposed § 29.8(a)(9) would create a new, separate provision that would require a statement in the standards of apprenticeship of whether time the apprentice spends in the related instruction component of the apprenticeship training would be counted as hours worked, and if so, what the wage rate and any fringe benefits would be for those hours. This requirement would serve as a safeguard to ensure that sponsors consider the payment of wages for related instruction and to provide notice to the apprentices of whether paid related instruction is a part of the registered apprenticeship program's standards. In considering whether related instruction would be paid, sponsors must comply with any Federal, State, or local legal requirements regarding the payment of wages for training time, including, but not limited to, the Fair Labor Standards Act and its implementing regulations. In addition, regardless of any legal obligations to pay for related instruction time, sponsors may choose to do so for the benefit of the apprentices.

Proposed § 29.8(a)(10) would be a new requirement for sponsors to set forth a process for regularly assessing and providing feedback to the apprentice regarding the apprentice's acquisition of job-related knowledge, skills, and competencies during the on-the-job training component of the apprenticeship. It would expand upon the requirement in existing § 29.5(b)(6) of periodic review and evaluation of the apprentice's performance on the job by requiring that a process for regular assessment of knowledge, skills, and competencies be set forth in the standards and that such feedback be shared with the apprentice. The Department notes the importance that feedback provided would be

inclusive and structured in a way that would be accessible to all apprentices, including those with disabilities. This provision is intended to complement proposed § 29.8(a)(4), which would set forth the minimum term for the registered apprenticeship program sufficient for an apprentice to attain proficiency in the occupation, and proposed § 29.10(a)(1), which would require a sponsor to include in the submission for program registration the work process schedule and related instruction outline, by coupling the time requirements of the overall apprenticeship term, and work process schedule within such apprenticeship term, with a process for regular assessments. A clear process for regular assessment throughout the term of the apprenticeship, using the work process schedule and the term of the apprenticeship to measure progress, would ensure that the apprentice is achieving competencies and advancing throughout the registered apprenticeship program in accordance with the program standards. Additionally, a process for regular feedback would ensure ongoing dialogue regarding the performance of the apprentice and their progress through the program, as measured against the work process schedule and the term of the apprenticeship as set forth in the performance standards. Finally, to the extent that the progressive wage is measured by certain competencies achieved (rather than a set schedule per the terms of a collective bargaining agreement, for example), a process for regular assessment and feedback would ensure that the apprentice is on track for the wage progression set forth in the program standards and the apprenticeship agreement.

This proposed paragraph also provides that in instances in which an apprentice attains such occupational skills and competencies at an accelerated pace, the program may grant advanced standing to such an individual pursuant to proposed § 29.8(a)(20). This would allow flexibility for high performing apprentices who progress through their apprenticeship at an accelerated rate to gain advanced standing or credit and an increased wage commensurate with such progression. In this way, there would be flexibility for the

sponsor to adapt to the progress of apprentices throughout the registered apprenticeship program and allow for acceleration where appropriate. The Department anticipates that such individual apprentices, may be able to complete their apprenticeship terms with fewer hours of on-the-job training or related instruction than the minimum standard established under the proposed rule at § 29.8(a)(4). Because of the requirement around the attainment of competencies that lead to occupational proficiency, and the requirement that apprentices be continuously assessed on their progress, it is critical that programs establish clear methods to assess the progress of all apprentices and to accurately identify and credit those apprentices who are progressing at an accelerated pace.

Proposed § 29.8(a)(11) would address the utilization of end-point assessments the program uses to determine if an apprentice is fully proficient in the occupation and eligible to complete their registered apprenticeship program. Proposed § 29.16 would require stipulating the administration of an end-point assessment to apprentices at the conclusion of their apprenticeship term and proposed § 29.18 would require the maintenance of appropriate apprentice progress records by the sponsor or participating employer. As explained more fully at proposed § 29.16, an end-point assessment would serve to validate that the apprentice was successful in acquiring the skills and competencies necessary for proficiency in the covered occupation. The Department notes the importance of structuring end-point assessments in a manner that is inclusive to all apprentices, including those with disabilities. The requirement in this section would be an acknowledgment in the standards that the requirements of § 29.16 are being met. The Department believes it is important that the standards of apprenticeship include this requirement so that the process is clear to anyone reviewing the program standards.

Proposed § 29.8(a)(12) would retain language from the 2008 final rule at § 29.5(b)(8), which stipulates the provision of a probationary period that is "reasonable"

and does not exceed 25 percent of the length of the program, or 1 year, whichever is shorter.

Proposed § 29.8(a)(13) is new and would require that the standards of apprenticeship include a statement that the registered apprenticeship program will be conducted in accordance with all applicable Federal, State, or local laws. The Department proposes to add this requirement to emphasize that the apprenticeship programs registered under this part must ensure apprentice safety and welfare. Program sponsors are responsible for ensuring their programs meet the requirements for apprentices to legally work in the occupation in which they are doing on-the-job training, such as if there are State licenses required to perform the work. In instances where the sponsor is not operating in accordance with all applicable law, they could be subject to deregistration proceedings for noncompliance with their program standards.

Proposed § 29.8(a)(14) is new and would require that the standards of apprenticeship include a statement that apprentices participating in an apprenticeship program registered under this part are entitled to the same worker allowances, rights, and protections, afforded by applicable Federal, State, or local laws, to which similarly situated, non-apprentice employees would be entitled. Such worker allowances, rights, and protections could include, but would not be limited to, family and medical leave; workers' compensation; and health and retirement plan benefits. The Department proposes to add this requirement in furtherance of its goal to ensure that these minimum standards of apprenticeship protect apprentice safety and welfare, while noting that it would not require that apprentices receive allowances, rights, and protections that similarly situated non-apprentices would not also be entitled to receive. The Department anticipates that adding this requirement would also provide apprentices with information about the allowances, rights, and protections to which they may be entitled, increasing

transparency, and allowing potential apprentices to make an informed choice regarding a specific program.

Proposed § 29.8(a)(15) would expand upon an existing requirement and make changes to further emphasize the Department's commitment to ensuring apprentice safety and welfare. Specifically, proposed § 29.8(a)(15) would require that the standards of apprenticeship include an attestation that the program sponsor will provide adequate, safe, and accessible facilities for the training and supervision of apprentices. Additionally, sponsors should provide any documentation, where available, to support their attestation, such as any OSHA or other relevant certifications. The Department acknowledges that not all sponsors may have such certifications at the time of program registration, or they may not be relevant to all sponsors. However, this information could assist the Department in ascertaining a program's ability to meet this requirement. The Department proposes to change the existing requirement by requiring that the attestation include that the program sponsor will provide accessible facilities (including for individuals with disabilities), aligning with the Department's broader goal that apprenticeship programs registered under this part are career pathways available to everyone. For example, to ensure facilities are accessible, programs should ensure bathrooms and changing facilities, including for provision of lactation, should be close to sites where work and training is taking place. Additionally, such attestations and documentation for safety would need to ensure that personal protective equipment is available to apprentices and fits appropriately according to each apprentice's size and body type. The Department adds that the attestation also would require that the facilities be compliant with all applicable Federal, State, and local laws, including, but not limited to, disability, occupational safety, and occupational health laws.

Proposed § 29.8(a)(16) would create a new requirement that the standards of apprenticeship include an attestation that the program sponsor will provide adequate,

industry-recognized safety training for apprentices in both the on-the-job training and related instruction components of the registered apprenticeship program. This proposed change would expand upon the existing requirement at 29 CFR 29.5(b)(9) that addresses safety training in the standards of apprenticeship. This expanded requirement would further the goal of ensuring apprentice safety and welfare. Proposed § 29.8(a)(16) would require that safety training provided to apprentices be tailored to mitigate the potential workplace hazards that may be encountered in the covered occupation. For example, the standards of apprenticeship for registered apprenticeship programs in the electrician occupation would need to include an attestation that the program sponsor will provide adequate, industry-recognized safety training that addresses potential workplace hazards encountered specifically by electricians.

Proposed § 29.8(a)(17) would require the written standards to include wages and fringe benefits that the apprentice will receive during the registered apprenticeship program. The current regulation at 29 CFR 29.5(b)(5) stipulates the payment of a progressively increasing schedule of wages to be paid to the apprentice with the skill required, and the entry wage may not be less than the Fair Labor Standards Act minimum wage, where applicable, unless a higher wage is required by other applicable Federal law (such as the Davis-Bacon and related Acts), State law, respective regulations, or by collective bargaining agreement.

In the proposed rule at § 29.8(a)(17), the Department proposes to add the requirement that fringe benefits provided to the apprentice also be articulated in the program standards. The phrase "fringe benefits" is intended to convey the generally understood meaning of providing benefits as a part of overall compensation, such as health insurance and contributions to retirement plans. For registered apprenticeship programs subject to the Davis-Bacon and related Acts and the McNamara-O'Hara Service Contract Act, the more specific requirements of the Acts, including those relating

to fringe benefits, apply in addition to the proposed requirements of this section. The Department views the proposed addition of "fringe benefits" as strengthening the standards by providing clarity and transparency around the fringe benefits provided to apprentices.

The Department also proposes to retain the requirement of a minimum wage floor at the outset of the apprenticeship and a graduated schedule of progressively increasing wages for apprentices during the remainder of the apprenticeship term. However, the proposed § 29.8(a)(17) would stipulate that the graduated schedule of wages paid to an apprentice would increase over the balance of the apprenticeship term to reflect the apprentice's progressive acquisition of occupational skills and competencies.[104]

Basic Requirements for the Proposed Wage Standard in Registered Apprenticeship *Sample program with the minimum required 2,000-hour duration, and with a journeyworker wage of $20.00/hour*			
Initial Apprentice Wage *Entry – 3 months*	**Intermediate Step 1** *3 months – 6 months*	**Intermediate Step 2** *6 months – 9 months*	**Final Apprentice Wage** *9 months – Completion (1 year)*
$7.25	$10.00	$12.50	$15.00

This table reflects the basic requirements of the proposed wage standard for registered apprenticeship. Under the proposed wage standard, wages for apprentices would need to (1) be at least at or above the Federal, State, or local minimum wage (in this example, the initial wage is the Federal minimum wage of $7.25); (2) include at least one wage progression (in this example, there are intermediate steps reflecting wage increase after 3 and 6 months); and (3) be at least 75% of the typical journeyworker wage after the final wage progression (in this example, the apprentice's final wage, paid through months 9 through 12 of the program, is $15.00/hour, 75% of the journeyworker wage of $20.00/hour).

[104] This proposal is aligned with Conclusion 16(a) of the 2023 Quality Apprenticeships Recommendation of the ILO, which recommends that apprentices "receive adequate remuneration . . . which may be increased at different stages of the apprenticeship to reflect the progressive acquisition of occupational competencies." ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 16(a), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

The Department also proposes that the graduated schedule of increasing apprentice wages paid by an employer include at least one incremental wage step increase between the entry wage and the final wage step during the first 2,000 hours of the apprenticeship term, with additional wage step increments scheduled at reasonable intervals for program terms of longer duration designed to support apprentices' progression and success throughout their apprenticeship. This proposed language is intended to require a thoughtful approach to wage progression in instances in which there is no governing collective bargaining agreement, such that adequate consideration is given to recognizing and compensating an apprentice's progress through the program. In addition, the Department proposes that the wages provision stipulate that the apprentice's final wage step in the program must be not less than 75 percent of the usual journeyworker wage paid by the employer for that occupation, except in instances where the scheduled progression of apprentice wages is stipulated by other applicable Federal, State, or local laws, such as those governing the payment of prevailing wages, or by the terms of an applicable collective bargaining agreement. This final requirement would be especially relevant for programs of longer duration where the apprentice may have spent several years with the employer and where it is more likely that the apprentice would be doing similarly skilled work as journeyworkers and should therefore be paid commensurate with that experience. The Department notes that Florida and Delaware have established similar standards for the final wage step paid to an apprentice for registered apprenticeship programs operating in those States, pegging that terminal wage to a percentage of the established wage paid to journeyworkers by an employer.[105]

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[105] *See* Florida Administrative Code, Chapter 6A-23.004(2)(e)(5), which utilizes the minimum standard of 75 percent of the established journeyworker wage for the final wage step of the apprenticeship term, and Delaware Administrative Code, title 19, chapter 1101, sec. 6.2.7.3, which utilizes the minimum standards of 85 percent of the established journeyworker wage for the final wage step of the apprenticeship term.

This revised wage provision is intended to protect apprentices from receiving low and relatively flat wages over the course of the apprenticeship term. Taken together, the enhanced wage provisions contained at proposed § 29.8(a)(17) are intended to place apprentices on a more secure career pathway, to enable apprentices to support themselves during an apprenticeship, and to provide skilled and productive apprentices with a positive incentive for completing the training program. The Department invites comments on these provisions to bolster the registered apprenticeship progressive wage requirements and is interested in the feasibility of this approach across industries. The Department believes that most programs already provide progressive wages consistent with these requirements but invites comments on a way to ensure continuous progressive wages with competency attainment against the needs for flexibility for industry regarding wage increases.

In addition to these proposed wage progression revisions, the Department reminds sponsors that, consistent with the requirements of 29 CFR part 30, the wages paid by a sponsor or a participating employer to an apprentice must not discriminate against such persons on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, age (40 or older), genetic information, or disability. In addition, the Department reminds both registered apprenticeship program sponsors and participating employers that apprentices who meet the definition of an employee under either the Internal Revenue Code or the Fair Labor Standards Act—which they will in virtually every instance—must not be misclassified by such sponsors or employers as independent contractors.

Proposed § 29.8(a)(18) would address program costs and expenses incurred by apprentices. The current regulations do not address or place any limitations upon the costs, fees, or expenses that an apprentice may be obligated to assume in connection with their on-the-job training or related instruction. As some individual apprentices lack

economic bargaining power relative to their potential sponsors and employers, the absence of regulatory language governing program costs in the existing rule has the potential to undermine the welfare of apprentices by exposing such persons to a heightened risk of financial exploitation. For instance, there is currently no obligation placed upon sponsors or employers in the current regulation to disclose to potential apprentices, in advance of their enrollment, the nature and amount of any costs, fees, or expenses that those individuals may incur in connection with their participation in the program. Moreover, there is no requirement in the current rule stipulating that only program costs that are both necessary and reasonable may be charged to a participating apprentice. The Department is aware of circumstances where apprentices in certain programs have been confronted with exorbitant costs for training, related instruction, and other fees that have subjected them to financial hardship and personal indebtedness. Such costs have sometimes also prevented apprentices from either completing their apprenticeship training, or from enrolling in the apprenticeship program in the first place.

To address these concerns, the proposed § 29.8(a)(18) would establish cost transparency and reasonableness provisions as part of a program's standards of apprenticeship, requiring a sponsor or a participating employer to include in the program standards the nature and amount of any unreimbursed costs, expenses, or fees that the apprentice may incur for participating in the program (such as for equipment, supplies, on-the-job training, related instruction, books, tuition, or assessment fees). This provision would further stipulate that such unreimbursed costs, expenses, or fees could be assessed by a sponsor or participating employer only if they are necessary and reasonable, do not impose substantial or inequitable barriers to program enrollment or completion by an apprentice, and are compliant with all applicable Federal, State, and local wage laws and regulations, including but not limited to the Fair Labor Standards Act, the Davis-Bacon and related Acts, the McNamara-O'Hara Service Contract Act, and their implementing

regulations. In instances where a program sponsor or a participating employer engages an outside party or educational institution (such as a community college) to provide related instruction to apprentices enrolled in the program, such sponsor or employer should ensure that the terms as articulated in the standards are complied with and that the costs of such instruction do not impose financial burdens of a magnitude that could jeopardize such a person's ability to participate in or complete the registered apprenticeship program.

This new regulatory provision would empower potential apprentices by providing them with the fundamental consumer protection of having complete program cost information disclosed to them prior to their participation in the program. In addition, this provision would serve to protect enrolled apprentices from possible financial exploitation or abuse by prohibiting the imposition of unnecessary or unreasonable costs by program sponsors or participating employers during the course of the apprenticeship term. The Department thinks that the inclusion of a cost transparency and reasonableness provision in the standards of apprenticeship would help to advance DEIA in registered apprenticeship programs by reducing or eliminating barriers to program access and completion by individuals from underserved communities and populations. The Department believes mitigation and removal of such financial barriers is essential if registered apprenticeship is to fulfill its potential as an effective vehicle for enabling persons from underserved communities and population to achieve economic mobility.

The Department is cognizant of the fact that, despite its proven capacity to provide a skilled and talented workforce, a registered apprenticeship program nevertheless requires a significant investment of time and funds by a sponsor or an employer to achieve its desired outcomes. To mitigate such training costs, many sponsors and employers have formed effective partnerships with labor unions, intermediaries, educational institutions, trade and industry associations, and other organizations to create

efficiencies of scale that can reduce the costs of delivering on-the-job training and related instruction to apprentices. In addition, sponsors and employers may qualify to receive Federal or State apprenticeship grants, tax credits, or other resources that may help to offset such training costs. The utilization of such partnerships and grant opportunities by sponsors and employers to defray training costs can also serve to minimize the imposition of such costs upon apprentices, many of whom may not be able to sustain such a financial burden. The Department encourages sponsors to partner with organizations that can provide resources in their communities to mitigate any costs passed on to apprentices, which may include tuition, supportive services, or other assistance.

The Department is also interested in receiving comments on the impact of costs borne by apprentices that relate to the up-front purchase of equipment and supplies essential to their work or required by the sponsors or participating employers, but that have not been not paid for by such sponsors or participating employers; in addition, the Department is interested in receiving comments on the impact of any deferred payments required of apprentices that relate to the costs of maintaining such essential equipment and supplies. In addition, the Department is interested in receiving comments as to whether the "necessary and reasonable" standard for evaluating unreimbursed costs in this provision should be modified to establish a more precise, mathematical formula for ascertaining cost reasonableness (such as a threshold value as a percentage share of wages), or whether the more flexible standard proposed in this provision is more appropriate and administratively feasible.

Proposed § 29.8(a)(19) would update and reformat an existing requirement that is addressed in § 29.5(b)(7), regarding the ratio of apprentices to journeyworkers. The intended purpose of this ratio requirement is to further the Department's goal of ensuring the safety and welfare of apprentices, while on the job, via an established ratio of apprentices to journeyworkers. Proposed § 29.8(a)(19)(i) would specify that the sponsor's

ratio must be approved by a Registration Agency, consistent with the proper safety, health, supervision, and training of the apprentice. This requirement would center apprentice safety and welfare as the main considerations in the establishment of the specific numeric ratio for a registered apprenticeship program. To ensure that the ratio is consistent with the proper safety, health, supervision, and training of the apprentice, program sponsors and the reviewing Registration Agency should consider factors that could endanger the welfare of an apprentice who is participating in the program, such as risk of exposure to hazardous working conditions and risk of serious bodily injury or death while on the job.

One such consideration to help protect the safety and welfare of apprentices is ensuring a proper apprentice-to-journeyworker ratio in industry sectors with a high rate of fatal work-related injuries. High-hazard industries, empirically defined with data compiled by BLS, may be subject to a heightened level of scrutiny with respect to their utilization beyond an apprentice-to-journeyworker ratio of one-to-one (1:1).[106] Industries that have been identified as high-hazard industries have an average fatal work injury rate exceeding 5 deaths per 100,000 full-time equivalent workers over the 3 most recent calendar years for which such statistics are available and include such industry sectors as: construction; transportation and warehousing; mining, quarrying, and oil and gas extraction; and agriculture, forestry, fishing, and hunting. Less hazardous industries or occupations in other (non-high-hazard) industries may not require as much scrutiny and may be able to use expanded ratios, but each ratio would be reviewed and considered on a case-by-case basis.

The Department is adding "health" to the list of factors for establishing a numeric ratio. Health and safety go hand in hand, and the Department thinks that apprentices

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[106] ETA, OA Circular No. 2021-02, "Guidelines for Reviewing Apprentice to Journeyworker Ratio Requests," Jan. 12, 2021, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular%25202021-02%2520FINAL%25201.12.21.doc*.

should have proper supervision and training when they participate in on-the-job training at worksites that may expose them to toxic materials or harmful physical agents. This change would ensure that program sponsors, employers, and Registration Agencies are aware of and consider potential health risks for apprentices at worksites, and that an appropriate numeric ratio of apprentice-to-journeyworkers is used to allow for the necessary training and supervision to mitigate potential material impairment of health or functional capacity of an apprentice who may be exposed to toxic materials or harmful substances while on the job.

The Department notes that it has not included "continuity of employment" in the factors. "Continuity of employment" was previously listed with additional factors, such as "proper supervision, training, and safety," in establishing a numeric ratio of apprentices-to-journeyworkers under 29 CFR 29.5(b)(7). The Department understands that the term has been carried forward from previous rulemaking and may have numerous operational meanings as a term of use; however, the Department no longer thinks that it is relevant to an assessment of whether a particular ratio is appropriate—that is, whether a particular ratio will further the safety of the apprentice. Accordingly, the Department is proposing to remove it as a factor. However, the Department is interested in comments as to what and how "continuity of employment" could or should mean in the context of ratios and providing a safe workplace and any rationales for continuing to have that language or alternative language to address the proper ratio factors.

In practice, a ratio of one apprentice to one journeyworker has been the norm for programs; however, as registered apprenticeship has expanded into new industries the Department has considered expanded ratios particularly in industries where there is a reduced safety risk (for example, a job primarily in an office setting).

While apprentice safety is the focus of the proposed requirement, there would also be flexibility provided to sponsors in setting the specific numeric ratio. Proposed

§ 29.8(a)(19)(ii) would specify that sponsors must use a ratio that is consistent with the provisions of any applicable collective bargaining agreements, as well as any applicable Federal and State laws governing ratios of apprentices to journeyworkers, and specific and clearly described as to its application to a particular workforce, workplace, job site, department, or plant. The Department recognizes that a one-size-fits-all approach would not be feasible with respect to ratios and that ratios could differ depending upon the specific industry or occupation in which the registered apprenticeship program is taking place. The Department also recognizes that a specific numeric ratio of a registered apprenticeship program could be set in an applicable collective bargaining agreement or by applicable Federal and State laws. Ultimately, each program must have a ratio specific to that program that is designed to protect the safety of its apprentices consistent with the considerations described and discussed above. The Department is seeking comments on these longstanding criteria, particularly to ensure how the ratios are applied in both emerging and traditional industries.

Proposed § 29.8(a)(20) would change an existing requirement concerning the granting of advanced standing, credit, and an increased wage to an apprentice. The proposed provision would require that the standards of apprenticeship grant advanced standing, credit, and an increased wage to an apprentice when appropriate, and in such circumstances would instruct sponsors to include a process by which they would reduce the usual term of on-the-job training or related instruction. This change would recognize that the reduction of the usual term of on-the-job training or related instruction could be appropriate in two scenarios: (1) where an apprentice comes to a program with prior qualifications that warrant the reduction of the usual term of on-the-job training or related instruction; and (2) where an apprentice demonstrates expedited progress while in a registered apprenticeship program that warrants the reduction of the usual term of on-the-job training or related instruction. Proposed § 29.8(a)(20)(i) would require that the

established process be fair, transparent, and objective in identifying, assessing, and documenting an apprentice's prior learning or experience as well as any accelerated progress made by an apprentice.[107] Proposed § 29.8(a)(20)(ii) would require that the process must result in advanced standing, credit, and an increased wage that is commensurate with any progression granted because of the apprentice's prior qualifications or accelerated progress. The Department encourages the use and development of appropriate methods of applying advanced standing. Examples of advanced standing because of an apprentice's prior qualifications could include prior experience and training related to military service for veterans joining a registered apprenticeship program, an apprentice's completion of a pre-apprenticeship program which has a documented partnership with the registered apprenticeship sponsor, as well as an individual's completion of a registered CTE apprenticeship program under subpart B. In addition to advanced standing for prior experience, the Department notes that the feature of accelerating apprentices for their achievements during a program was a feature of the competency-based model of registered apprenticeship under the current rule, which the Department is proposing to remove as a separate model. The Department's proposal seeks to combine the benefits of competency attainment from the competency-based model with minimum employment duration requirements for on-the-job training. This proposal would allow sponsors the flexibility to advance apprentices, and for apprentices to receive commensurate advancement in wages, based on their prior experience. This proposal would help to ensure sponsors continue to have some of the main flexibility components of the competency-based approach, with key quality enhancements where

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[107] Proposed § 29.8(a)(20) aligns with the 2023 Quality Apprenticeships Recommendation of the ILO at Conclusion 10(h), which advises Member States to establish apprenticeship standards that describe "the extent to which the expected duration of the apprenticeship may be reduced on the basis of prior learning or progress made during the apprenticeship." ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 10(h), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

the Registration Agency could review to ensure apprentices are progressed fairly and such processes are equitable and objective.

The Department's proposed method of requiring a minimum amount of on-the-job training hours while allowing advanced standing based on existing competency would be similar to the current "hybrid" model and provide the right balance of training participants to an industry standard and duration, while recognizing the unique skill and competency progressions of apprentices. This provision would also ensure that an apprentice does not have an abbreviated on-the-job training experience in the program if circumstances do not warrant it, so that a program is not graduating apprentices from their program before they have completed their training and demonstrate the requisite proficiency.

Proposed § 29.8(a)(21) would update an existing requirement concerning the transfer of apprentices. The changes made by proposed § 29.8(a)(21) would be non-substantive and seek to increase clarity by explicitly stating that the standards of apprenticeship must include a provision addressing the transfer of apprentices. The substantive elements of existing § 29.5(b)(13)(i) through (iii), which require that a transferring apprentice be provided a transcript of related instruction and on-the-job learning, transfer to the same occupation, and sign a new apprenticeship agreement when the transfer occurs, would remain unchanged in proposed § 29.8(a)(21).

Proposed 29 CFR 29.8(a)(22) would build upon the existing regulations at 29 CFR 29.5(b)(23) and add a reference to participating employers. The Department has determined that the maintenance of apprenticeship records by all parties involved with operating or participating in a registered apprenticeship program is critical to achieving the Department's goal of collecting and analyzing high-quality data to enhance its ability to oversee, analyze, and improve registered apprenticeship and the National Apprenticeship System. Information about an apprentice's interactions with an employer

participating in their registered apprenticeship program, such as whether the apprentice was ultimately hired, any interim credentials earned by the apprentice that would certify them to complete job tasks for an employer, the apprentice's wage upon hire, and other important data, is vital for achieving the Department's data and information goals. Adding participating employers here would allow the Department to collect more important data on the utilization of registered apprenticeship programs by employers.

In addition to adding participating employers to the maintenance of records requirement, the Department proposes to replace the existing language of 29 CFR 29.5(b)(23) covering recordkeeping requirements that "may be required by the Office of Apprenticeship or recognized State Apprenticeship Agency and other applicable law" with a cross-reference to the proposed recordkeeping provisions set forth in this NPRM at proposed § 29.18. As described below, the Department has determined that enhancements to the recordkeeping requirements for registered apprenticeship are essential for the development of a comprehensive, national dataset on apprenticeship, for garnering data-driven insights about the National Apprenticeship System, and for making data-driven decisions to improve the National Apprenticeship System. The change made here would clarify that program sponsors and participating employers must maintain the records specified in proposed § 29.18 for five years.

Proposed § 29.8(a)(23) would address a program's adherence to EEO Requirements. The proposed § 29.8(a)(23) would replicate the requirement currently at § 29.5(b)(21), which stipulates that the standards of apprenticeship must include a statement that the program must be conducted, operated, and administered in conformity with 29 CFR part 30, as amended, or, if applicable, an approved State EEO plan.

Proposed § 29.8(a)(24) would address maintaining a safe and inclusive workplace. The proposed § 29.8(a)(24) would obligate program sponsors and participating employers to promote and maintain a safe and inclusive workplace

environment that is free from violence, harassment, intimidation, and retaliation against apprentices. The requirement to maintain such a workplace environment would include an obligation to develop and implement procedures to ensure that its apprentices are not harassed and the program is free from intimidation and retaliation. The inclusion of this provision in the standards of apprenticeship would serve to supplement and reinforce the retained non-discrimination and EEO requirement at proposed § 29.8(a)(23) and is intended to make it clear that any such conduct or actions directed against apprentices is completely unacceptable.[108] As with other instances of noncompliance with the standards of apprenticeship, any failure to abide by this requirement could be grounds for a Registration Agency to impose sanctions against any program sponsor or participating employer that fails to take immediate and effective action to remedy the situation. Such sanctions could include the initiation of deregistration proceedings and referral to law enforcement agencies, as appropriate. The inclusion of a prohibition on intimidation and retaliation against apprentices in this provision of the standards of apprenticeship is intended to deter sponsors and participating employers from enabling or tolerating a climate of fear in the workplace that might deter apprentices from reporting instances of misconduct by supervisors, journeyworkers, or colleagues (including instances of sexual assault), or alternatively, from joining a labor union or engaging in organizing activities.

Proposed § 29.8(a)(25) is new and is being added to ensure compliance with a related Federal law. Proposed § 29.8(a)(25) would require, for those apprenticeship programs registered on or after September 22, 2020, that the standards of apprenticeship include an attestation that the program sponsor will provide each of the written

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[108] Proposed § 29.8(a)(23) and (24) are consistent with the content of Conclusion 22 of the ILO's 2023 Quality Apprenticeships Recommendation, which advises that Member States "should take effective measures to prevent and eliminate any discrimination, violence and harassment and exploitation against apprentices." ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 22, June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

assurances as required under sec. 2(b)(1) of the Support for Veterans in Effective Apprenticeships Act of 2019 (Pub. L. 116-134, 134 Stat. 277, 29 U.S.C. 50c). The Department has previously implemented these provisions through its information collection requests (ICRs) under OMB Control Number 1205-0223; however, as this is a statutory requirement the Department considers it important to include in the operative regulatory text.

Proposed § 29.8(a)(26) would carry forward an existing requirement that the standards of apprenticeship identify the contact information of the individual with authority in the program to receive, process, and make disposition of complaints. The Department is proposing to make an email address a requirement, whereas the current rule only says, "if appropriate."

Proposed § 29.8(b) would address a gap in the existing minimum standards of apprenticeship by creating a new requirement with respect to group programs and participating employers. Currently, employers can participate in a group program, and these employers often sign an agreement (commonly referred to as an employer acceptance agreement), or participate via a collective bargaining agreement, with a joint labor-management group program sponsor. This agreement seeks to ensure that the participating employer will abide by the minimum standards of apprenticeship, but the existence of such an agreement is not currently required. This lack of requirement means that the sponsor is not formally required to ensure that the employer is abiding by the terms of the standards of apprenticeship and apprenticeship agreement, and therefore limits the Registration Agency's ability to hold the sponsor responsible. The lack of accountability may allow harm caused to apprentices to go unaddressed, or at least make it harder to address and remedy.

This rulemaking proposes a new § 29.11, Program Standards Adoption Agreement, which would outline the requirements of such agreements signed by

participating employers. Proposed § 29.8(b) would synchronize the minimum standards of apprenticeship with proposed § 29.11, creating a corresponding requirement on group program sponsors to ensure that the minimum standards of apprenticeship include an attestation from each participating employer, which is required prior to the employer being admitted to the program. Proposed § 29.8(b)(1) would require the attestation include that a participating employer will abide by the requirements in parts 29 and 30.

Proposed § 29.8(b)(1) would require group program sponsors to ascertain, via the attestation, whether a participating employer has violated any applicable laws governing workplace practices or conduct, and actions taken to remedy any violation. This disclosure would not prevent a program from being registered or from allowing the sponsor to enter into an agreement with the participating employer; however, the Department, in safeguarding the welfare of apprentices, considers it important that a Registration Agency know of these instances as part of its program oversight role. If an entity fails to disclose such violations, then, as with any materially false, fictitious, or fraudulent statement or representation knowingly and willfully to the Federal Government, a referral to the Department of Justice for a potential violation of 18 U.S.C. § 1001 would be necessary.

Proposed § 29.8(b)(3) would require group program sponsors to monitor participating employers for their compliance with the minimum standards of apprenticeship and other requirements contained in parts 29 and 30. The Department has determined that creating this requirement would help address a gap in existing requirements with respect to group programs and participating employers. Through this requirement, the Department anticipates furthering apprentice safety and welfare by adding a check on the actions of the participating employer and providing a mechanism for the Registration Agency to hold the sponsor accountable. These safeguards would promote compliance with the terms of the standards of apprenticeship and apprenticeship

agreement. While not an explicit requirement, group program sponsors may need to dedicate staff as coordinators to ensure all the program partners and employers are coordinated and connected in the delivery of the registered apprenticeship program.

Section 29.9 – Apprenticeship agreements.

As discussed above, one of the principles informing the development of this proposed regulation is the desire to increase transparency and accountability throughout the National Apprenticeship System. The apprenticeship agreement between registered apprenticeship program sponsors and apprentices joining their programs is critical to allowing the apprentice to understand their rights and obligations. The apprenticeship agreement is the agreement that governs the relationship between the apprentice and the sponsor (and employers, where applicable) regarding the terms and conditions of the registered apprenticeship program. A potential apprentice seeking to join a program should have access to as much information as possible to help them make such an important career decision, including any costs associated with participating in or completing the program, the types of training and instruction they can expect to receive, what will be expected of them in order to complete the program, and what completion of the program will mean for their near- and longer-term career development.

The agreement also serves as an assurance to the potential apprentice, as well as the Department and any other entities with a role in overseeing a program, that the program sponsor will abide by the terms and conditions of the registered apprenticeship program as laid out in the agreement. As an important tool for achieving optimal transparency and accountability within the National Apprenticeship System, the apprenticeship agreement is central to registered apprenticeship and thus represents an important piece of the Department's focus in proposing strengthened transparency, accountability, and worker protections in the part 29 regulations.

The current regulatory provisions governing the apprenticeship agreement are at 29 CFR 29.7. The Department proposes to move that provision to § 29.9, retaining and reorganizing many of the existing provisions and adding further measures to strengthen transparency, accountability, and worker protections within the National Apprenticeship System.

The apprenticeship agreement is intended to clearly encompass all fundamental aspects of the terms and conditions of the registered apprenticeship program, as described in the requirements below, and cannot be modified or altered by a subsequent agreement that contravenes the requirements of this part.

Proposed § 29.9(a) would require that all apprenticeship programs registered by a Registration Agency develop and establish a written apprenticeship agreement that contains the terms and conditions of the employment and training of the apprentice, and that such agreement must be signed by the parties prior to the start of the apprenticeship term. Proposed § 29.9(a) incorporates existing text currently at § 29.7 that establishes the requirement for an apprenticeship agreement setting forth the terms and conditions of the employment and training of the apprentice and existing text at § 29.7(a) requiring the signatures of the relevant parties. It would further require the signature of a participating employer in a group program that has adopted the sponsor's standards of apprenticeship through a program standards adoption agreement. This is to ensure that the participating employer understands the terms and conditions of the apprentice's employment and training and can be held accountable by the apprentice or a Registration Agency for any violations of the terms and conditions of the agreement. This requirement would be specific to participating employers in group programs with a standards adoption agreement. Further, this paragraph would clarify that the agreement must be signed prior to the start of the apprenticeship term. This clarification would add a temporal requirement to the apprenticeship agreement in that it must be agreed to by the parties

prior to the start of the apprenticeship. This would be consistent with the intent of the apprenticeship agreement to set forth the terms of the apprentice's training and employment, would ensure that there is a valid operative agreement governing the relationship of the parties at the start of the program, and would allow the apprentice to review and understand the terms of the program before joining the program.

Proposed section 29.9(b) contains a new requirement that, prior to signing the apprenticeship agreement, an apprentice who has been admitted to the apprenticeship program must be furnished by the program sponsor with a copy of both the proposed apprenticeship agreement and the program's standards of apprenticeship, and must also be provided with a reasonable opportunity to inspect and review the content of those documents. Proposed section 29.9(b) also stipulates that, after the apprenticeship agreement has been signed by the apprentice, the sponsor, and any other relevant parties, the sponsor must transmit or deliver to the apprentice a copy of the executed apprenticeship agreement and the program's standards of apprenticeship not later than the starting date of the apprenticeship. The Department takes the view that this disclosure provision is necessary to ensure that apprentices are made fully aware of the terms and conditions of their employment before entering into an apprenticeship agreement with the sponsor or participating employer and beginning their work as an apprentice. The inclusion of this disclosure requirement is also a recognition that apprenticeship agreements entered into between apprentices and sponsors or participating employers often involve a significant imbalance of bargaining power between the contracting parties, and that apprentices are thus more susceptible to entering into an apprenticeship agreement without an understanding of the terms of the contract or, in some circumstances, as a result of coercion, deception, and other forms of procedural unconscionability. The Department further believes that adherence to this disclosure requirement should help to ensure that the apprenticeship agreement is procedurally

lawful, and that the apprentice has entered into the agreement freely, voluntarily, and with a reasonable opportunity to review its terms and understand its meaning. The Department has refrained from establishing in proposed § 29.9(b) a uniform, minimum duration of time that would constitute "a reasonable opportunity to inspect and review the content" of the apprenticeship agreement and the program's standards of apprenticeship; in this connection, the Department has abstained from specifying such a quantitative requirement in order to provide program sponsors with some measure of flexibility in determining what would constitute an appropriate period of time for an apprentice to review the documents, based upon a given set of facts and circumstances. However, the Department invites comments on whether the establishment of a specified minimum duration of time for an apprentice to review these documents would be appropriate in this rulemaking, and, if so, what that duration of time should be.

The Department understands that the proposed requirement to include the standards of apprenticeship in the apprenticeship agreement may appear to be duplicative, as such standards include similar provisions such as the progressive wage schedule and associated program costs. However, it is important to include the standards in the agreement to make compliance with the standards part of the contract between the apprentice, program sponsor, and participating employer. Moreover, because the standards could be incorporated by reference, the apprenticeship agreement would not need to repeat verbatim the content of the standards, but rather would only need to provide the information described in paragraphs (c)(1) through (3). The proposed requirement to give the apprentice both the signed apprenticeship agreement and the program standards accompanies the requirement in proposed § 29.9(c)(4) to incorporate the program standards into the apprenticeship agreement either directly or by reference and would expand upon the current apprenticeship agreement requirement to incorporate by reference the standards of apprenticeship.

Proposed § 29.9(c) would contain the minimum requirements of the apprenticeship agreement. It would incorporate many of the current requirements in § 29.7. As discussed above, existing § 29.7(a) would now be a part of proposed § 29.9(a).

Proposed § 29.9(c)(1) would require apprentice contact information and identifying information for the apprentice, including the apprentice's date of birth and, on a voluntary basis, their Social Security number. Both the date of birth and the voluntary provision of the apprentice's Social Security number are in the current requirement at § 29.27(b). Proposed § 29.9(c)(1) would also require that the apprentice's contact information be provided. This would be consistent with current practice and necessary for the administration of the apprenticeship program and registration of the agreement. Apprentices may not be denied program entry or subjected to any adverse action taken by a program sponsor if an apprentice refuses to disclose their Social Security number.

Proposed § 29.9(c)(2) would require that the apprenticeship agreement contain the contact information for the Registration Agency, the program sponsor, and the participating employer(s). This requirement would be similar to the existing requirement in § 29.7(c), with the addition of the contact information for any participating employers that are signatories to the agreement at the time the apprenticeship agreement is signed. However, the apprenticeship agreement would not need to be modified or re-signed if any participating employers join the registered apprenticeship program after the apprenticeship agreement is signed because those participating employers agree to comply with the existing program standards and are bound by the program adoption agreement to employ apprentices based on the terms of the apprenticeship agreement. The Department is proposing this while mindful of the potential burden of re-signing apprenticeship agreements for each program standards adoption agreement that an apprentice may be employed by. The Department is interested in any comments on this

proposed flexibility, or any comments recommending a requirement that the agreements be re-signed as a transparency feature for an apprentice.

Proposed § 29.9(c)(3) would incorporate the existing requirements in § 29.7 to include the occupation in which the apprentice is to be trained as well as the associated work process schedule and related instruction outline.

Proposed § 29.9(c)(4) would require that the program's standards of apprenticeship be incorporated into the apprenticeship agreement either directly or by reference. This requirement is in current §§ 29.5(b)(11) and 29.7(i) and would be carried forward in this proposal.

Proposed § 29.9(c)(5) is new and would require that the apprenticeship agreement contain a description of the respective roles, duties, and responsibilities of the parties to the apprenticeship agreement. This description would need to include the responsibility of sponsors and any participating employers to provide information to apprentices about their rights and protections under Federal, State, and local laws, including their right to file complaints with the applicable Registration Agency. This proposed provision would capture an important element of the apprenticeship agreement—that the parties have clearly defined roles and responsibilities—and would emphasize that a particularly important responsibility of the sponsors and employers is to ensure that apprentices are aware of their rights under the apprenticeship agreement and applicable laws. This proposed provision would also align with the 2023 Quality Apprenticeships Recommendation of the ILO, specifically Conclusion 18(a), which advises that Member States should ensure that an apprenticeship agreement "clearly defines the parties' respective roles, rights and obligations."[109] Explicitly requiring that the agreement

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[109] ILO, "Quality Apprenticeships Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 18(a), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

include information about their rights and the complaint filing process would better protect the apprentice by easily allowing them to exercise their rights if necessary. In light of the Department's mandate to protect the welfare of apprentices, the Department thinks this is an important safeguard.

Proposed § 29.9(c)(6) would require that the agreement contain the dates of the registered apprenticeship program, including the beginning date and expected duration of the apprenticeship program, the beginning date of the on-the-job training, and the duration of any probationary period of the apprenticeship program. This would incorporate requirements in existing § 29.7(d) and (h) regarding dates, expected duration of the apprenticeship, and the length of the probationary period. By requiring disclosure of the start date of the program and start date of the on-the-job training portion of the program apprentices would have more complete information and expectations of when they will begin the paid on-the-job training portion of the program. In addition to these key dates, the apprenticeship agreement would also inform the apprentice of the expected duration of the registered apprenticeship program in addition to the duration of any probationary period.

Proposed § 29.9(c)(7) would require a detailed statement of the entry wage, subsequent graduated scale of increasing wages to be paid to the apprentice over the term of the apprenticeship, the journeyworker wage, and any fringe benefits. This requirement would incorporate the existing requirement in § 29.7(g) but would add the requirement that the wages correspond to specific periods of time: an entry wage, a graduated scale of wages that correspond to the apprentice's attainment of occupational skills and competencies throughout the registered apprenticeship program, and the journeyworker wage that the apprentice can expect to receive upon their successful completion of the apprenticeship. This added requirement in the apprenticeship agreement would align with the program standards requirements for a graduated schedule of increasing wages, from

entry wage to journeyworker wage, in proposed § 29.8(a)(17)(B) and is intended to provide explicit notice to the apprentice of the expected cadence of wage increases that corresponds to the acquisition of specific occupational skills and competencies. It would also give notice to the apprentice of fringe benefits provided as a part of the registered apprenticeship program.

Proposed § 29.9(c)(8) would require that the apprenticeship agreement disclose the expected minimum number of hours that are allocated by the program to the on-the-job training component and the related instruction component during the apprenticeship term. In practice, because progress in the program is measured through both time in on-the-job training and competency attainment, this may include an approximate range of hours from the minimum to a maximum number of on-the-job training hours to obtain proficiency in the occupation. This proposed provision would replace existing § 29.7(e) and align with the program standards requirement in proposed § 29.8(a)(4) regarding the minimum duration of the on-the-job training and related instruction components of the registered apprenticeship program.

Proposed § 29.9(c)(9) would be a new requirement for the apprenticeship agreement to include a description of the methods used during the course of the apprenticeship to measure progress on competency attainment and the program's end-point assessment. The Department emphasizes here that the methods should be inclusive and accessible to all apprentices, including those with disabilities and others from underserved communities. This proposed requirement would add transparency to the apprenticeship agreement regarding the assessment and evaluation of apprentices, both on a continuous basis throughout the apprenticeship and at the end of the registered apprenticeship program. It corresponds to the new requirements at proposed § 29.8(a)(10) and (11) regarding regular and end-point assessments in the program standards of apprenticeship. As with many other requirements, the Department thinks that adding this

information into the apprenticeship agreement would ensure transparency to the apprentice, who would have a better understanding of the program they are joining, what will be expected of them, and, in this case, how they will be assessed.

Proposed § 29.9(c)(10) would be a new requirement that the apprenticeship agreement include a description of any supportive services that may be available to the apprentice including childcare, transportation, equipment, tools, or any other supportive service provided by the sponsor or a partnering organization. This proposal would provide transparency to the apprentice of any supports they may receive during their participation in the program. Such supports may be arranged through partner organizations or in coordination with the workforce development system.

Proposed § 29.9(c)(11) would be a new requirement that the apprenticeship agreement disclose the nature and amount of any unreimbursed costs, expenses, or fees that the apprentice may incur during their participation in the registered apprenticeship program. This corresponds with the proposed § 29.8(a)(18) requirements in the standards of apprenticeship regarding disclosure and conditions of any unreimbursed costs, expenses, or fees incurred by the apprentice during the registered apprenticeship program. The Department discussed above its reasons for requiring this information in the program standards. This proposed addition here would give the apprentice explicit notice of such costs, expenses, or fees so that they have necessary and relevant information regarding their wages and costs during the registered apprenticeship program and can plan accordingly. It would also ensure transparency to assist in protecting the apprentice from hidden or arbitrary costs, fees, or expenses.

Proposed § 29.9(c)(12) would be a new requirement that the apprenticeship agreement must describe any recognized postsecondary credits, credentials, and occupational qualifications that the apprentice will receive or be eligible to receive upon successful program completion, as well as a description of any additional conditions or

requirements that the apprentice must fulfill to satisfy any applicable Federal, State, or local qualification and licensure requirements to engage in the occupation. This proposed inclusion in the apprenticeship agreement corresponds with the proposed standard at § 29.8(a)(8) to include a description of any interim credentials, occupational qualifications, licenses, credentials, or certification, or postsecondary credit that an apprentice may receive or be eligible to receive upon successful completion of the registered apprenticeship program. This provision would provide notice to the apprentice of expected outcomes throughout and at the conclusion of the registered apprenticeship program and would allow the apprentice to understand the full benefits of the apprenticeship program.

Proposed § 29.9(c)(13) would require a statement in the agreement that the parties will adhere to the applicable requirements of 29 CFR part 30 as amended and, where applicable, an approved State EEO plan. This would replace the requirement in § 29.7(j) to include an equal opportunity statement with a statement instead regarding adherence to part 30 and any applicable State EEO plan. This proposed change is meant to explicitly reference the requirements in part 30 in their entirety to not only avoid duplication but also clarify that the expectation is for sponsors and employers to adhere to all applicable requirements.

Proposed § 29.9(c)(14) would require a statement addressing whether the apprentice is paid wages and any fringe benefits during the related instruction component of the program and, if so, what the wage rate and fringe benefits are, and whether the related instruction is provided during work hours. This requirement would be similar to the existing requirement in § 29.7(g) that the apprenticeship agreement specify whether related instruction is compensated; however, it would more precisely require that the apprenticeship agreement address both any wages (i.e., not some other form of compensation) and fringe benefits and whether related instruction occurs during work

hours. This would provide notice to the apprentice of whether to expect related instruction to occur on their own time and, regardless of when related instruction takes place, whether it is paid and at what rate. As discussed in proposed § 29.8(a)(9), sponsors must consider, as a part of their programs' standards of apprenticeship, whether to pay wages for related instruction. Since registered apprenticeship is an "earn-and-learn" model, this provision would provide transparency to the apprentice about when wages will be received, what wages will be received, and during what component(s) of the program. This provision would also make transparent a schedule of paid and unpaid time an apprentice is expected to be present to fulfill learning and worksite productivity objectives when attending related instruction and on-the-job training. Making this information available to apprentices for transparency purposes would provide apprentices with the necessary information to make financial decisions, seek out resources or supportive services through a program sponsor to attend related instruction or compensate costs incurred, and manage time to accommodate responsibilities, such as providing care to family members.

Proposed § 29.9(c)(15) would be the existing requirement in § 29.7 that the apprenticeship agreement include the contact information of the appropriate party to address complaints within the program. As discussed below, in addition to filing complaints with the program, apprentices may make complaints to a Registration Agency consistent with proposed § 29.17, and information on how to do so would need to be included in the apprentice agreement as required by proposed § 29.9(c)(5).

Proposed § 29.9(c)(16) is new and would require the apprenticeship agreement to contain a description of the processes and procedures that the sponsor will utilize to grant advanced standing or credit to apprentices. The processes and procedures in the apprenticeship agreement would need to be the same as in the sponsor's approved standards. This proposed provision would ensure that apprentices are aware of the

processes and procedures in place for receiving advanced standing before the apprentice signs the apprenticeship agreement.

Proposed § 29.9(d) is new and would prevent sponsors and participating employers from including in the apprenticeship agreement or otherwise imposing on apprentices a non-compete provision or similar provision that would restrict an apprentice's labor market mobility and limit competition among employers. Proposed § 29.9(d) would include a prohibition on any provisions restricting the apprentice's ability to seek or accept employment with another employer prior to the completion of the registered apprenticeship program. The substance of a non-compete provision may vary between employers and jurisdictions, but the general purpose of a non-compete provision is to restrict the ability of a worker to compete with their current employer for some specified period of time, often in a specified geographic area.[110, 111] Non-compete provisions undermine workers' mobility and rights, and the proposal to restrict them is meant to further protect the safety and welfare of apprentices and to promote competition for labor services. The Department has tentatively determined that where a non-compete provision seeks to restrict the apprentice's labor market mobility, including prior to the completion of the registered apprenticeship program, the inclusion of a non-compete provision is impermissible because it harms the apprentice by preventing them from finding or accepting employment. Moreover, the use of non-compete provisions by program sponsors or participating employers in the sponsor's program can substantially undermine a key purpose of registered apprenticeships, which is to provide a worker with marketable and portable occupational skills when the apprenticeship has concluded.

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[110] U.S. Department of the Treasury, Office of Economic Policy, "Non-compete Contracts: Economic Effects and Policy Implications," Mar. 2016, *https://home.treasury.gov/system/files/226/Non_Compete_Contracts_Econimic_Effects_and_Policy_Implications_MAR2016.pdf*.

[111] U.S. Department of the Treasury, "The State of Labor Market Competition," Mar. 7, 2022, https://home.treasury.gov/system/files/136/State-of-Labor-Market-Competition-2022.pdf.

At the turn of this century, the use of non-compete provisions in employment contracts was typically concentrated within higher paying occupations requiring advanced levels of education; today, however, such restrictive employment covenants have increasingly been utilized by employers for workers entering jobs in occupations that pay considerably less.[112] Moreover, when such contractual provisions are enforced, they have been shown to harm lower income workers in particular by undermining employment opportunities that can provide greater economic stability and mobility.[113] A number of States have prohibitions on non-compete provisions that disproportionately impact workers who are paid an hourly wage,[114] make equal or less than an hourly wage of $15 ($31,200 annually),[115] or work for technology businesses.[116] Safeguarding the ability for an apprentice to traverse the labor market with employable skills and competencies attained while in a registered apprenticeship program has several benefits that accrue to apprentices and the communities where they live and work. Prohibiting such restrictions on apprentices' labor market mobility enables them to pursue the broadest possible scope of employment opportunities, and also benefits the communities where apprentices live and work.

Prohibiting the inclusion of a non-compete provision in the apprenticeship agreement would align with the Department's broader goal of ensuring good jobs,

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[112] *See ibid.* Note: Non-compete provisions are common among workers who report lower rates of trade secret possession: 15 percent of workers without a 4-year college degree are subject to non-compete provisions, and 14 percent of workers earning less than $40,000 are subject to non-compete provisions. This is true even though workers without 4-year degrees are half as likely to possess trade secrets as those with 4-year degrees, and workers earning less than $40,000 possess trade secrets at less than half the rate of their higher earning counterparts.

[113] Ayesha Bell Hardaway, "The Paradox of the Right to Contract: Noncompete Agreements as Thirteenth Amendment Violations," 39 Seattle U. L. Rev. (2016), 957, 959, *https://digitalcommons.law.seattleu.edu/cgi/viewcontent.cgi?article=2334&context=sulr.*

[114] Nevada AB276 (2017) prohibits a non-compete provision from applying to an employee who is paid solely on an hourly wage basis, exclusive of any tips or gratuities.

[115] Maryland SB 328 (2019) makes null and void any non-compete or conflict of interest provision in an employment contract that restricts the ability of an employee who earns equal to or less than $15 per hour or $31,200 annually to enter into employment with a new employer or to become self-employed in the same or similar business.

[116] Hawaii HB 1090 (2015) prohibits non-compete provisions among employees of technology businesses.

increased earnings for workers, and competition among employers. A Federal Trade Commission (FTC) proposal that would ban non-compete provisions more broadly in the American economy estimated a potential increase in workers' earnings by nearly $300 billion per year.[117] Though the Department's proposal has a more limited reach than the FTC's proposal, a review of that agency's estimates suggests that restricting non-compete provisions in the Department's proposal would lead to an increase in apprentice earnings. While the Department's proposal fundamentally is designed to help workers ensure their labor is mobile, the Department believes such a ban on non-compete provisions could ultimately benefit sponsors and employers as well since they would have access to a greater pool of qualified workers. The Department is also interested in comments on how the proposal to restrict non-compete provisions would impact employers in the National Apprenticeship System.

Proposed § 29.9(e) would prevent including in the apprenticeship agreement or otherwise imposing on apprentices a non-disclosure provision that would have the effect of preventing the worker from working in the same field after the conclusion of the worker's employment with the employer, or that would restrict an apprentice's ability to file a complaint with a Registration Agency or other governmental body concerning possible violations of this part or of 29 CFR part 30. Non-disclosure provisions, more acutely, can have the effect of silencing workers if and when they experience harassment, discrimination, or violations of worker rights.[118] This provision would serve to promote

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[117] Federal Trade Commission, "FTC Proposes Rule to Ban Noncompete Clauses, Which Hurt Workers and Harm Competition," Jan. 5, 2023, *https://www.ftc.gov/news-events/news/press-releases/2023/01/ftc-proposes-rule-ban-noncompete-clauses-which-hurt-workers-harm-competition.*

[118] One in three women has faced sexual harassment in the workplace during her career, and an estimated 87 to 94 percent of those who experience sexual harassment never file a formal complaint; additionally, sexual harassment in the workplace forces many women to leave their occupation or industry or pass up opportunities for advancement. *See* Select Task Force on the Study of Harassment in the Workplace, "Report of Co-Chairs Chai R. Feldblum & Victoria A. Lipnic," June 2016, *https://www.eeoc.gov/select-task-force-study-harassment-workplace.*

accountability by ensuring that all apprentices can file complaints concerning harassment and discrimination in the workplace.

Non-disclosure provisions, like non-compete provisions, vary in substance, but they share a common purpose in seeking to prevent disclosure of information designated as confidential by the agreement.[119] The Department notes that this proposed prohibition on non-disclosure provisions would apply to all circumstances in which a non-disclosure provision would effectively prevent the worker from working in the same field or effectively restrict the worker from filing a complaint alleging a violation of the workers' rights. Regardless of the intent of the non-disclosure provision, if it would have such an effect, then it would be prohibited. Notwithstanding these restrictions, however, a sponsor or participating employer may include a non-disclosure provision that relates to the protection of the sponsor's or participating employer's confidential business information or trade secrets, such as in the IT industry where an employee could otherwise disclose their programming source codes. This provision intends to protect an apprentice's future job prospects while also recognizing the need of businesses to safeguard confidential business information.

Proposed § 29.9(f) would require the program sponsor to submit a copy of the executed apprenticeship agreement for each apprentice registered to the program's Registration Agency within 30 days of execution. This change, which would be a reduction in time from the 45 days currently required, is being proposed as part of a broader change to require more expedited reporting to OA from 45 days to 30 days, which the Department thinks is reasonable given the advancements in technology available to sponsors and the ability to use RAPIDS, which provides for these

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[119] Rachel Arnow-Richman, Gretchen Carlson, Orly Lobel, Julie Roginsky, Jodi Short, and Evan Starr, "Supporting Market Accountability, Workplace Equity, and Fair Competition by Reining in Non-Disclosure Agreements," Federal of American Scientists, Jan. 31, 2022, *https://www.dayoneproject.org/ideas/supporting-market-accountability-workplace-equity-and-fair-competition-by-reining-in-non-disclosure-agreements.*

submissions electronically. In proposing this change, the Department expects sponsors to take active steps to provide all appropriate information required in the agreement. Agreements submitted with incomplete or inaccurate information would not be deemed to have met this requirement. Further, in situations in which a sponsor submits an apprenticeship agreement that covers multiple apprentices and contains a list of signatories, the sponsor would need to provide the updated list of signatories to the apprenticeship agreement within 30 days.

Proposed § 29.9(g) is based on an existing requirement that the apprenticeship agreement may be cancelled during the probationary period specified in the agreement by either party without cause and would modify the current provision relating to this topic found in the existing regulation at § 29.7(h)(1). As discussed below, the current language in § 29.7(h)(1) regarding written notice to the Registration Agency would be relocated to proposed § 29.25(a)(2).

Proposed § 29.9(h) states that after the probationary period of the apprenticeship concludes, the apprenticeship agreement: (1) may be cancelled at the request of the apprentice at any time; or (2) may be suspended or cancelled by the program sponsor only for good cause, and after reasonable opportunity for corrective action. When terminating an agreement, the sponsor would need to provide written notice to the apprentice explaining the cause for the termination and provide written notice to the Registration Agency of the termination. These requirements would incorporate the existing requirements in § 29.7(h)(2) with minor rewording that would not change the substance of the requirement. Examples of good cause could include misconduct, a violation of a sponsor's policies, or continuous and documented poor performance. The Department is interested in comments that can provide clarity for the Department and regulated community on what a "good cause" cancellation by the sponsor should entail. These requirements would incorporate the existing requirements in § 29.8(a)(12) with

minor rewording that would not change the substance of the requirement. This provision would ensure that the apprentice is aware of their right to cancel the apprenticeship agreement at any time and that the apprentice is notified of and given a chance to address any concerns or issues raised by the sponsor about the apprentice's performance or conduct. It would also require that sponsors provide written notice explaining the decision to cancel the apprenticeship agreement, which would mean the termination of the apprentice's participation in the registered apprenticeship program. As is currently required, the sponsor would also need to provide written notice to the Registration Agency of the cancellation of the apprenticeship agreement and termination of the apprentice from the registered apprenticeship program so that they are aware of the matter and can take any action they think may be appropriate.

Section 29.10 – Program registration.

The "Program registration" section would incorporate requirements from existing §§ 29.3 and 29.6 for program registration and the provisional registration of new programs while adding further provisions containing the requirements for a prospective program sponsor's application for apprenticeship program registration and the process for determination, provisional and permanent registration, and ongoing program compliance. Provisions in this section would describe the required contents of the application, such as the inclusion of a work process schedule that has been developed for an occupation suitable for registered apprenticeship as determined by the Administrator. This section would describe new requirements that a prospective program sponsor must include in their application, such as a written plan of recruitment sources, information on a potential program's financial capacity for program sustainability, and disclosure of violations and actions taken to correct violations. Requirements for applications described in this section would also include a written acknowledgement of whether or not the program would participate in partnership through such mechanisms as a collective bargaining agreement

and how the program sponsor intends to align with 29 CFR part 30 requirements. A Registration Agency's determination process and subsequent issuance of a Certificate of Registration for provisional approval if requirements are met would be described in this section. This section would also include the requirements for permanent approval along with the necessary compliance measures for programs to meet 29 CFR parts 29 and 30 requirements and maintain at least one apprentice with a given timeframe.

Proposed § 29.10(a) would contain the requirements for submitting an application for registration of a new apprenticeship program. The Department anticipates electronic submission of applications, which would lead to a more efficient process, increased timeliness of reviews, and improved technical assistance. The Department has successfully launched a web-based platform called Standards Builder,[120] which has also been leveraged by SAAs. Current regulations do not require that standards be submitted electronically and this proposed rule would change that by mandating electronic submission. The Department anticipates that requiring submissions electronically would result in better customer service, enable technical assistance to be provided electronically and instantly, and could yield more responsive approvals of programs that meet the requirements of this part and part 30. The Department anticipates continuing to expand and refine its development of web-based tools to assist in the registration process, and requiring electronic submissions would allow OA to focus its efforts more on providing sponsors technical assistance than on reviewing and providing feedback through nonelectronic means.

Proposed § 29.10(a)(1) through (3) would require a prospective program sponsor to submit: (1) the work process schedule and related instruction outline that is consistent with an occupation deemed suitable for registered apprenticeship by the Administrator,

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[120] OA, "Standards Builder," *https://www.apprenticeship.gov/employers/registered-apprenticeship-program/register/standards-builder* (last visited July 20, 2023).

set forth in proposed § 29.7; (2) the standards of apprenticeship for the proposed program, set forth in proposed § 29.8; and (3) the apprenticeship agreement for the registered apprenticeship program, set forth in proposed § 29.9.

Proposed § 29.10(a)(1) would explicitly require that the occupation has been determined suitable for registered apprenticeship. OA maintains a list and sample work process schedules of occupations suitable for registered apprenticeship, which is available at OA's Occupation Finder Tool.[121] If the sponsor is submitting a program that is in an occupation that has not been deemed suitable for registered apprenticeship, the sponsor would need to request a suitability determination in accordance with the process in proposed § 29.7. This is a fundamental first step for any program registration: if the occupation has not been deemed suitable for registered apprenticeship, then the prospective program is not eligible for registration. The proposal would also require the submission of a work process schedule and related instruction outline that is consistent with an occupation deemed suitable for registered apprenticeship by the Administrator so that a Registration Agency can assess the alignment of the work process schedule and related instruction with the occupation in which the apprentice is training, per proposed § 29.10(b)(1) described below. The Department notes that a sponsor may submit standards for multiple occupations as part of their submission, and if so, would need to submit work process schedules and related instruction outlines for every occupation for which it is seeking program registration. There would be no prohibition on a sponsor submitting an application for registration under this section along with a request for a suitability determination under 29 CFR 29.7. However, because suitability is a threshold requirement for approval of the standards, OA would not review the proposed standards until the suitability determination has been approved. The Department notes that often

[121] OA, "Explore Approved Occupations for Registered Apprenticeship," *https://www.apprenticeship.gov/apprenticeship-occupations* (last visited July 20, 2023).

during a suitability process, changes may be required to ensure the occupation meets the requirements of industry described in proposed § 29.7, which would in turn require changes to the application. Submitting the suitability request for review before the standards would be the more efficient approach.

Proposed § 29.10(a)(4) is a new provision that would require a prospective program sponsor to submit a written plan for the equitable recruitment and retention of apprentices, including those from underserved communities. This provision is intended to ensure that all registered apprenticeship programs, including those that are not subject to the affirmative action requirements of 29 CFR part 30, develop and implement intentional and achievable strategies for optimizing apprenticeship program participation by individuals who face persistent structural or environmental barriers to program entry or retention, such as persons from underserved communities. For example, a sponsor's plan could detail how it intends to leverage local partnerships with third-party entities such as intermediaries, State or local workforce development boards, one-stop centers, pre-apprenticeship programs, educational institutions, labor unions, community-based organizations, or regional economic development bodies to facilitate access to a suite of supportive services for its apprentices, such as the provision of childcare services, and transportation. The provision of supportive services to individuals from underserved communities often plays a critical role in enabling such persons to enroll in, and complete, a registered apprenticeship program, thereby optimizing the recruitment and retention of a talented and motivated cadre of apprentices who reflect the demographic composition of the community in which the sponsor operates.

Potential program sponsors may utilize technical assistance from Registration Agency field representatives in helping to identify potential community or intermediary partnerships. Potential program sponsors are strongly encouraged to develop effective partnerships with educational and workforce intermediary organizations to form the

foundation of a coherent strategy for the equitable recruitment and retention of apprentices. In particular, the formation of close partnerships between registered apprenticeship programs and local pre-apprenticeship programs can be an effective vehicle for optimizing sponsor access to untapped pools of talent, as many of the participants in pre-apprenticeship programs are drawn from underserved communities. Partnerships with one-stop centers, workforce boards, and community organizations can also be particularly advantageous for those program sponsors with limited financial resources, as such networks can provide sponsors with a cost-effective strategy for gaining access to supportive services provided by such third parties. Local partnerships with intermediary organizations can also assist sponsors in advancing equity goals by providing access to funding sources that can alleviate the cost burdens typically associated with the operation of a registered apprenticeship program (such as for tuition, books, supplies, and equipment); these costs often pose barriers to program entry and retention for individuals, particularly those from underserved communities, when they are passed along to such persons by apprenticeship programs with limited resources.

Proposed § 29.10(a)(5) is a new provision that would require that a prospective program sponsor submit information showing that it possesses and can maintain the financial capacity and other resources necessary to operate the proposed program on a sustained basis. For example, the prospective program sponsor may submit a narrative explaining its financial capacity to operate a program, in particular its ability to ensure pay to apprentices over a sustained period. In instances where employers are sponsors, they could demonstrate this by identifying their intent to hire and train apprentices in the program, and through the wages they pay apprentices. Additionally, this provision would be particularly useful for programs where the employers are not the sponsors of programs, and the payment to apprentices would be made through a group program with participating employers. Among other considerations, this provision is intended to protect

against the proliferation of registered apprenticeship programs that are initially set up and financed through a grant program but lack the financial resources, consistent funding streams, or both that would be necessary to maintain a registered apprenticeship program over an extended period beyond the life cycle of a grant.

The Department anticipates that the submission of a forward-looking narrative around the sponsor or sponsor organization's financial planning, funding streams, and overall financial solvency would satisfy the financial integrity provision at proposed § 29.10(a)(5). The Department primarily wants to see some discussion in the application about how the sponsor or sponsor's organization intends to operate and sustain itself, whether it is an employer sponsor that is ensuring it has the necessary in-house infrastructure or partnerships, a community college sponsor ensuring it has the sufficient commitment of employers and resources to provide related instruction, or other entities such as intermediary sponsors indicating they have the necessary programmatic infrastructure and resources to maintain the programmatic requirements. Given its role in protecting the safety and welfare of apprentices, the Department envisions this requirement to ensure the sponsor is intentional in its commitment and securing of resources for the employment and training of apprentices in a registered apprenticeship program. The Department is interested in public comments on the value and feasibility of this proposed financial integrity provision, as well as additional examples or suggestions regarding the information sponsors may submit to demonstrate financial solvency.

The purpose of this provision is to ensure that prospective program sponsors are financially solvent and can maintain financial integrity, transparency, and accountability to sustain program operations. In particular, if the program anticipates relying on grants or other resources, such as WIOA, to fund some of the program operations, it would be expected to disclose this information. Workforce investments, such as investments in industry intermediaries, have shown promise in expanding registered apprenticeship

models to new industries; however, many of these investments are designed to assist in starting a program. Over the long term, programs should not need to rely on grant funds for their day-to-day operations.

Proposed § 29.10(a)(6) is a new provision that would require a prospective program sponsor to submit with their application a disclosure in writing of all instances where a Federal, State, or local government agency has issued a final agency determination that the prospective sponsor (or any of its officers or employees) has violated any applicable laws pertaining to occupational safety and health, fair labor standards (including wage and hour requirements), financial mismanagement or abuse, EEO, protections for employees against harassment or assault, or other applicable laws governing workplace practices or conduct; such disclosure would need to include a description of the violation(s), as well as the actions taken by the prospective sponsor to remedy the violation(s). This requirement would further the Department's mission in safeguarding the welfare of apprentices because a prospective sponsor's violations of laws governing workplace practices or conduct is relevant to a determination that the prospective sponsor is able to provide a safe training environment for apprentices and to a determination that the prospective sponsor will abide by the terms of the program standards and apprenticeship agreement, including payment of the required wages and benefits. The Department notes that any information submitted by a prospective sponsor in response to this requirement would be considered in the Administrator's review of an application and could provide sufficient grounds for denial of registration by the Department. The Department would use this information as part of its evaluation in determining whether a prospective program sponsor meets the standards for program registration.

Proposed § 29.10(a)(7) would incorporate an existing requirement at § 29.3(j) about union participation. It would divide the requirement at § 29.3(j) into two parts and

make non-substantive edits to the first part. The proposed provision would require the sponsor to include union participation provisions in the application where the apprentice(s) in the program would be a part of a collective bargaining unit and would incorporate existing language at current § 29.3(j) regarding collective bargaining agreements. It would be divided into two parts: one relating to programs in which the union participates in the operation of the registered apprenticeship program and one relating to programs in which there is no union participation in the operation of the apprenticeship program. Section 29.10(a)(7)(i) would provide that in instances where a registered apprenticeship program is proposed for registration by a sponsor, employer, or employers' association and the standards of apprenticeship, collective bargaining agreement, or other instrument provides for participation by a labor union in any manner in the operation of the substantive matters of the apprenticeship program (and where such participation is exercised), written acknowledgement of union agreement or lack of objection to the registration is required. Section 29.10(a)(7)(ii) would provide that where no such participation is evidenced and practiced, the sponsor, employer, or employers' association must simultaneously furnish to an existing union, which is the collective bargaining agent of the employees to be trained, a copy of its application for registration and of the apprenticeship program. The Registration Agency would need to provide for receipt of union comments, if any, within 45 days before final action on the application for registration or approval. Both proposed § 29.10(a)(7)(i) and (ii) are existing requirements in § 29.3(j) and function to provide appropriate participation of the union that represents the prospective apprentices' collective bargaining unit.

Proposed § 29.10(a)(8) would require sponsors to submit to the Registration Agency a description of the immediate steps it will undertake to implement the requirements of 29 CFR 30.3(b). This description would need to, at a minimum: identify the individual(s) responsible for overseeing the sponsor's EEO obligations; identify how

the EEO pledge will be published, publicized, and available to apprentices; describe the planned schedule for EEO related orientation and information sessions; provide the list and contact information of current recruitment resources that will generate referrals and describe procedures to address anti-harassment training and procedures for handling complaints about harassment and intimidation. These part 30 elements would be required in the application because they must be implemented at the time of program registration, and Registration Agencies are expected to evaluate applications to determine whether they include sufficient information that these elements will be met at the time of registration.

Proposed § 29.10(b) states that a complete electronic application for registration of an apprenticeship program that includes all of the requirements of proposed § 29.10(a) would be reviewed within 90 calendar days by the Registration Agency. An application would need to be complete in order to start the 90-day review period for a decision on the application. Paragraphs (b)(1) through (8) would describe how the application will be reviewed and what determinations the Registration Agency must make in reviewing the application. These determinations would correspond to the materials submitted by the sponsor in support of their application for program registration. All eight requirements would need to be met to receive approval for program registration. The Department has made notable strides to provide sponsors with the opportunity to access the registration process electronically both through the provision and release of boilerplate standards of apprenticeship, which have eased the process of assembling compliant standards, as well as the launch of OA's Standards Builder tool, which allows potential sponsors to begin the registration process online.[122] The Department will continue enhancing these

[122] OA, "Standards Builder," *https://www.apprenticeship.gov/employers/registered-apprenticeship-program/register/standards-builder* (last visited July 20, 2023).

resources to ensure sponsors have a clear and navigable process to registering their programs with OA.

Proposed § 29.10(b)(1) would require a determination from the Administrator that the occupation covered by the proposed program is suitable for registered apprenticeship training pursuant to proposed 29 CFR 29.7. This would be a step taken by the Registration Agency to verify that the occupation of the proposed program is suitable for registered apprenticeship. If the occupation has not been determined to be suitable for registered apprenticeship, then the Registration Agency may not approve the application. As discussed in proposed § 29.10(a)(1), the sponsor should verify that the occupation has been deemed suitable for registered apprenticeship or should obtain such a determination prior to or at the time of applying for program registration under this part. Proposed § 29.10(b)(1) would further clarify that the Administrator may in their sole discretion determine whether the work process schedule submitted for registration under proposed § 29.10(a) substantially aligns with those previously approved work process schedules such that the occupation in question needs to be determined to be suitable under proposed § 29.7. A suitability determination under proposed § 29.7(a) would always be made consistent with the work process schedule and related instruction outline submitted in support of the suitability determination request. Even if an application for registration is submitted for an occupation previously determined to be suitable for registered apprenticeship, the Administrator could need to make a new suitability determination if the work process schedule and related instruction outline submitted for registration differ significantly from the work process schedule and related instruction outline previously approved under § 29.7. In other words, the Administrator would never be constrained by a sponsor's representation as to what occupation a work process schedule represents. If the Administrator determines that a suitability determination is necessary, the 90-day period for OA to review an application would not start until the suitability determination

is complete. The Department is interested in any comments regarding the appropriate amount of discretion SAAs that serve as the Registration Agency for Federal purposes should have to ensure a submission substantially aligns with an approved occupation.

Proposed § 29.10(b)(2) would require a determination that the work process schedule proposed for that occupation provides training in the specific skills and competencies associated with the approved occupation as required by proposed § 29.7.

Proposed § 29.10(b)(3) would require a determination that the applicant's work process schedule and related instruction outline would provide an apprentice with a portable set of occupational skills and competencies that are readily transferable between employers within the same industry or sector as required by proposed § 29.7.

Proposed § 29.10(b)(4) would require a determination that the standards of apprenticeship submitted are consistent with the requirements of proposed § 29.8.

Proposed § 29.10(b)(5) would require a determination that the apprenticeship agreement adheres to the requirements of proposed § 29.9.

Proposed § 29.10(b)(6) would require a determination that the sponsor possesses the financial capacity and other resources necessary to operate the proposed program.

Proposed § 29.10(b)(7) would require a determination that the types of misconduct or violations of law acknowledged by the applicant pursuant to proposed § 29.10(a)(6) have been satisfactorily addressed and cured by the applicant, and therefore would not pose a significant ongoing risk to the welfare of apprentices who elect to enroll in the program.

Proposed § 29.10(b)(8) would require a determination that the union participation requirements of paragraph (a)(7) are satisfied, if applicable. The Registration Agency would review the documents submitted verifying the required union engagement as outlined in proposed § 29.10(a)(7) and determine whether the requirements have been met.

Proposed § 29.10(b)(9) would require a determination that the sponsor's submission of their written plan for the equitable recruitment and retention of apprentices is satisfactory and that they have included a satisfactory description of how they will implement, upon registration, each of the EEO requirements in proposed § 29.10(a)(8).

Proposed § 29.10(c) describes the potential outcomes of the Registration Agency's review of the apprenticeship program application. It states that applications for new programs that the Registration Agency determines meet the required standards for program registration would be given a Certificate of Registration and provided provisional registration. It further provides that in instances where a Registration Agency declines to register a program, the Registration Agency would provide a written explanation of the reasons why it determined the application does not meet the requirements of this subpart, and how any deficiencies could be cured, to the applicant. Finally, it provides that applicants denied approval could resubmit consistent with the requirements of this subpart. The written notice of denial by the Registration Agency should contain adequate explanation for the sponsor to understand why the application was denied and any specific instructions for resubmitting an application with new or supplemental information.

Proposed § 29.10(d) provides additional explanation of provisional registration and review of provisionally registered programs for permanent registration. The purpose of the provisional status for new programs is to establish the relationship between the program sponsor and Registration Agency and ensure that new program sponsors fully understand and are willing to take action on requirements for compliance, that program sponsors can request and access technical assistance from a Registration Agency, and that program sponsors make necessary changes to their program during the expected timeframe to build and sustain an effective and successful program that is compliant. This provisional status would also serve to protect apprentices in newer programs until they

have established that they are operating in accordance with Registration Agency approval and to ensure that any necessary corrections are made at an early stage by programs. It would require the Registration Agency to review all provisionally registered programs for compliance with the requirements of this part and of 29 CFR part 30 within 2 years of the program's registration date or at the end of the first training cycle, whichever is sooner. This means that provisionally registered programs with a duration of less than 2 years would be reviewed at the end of their training cycle, rather than at the 2-year mark. The proposed change from a review after the first year, as currently provided in § 29.3(h), to a review at either the end of the full training cycle or the 2-year mark, whichever is sooner, would allow sufficient time for programs of longer durations to progress through their programs prior to being subject to an initial review and also would eliminate a need for two-part review for programs with full training cycles that are longer than 1 year but shorter (or equal to) 2 years. This would allow for programmatic efficiencies both for the Registration Agency and the registered apprenticeship program sponsor. It would also coincide with the requirement in 29 CFR 30.4(e) to have an initial written affirmative action plan completed within 2 years of program registration.

Proposed § 29.10(d)(1) describes the two possible scenarios after a Registration Agency approves an application. If the provisionally registered program has completed its first full training cycle, then it would be granted permanent registration. If the provisionally registered program has not completed its first training cycle, then it would continue to be provisionally approved until it receives its subsequent program review at the end of the first full training cycle. Proposed § 29.10(d)(2) provides that if a program is not found to be operating in compliance with the requirements of this part and part 30, it would be subject to the deregistration procedures at proposed § 29.20. It is important to note here that proposed § 29.20(a) would allow a Registration Agency to provide technical assistance to a program such that it can continue to operate subject to additional

oversight, so a provisionally registered program that is found to be noncompliant may receive technical assistance and enhanced oversight prior to formal deregistration actions being taken. Finally, proposed § 29.10(d)(3) provides that programs that receive permanent registration would be subject to subsequent program reviews by Registration Agencies as provided in proposed § 29.19.

Proposed § 29.10(e) is a new provision that would incorporate the requirement in existing § 29.6(a) that every registered apprenticeship program must have at least one apprentice and would add to this requirement by providing that the failure to comply could result in deregistration proceedings. Specifically, proposed § 29.19(e) states that if a registered apprenticeship program does not have at least one apprentice enrolled and participating in the apprenticeship program and registered with the Registration Agency, the Registration Agency could initiate deregistration proceedings as described in proposed § 29.20. Proposed § 29.10(e) would incorporate the language in § 29.6(a)(1) and (2) that the requirement to have at least one apprentice does not apply during the following periods of time, which may not exceed 1 year: (1) between the date when a program is registered and the date of registration for its first apprentice(s); or (2) between the date that a program graduates an apprentice and the date of registration for the next apprentice(s) in the program.

This proposed requirement is primarily administrative in nature and is intended to underscore that registered apprenticeship programs must have apprentices participating in their programs in order to remain registered or else risk deregistration. Such a requirement is also administratively appropriate to address those limited instances where a newly registered apprenticeship program uses that registration to qualify for the Department's Eligible Training Provider List and receive Federal WIOA funds but fails to actually enroll any apprentices. This proposed requirement, however, is not intended to create undue burdens for new programs that are just beginning to register apprentices

or smaller programs that may have gaps between the graduation of one apprentice and the start date of another, and it would allow for a 1-year grace period under these circumstances. The Department also notes that programs deregistered for having zero apprentices could reregister with a Registration Agency when they anticipate utilizing their program again, if it meets the requirements of this part and part 30. The Department is interested in comments as to whether a "latency" period of more than 1 year of no apprentice enrollment by a program would be a more appropriate grace period, such as in instances where an economic downturn may impact apprenticeship hiring. The Department is also interested in any comments that can address scenarios where programs have apprentices but do not successfully graduate or convert them. While the Department is proposing two different completion rate metrics (annual and cohort), it is interested in any comments that may address this scenario to ensure programs are seeking to graduate apprentices and not just to access benefits available for Federal purposes such as those available under 29 CFR part 5.

Proposed § 29.10(f) would update an existing requirement in § 29.5(b)(18) concerning modifications to standards of apprenticeship. It would provide that any sponsor proposals for modification(s) or change(s) to standards of apprenticeship or certified National Guidelines for Apprenticeship Standards for a registered program must be submitted to the Registration Agency. It would also provide that the Registration Agency must make a determination on whether such submissions are consistent with the requirements of this part and 29 CFR part 30, and if so, will approve such submissions within 90 calendar days from the date of receipt of a complete submission. Finally, it would provide that, if approved, the modification(s) or change(s) will be recorded and acknowledged within 90 calendar days of approval as an amendment to such program, and if not approved, the sponsor must be notified of the disapproval and the reasons therefore and provided the appropriate technical assistance. This language would clarify

the process for reviewing and approving or denying modifications or changes to approved standards.

Section 29.11 – Program standards adoption agreement.

Proposed § 29.11 would prescribe the content and operational requirements for a written program standards adoption agreement, as defined in proposed § 29.2, between a sponsor and a participating employer that is reached outside of a collective bargaining process. Agreements between the non-union sponsors of a registered apprenticeship program and an individual employer that elects to participate in that sponsor's program are not uncommon, but there is currently no mechanism in place to ensure participating employers' accountability for compliance with the program's standards and apprenticeship agreement and no mechanism to hold sponsors accountable for the actions of the entities with whom they partner. The Department believes that the inclusion of a regulatory provision expressly obligating participating employers to comply with the sponsor's standards of apprenticeship and to adhere to the requirements contained in 29 CFR parts 29 and 30 would serve to bolster registered apprenticeship program accountability and integrity and protect the safety and welfare of apprentices. Because a participating employer in a sponsor's group program is typically the entity that employs and pays wages to the apprentices enrolled in that program, and that also typically provides close on-the-job direct supervision and training to such individuals, it follows that such employers should be contractually obligated to adhere to the same standards of apprenticeship and regulatory obligations as the sponsor of the program. This would ensure that apprentices are protected and receive the full benefit of the program.

Specifically, proposed § 29.11(a) would require that the terms and conditions of a program standards adoption agreement include the requirements that a participating employer will: (1) adopt and comply with the sponsor's registered standards of apprenticeship; (2) comply with all other applicable requirements in this part; and (3)

cooperate with, and provide assistance to, the program sponsor to meet the program sponsor's obligations under this part and 29 CFR part 30, including by providing any apprenticeship-related data and records necessary to assess compliance with these regulatory provisions. These requirements would operate in tandem to ensure that the employers of apprentices clearly understand their obligations to comply with the sponsor's registered standards of apprenticeship, comply with the applicable requirements in 29 CFR parts 29 and 30, and assist in any review or compliance efforts concerning such compliance, including providing any information necessary to assess compliance. Program sponsors would need to ensure that these requirements are clearly articulated in every program standards adoption agreement and that participating employers understand their obligations under these requirements. This requirement is modeled after the existing practice of an "Employer Acceptance Agreement," for which a template exists currently in Appendix D of OA's boilerplate standards of apprenticeship in Bulletin 2022-17.[123]

Proposed § 29.11(b) would require transmission of the program standards adoption agreement to the Registration Agency within 30 days of the execution of the agreement. This would be necessary for the Registration Agency to verify compliance with this subpart as well as provide assurance that employers understand their obligations and responsibilities as employers of apprentices in registered apprenticeship programs and to allow the Registration Agency to engage in more comprehensive oversight of the program.

Proposed § 29.11(c) would provide the process for the suspension or cancellation of a program standards adoption agreement. As described below, a participating employer could cancel the agreement by providing 30-day written notice to the sponsor,

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[123] OA, Bulletin 2022-17, "Modifications to the Boilerplate Standards of Apprenticeship," Nov. 19, 2021, *https://www.apprenticeship.gov/sites/default/files/bulletins/Bulletin-2022-17_0.docx*.

and a sponsor could cancel or suspend the agreement if the participating employer violates the terms of the program standards adoption agreement relating to proposed § 29.11(a)(1) through (3).

Proposed § 29.11(1) provides that the agreement could be cancelled by the participating employer upon providing 30 days written notice to the sponsor. The Department anticipates that a participating employer that decides to cancel the agreement would not have apprentices in their employment at the time of the cancellation, meaning that prior to cancellation, the employer's apprentices were converted into regular employees, ended their on-the-job training with the employer, or were otherwise placed by the sponsor with a different participating employer.

Proposed § 29.11(c)(2) provides that the agreement would be suspended or cancelled by the program sponsor if the program sponsor determines that the participating employer failed to satisfy the requirements of the program standards adoption agreement's mandatory provisions described in proposed § 29.11(a). The sponsor would be responsible for determining compliance with the program standards adoption agreement and cancellation or suspension of such agreement if there were noncompliance by the participating employer.

Proposed § 29.11(c)(2)(i) through (iii) discuss the process that sponsors would follow to suspend or cancel the program standards adoption agreement.

Proposed § 29.11(c)(2)(i) would require the program sponsor to provide written notice of any suspension or cancellation to the participating employer, all apprentices affected by the suspension or cancellation, and to the applicable Registration Agency. It would also specify that the notice must explain the reason for the suspension or cancellation. The purpose of this proposed provision is to ensure that adequate written notice is provided to everyone affected by a cancellation or suspension of a program standards adoption agreement and the reason for the suspension or cancellation.

Proposed § 29.11(c)(2)(ii) provides that if the suspension or cancellation results in an interruption or cessation of training for apprentices, the program sponsor would need to make a reasonable effort to place such individuals with another of the sponsor's participating employers or a different registered apprenticeship program in the same occupation. The purpose of this proposed provision is to ensure that any apprentices whose programs are affected by such cancellation or suspension are placed with either another employer or another registered apprenticeship program, to the extent possible. Registration Agencies could provide technical assistance upon request if the sponsor encounters challenges to placing apprentices with other employers or programs.

Proposed § 29.11(c)(2)(iii) provides that in instances where a program sponsor fails to suspend or cancel a program standards adoption agreement as required by this paragraph, the Registration Agency could initiate deregistration proceedings against the sponsor pursuant to proposed § 29.20. This proposed provision is intended to both signal to the sponsor the importance of monitoring compliance with program standards adoption agreements and to emphasize that neglecting to do so risks deregistration per the procedures in proposed § 29.20.

Section 29.12 – Qualifications of apprentice trainers and providers of related instruction.

In registered apprenticeship, trainers and instructors play a pivotal role in the realization of the benefits of the system's earn-and-learn framework. The quality of the source material and resources underpinning training and instruction in registered apprenticeship programs is vital, but in order for such material to take hold among apprentices learning about an occupation, the individuals providing training and instruction must be knowledgeable experts in their field, must be skilled in instructional competencies, and must be willing and able to take a lead role in establishing a safe and welcoming environment conducive to learning for apprentices of all backgrounds.

The current regulatory framework for registered apprenticeship does not establish any baseline qualifications for apprentice trainers. The Department has determined that establishing such a baseline in regulation would benefit all existing and potential registered apprenticeship programs and apprentices by promoting quality and transparency within the National Apprenticeship System. Potential program sponsors of new registered apprenticeship programs would benefit from regulatory provisions that clarify the baseline elements of quality trainers and instructors in apprenticeship. Ultimately, the Department proposes to include a provision on trainer and instructor quality to ensure that all programs recognize the importance of trainer and instructor quality, to encourage programs to take steps to keep trainers and instructors up-to-date on emerging techniques and technologies, and to promote transparency for potential apprentices, who would understand the qualifications of those they are receiving training from and that any trainers and instructors in any registered apprenticeship program will meet baseline quality standards.

Proposed § 29.12 is a new provision stipulating proposed requirements for the qualifications of individuals designated to provide training and related instruction to apprentices. For apprentices, training and learning while on the job is a core, definitional element of registered apprenticeship. Trainers and instructors (traditionally referred to as "journeyworkers" in the apprenticeship context, and used here in the proposed regulatory text to align with the journeyworker-to-apprentice ratio requirements discussed above in this NPRM) hold the key to the benefits of apprenticeship for all stakeholders: apprentices benefit from such training and learning by developing in-demand skills and becoming proficient in job tasks that are central to the careers they are pursuing, and employers benefit from a capable workforce that can deliver a quality work product. As such, the Department has determined that trainer and instructor (journeyworker) quality is central to the success of registered apprenticeship and proposes to include a new section

in the registered apprenticeship regulations at 29 CFR 29.12 to outline the attributes, qualifications, and experiential requirements necessary to ensure all training and learning in registered apprenticeship is high in quality.

Proposed § 29.12(a) would require that all sponsors and participating employers in the National Apprenticeship System must ensure that journeyworkers providing on-the-job training meet the quality requirements that follow in paragraphs (a)(1) through (6). The proposed regulatory text would clarify that the proposed quality requirements at paragraphs (a)(1) through (6) are minimum requirements, and the Department expects that most registered apprenticeship programs or their participating employers already employ journeyworkers whose qualifications meet and exceed these proposed minimum requirements.

The first proposed minimum requirement at proposed 29 CFR 29.12(a)(1) states that apprentice trainers or providers of related instruction would need to possess a mastery of the relevant job skills, techniques, and relevant competencies of the occupation. Apprentices participating in a quality registered apprenticeship program are on a pathway to become proficient in all the relevant job skills, techniques, and competencies in the occupation for which they are training, and the quality of the training they receive during their program is the single most critical success factor for achieving such proficiency. Employers need workers who can perform critical job tasks competently and proficiently, especially in trades or occupations where time to complete a job task is critical to the employee and employer's bottom line (such as an electrician who must be able to complete complex job tasks accurately and efficiently within a certain timeframe). In order for apprentices to become proficient in the critical job tasks for an occupation, the training and instruction they receive during their registered apprenticeship program must be provided by trainers and instructors who are not only proficient in the tasks themselves, but who possess a mastery of these skills, techniques,

and competencies such that they can impart their mastery on to the apprentices training in their registered apprenticeship program.

Proposed § 29.12(a)(2) would further require that journeyworkers stay up to date on the latest advances in technology, technical knowledge, new and emerging techniques, and evolving job skills necessary to maintain their proficiency and mastery in an occupation. Emerging technologies, technical and mechanical refinements to machinery and equipment, the proliferation of digital and online tools, platforms, and capabilities, and developments in the modern workspace and the emergence of remote work[124] all carry meaningful implications for workforce training and development. The Department has determined that introducing regulatory requirements for journeyworkers providing training to maintain their proficiency is essential for ensuring that such developments are reflected throughout the National Apprenticeship System. Continuous learning and upskilling for journeyworkers providing training and instruction in registered apprenticeship programs would be critical for ensuring the journeyworker retains a mastery as required by proposed paragraph (a)(1) and for ensuring the skills and techniques apprentices are learning throughout their program are relevant and up to date.

Proposed § 29.12(a)(3) through (5) discuss the proposed requirements for journeyworkers' capabilities as instructors, communicators, and evaluators. In addition to possessing a mastery of the relevant job skills and techniques for their occupation and keeping up to date on their mastery and proficiency, journeyworkers would need to be effective communicators to ensure their mastery is passed on to the apprentices training in their programs. Proposed paragraph (a)(3) would require that journeyworkers be effective communicators capable of transmitting and demonstrating any specialized

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[124] For example, the COVID-19 pandemic has resulted in a major shift towards remote work throughout the United States workforce. *See* Kim Parker, Juliana Menasce Horowitz, and Rachel Minkin, "COVID-19 Pandemic Continues to Reshape Work in America," Pew Research Center, Feb. 16, 2022, *https://www.pewresearch.org/social-trends/2022/02/16/covid-19-pandemic-continues-to-reshape-work-in-america.*

knowledge, job skills, techniques, or processes necessary for achieving proficiency in an occupation.

Paragraph (a)(4) would cover another critical aspect of instruction and training: journeyworkers' ability to evaluate apprentices' progress and performance fairly and objectively throughout the term of a registered apprenticeship program, including the ability to evaluate apprentices' progress in attaining competencies during on-the-job training. The Department views the fair and transparent evaluation of apprentices throughout a program as a critical element for registered apprenticeship program success, because such evaluation is essential for understanding if apprentices have learned all they need to during their program and are assured that they are emerging from the programs with a valuable set of transferrable skills for their careers. Fair, transparent, and effective evaluation is also an important equity consideration, and in line with its goal of advancing equity in the National Apprenticeship System with this proposed regulation, the Department seeks to embed such qualities in the evaluations provided by apprentice trainers through the proposed minimum trainer qualification requirement at proposed paragraph (a)(4). This proposed minimum trainer qualification requirement is intended to protect apprentices from diverse backgrounds against unequal treatment in evaluation, to establish a baseline of equitable and objective evaluation for all apprentices in a program, and to ensure that apprentices from diverse backgrounds receive training from, and are evaluated by, qualified and experienced trainers.[125] It would also require that a trainer is able to assess the attainment of competencies acquired by apprentices during their on-the-job training. This would include the ability to assess whether apprentices are meeting the appropriate targets at each stage of the program. Under the Department's proposed

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[125] Proposed paragraph (a)(4) aligns with other Federal government agencies' efforts to establish equitable access to qualified and skilled educators and instructors. For example, in 2014, ED launched the "Excellent Educators for All Initiative" requiring States to submit plans to ensure "poor and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers." Westat, "Equitable Access to Excellent Educators: An Analysis of States' Educator Equity Plans," 2016, *https://www2.ed.gov/programs/titleiparta/equitable/titleiiequityanalysis1031.pdf*.

approach, all apprentices would be advanced through programs by their successful attainment of competencies acquired over a minimum duration of time on-the-job. A trainer's ability to assess and recognize when an apprentice has reached a level of competency so as to be proficient in it is vital to the operation of a registered apprenticeship program. This ability to assess competency attainment is also vital in programs that accelerate an apprentice's time in the program based on the rapid attainment of proficiency in competencies, because acceleration should only take place when an apprentice is proficient and not just to move quickly through a program. A core tenet of registered apprenticeship is journeyworkers' mastery of the job skills within their occupation, and journeyworkers are therefore in the best position to evaluate whether an apprentice has achieved the occupational proficiency that all registered apprenticeship programs should confer upon participating apprentices.

Proposed § 29.12(a)(5) would concern apprentice trainers' role in establishing practical connections between the conceptual and theoretical knowledge apprentices attain through related instruction and their implications and applications for the covered occupation. Such connections may clarify how to perform a job-related task successfully, explain a task or sub-task's importance to successful, safe, and efficient performance within the occupation, or otherwise provide apprentices with theoretical context and broader understanding of the tasks they must perform in the occupation. The Department has determined that apprentices benefit from developing a clear understanding of why they are required to participate in the related instruction element of registered apprenticeship, and that apprentices' primary trainers—journeyworkers—must play an essential role in developing such understanding among the apprentices they train.

Finally, proposed § 29.12(b) would require that journeyworkers fulfill their important role in ensuring apprentices are receiving training in a safe and inclusive work environment that supports the effective development of apprentices from all

backgrounds. Studies, research, and evaluations applying the DEIA lens to analyzing the roles of trainers, instructors, mentors, and others in positions of authority indicate that such individuals are in a unique position to shape the learning and professional environments in which they are operating, including the creation of an inclusive environment where everyone feels represented, supported, empowered to speak up, and protected from harassment, intimidation, or retaliation. OA's fact sheet on advancing DEIA in registered apprenticeship, designed to inform registered apprenticeship stakeholders on the key elements and benefits of robust DEIA protocols in registered apprenticeship programs, discusses the importance of inclusive leaders in establishing workplace culture and the role of mentors in building networks to help apprentices from diverse backgrounds develop positive connections with their place of work.[126] OA has also established partnerships with advocacy organizations to harness the expertise of stakeholders in workforce development to develop and produce guidance on promising practices for inclusive workplaces. Research, guidance, and frameworks developed by these organizations also point to the importance and benefits of advancing DEIA in registered apprenticeship, including through the incorporation of authentic program participant voices, training and instruction that is accessible and representative of diverse participants in a program, and quality mentorship.[127] Quality mentorship is particularly important for youth in educational and training environments, further supporting the Department's proposal to include minimum requirements for the journeyworker role in establishing inclusive workplace environments as the Department seeks to advance

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[126] OA, "Scaling Diversity, Equity, Inclusion and Accessibility (DEIA) in Registered Apprenticeship," *https://www.apprenticeship.gov/sites/default/files/DOL_DEIAFactsheet_v2.pdf* (last visited July 20, 2023).
[127] Vanessa Bennett, Maria Cabiya, Myriam Sullivan, and Deborah Kobes, "JFF's Program Design Framework for Diversity, Equity, Inclusion, and Accessibility in Registered Apprenticeship," Center for Apprenticeship & Work-Based Learning, *https://info.jff.org/apprenticeshipdeia-framework* (last visited July 20, 2023).

opportunities for increased youth participation in quality registered apprenticeship programs.[128]

Proposed paragraph (b) would also reiterate that trainers in registered apprenticeship programs must also have completed all anti-harassment trainings required in the part 30 regulations, which is not a new requirement for program sponsors. Additionally, the Department is proposing that the trainer should not have a record of substantiated noncompliance with the EEO requirements to ensure that trainers are fully inclusive of the EEO in apprenticeship requirements and that apprentices are protected from trainers unwilling to incorporate these requirements. The Department has determined that including the maintenance of a safe and inclusive working and learning environment is equally important as the anti-harassment training requirements for ensuring apprentices are supported and protected by the trainers guiding their professional development during their apprenticeship.[129] Such an environment is important for the quality of the experience of apprentices in the program, which in turn impacts programs' ability to retain apprentices, and positive feedback and messaging about the quality, safety, and inclusiveness of a work environment may also have positive impacts on registered apprenticeship programs' ability to attract new apprentices. Though not a requirement, the Department does encourage the adoption of DEIA training for trainers as a best practice and encourages comments on the advantages of embedding DEIA training into registered apprenticeship programs.

Proposed § 29.12(c)(1) and (2) would concern providers of related instruction and the minimum requirements such individuals must possess in the registered apprenticeship context. These proposed paragraphs would relocate much of the existing regulatory text

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[128] Urban Institute, "Mentoring Matters: The Role of Mentoring in Registered Apprenticeship Programs for Youth," Nov. 8, 2021, *https://www.urban.org/events/mentoring-matters-role-mentoring-registered-apprenticeship-programs-youth*.

[129] *See*, *e.g.*, Alexia Fernandez Campbell and Claire Molloy, "Attacked Behind the Wheel," The Center for Public Integrity, Dec. 11. 2022, https://publicintegrity.org/labor/female-drivers-attacked-behind-the-wheel/.

in the Standards of Apprenticeship section of the regulation at 29 CFR 29.5(b)(4)(i) and (ii) with minor adjustments and are not new requirements for registered apprenticeship programs. Proposed paragraph (c)(1) would require that providers of related instruction must either be faculty members or instructors at an accredited postsecondary institution or meet the State's certification requirements for CTE instructors in the State where the apprenticeship program is registered. The Department proposes to add to the existing regulatory text on this topic, found in the existing regulation at 29 CFR 29.5(b)(4)(i), by clarifying that providers of related instruction who serve as a faculty member or instructor at an accredited postsecondary institution would meet the proposed requirement at § 29.12(c)(1). The Department also proposes to retain the language from the existing regulation at § 29.5(b)(4)(i) stating that a subject-matter expert, such as a journeyworker, may also provide related instruction to apprentices. Many registered apprenticeship programs rely on their journeyworker assets to provide such instruction because such individuals possess a mastery of the occupation that enables them to select the related instruction curricula most appropriate for a worker's success in the occupation. The Department has determined it is important to maintain this flexibility in the proposed rule and is including that language in proposed § 29.12(c)(1).

The Department has determined that it is prudent to maintain these requirements because the quality of the related instruction components of registered apprenticeship programs depends on the qualities and capabilities of the instructor, including their capabilities as an educator and their ability to communicate complex subject matter. The certification requirements at proposed paragraph (c)(1) are intended to ensure that instructors are capable and effective teachers, which the Department views as a unique skill that transcends the occupation-specific aspects for any registered apprenticeship program.

Proposed paragraph (c)(2) is not a new requirement and leverages the existing regulatory language at 29 CFR 29.5(b)(4)(ii). The Department proposes to maintain the existing requirement that instructors possess skills in teaching techniques for different audiences, including adult learning styles. Apprentices in a given registered apprenticeship program may come from a variety of backgrounds, and many are adult workers seeking to retrain or upskill in a different career or occupational sector. As with journeyworkers providing on-the-job training, providers of related instruction must understand the unique characteristics and needs of adult learners and must be able to apply appropriate instructional techniques to ensure apprentices of all backgrounds—including adult learners—receive and understand the instructional components within their registered apprenticeship program.

While the Department expects that training and related instruction providers in most registered apprenticeship programs either will already meet these proposed minimum qualification requirements or will have clear options available to ensure they meet these proposed requirements (through existing partnerships, industry certification programs, learning certification programs, or others), the Department is committed to providing technical assistance to programs to streamline registered apprenticeship programs' compliance with this proposed section. In addition, the Department will commit to promoting the development of mentorships, templates for trainer and instructor assessment, and a system-wide network of stakeholders (currently contemplated as an "Registered Apprenticeship Academy") to facilitate mentoring and trainer development, create a critical feedback loop, and otherwise provide support for programs and the trainers and instructors who are so critical to the registered apprenticeship program and apprentices success profile.[130]

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[130] Encouraging the inclusion of mentorships in registered apprenticeship programs aligns with the 2023 Quality Apprenticeships Recommendation of the ILO at Conclusion 25(o). ILO, "Quality Apprenticeships

Section 29.13 – Development of National Occupational Standards for Apprenticeship.

Proposed 29 CFR 29.13 is a new proposed section of the part 29 regulations that would describe the development and intended use of National Occupational Standards for Apprenticeship. Accelerated expansion of the National Apprenticeship System is one of the Department's primary goals in the development of this proposal, and OA views the continued development of National Occupational Standards for Apprenticeship as an important tool for achieving that goal. National Occupational Standards for Apprenticeship are industry-validated standards that are national in scope and can be used to accelerate the development of a registered apprenticeship program. National Occupational Standards for Apprenticeship are intended to be an off-the-shelf resource for potential programs seeking to establish a registered apprenticeship program in an occupation that is national in scope and suitable for registered apprenticeship, and they would enable potential sponsors to quickly develop a set of standards of apprenticeship particular to their proposed program that aligns with the apprenticeship training standards for the occupation as advanced by stakeholders and experts in their industry.

The Department has received feedback from stakeholders, including the members of the 2021-2023 term of the ACA, that potential registered apprenticeship program sponsors need robust tools, templates, and other resources to assist sponsors in meeting the required steps for setting up a new registered apprenticeship program. The Department agrees with this feedback, captured in several recommendations from the ACA's 2022 Interim Report, and will continue to work with industry stakeholders to develop such tools.[131] For National Occupational Standards for Apprenticeship, OA will

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Recommendation, 2023" (ILO Recommendation No. 208), Conclusion 25(o), June 16, 2023, *https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:4347381*.

[131] ACA recommendations on this topic from its 2022 Interim Report include:

- Identify opportunities for more standardization across the registered apprenticeship system while preserving necessary flexibilities to ensure the registered apprenticeship model is adaptable to different industry and regional needs.

work with industry stakeholders to identify the training needs of particular occupations, ensure national applicability of those training needs, and develop products (such as sample work process schedules) based on those needs consistent with the occupational suitability provisions of 29 CFR 29.7. Sponsors utilizing National Occupational Standards for Apprenticeship would be able to accelerate the development of their programs based on their utilization of these comprehensive standards, which could accelerate the review of their registration on a national basis either as National Program Standards for Apprenticeship or as National Guidelines for Apprenticeship Standards, consistent with proposed §§ 29.14 and 29.15 of this part.

With regard to these standards, the Department envisions its role as being a convener of national stakeholders that would take the initiative in the development of such occupational standards across a given industry. OA's vision for National Occupational Standards for Apprenticeship is to convene industry leaders for their expertise and input on the development of such standards. Engagement with industry leaders will ensure that occupational competencies needed for apprentices to be fully proficient in an occupation are industry-recognized. In addition, OA will seek public comment on the National Occupational Standards for Apprenticeship in the Administrator's determination process. OA anticipates that industry leaders and other stakeholders will have ample opportunity to provide comprehensive input to inform these new products.

- Provide detailed guidance so that State-level or employer/sponsor-level stakeholders know exactly where they need to go and what they need to do to register a program, obtain answers to questions, pursue funding opportunities, and whether there are templates or other guidance to get them started.
- Create a toolkit/resource to communicate this information and refine apprenticeship referral processes, support provided to apprentices, etc.
- Leverage existing tools for onboarding, such as the Standards Builder (*https://www.apprenticeship.gov/employers/registered-apprenticeship-program/register/standards-builder*) and the Apprenticeship Playbook (*https://www.apprenticeship.gov/sites/default/files/playbook.pdf*), and develop additional requirements guides as needed.

ACA, "Interim Report to the Secretary of Labor," May 16, 2022, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

The purpose of National Occupational Standards for Apprenticeship is to ensure that registered apprenticeship programs continually adapt to meet quality training needs of industry, and that programs that leverage these standards can ensure that they are training apprentices utilizing a nationally recognized approach. As occupations, technology, and the overall economy evolve, National Occupational Standards for Apprenticeship may need to be updated or revised, underscoring the importance of OA's continuous engagement with industry stakeholders and leaders. The Department recognizes that such industry stakeholders will be the first to know about changes to technology or business needs that would necessitate an update to the training standards for an occupation and intends to rely on those stakeholders to bring forth suggested changes to established National Occupational Standards for Apprenticeship for registered apprenticeship programs within their industry. The Department will be responsive to such industry suggestions and will work with stakeholders to update, vet, and re-establish National Occupational Standards for Apprenticeship as needed. The Department further invites comments on the most effective ways to keep pace with evolving industry needs and their implications for established templates for National Occupational Standards for Apprenticeship.

While the procedure for receiving approval for an occupation in proposed § 29.7 does have a process for industry vetting, that process would be more reactive to the first entity that proposes a work process schedule for an occupation. The process for the development of National Occupational Standards for Apprenticeship would not be designed as a first-come, first-served approach to registered apprenticeship training. Instead, it would be based on intentional, proactive, nationwide, and industry-validated curriculum for on-the-job training and related instruction, including relevant interim credentials and industry-validated end-point assessments that can be responsive to emerging labor force needs. The section would provide the criteria that the Administrator

will use in reviewing National Occupational Standards for Apprenticeship for approval. The criteria listed in the section would include the suitability of an occupation for registered apprenticeship under proposed § 29.7 and an industry-validated work process schedule. Additional criteria described in this section would include proposed standards that have a nationally applicable, industry-validated curriculum framework for the provision of related instruction and the methods for conducting ongoing evaluations of apprentices successfully attaining the skills and competencies under such frameworks. As such, proposed § 29.13 is new and sets forth a discretionary process by which the Administrator would develop and approve National Occupational Standards for Apprenticeship. The Department proposes the development of National Occupational Standards for Apprenticeship as a driver of system quality and a resource for easing a sponsor's access to the National Apprenticeship System by making these standards publicly available to be utilized by sponsors and employers. These would be required as they are developed to ensure greater quality and industry support for programs with a national scope as described in proposed §§ 29.14 and 29.15 to a common set of high-quality standards.

Proposed paragraph (a) describes the purpose of the proposed National Occupational Standards for Apprenticeship. The Department, in developing National Occupational Standards for Apprenticeship, intends to drive the growth of high-quality registered apprenticeship programs across a wide range of sectors and occupations deemed suitable for registered apprenticeship training under proposed § 29.7. The Department, aligning with broader administration goals, has specific interest in using National Occupational Standards for Apprenticeship to increase registered apprenticeship programs in emerging and high-growth occupations; in occupations and sectors where apprenticeship programs are not currently widespread; and in occupations and sectors that the Administration has deemed critical to maintaining or enhancing the

manufacturing capacity, critical infrastructure, public health and safety, supply chain resilience, environmental protection, renewable energy resources, educational and cultural advancement, or economic and national security of the United States. Expansion of the registered apprenticeship model into new and emerging industries would also align with recommendations and guidance provided by national apprenticeship stakeholders. For example, multiple subcommittees of the ACA, including a subcommittee entirely devoted to this area (the Industry Engagement in New and Emerging Sectors subcommittee), recommended that OA target new and emerging sectors for registered apprenticeship expansion.[132]

Proposed paragraph (b) describes the criteria by which the Administrator would review and approve proposed National Occupational Standards for Apprenticeship. As noted previously, the Administrator and OA continually engage with industry representatives, labor unions, workforce development experts, and other relevant stakeholders to keep abreast of evolving industry needs and priorities and updates or changes to work processes and job skills necessary for successful job performance in an occupation or industry. Such ongoing engagement ensures that National Occupational Standards for Apprenticeship remain current and are also supported and relevant for industry, that any registered apprenticeship programs informed by such National Occupational Standards for Apprenticeship are responsive to and in alignment with industry needs and priorities, and that the workers entering into such industries are prepared for success based on the factors and standards applicable to a particular industry. Apprenticeship stakeholders in the ACA have identified the need to develop,

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[132] ACA recommendations on this topic from its 2022 Interim Report include:

- Accelerate registered apprenticeship deployment in growing industries and sectors, while ensuring curricula are responsive to industry needs, and templates and requirements are compatible with and flexible for different kinds of jobs and industries.
- Continue expansion of industry intermediary contracts targeting new and emerging sectors, which have been effective engines to target incentives.

Ibid.

maintain, and update template occupational standards in service of multiple goals, including system alignment and easing the onboarding of new programs, and OA intends to implement such a process for the development of National Occupational Standards for Apprenticeship to achieve these goals based on the criteria in (b)(1) through (4).[133]

Proposed § 29.13(b)(1) would require that the National Occupational Standards for Apprenticeship must be for an occupation that has been determined suitable for registered apprenticeship training by the Administrator, pursuant to proposed § 29.7. National Occupational Standards for Apprenticeship are ultimately intended as a resource to help set up new registered apprenticeship programs in their associated occupations, and to help registered apprenticeship programs providing apprenticeship training for an occupation stay up to date on the evolving needs of industry. In order for National Occupational Standards for Apprenticeship to be useful and relevant within the National Apprenticeship System, they must be tied to an occupation that has been deemed suitable for registered apprenticeship training. These products would inform the development of National Guidelines for Apprenticeship Standards and National Program Standards for Apprenticeship, all of which would be tools for onboarding new registered apprenticeship programs. As such, the national standards frameworks discussed in this proposal would all relate to an occupation deemed suitable for registered apprenticeship training.

Proposed § 29.13(b)(2) would require that the work process schedule framework associated with the occupation be documented as nationally applicable. In order to make National Occupational Standards for Apprenticeship a useful resource for setting up programs covering an occupation that is national in scope, OA would work with industry and other relevant stakeholders to determine if the occupation's proposed work process schedule is workable and applicable nationwide (and not just in regional or local

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[133] For example, the ACA recommended that DOL "should develop a plan and the necessary infrastructure to move toward a system for developing, classifying, and updating occupational training standards in [registered apprenticeship]." *Ibid*.

settings). The proposed requirement seeks to ensure that the National Occupational Standards for Apprenticeship, as confirmed by the associated industry in which the standards are being developed, further the growth and establishment of registered apprenticeship programs that can meet the training needs of an occupation on a national level.

Proposed § 29.13(b)(3) would require that the National Occupational Standards for Apprenticeship include a curriculum framework for related instruction. As with proposed § 29.13(b)(2), this proposed requirement seeks to ensure that the National Occupational Standards for Apprenticeship are documented or endorsed by relevant stakeholders for the occupation for which the standards are being developed. This approach to curriculum development would further the growth and establishment of registered apprenticeship programs, on a national scope, that provide apprentices with the necessary related instruction for the subject occupation. OA also intends for curricula in National Occupational Standards for Apprenticeship to remain up to date, in line with the ACA's recommendation to update standards to reflect emerging technologies, work processes, or economic trends affecting an occupation.[134]

Proposed § 29.13(b)(4) would require the inclusion of methods to evaluate apprentice progress throughout the registered apprenticeship program, including the development of an appropriate end-point assessment. This proposed requirement seeks to ensure that the National Occupational Standards for Apprenticeship are documented as relevant for the occupation and provide a framework for the methods to assess the attainment of the skills and competencies required under the work process schedule framework. As with the other requirements in this proposed provision, these methods would need to be nationally applicable and validated by industry. This provision would

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[134] "Update and enhance standards and guidance to reflect new and emerging technologies (including any updates to existing or emerging Standards Builder boilerplates/templates)." *Ibid*.

build on the Department's goals to elevate registered apprenticeship program quality and establish greater accountability measures in the National Apprenticeship System's governing regulations by requiring that programs develop transparent, accountable assessments to evaluate apprentices' attainment of proficiency in an occupation. In the Department's view, this proposed new requirement for registered apprenticeship programs also represents an opportunity to further engage with industry to refine registered apprenticeship programs' responsiveness to industry needs. The Department expects that industry stakeholders and leaders will be instrumental in the development and refinement of rigorous, nationally applicable methods for assessing apprentices' attainment of proficiency in occupations. In addition to the assurances that the successful completion of an end-point assessment would provide for employers hiring apprentices, this new requirement could also be leveraged by program sponsors to analyze their program's overall effectiveness and implement continuous improvements in program design.

Proposed § 29.13(c) explains the proposed process for approving National Occupational Standards for Apprenticeship. Once the Administrator has developed National Occupational Standards for Apprenticeship for an occupation, OA would seek public comment on the standards to include a nationally applicable end-point assessment. This process of seeking public comment is intended to ensure that the finalized National Occupational Standards for Apprenticeship are industry-vetted and will lead to occupational proficiency anywhere in the country. To ensure that OA receives sufficient feedback from industry leaders, OA may specifically invite industry leaders to submit public comments. Public comments would be accepted for at least 30 calendar days, and the National Occupational Standards for Apprenticeship in question would be finalized within 90 calendar days from the opening of the public comment period, though this time period may be extended at the discretion of the Administrator. The Administrator may

also consider data and other relevant information to assist in evaluating whether the requirements in proposed § 29.13(b) are satisfied, such as O*NET data. Finally, proposed § 29.13(c) provides that the Administrator will maintain an up-to-date list of all National Occupational Standards for Apprenticeship.

The Department is interested in any comments about the proposed development of National Occupational Standards for Apprenticeship and their potential benefit to potential sponsors or current sponsors in providing support on some of the upfront challenges with starting a registered apprenticeship program for an occupation, identifying high-quality apprenticeship curriculum, development of end-point assessments, and in turn implementing it at a program level. The Department is also interested in any comments about the proposed criteria by which it would evaluate proposed National Occupational Standards for Apprenticeship, including comments regarding any additional or different criteria that would assist in meeting the needs of employers or in successfully training apprentices.

Section 29.14 – National Program Standards for Apprenticeship.

The "National Program Standards for Apprenticeship" section describes the criteria for establishing National Program Standards for Apprenticeship, the scope and reciprocity of registration, and alignment with the National Occupational Standards for Apprenticeship. The concept of National Program Standards for Apprenticeship has been developed by OA through subregulatory guidance.[135] Recent Federal legislation in the Veterans Apprenticeship and Labor Opportunity Reform (VALOR) Act has leveraged its use to expedite the approval of programs for the Department of Veterans Affairs Education Benefits, such as the GI Bill. National Program Standards for Apprenticeship are an administrative procedure; the Administrator has to register a program nationally if

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[135] ETA, OA Circular No. 2022-01, "Updated Guidance – Minimum National Program Standards for Registered Apprenticeship Programs," Feb. 16, 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-01.pdf.*

the program operates on a national basis, allowing the program to operate in every State without seeking further registration from OA or an SAA.[136] In creating National Program Standards for Apprenticeship, the Department seeks to drive system alignment and apprenticeship expansion on a national scale. The Department anticipates that this process will ensure that registered apprenticeship programs established on a national scale will adhere to a common set of industry-validated standards and enable apprentices who participate in these programs to receive a uniform training experience regardless of where it takes place. Proposed § 29.14 sets forth the process by which sponsors could establish registered apprenticeship programs on a national basis. The criteria for National Program Standards for Apprenticeship that would be established in this section would require that prospective sponsors seeking approval must provide apprenticeship training for occupations that are not ordinarily subject to licensing requirements; be national or multistate in design, suitability, and scope; and satisfy the applicable requirements of this part and 29 CFR part 30. This section would establish the Administrator as the approving entity as well as the reciprocity of registration for SAAs to provide reciprocal registration for approved programs. This section also describes the proposed requirement for National Program Standards for Apprenticeship to align with National Occupational Standards for Apprenticeship under proposed § 29.13.

Proposed paragraph (a) would establish the criteria that National Program Standards for Apprenticeship must meet to be registered by the Administrator.

Proposed § 29.14(a)(1) would explain that National Program Standards for Apprenticeship must be for training in an occupation not ordinarily subject to Federal, State, or local licensing requirements. The Department recognizes that the existence of Federal, State, or local licensing requirements impedes the ability of a registered

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[136] OA, "Hire Veterans," *https://www.apprenticeship.gov/employers/hire-veterans* (last visited July 20, 2023).

apprenticeship program to operate with a uniform set of standards nationally. For an occupation with licensing requirements that differ across jurisdictions, the training and related instruction necessary to prepare an apprentice for that occupation would not be adequately addressed by National Program Standards for Apprenticeship that aim to provide a uniform standards and training experience regardless of where the program is taking place. Accordingly, the Department has determined that National Program Standards for Apprenticeship would be appropriate for occupations not subject to differing licensing requirements.

Proposed § 29.14(a)(2), in alignment with the Department's broader goal of driving system alignment and apprenticeship expansion on a national scale, would require that National Program Standards for Apprenticeship must be national or multistate in their design, suitability, and scope. The Department recognizes that there are multiple ways in which a program may be national or multistate in design, suitability, and scope. For instance, a program sponsor may be a national or multistate employer with business operations in multiple States. In addition, a program sponsor may be an international or transnational company with business operations in multiple States as well as in different countries. Also, a sponsor may be a national organization that has only one physical location in a single State but is affiliated with multiple employers that operate in multiple States.

Proposed § 29.14(a)(3) explains that any National Program Standards for Apprenticeship would need to meet the requirements in proposed parts 29 and 30.

Proposed paragraph (b) explains that upon demonstration that the National Program Standards for Apprenticeship meet the established criteria set forth in proposed paragraph (a), the Administrator would register the standards on a nationwide basis for Federal purposes. The Administrator would endeavor to render a determination on whether to approve and register a set of National Program Standards for Apprenticeship

within 90 days of their receipt from an applicant, consistent with proposed § 29.8. If the Administrator were to decline to register the standards, the Administrator would provide a written explanation explaining the decision.

Proposed paragraph (c) explains how National Program Standards for Apprenticeship would be treated by SAAs. In furtherance of the goal of driving system alignment and apprenticeship expansion on a national scale, SAAs would be required to reciprocally approve and register programs registered via National Program Standards for Apprenticeship.

Proposed paragraph (d) would explain that National Program Standards for Apprenticeship must use any existing National Occupational Standards for Apprenticeship that have been approved under proposed § 29.13. This requirement would only apply if a sponsor is seeking registration of National Program Standards for Apprenticeship in an occupation for which the Administrator has already approved National Occupational Standards for Apprenticeship. For those occupations where National Occupational Standards for Apprenticeship currently exist, a program sponsor seeking registration of its National Program Standards for Apprenticeship would need to use such National Occupational Standards. The Department further clarifies that a program could pursue registration using National Program Standards for Apprenticeship if there is no established set of National Occupational Standards for Apprenticeship for the subject occupation. The existing National Program Standards for Apprenticeship are already in use within the National Apprenticeship System and were last updated and outlined in the Department's OA Circular No. 2022-01.[137] National Program Standards for Apprenticeship are meant to assist a national organization or employer set up a high-

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[137] ETA, OA Circular No. 2022-01, "Updated Guidance – Minimum National Program Standards for Registered Apprenticeship Programs," Feb. 16, 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-01.pdf.* Note this circular's statement that it "supersedes and replaces OA Circular 2018-01," reflecting that OA has been developing and refining tools for national organizations, employers, or both to set up and operate quality apprenticeship training programs on a nationwide basis for several years.

quality apprenticeship training program with a nationally applicable set of standards. Under the existing system, programs that use the existing National Program Standards for Apprenticeship and operate a program on a multistate or nationwide basis do not need to register their apprenticeship program in each of the States in which it operates. Proposed paragraph (d) would provide that when a set of National Occupational Standards for Apprenticeship has been vetted by industry and approved by the Administrator for an occupation, National Program Standards for Apprenticeship for a registered apprenticeship program in the occupation must align with the established National Occupational Standards. This requirement to utilize approved National Occupational Standards for Apprenticeship, where they exist, would be included to make sure that National Program Standards for Apprenticeship align with approved National Occupational Standards for Apprenticeship, which the Department thinks will further its goal of driving system alignment by ensuring that all National Program Standards for Apprenticeship, in a given occupation, adhere to a common set of industry-validated standards. In addition, greater utilization would support the National Apprenticeship System modernization efforts to enhance the quality of programs and create greater efficiency in the development and registration of programs.

Programs registered with National Program Standards for Apprenticeship may receive certain benefits, such as reduced reporting requirements to Registration Agencies, VALOR Act eligibility, and registration status for Federal purposes, so the need to ensure high-quality programs is vital. The Department is interested in any comments on this approach given the increased Federal benefits associated with this model, the quality expectations of a program operating with this designation, and any potential burdens with following a National Occupational Standard approach. The Department notes that while National Occupational Standards for Apprenticeship are approved as the industry consensus apprenticeship-related training curriculum for an occupation, an entity seeking

approval of National Program Standards for Apprenticeship may make minor modifications to the National Occupational Standards based on the needs of the sponsor provided that the submitted National Program Standards substantially align with the National Occupational Standards. Examples of modifications that would be acceptable include any additions of sponsor or employer-specific training in addition to what is in the approved framework, the addition of competencies or on-the-job training hours to achieve those competencies or both, and the addition of any additional or academic-credit-bearing related instruction. The Department is interested in any comments as to what the Department should identify as acceptable deviations that substantially align without undermining the occupation or quality of the standards.

Section 29.15 – National Guidelines for Apprenticeship Standards.

Proposed § 29.15, the "National Guidelines for Apprenticeship Standards" section is new and describes the proposed criteria for approval of National Guidelines for Apprenticeship Standards, the Certificate of Recognition, local registration requirement, the criteria for resubmission, and required alignment with the National Occupational Standards for Apprenticeship. National Guidelines for Apprenticeship Standards are a template of standards of apprenticeship that are registered nationally and adopted locally. They would allow local affiliates of national organizations or an employer with locations in multiple States to efficiently adapt recognized guidelines for local registration of program standards. Since National Guidelines for Apprenticeship Standards are intended to be adapted for local registration by local affiliates of national organizations or an employer with a national presence with locations in multiple States, the establishment of a uniform process to recognize such standards would drive system alignment by ensuring locally registered programs adhere to a common set of industry-validated standards.

Unlike National Program Standards for Apprenticeship, which can be registered once nationwide, National Guidelines for Apprenticeship Standards are a customizable

template for registered apprenticeship program standards. They would provide a nationally certified—but locally registered—framework for occupational standards, while also preserving programmatic flexibility to account for local needs and requirements. For example, potential program sponsors with nationally designed apprenticeship program standards that cover certain occupations that are subject to extensive State licensing requirements may be more appropriately served by obtaining National Guidelines for Apprenticeship Standards certification for their program and then registering each program utilizing such standards on a State-by-State basis; this is because the National Guidelines for Apprenticeship Standards model would allow the template standards developed by the sponsor to be modified to account for these additional State law requirements and then registered in those States. In addition, the National Guidelines for Apprenticeship Standards approach may be more suitable for organizations with national scope, including labor organizations as well as trade and industry associations, that wish to provide State or local affiliates of their organizations with the option to adapt a set of nationally designed apprenticeship program standards to meet local conditions and register such programs on a State-by-State basis. Similarly, the National Guidelines for Apprenticeship Standards, with its ability to adapt to local labor market needs, may be more suitable for workforce intermediary program sponsors that only intend to provide related instruction in connection with a registered apprenticeship program.

Adoption of National Guidelines for Apprenticeship Standards often provides an expedited pathway for a local affiliate to register an apprenticeship program and provides program flexibility to accommodate local industry and regional economy needs. Proposed § 29.15(c) provides for State or local affiliates of a national organization to use the proposed National Guidelines for Apprenticeship Standards as a template for their specific standards of apprenticeship that are submitted to the applicable Registration Agency, including SAAs, for registration of individual programs. By using a template

that has already been registered, the sponsor would be able to more easily meet the requirements for registration locally. For those occupations where National Occupational Standards for Apprenticeship currently exist, a program sponsor seeking certification of its National Guidelines for Apprenticeship Standards would need to use such National Occupational Standards. If a sponsor is seeking certification of National Guidelines for Apprenticeship Standards in an occupation for which the Administrator has already approved National Occupational Standards for Apprenticeship pursuant to proposed § 29.13, the sponsor would need to use those approved National Occupational Standards.[138]

The criteria for National Guidelines for Apprenticeship Standards established in this section would require that guidelines submitted by organizations must be national in their applicability and scope with respect to the covered occupation; be suitable for either adoption or adaptation by State or local affiliates of the program sponsor; and satisfy the applicable requirements of this part and 29 CFR part 30. This section would grant the Administrator sole approval authority. This section would also describe the requirement for State and local affiliates to register a program in accordance with proposed § 29.10 and the requirement for National Guidelines for Apprenticeship Standards to align with National Occupational Standards for Apprenticeship under proposed § 29.13.

National Guidelines for Apprenticeship Standards are a concept that exists in the National Apprenticeship System pursuant to the current § 29.3(h)(1), and they have been further recognized in previously issued subregulatory guidance.[139] The Department has seen significant success in their use, particularly in certain occupations and industries such as construction where there are national and local organizations affiliated with each

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[138] The Department clarifies that programs can still use National Guidelines for Apprenticeship Standards if there is not an established set of National Occupational Standards for Apprenticeship for the subject occupation (see below).

[139] ETA, OA Circular No. 2022-02, "Guidance – National Guidelines for Apprenticeship Standards," Feb. 16, 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-02.pdf.*

other; the national organization is responsible for maintaining the core criteria and elements of the templates; and the local affiliates of the national organization locally register with a Registration Agency. Their use, and the elevation of them as a tool in this proposed regulation, would ensure this vital concept can drive apprenticeship expansion.

Proposed paragraph (a) would establish the criteria that National Guidelines for Apprenticeship Standards must meet to be recognized by the Administrator.

Proposed § 29.15(a)(1) would explain that National Guidelines for Apprenticeship Standards must be national in their applicability and with respect to the covered occupation. The Department recognizes that there are multiple ways in which an organization may demonstrate that their standards are national in applicability and scope. For example, an organization seeking recognition of National Guidelines for Apprenticeship Standards may demonstrate that they have a national presence with local affiliates in different States, or by demonstrating that they have a presence in multiple States, even if the organization is concentrated regionally. The Department has proposed this criterion because the intent of National Guidelines for Apprenticeship Standards is to create an adaptable template of standards that can be tailored to meet regional labor market requirements. For example, an occupation suitable for registered apprenticeship may need to be adjusted to align with local conditions or requirements such as the terms of a collective bargaining agreement, or applicable State and local laws and regulations such as occupational licensing or ratio requirements.

Proposed § 29.15(a)(2) would explain that National Guidelines for Apprenticeship Standards must be suitable for use by State or local affiliates of the program sponsor. National Guidelines for Apprenticeship Standards are a template intended for adaptation, customization, and ultimately, registration at the local level. Accordingly, the Department proposes this requirement to ensure that National Guidelines for Apprenticeship Standards would be designed for this intended purpose.

Proposed § 29.15(a)(3) would explain that, as with any program standards, National Program Standards for Apprenticeship must meet the requirements in proposed parts 29 and 30.

Proposed paragraph (b) would explain that upon demonstration that the National Guidelines for Apprenticeship Standards meet the established criteria set forth in proposed paragraph (a), the Administrator will recognize the standards. If the Administrator declines to recognize the standards, the Administrator would provide a written explanation explaining the decision. The Administrator would be solely responsible for the recognition of National Guidelines for Apprenticeship Standards and would seek to review these submissions within 90 days of receipt, consistent with the Administrator's goal to review National Program Standards for Apprenticeship submissions within 90 days of receipt.

Proposed paragraph (c) would explain the process by which State or local affiliates of the organization receiving recognition of National Guidelines for Apprenticeship Standards may seek registration of an individual program. National Guidelines for Apprenticeship Standards are a template intended to be adapted or adopted for local registration. Accordingly, the Department provides in proposed paragraph (c) that State or local affiliates of a national organization may use the National Guidelines for Apprenticeship Standards as a template for their specific standards of apprenticeship that are submitted to the applicable Registration Agency, including SAAs, for registration of individual programs. National Guidelines for Apprenticeship Standards may be adjusted for the purposes of local registration to meet State or local requirements such as ratios, safety, occupational licensing requirements, different wage scales, and contact information. The Department is interested in any comments about other acceptable adjustments between the certified National Guidelines for Apprenticeship Standards and the locally registered standards.

Proposed paragraph (d) would explain when National Guidelines for Apprenticeship Standards must be resubmitted for approval by the Administrator. The Department recognizes that organizations may amend the content of National Guidelines for Apprenticeship Standards based on changes to an occupation's training needs, the needs of its State and local affiliates, or other reasons. The Department also recognizes that a periodic review can help ensure that National Guidelines for Apprenticeship Standards continue to meet the training needs of apprentices and to meet the industry-validated standards for a specific occupation. Accordingly, proposed paragraph (d) would require that National Guidelines for Apprenticeship Standards must be resubmitted for approval upon amendment to the standards or at least every 5 years, from the date that the standards are originally approved. The Department is proposing 5 years to align with the general requirement that program reviews occur every 5 years. Generally, the program review period has been an opportunity for programs to update their standards to ensure they continue to meet the requirements of 29 CFR parts 29 and 30, and are current with any changes to approved occupations, new laws, regulations, or subregulatory guidance. There is no similar requirement currently for sponsors of National Guidelines for Apprenticeship Standards to update their standards, which leads to inconsistencies between the local registrations and National Guidelines for Apprenticeship Standards. This proposal would require a certification timetable. The Department is interested in any comments about this concept or any different timeframes it should consider.

Proposed paragraph (e) would explain that National Guidelines for Apprenticeship Standards must use any existing National Occupational Standards for Apprenticeship that have been approved under proposed § 29.13. This requirement would only apply if a sponsor is seeking registration of National Guidelines for Apprenticeship Standards in an occupation for which the Administrator has already approved National Occupational Standards for Apprenticeship. To define and communicate the purpose and

intended use of National Occupational Standards for Apprenticeship, National Program Standards for Apprenticeship, and National Guidelines for Apprenticeship Standards, the Department clarifies that programs can pursue registration using National Guidelines for Apprenticeship Standards in scenarios where National Occupational Standards have not been developed. National Guidelines for Apprenticeship Standards are an existing tool for potential registered apprenticeship stakeholders to utilize, and their use and parameters were outlined in the Department's OA Circular No. 2022-02.[140] National Guidelines for Apprenticeship Standards have been used by national organizations seeking to establish registered apprenticeship programs amongst their local affiliates and can be adjusted based on local workforce needs or conditions. The Department expects that the proposed National Guidelines for Apprenticeship Standards would continue to be used for this purpose, including when there is no established set of National Occupational Standards for Apprenticeship. However, when National Occupational Standards for Apprenticeship have been developed and approved for an occupation (with substantial industry vetting and review and approval by the Administrator), the Department seeks to align any National Guidelines for Apprenticeship Standards within that occupation with the established National Occupational Standards.

The Department anticipates that aligning National Guidelines for Apprenticeship Standards with approved National Occupational Standards for Apprenticeship would further its goal of driving system alignment by ensuring that all National Guidelines for Apprenticeship Standards, in a given occupation, adhere to a common set of industry-validated standards. The Department notes that while National Occupational Standards for Apprenticeship are approved as the industry consensus apprenticeship-related training curriculum for an occupation, there may be some minor modifications to the National Occupational Standards based on the needs of the sponsor. Deviations from the National

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[140] *Ibid.*

Occupational Standards for Apprenticeship would be allowed, but the Administrator would ensure that submissions of National Guidelines for Apprenticeship Standards substantially align with the National Occupational Standards. In addition to the examples mentioned in paragraph (c) above, additional examples of modifications that would be acceptable include any additions of sponsor or employer-specific training in addition to what is in the approved framework, the addition of competencies or on-the-job training hours to achieve those competencies or both, and the addition of any additional or academic-credit-bearing related instruction. The Department is interested in any comments as to what they recommend are acceptable deviations that still substantially align with National Occupational Standards for Apprenticeship for that occupation without undermining the occupation or quality of the standards.

Section 29.16 – End-point assessment and Certificate of Program Completion.

Proposed § 29.16 would require registered apprenticeship programs to administer an end-point assessment at the conclusion of the apprenticeship term to establish the apprentice's successful attainment of all of the knowledge, skills, and competencies associated with the occupation. The purpose of this new requirement is to provide objective confirmation that the apprentice has acquired all of the skills and competencies required to be proficient in the occupation covered by the program. A rigorous end-point assessment at the conclusion of the apprenticeship is essential to give employers in an industry or sector confidence that the worker can perform successfully in the occupation in which they have been trained, and possess a set of relevant skills that are transferrable within that industry. The absence of an end-point assessment requirement in the current apprenticeship regulation means that individual apprenticeship program sponsors can adopt widely differing methods of assessing apprentice performance, which means that other employers within an industry or sector cannot be sure whether a graduating apprentice has really "made the grade" for proficiency in the occupation. The end-point

assessment should be the culminating activity of the apprenticeship, and an apprentice should only be awarded a Certificate of Completion upon successful completion of the assessment. The Department takes the view that any additional burdens that this new requirement may impose on program sponsors would be outweighed by the significant practical benefits that would accrue to both employers and apprentices on account of a more uniform and rigorous standard for assessing and confirming the competencies acquired by apprentices. The proposed introduction of an end-point assessment requirement for apprenticeship programs is also consistent with the Department's goal of developing a highly skilled American workforce that is capable, agile, and competitive at both the domestic and international level.

Throughout the course of a registered apprenticeship program, apprentices will learn how to perform critical job tasks, understand and apply theoretical concepts, and continuously develop a set of core competencies for the occupation for which they are receiving apprenticeship training. Developing occupational competencies is important for apprentices' ability to adequately complete the discrete set of tasks necessary to accomplish a job task they would be assigned in the occupation after their apprenticeship training. In order to fully realize the benefits of the high-quality training and instruction of a registered apprenticeship program for both apprentices and their employers, apprenticeship programs should implement effective training protocols and accurate assessments to ensure apprentices are not only competent in the discrete job tasks for an occupation, but also proficient in the occupation overall. This includes assessing the apprentice's ability to perform the task(s) safely and accurately (competently), as well as timely and efficiently. Businesses often need their workforce to complete work to the satisfaction of their customers within a timeframe that makes it worthwhile (i.e., profitable) for the business to assign tasks to their workers. For example, an electrician may need to complete work within a set timeframe to ensure that the hourly charge to the

customer, the hourly wages paid to the electrician, and the other costs of completing the work (e.g., equipment maintenance, travel costs), all add up to a profitable endeavor. Or a business may depend on fitting as many customer orders as possible into a certain timeframe (e.g., a day, a week) to offset costs and turn a profit. The Department proposes to add end-point assessments to the registered apprenticeship model to encourage programs to consider this important apprenticeship outcome—the proficiency of the workforce in an occupation—and develop a program that results in a highly trained, proficient workforce. The Department expects that end-point assessments will ultimately benefit individual employers or sponsors as well as the quality, skill, and readiness of the occupational workforce throughout a given sector.

Apprentices who successfully complete the assessment would be able to demonstrate to employers throughout an industry or sector that they are proficient in their occupation, and that their skills are transferrable between employers in the relevant sector. The successful completion of an end-point assessment would benefit apprentices by improving their employability and labor mobility and would add value to the Certificate of Completion earned by the apprentice. The assessment, which the sponsor develops according to the parameters of their program, could involve a practical, hands-on application of the apprentice's acquired skills to the completion of a project or the solution of a problem; alternatively, it may involve both a practical component and a written component that assesses the acquisition of occupation-relevant theoretical knowledge by the apprentice. Other methods would be allowed under this approach and may simply take the form of an individual meeting, such as a performance review, to assess and provide feedback on the apprentice's proficiency.

Several nations with well-regarded apprenticeship systems require an apprentice to complete an end-point assessment at the conclusion of their apprenticeship training; among these nations are Canada, England, Germany, Switzerland, and Austria. These

assessments utilize nationally applicable standards in evaluating the apprentice's proficiency in an occupation. The Department expects that the end-point assessment requirement would lend greater credibility and value to the apprenticeship credential, and potential employers might have greater confidence in the capabilities of apprentices who have passed such an examination at the conclusion of their training. In Canada, for example, the Red Seal Program has established such final assessments in dozens of skilled trades, and the passage of a Red Seal examination provides employers with an assurance that the passing apprentice is proficient in an occupation. In addition, apprenticeship stakeholders in the United States, such as the ACA, have discussed the importance of conferring proficiency in apprenticeship training.[141] The ACA's 2022 Interim Report also contained a recommendation to review international workforce training and apprenticeship models to understand best practices and identify potential enhancements to the U.S. system. The Department thinks that an end-point assessment is a way for an apprentice to demonstrate proficiency (as suggested by the ACA), and to do so in a manner that has worked in other countries.

Proposed § 29.16(a) would establish the requirement of an end-point assessment requirement for all programs to ensure that they measure an apprentice's attainment of occupational skills, knowledge, and competencies necessary to determine proficiency in an occupation. The Department recognizes that end-point assessments developed and administered by a given program's operators may result in an assessment that is more relevant to the training and instruction provided through the program. However, the Department also recognizes the value of assessments performed by independent organizations or third parties to reduce any undue bias and incorporate ideas from outside

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[141] Recommended principle: Competency must be obtained under any of these three models; include standards around time in on-the-job training to ensure proficiency. ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 14, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

partners. The Department invites public comment about the value and feasibility of end-point assessments generally, as well as whether such assessments should be performed by independent or third parties or by those operating a program and delivering on-the-job training or related instruction.

Proposed § 29.16(b) would provide that an apprentice must be entitled to at least one additional opportunity to complete an end-point assessment if they do not pass on the first attempt. This is intended to ensure apprentices are entitled to a fair opportunity to pass the assessment if their first attempt to do so is not successful, and that the end-point assessment does not operate as an inequitable significant barrier to program completion and journeyworker entry, such as for apprentices with disabilities. The Department is interested in any comments on if there should be a limit to the number of opportunities an apprentice may have to complete the assessment, balancing the burden of performing multiple assessments against the importance of providing opportunities for apprentices to demonstrate proficiency.

Proposed § 29.16(c) would include a provision that ensures an apprentice's end-point assessment includes an appropriate reasonable accommodation, if requested prior to the administration of the assessment. This proposed provision is intended to ensure that registered apprenticeship programs are fully accessible to job seekers, including those with disabilities that may require reasonable accommodations. The ACA's DEIA subcommittee recommended OA take steps to identify and assess any barriers to accessing or completing a registered apprenticeship program, and the Department agrees that programs should make reasonable accommodations when appropriate.[142]

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[142] Specifically, the ACA recommended that DOL should gather new data on registered apprenticeship programs' and apprentices' needs through formal, representative surveys, including understanding barriers to completion and long-term career pathways. CA, "Interim Report to the Secretary of Labor," May 16, 2022, at 9, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

Proposed § 29.16(d) would provide that individuals who successfully complete the on-the-job training and related instruction requirements of a program and pass an end-point assessment are eligible for a Certificate of Completion from the appropriate Registration Agency.

As proposed, this section would not require that sponsors use a specific type of assessment, given the unique needs of different industries and occupations. However, the Department sees an opportunity for greater standardization of tools, such as an end-point assessment, by engaging industry and sponsors alike through the development and subsequent approval process of National Occupational Standards for Apprenticeship. The Department invites comments on whether the final rule should expressly require that all end-point assessments administered by sponsors should objectively measure the apprentice's acquisition of the relevant knowledge, skills, and competencies necessary to demonstrate proficiency in the occupation covered by the program, or if the proposed rule should remain silent and leave it to sponsors to establish what they think is an appropriate assessment. The Department is particularly interested in comments around any burdens or challenges with this approach, the extent to which programs have already adopted an end-point assessment as a means for measuring attainment, and the value of strengthening those requirements.

In addition, the Department invites commenters to discuss whether the final rule should expressly require that end-point assessments should only be administered by qualified and objective examiners who have not previously provided either on-the-job training or related instruction to the apprentice during the apprenticeship term. Finally, the Department invites commenters to opine on whether the final rule should permit sponsors to utilize third-party examinations as the program's end-point assessment in instances where: (1) an independent certification body within a particular industry or sector offers a nationally recognized examination that incorporates uniform, industry-

recognized quality standards to objectively measure and validate the attainment of the relevant knowledge, skills, and competencies for the occupation(s) covered by the registered apprenticeship program; or (2) the occupation covered by the apprenticeship program is one that requires the passing of a State-mandated and administered examination to receive a license or certificate enabling qualified individuals to perform work in that occupation within a particular jurisdiction.

Section 29.17 – Complaints.

Complaints or expressions of concern about a program are critical for transparency into the daily operation of a registered apprenticeship program, an apprenticeship program's adherence to the labor and quality standards throughout the parts 29 and 30 regulations, and ultimately, the protection of apprentices' welfare and well-being. Apprentices are vulnerable to retaliation or other negative outcomes if their ability to speak up confidentially and securely is curtailed or compromised. Apprentices must be afforded opportunities to file complaints if they are subjected to unsafe or unfair conditions. The Department believes that the existing complaints process in part 29 should be retained and proposes enhancements to the complaints policy and additional procedures to investigate complaints, protect complainants, and improve transparency and accountability throughout the National Apprenticeship System. Proposed § 29.17 would also allow for non-apprentices to file complaints so long as the complaint arises under a registered apprenticeship agreement or alleges a violation of this part.

Proposed § 29.17 would carry forward much of existing § 29.12 with a few notable changes. Proposed § 29.17(e) would establish more robust and detailed procedures for investigating complaints and would afford anonymity to complainants, to the extent practicable, as explained below.

Proposed § 29.17(a) would carry forward existing § 29.12(a) verbatim.

Proposed § 29.17(b) would carry forward much of existing § 29.12(b), which allows apprentices not covered by a collective bargaining agreement to submit a complaint to the Registration Agency when a controversy or difference arises under an apprenticeship agreement. Two changes in proposed § 29.17(b) would permit but not require that disputes be resolved locally before a complaint is submitted to the Registration Agency. OA anticipates that most complaints will be resolved most efficiently and effectively by the program sponsor. However, the proposed change to § 29.17(b) recognizes that there should be an avenue for complaints to be filed directly with the Registration Agency, such as if the matter complained of is particularly egregious or if the complainant wishes to remain anonymous. Complainants who wish to remain anonymous would need to file their complaints directly with the Registration Agency. Under proposed § 29.17(b), a Registration Agency would still be prohibited from resolving a complaint covered by a collective bargaining agreement. Upon receiving a complaint relating to a union program, OA would be able to ask the sponsor, participating employer, complainant, or union representatives whether the complaint is covered by a collective bargaining agreement. OA would also be able to request a copy of the collective bargaining agreement. Proposed § 29.17(b) would also clarify that a complaint must either arise under an apprenticeship agreement or allege a violation of this part. Minor stylistic changes were also incorporated into proposed § 29.17(b) for clarity.

Proposed § 29.17(c) would revise the content of the first sentence of existing 29 CFR 29.12(c) and would establish a deadline to file a complaint within 300 calendar days after the conclusion of the events that gave rise to the dispute or the alleged violation of this part. In the case of an alleged continuing violation of this part, the 300-day period would begin on the day when the violation ceases. However, to accommodate extenuating circumstances that an apprentice might face, the Registration Agency would

be able to extend the filing time upon a showing of good cause. For example, the granting of an extension for good cause could arise where the complainant only became aware of the alleged violation at a point in time more than 300 days after the alleged occurrence of the alleged event, or such an extension might be granted in instances where an apprentice missed the 300-calendar-day deadline because of an illness or an injury that prevented them from filing a timely complaint. This proposed time period aligns with the complaint timeline under 29 CFR part 30 and is designed to allow apprentices sufficient time to file a complaint with the Registration Agency. The Department is also proposing a period of 300 days to file a complaint in recognition of the important quality control function that complaints and complaint investigations serve.

Proposed § 29.17(d)(1) is new and would require that the complaint include a means of contacting the complainant or the authorized representative. Requiring the complaint to contain a means for contacting the complainant or authorized representative, but not identifying information such as a name or physical address, is intended to facilitate the submission of anonymous complaints while also allowing the Registration Agency to contact the complainant or representative as part of their review of the complaint. The requirement in existing § 29.12(c) that complaints be signed would not be carried forward in this proposed rule to facilitate the submission of anonymous complaints.

Proposed § 29.17(d)(2) is new and would require that the complaint include the identity of the individual or entity that is alleged to be responsible for the conduct giving rise to the complaint to facilitate the Registration Agency's investigation of any complaint.

Proposed § 29.17(d)(3) incorporates language in existing § 29.12(c) with minor clarifying changes. As proposed, it would require a short description of the events, facts,

or circumstances giving rise to the complaint, including a discussion of when the events giving rise to the complaint took place.

Proposed § 29.17(e) is new and would explain the process by which the Registration Agency will investigate a complaint. It would require that the Registration Agency proceed expeditiously to investigate complaints. The proposed requirement that investigation of complaints be conducted expeditiously is intended to require Registration Agencies to resolve complaints, whenever possible, before impacted apprentices complete the program so that the apprentice can benefit from any action necessary to address the matter. However, the Department invites comments as to whether it is either feasible or appropriate to establish a uniform ceiling in this proposed rulemaking on the number of days allotted to a Registration Agency to complete the investigation of a complaint.

Proposed § 29.17(e)(1)(i) would require the Registration Agency to provide written notice that the complaint was received. Initially, only the complainant and the authorized representative, if any, would receive notice of the complaint.

Proposed § 29.17(e)(1)(ii) would require the Registration Agency to investigate complete complaints.

Proposed § 29.17(e)(1)(iii) would require the Registration Agency to complete a thorough investigation of the complaint. Documentation in the complaint file should include the complaint itself, a rebuttal statement from the respondent (if provided), interview statements, copies of pertinent documents as appropriate, and a narrative report of findings. Proposed § 29.17(e)(1)(iii) is intended to require Registration Agencies to compile a robust complaint investigation file, especially where the complaint was filed with the Registration Agency in the first instance. A robust file is needed to ensure that an adequate investigation was completed, to facilitate further review, and to facilitate referral to other government agencies or the initiation of a program review, if warranted.

Although Registration Agencies would collect names and contact information of witnesses, Registration Agencies should protect such identifying information consistent with privacy laws, including the Freedom of Information Act, including withholding information where appropriate.

Proposed § 29.17(e)(1)(iv) would require the Registration Agency to provide a written notification of its findings to the complainant and respondent at the conclusion of the investigation.

Proposed § 29.17(e)(2) is new and would require the Registration Agency to protect the identity of the complainant to the extent practicable. If a complainant expresses a desire to remain anonymous, the complaint would need to be filed with the Registration Agency in the first instance, and the Registration Agency would need to take reasonable steps to protect the identity of the complainant, such as not naming the complainant in interviews or in response to inquiries from the sponsor or respondent. Nevertheless, many complaint identities may be deduced by the respondent, sponsor, or employer because the complaint relates to a workplace-specific dispute or because of the relatively small number of apprentices in the program. Where complaints are filed anonymously, the Department anticipates that the assigned investigator and the complainant will confer early in the complaint investigation process and as needed thereafter to discuss what steps may be taken to investigate the complaint without compromising the anonymity of the complainant. As discussed below, proposed § 29.17(i) would incorporate an anti-retaliation provision designed to protect complainants from adverse actions for filing a complaint, which is meant to mitigate a complainant's concern and foster the filing of complaints and the complainant's cooperation.

Proposed § 29.17(e)(3) explains that if at the conclusion of a complaint investigation, the Registration Agency determines that a violation of part 29 or the

apprenticeship agreement occurred, the Registration Agency would attempt to resolve the violation as quickly as possible, generally through technical assistance, initiating a program review, or the initiation of deregistration proceedings.

Proposed § 29.17(f) would carry forward existing § 29.12(e), which states that no part of existing § 29.12 precludes apprentices from pursuing alternative avenues of relief authorized under Federal, State, or local law.

Proposed § 29.17(g) would carry forward existing § 29.12(f) but clarify that, for an SAA to utilize a complaint review procedure that differs from the one provided here, the complaint review procedure would need to first be approved by the Administrator as part of the process described in proposed § 29.27.

Proposed § 29.17(h) is new and would establish anti-retaliation protections under part 29 by adapting language from part 30. This provision would prohibit a broad range of adverse actions, including intimidation, threats, coercion, retaliation, and discrimination. The provision would protect a broad range of protected activities, including filing a complaint, opposing a practice prohibited by this part or an apprenticeship agreement, furnishing information, or exercising any rights or privileges afforded under this part or an apprenticeship agreement. Notably, anti-retaliation complaints cannot be filed anonymously because Registration Agencies must always reveal the identity of the complainant to seek a remedy.

Proposed § 29.17(i) would speak to consequences for sponsors that fail to prevent or remedy retaliation as defined in paragraph (h), including retaliation by a participating employer in the sponsor's program. The presumptive remedy for sponsors found to have retaliated in violation of § 29.17(h) would be to make the apprentice whole. If, for example, an apprentice is terminated from a program for filing a complaint, the presumptive remedy would be for the apprentice to be reinstated to the same step in the registered apprenticeship program with back pay plus interest. OA also may pursue a

remedy for violations of § 29.17(h) by limiting the responsibilities of the individual responsible for misconduct such as removing the individual from interactions with the complainant, to the extent practicable. Regardless of what the appropriate remedy would be, sponsors that fail to remedy retaliation may be subject to deregistration under § 29.20(a).

Section 29.18 – Recordkeeping by registered programs.

Recordkeeping is an essential and fundamental requirement in documenting compliance with the requirements of this rulemaking. Under this proposed rule, programs would need to maintain records for the purposes of demonstrating compliance to a Registration Agency as part of a program review and assisting a Registration Agency in conducting a complaint investigation. Programs would also need to maintain sources of data or information used to report to the Registration Agency. The Department thinks that these proposed requirements balance the needs of sponsors, employers, and Registration Agencies to conduct effective monitoring and oversight of program compliance with the burden of maintaining the required records. The Department is interested in any comments on whether the Department should add or subtract records from this proposed section.

Proposed § 29.18 is a new section that would expand upon the recordkeeping requirement that is in current § 29.5(b)(23) and detail the categories of records that sponsors and any participating employers are expected to maintain. Proposed § 29.18 would describe the general recordkeeping requirement with respect to specific records, the requirement to maintain records for a specific period of time, the requirement to allow the Registration Agency access to the records, and the format of such records. The section would mirror some of the recordkeeping requirements of 29 CFR 30.12 in order to create uniform requirements for recordkeeping for registered apprenticeship programs.

Proposed § 29.18(a) would state the general obligation of the program sponsor, and any participating employer, to maintain any records that the Registration Agency considers necessary to determine whether the sponsor has complied or is complying with the requirements of this part and any applicable Federal or State laws. It would further list in paragraphs (a)(1) and (2) the specific categories of documents that are required to be maintained.

Proposed § 29.18(a)(1) would require that records be maintained concerning employment decisions, such as the hiring or placement, promotion, demotion, transfer, layoff, termination, right of return from layoff, and rehiring of apprentices. These are typically employment records maintained in the ordinary course of business. The Department considers these records paramount for a sponsor to maintain since they relate to a foundational requirement of registered apprenticeship programs, the employment of apprentices. Effective oversight of the program would not be possible without such records.

Proposed § 29.18(a)(2) would require that records be maintained related to the operation of the registered apprenticeship program, including but not limited to the specific requirements in paragraphs (a)(1)(i) through (x).

Proposed § 29.18(a)(2)(i) would require the maintenance of records containing information related to the qualification, recruitment, employment, and training of apprentices, such as the apprenticeship program standards, apprenticeship agreements, completion records, cancellation and suspension records, and program review files. This provision would complement proposed § 29.18(a)(1) in that it would require maintaining records specific to the operation of the apprenticeship training program in addition to the requirements of proposed § 29.19(a)(1) regarding the individual employment decisions concerning each apprentice. These records are necessary to ensure the program is operating in compliance with proposed §§ 29.8 through 29.10.

Proposed § 29.18(a)(2)(ii) would require maintaining records pertaining to each apprentice's performance and progress in both the on-the-job training and related instruction components of the registered apprenticeship program, as well as records related to the apprentice end-point assessments. These recordkeeping requirements would also be referenced in the proposed program standards at § 29.8(a)(10) and (11). The records are important to demonstrate the apprentice's progress during the apprenticeship and at the end-point assessment. They are related to other important aspects of the apprenticeship, such as work process schedules and wage progression, and help document the key quality criteria in this proposed rule regarding regular assessments of competency. Because competency attainment enables apprentices to progress through an apprenticeship, records as to how competency attainment is measured are critical for a sponsor to retain and have available.

Proposed § 29.18(a)(2)(iii) would require maintaining records pertaining to an apprentice's attainment of an interim credential as part of the program, postsecondary academic credit, or other interim milestones attained during the course of an apprentice's participation in the program, if available. The Department acknowledges that not all programs may provide interim credentials or postsecondary academic credit; however, those that do would need to maintain records of their provision to apprentices. One quality metric proposed in this NPRM relates to credential attainment, and maintaining records associated with those credentials would be required. The Department has proposed a requirement in this proposed rule to have sponsors disclose any interim credentials an apprentice receives in the program. Credentials are both a key source for documenting apprentice progression and success in a program and represent an additional, tangible benefit for apprentices in the program. This proposed rule does not propose interim credentials or academic credit be provided, but because it would ask that

they be disclosed, it is vital that the Department can validate this information from the sponsor's records if needed.

Proposed § 29.18(a)(2)(iv) would require maintaining records for each apprentice regarding the number of hours of on-the-job training, the number of hours of related instruction, the total number of hours worked, and the wages and fringe benefits paid for all hours. This is an integral part of the standards of apprenticeship and apprenticeship agreement, and these records are necessary to demonstrate compliance with both.

Proposed § 29.18(a)(2)(v) would require that records be maintained, including personnel records, applicable to any non-EEO complaints filed with the Registration Agency pursuant to proposed § 29.17.

Proposed § 29.18(a)(2)(vi) would require that all records be maintained related to the safety record of the sponsor and all participating employers in the sponsor's program, where applicable, including records relating to any safety and health training provided to apprentices, incident logs required to be maintained under applicable Federal or State occupational safety and health laws, and current worker's compensation documentation.

Proposed § 29.18(a)(2)(vii) would require maintaining any records required to be maintained by a program sponsor under 29 CFR part 30.

Proposed § 29.18(a)(2)(viii) would require maintaining any records required to be maintained under title 38, United States Code, in order for veterans and other individuals eligible for educational assistance under such title to use such assistance for enrollment in registered apprenticeship programs.

Proposed § 29.18(a)(2)(ix) would require maintaining records demonstrating program compliance with registered apprenticeship requirements to meet Federal purposes as defined in this part. This could include documents maintained for purposes of compliance with registered apprenticeship requirements in Federal grants such as WIOA, the IRA, the Davis-Bacon and related Acts, and any Federal purposes.

Proposed § 29.18(b) is a new requirement in part 29 but would use the language in part 30 at § 30.12(d) regarding maintenance of records to provide some uniformity to the recordkeeping requirements across both sections. Proposed § 29.18(b) would provide that the records required by this part and any other information relevant to compliance with these regulations must be maintained by a program sponsor (or any participating employer, if applicable) for 5 years from the date of the making of the record or the personnel action involved, whichever occurs later. The 5-year timeframe would be consistent with the recordkeeping requirement in 29 CFR 30.12 and align with the 5-year program review requirement in proposed § 29.19. This provision would also provide that failure to preserve complete and accurate records (as would be required by paragraph (a) of this section) constitutes noncompliance with this part that could lead to OA initiating deregistration proceedings. This language would be similar to the language in § 30.12(d).

Proposed § 29.18(c) would provide that the program sponsor (and any participating employer) must allow the Registration Agency access to the records described in paragraph (a) of this section upon request for the purpose of conducting program reviews and investigating complaints arising under part 29; such program reviews and investigations may involve the inspecting and copying of books, accounts, records (including electronic records), and any other material the Registration Agency deems relevant to the review or investigation and pertinent to compliance with this part. It would also provide that, upon request, the program sponsor (and any participating employer) must provide the Registration Agency information about all format(s), including specific electronic formats, in which its records and other information are available. Finally, it would clarify that information obtained in this manner will be used only in connection with the administration of this part or other applicable laws. Proposed § 29.18(c) would adopt language similar to the part 30 recordkeeping requirements at § 30.12(f) but specific to records related to program reviews and investigations under part

29. This access provision is important for the Registration Agency to conduct program reviews and investigate complaints arising under part 29.

Proposed § 29.18(d) is a new requirement. It would acknowledge that forms, records, and any other documents used and maintained by the program sponsor (and any participating employer) in the administration of this part may exist in paper or electronic form or a combination thereof. It would also specify that, regardless of the medium, these records must be available and accessible as required under paragraph (c) of this section for oversight and compliance purposes.

Section 29.19 – Program reviews.

The Department's ability to conduct comprehensive reviews of the apprenticeship programs it registers and oversees is the linchpin for the quality standards, worker protections, and transparency and accountability measures discussed throughout this NPRM's preamble and envisioned in the Department's proposed update to the part 29 regulations. Establishing a clear, transparent, and fair process for such reviews in the part 29 regulations is critical for all stakeholders within the system, including the governmental entities overseeing programs, the designers and operators of registered apprenticeship programs, and the apprentices who participate in apprenticeship programs. While program reviews are essential for giving the Department the tools necessary to enforce the part 29 regulations and fulfill its statutory mandate to protect the welfare and well-being of apprentices, these reviews are also opportunities for programs to identify and address issues or discrepancies in service of program improvement. The proposed process for program reviews aligns with the Department's current practice of allowing programs time to address issues internally and request guidance and assistance from the Department or other stakeholders. Programs should view program reviews as a useful opportunity for program assessment and the identification of near- and long-term steps towards improvements in program quality.

To provide clarity for the regulated community, the Department has decided to propose a new section of the part 29 regulations to encapsulate all elements of the program review process, which is referenced in several places throughout the existing parts 29 and 30 regulations. For example, 29 CFR 29.5(b)(21), in the existing regulation's section on program standards, states that programs must affirm compliance with the part 30 EEO regulations, and § 29.6(b)(1)(ii) refers to EEO compliance reviews as a responsibility of Registration Agencies. Under the Department's proposed regulation, EEO compliance reviews, quality assurance assessments, and other oversight activities would be covered by this new section, now collectively referred to as "program reviews," which would clarify the scope of Registration Agency review of programs' compliance with the entirety of the regulations at parts 29 and 30. In addition to this reorganization and consolidation of the program review provisions in the existing regulation, the Department is proposing various enhancements to the program review process to increase transparency and accountability in the system in service of maintaining and improving program quality throughout the system.

Proposed § 29.19(a) would explain that once a program's registration is made permanent, the applicable Registration Agency must conduct a program review at least every 5 years, though more frequent reviews are permitted based on capacity. This timeframe aligns with the current rule, wherein new registered apprenticeship programs enter into an initial, "provisional" status upon registration, and are reviewed approximately 1 year after the registration date. Provided that the program is operating in accordance with the standards approved by the Registration Agency, the program then moves out of "provisional" status and continues operating as a registered apprenticeship program. Such programs are then reviewed once every 5 years, with more frequent

reviews occurring depending on specific circumstances.[143] This timeframe further aligns with other timelines in the existing regulations governing registered apprenticeship, such as the requirement that programs undergo a compliance review "no less frequently than every 5 years" at 29 CFR 29.3(h) and the 5-year recordkeeping requirement in the EEO regulations at 29 CFR 30.18(b).

Proposed paragraph (a) would further clarify that the Registration Agency will include a review of any participating employers in a sponsor's program during such program reviews, in line with the proposal's overall goal of establishing and maintaining accountability throughout the National Apprenticeship System. Throughout the proposal, the Department seeks to establish accountability measures to monitor, assess, and address participating employers' compliance with the proposed registered apprenticeship regulations, and has proposed changes to the existing registered apprenticeship regulations to require participating employers' compliance where appropriate. Proposed § 29.19(a) would establish the necessary connection between participating employers and the Registration Agency's primary oversight mechanism—program reviews—to establish such accountability.

Proposed § 29.19(b) would require the Registration Agency to conduct a review of a program if it receives credible information that a program, participating employer, or other registered apprenticeship stakeholder is not operating in compliance with the program's accepted program standards or any other requirements set forth in this part or 29 CFR part 30. Such credible information or allegations could be received through any means including, but not limited to, complaints, referrals, or news stories. Proposed § 29.19(b) would also require a Registration Agency to conduct program reviews at the request of the Administrator. The Administrator may request that a Registration Agency

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[143] Circumstances that may trigger more frequent reviews include, for example, a program's reported outcomes are consistently falling short of expectations or requirements, and whether serious, unaddressed complaints related to the program, recognized as legitimate by reviewers, consistently arise.

conduct program reviews because the Administrator has received credible information that a program is not operating in conformance with its registered standards, part 29 or part 30, because the Administrator disagrees with a Registration Agency as to whether credible information of potential noncompliance exists, or for any other reason the Administrator determines a review is warranted.

Proposed § 29.19(c) would clarify that Registration Agencies may consider all information and data that are pertinent to the purpose of the review in reaching a determination at the conclusion of the review. Registration Agencies would need to consider the program's performance under § 29.25(b). This provision would ensure that program performance is included as part of a program review and can ensure that technical assistance related to program performance is provided to sponsors.

Proposed § 29.19(d) would require sponsors and participating employers to cooperate with requests for interviews and documentation from the Registration Agency. This proposed paragraph would further clarify that sponsors and participating employers may never impede the Registration Agency's ability to interview prospective, current, or former apprentices because such interviews are essential to conducting a program review. Registration Agencies would be entitled to draw adverse inferences in the event that a sponsor or participating employer declines to answer questions, gives evasive answers, or fails to produce records that the sponsor or participating employer is required to maintain pursuant to proposed § 29.18. This section is intended to make program reviews by Registration Agencies as efficient and effective as possible.

Proposed § 29.19(e) explains what would happen at the conclusion of a program review. At the conclusion of a program review, the Registration Agency would need to provide its Notice of Program Review Findings to the sponsor using the contact information listed in the registered standards. The Department is proposing to notify the sponsor using the most recent contact information provided in the standards because it

assumes that the sponsor has provided the most up-to-date, accurate contact information with its standards, because the Department should be able to rely on the sponsor's representation that it can effectively receive communication via that contact information, and because the registered standards require a sponsor to designate a point of contact to receive complaints.

Paragraphs (e)(1) though (4) would detail what must be contained in a Notice of Program Review Findings, including a summary of any noncompliance identified, a concise explanation as to how the noncompliance may be cured, an explanation that the sponsor has to develop a compliance action plan as described in paragraph (f), and a statement that an enforcement action may be taken if compliance is not achieved within an established timeframe. The Department thinks that the information required here is sufficient to make the sponsor aware of the Registration Agency's concerns and steps needed to address areas of noncompliance.

Proposed § 29.19(f) would describe the steps that the sponsor must take when it receives a notice pursuant to paragraph (e) as well as the further actions that the Registration Agency may take in response.

Proposed § 29.19(f)(1) would explain that where a Notice of Program Review Findings details one or more areas of noncompliance, the sponsor is afforded 45 calendar days from the date of notification to either rebut the findings or submit a compliance action plan. The Department notes that 29 CFR 30.15 affords sponsors 30 days to implement a compliance action plan. In proposed § 29.19(f)(1), the time period would be extended from 30 to 45 days to ensure that the time period is not shorter than that referenced in § 30.15. The 45-calendar-day period may be extended once by the Registration Agency for up to 45 additional days for good cause. Good cause to extend the period may be present if, for example, the sponsor recently implemented staffing changes that would alter the personnel responsible for rebutting the findings or

developing a compliance action plan. The determination as to whether the findings are appropriately rebutted would be entirely within the discretion of the Registration Agency.

Proposed § 29.19(f)(2) would detail the minimum requirements that must be included in a compliance action plan. A compliance action plan would need to make a specific commitment in writing to correct or remediate identified deficiency(ies) and area(s) of noncompliance, specify actions that will be taken to remedy each deficiency, specify a timeline, and provide the name of the individual responsible for correcting each deficiency. Proposed § 29.19(f)(2) would also explain that if a sponsor submits a rebuttal to the Notice of Program Review Findings that in the discretion of the Registration Agency does not rebut the Findings, the sponsor is afforded 45 calendar days from receipt of the final notice to submit a compliance action plan for approval. The compliance action plan should include: (1) a written commitment to correct or remediate any deficiencies and areas of noncompliance that have been identified by a Registration Agency; (2) the precise actions a program sponsor will take for each deficiency identified; (3) the time period within which a program sponsor will remedy each deficiency that has been cited and any corresponding program changes implemented to correct each cited deficiency; and (4) the name of the individual or individuals responsible for correcting each deficiency.

Proposed § 29.19(g) explains the menu of options that would be available to Registration Agencies upon receiving and reviewing a compliance action plan. Proposed paragraph (g)(1) states that a Registration Agency could approve the compliance action plan, determine that the sponsor is in compliance, and terminate the program review process. This first option is more likely to be selected upon receipt of a particularly robust compliance action plan. A program sponsor charged with developing a compliance action plan would need to take steps to implement that plan in accordance with the requirements

of the regulation, even in instances where the formal program process has been completed.

Proposed paragraph (g)(2) states that a Registration Agency could approve the compliance action plan but continue the program review process until the compliance action plan is appropriately implemented. This second option may be more appropriate where the Registration Agency determines that continued monitoring may be necessary to ensure appropriate implementation of the compliance action plan. For example, a sponsor could submit, and the Registration Agency could approve, a compliance action plan that details the sponsor's plan to register its first apprentice. However, the Registration Agency may elect to wait until the sponsor in fact registers its first apprentice before making the determination that the compliance action plan is appropriately implemented and the sponsor is in compliance.

Proposed paragraph (g)(3) states that a Registration Agency could reject the compliance action plan and proceed with deregistration according to proposed § 29.20. A Registration Agency may elect to work with the sponsor to revise a compliance action plan that had been rejected instead of proceeding with deregistration.

Section 29.20 – Deregistration of a registered program.

Proposed § 29.20 would substantially revise the existing provisions regarding deregistration of a registered apprenticeship program found at 29 CFR 29.8 of the current regulation. Under the current 29 CFR 29.8, the Department is afforded no administrative tools, sanctions, or alternatives short of initiating formal deregistration proceedings in instances where a program is not being conducted, operated, or administered in accordance with the program's registered provisions or the requirements of 29 CFR part 29. This administrative inflexibility stands in sharp contrast to the more graduated EEO in apprenticeship enforcement provisions found at 29 CFR 30.15, which permit the Department to work with a program sponsor to rectify areas of noncompliance with the

EEO regulatory requirements of 29 CFR part 30 through the pursuit of an intermediate administrative step: the development of a limited-time compliance action plan that identifies and rectifies a program's operational deficiencies. Accordingly, to better align and harmonize the enforcement structures in 29 CFR parts 29 and 30, the Department has proposed substantially replicating the compliance action plan procedural mechanism currently found at 29 CFR 30.15 and incorporating it into the proposed program review process outlined at § 29.19(f) and (g) of this proposed regulation (see above). Should a sponsor fail to develop a compliance action plan that satisfies the Department's requirements, however, formal deregistration proceedings may then be initiated by the Department as a last resort under this proposed § 29.20, which the Department has proposed be significantly updated to improve procedural clarity and efficiency. Proposed § 29.20(a) would replace the undesignated introductory paragraph in existing § 29.8 and eliminate ambiguous references to "deregistration proceedings" in favor of outlining the process step by step. The first step would be to notify a sponsor or a participating employer of the specific violations of parts 29 or 30 that were identified as a result of a program review, complaint investigation, or "any other basis." The reference to "any other basis" is intended to capture the multitude of less common methods by which a Registration Agency could learn of a violation of parts 29 or 30, such as through the news or by referral from another government agency. However, where a news story or referral from another government agency may benefit from additional investigation, the Registration Agency may elect to initiate a program review to gather additional facts. Proposed § 29.20(a) proposes a new reference to "participating employer" to clarify that a participating employer can be offered technical assistance by a Registration Agency if suspected not to be operating in accordance with parts 29 or 30. Ultimately, however, because a participating employer is not a sponsor, it would be up to the sponsor to suspend the participating employer from the program. The addition of a reference to

"participating employer" is further intended to clarify that a sponsor may ultimately be deregistered when a participating employer that has adopted the sponsor's standards is not operating in accordance with those standards or parts 29 or 30. The notice provided under proposed § 29.20(a) would in practice be very similar to the Notice of Program Review Findings under proposed § 29.19(f)(1) in that both notices would identify an area of noncompliance on the part of the sponsor and the remedial action that would be taken by the Registration Agency as a result. However, a Notice of Program Review Findings would always afford a sponsor the opportunity to submit a compliance action plan whereas a notice under proposed § 29.20(a) may reference a wider array of options, including notifying the sponsor that the program is deregistered.

Proposed § 29.20(a)(1) through (4) are new and detail a proposed menu of options available to a Registration Agency upon making a determination that a violation of this part occurred. A Registration Agency could proceed with any single option or multiple options concurrently if the Registration Agency thinks such action is necessary to address the noncompliance, these include

(1) offering the sponsor or participating employer technical assistance to promote compliance;

(2) requiring the sponsor to submit a compliance action plan pursuant to § 29.19(f);

(3) suspending the sponsor's right to register new apprentices for a specified time period; or

(4) deregistering the program pursuant to paragraph § 29.20(b) of this section.

Proposed § 29.20(a)(1) would be an option to provide technical assistance to the sponsor. This option may be selected where there is a clear misunderstanding of the regulatory requirements on the part of the sponsor and technical assistance may support a timely remedy to the violation.

Proposed § 29.20(a)(2) would be an option to require that the sponsor submit a compliance action plan that meets the requirements of proposed § 29.19(f)(2). This option may be selected where the noncompliance was discovered outside of the program review process.

Proposed § 29.20(a)(3) would be an option to suspend the sponsor's right to register apprentices for a set period of time. This option may be appropriate where there is a concern about the safety of apprentices in the program.

Finally, proposed § 29.20(a)(4) would be an option to deregister the program for cause pursuant to proposed § 29.20(b). Proceeding to deregistration may be appropriate if the sponsor was already afforded an opportunity to submit a compliance action plan and the plan was rejected, in the case of particularly egregious violations, or where the program has failed to respond to the Registration Agency.

Proposed § 29.20(b) would substantially streamline existing § 29.8(b). It would remove references to persistent and significant failure to perform successfully and other enumerated bases for deregistration and would instead implement a standard for deregistration by which any program not operated in accordance with parts 29 or 30 could be deregistered if the sponsor fails to correct the violations or fails to receive approval of a compliance action plan and implement that compliance action plan within the required timeframes. The determination as to whether a compliance action plan is approvable and whether an approved compliance action plan is being appropriately implemented would be at the sole discretion of the Registration Agency. Proposed § 29.20(b) would eliminate references to "reasonable cause to deregister," which in existing § 29.8(b)(5) serves as the point at which an appeal of the Registration Agency's decision must be taken. By requiring a sponsor to appeal deregistration before a final agency determination as to deregistration has issued, current § 29.8 requires appeals to be taken before they are ripe. Proposed § 29.20(b) would correct this problem by making a

Notice of Deregistration the point after which a sponsor may either request a review by the Administrator or, in certain cases, request a hearing before the Office of Administrative Law Judges (OALJ).

Proposed § 29.20(c) would carry forward much of existing § 29.8(a). References to cancellation are proposed to be struck to avoid confusion with the cancellation of apprenticeship agreements. The proposed paragraph would clarify that the Registration Agency will deregister a program upon receipt of a written request, in contrast with the existing text that says a Registration Agency may do so. This change would reflect the reality that OA will always deregister a program upon the request of the sponsor.

Proposed § 29.20(d) is new and would establish the process by which the Administrator will review the Registration Agency's Notice of Deregistration. In summary, this provision would establish a three-step process of review when a Notice of Deregistration is issued by an SAA: (1) Informal Resolution (by the Administrator); (2) Appeal (to OALJ); and Appeal (to ARB). The Department is proposing the addition of this review process for two reasons. First, the Department believes that where the deregistration decision was made by an SAA, the Administrator should review the SAA's deregistration decision so that any novel issues relating to this part, part 30, or the National Apprenticeship System are resolved by the Administrator in the first instance, as opposed to the OALJ. Accordingly, where the Notice of Deregistration was issued by an SAA, this review process would be a required step before requesting a hearing before the OALJ. Where the Notice of Deregistration was issued by the Administrator, this review process would not be necessary before a request for a hearing is requested. Second, the Department is proposing the process in § 29.20(d) to minimize the Departmental resources that must be used to deregister programs that become unresponsive, even after multiple attempts by the Registration Agency to contact the sponsor, or where the sponsor fails to register at least one apprentice. Accordingly, where the Notice of

Deregistration states the basis for deregistration as a failure to respond to multiple attempts from the Registration Agency to contact the sponsor or a failure to register at least one apprentice, or both, the outcome of this review process would serve as the final agency determination of the Department regarding deregistration. The Administrator shall publish a notice of final agency determination on an OA public-facing website in compliance with proactive disclosure requirements under the FOIA (5 U.S.C. 552 (a)(2)).

Paragraph (d)(1) would explain how a former sponsor may request review from the Administrator. Requests would need to be submitted electronically and in writing within 30 calendar days from the date of the Notice of Deregistration. The request would not need to be made in any particular format, but the request itself would need to provide any and all relevant facts or documentation that exist as of the time of the request. It would be entirely the obligation of the former sponsor to provide any arguments, facts, and documents in an understandable manner as part of the request for review. The Administrator would take into consideration the totality of the request and supporting documentation presented and render the Administrator's final decision.

Paragraph (d)(2) would address deregistrations where an SAA is the Registration Agency. In these situations, the request for review would need to be sent to the Registration Agency and the Administrator simultaneously such that the Administrator and the SAA are provided with identical copies of the request and all supporting documentation. The SAA would then have 15 calendar days to provide the Administrator with a record containing the pertinent facts underlying the SAA's deregistration determination. The Administrator could request additional information from the sponsor, the Registration Agency, or both, though the Administrator would not be required to do so.

Paragraph (d)(3) would explain that if OA is the Registration Agency, OA will compile for the Administrator's review all relevant information already in OA's

possession or already submitted by the former sponsor, and may request additional information from the former sponsor, though OA is not obligated to do so.

Paragraph (d)(4) would explain that the Administrator will issue a final decision that explains the basis for the decision as quickly as practicable after receiving all information necessary for the Administrator to make a decision. While the Administrator would work as quickly as possible, the Department has not included a required timeframe because the facts and issues in specific cases may require more or less time to make a decision and, therefore, a uniform timeframe may inadvertently require the Administrator take less time than necessary to fully consider a request for reconsideration.

Paragraphs (d)(5) and (6) would explain that except where the basis for deregistration is a failure to respond to multiple attempts from the Registration Agency to contact the sponsor or a failure to register at least one apprentice, or both, the former sponsor may still request a hearing before the OALJ within 15 calendar days of receipt of the Administrator's final decision. Where the former sponsor does not request a hearing within 15 calendar days, or where the basis for deregistration is a failure to respond or a failure to register at least one apprentice, the Administrator's final decision would be the Department's final agency action and the OALJ would not have jurisdiction to consider an appeal. The Department's intent in proposing to preclude the OALJ from hearing appeals based on a failure to respond or a failure to register at least one apprentice is to limit the expenditure of Departmental resources on disputes that are typically very straightforward and easily resolved by engagement with the Registration Agency. The Department's intent is to encourage sponsors of such programs to work with the Registration Agency before deregistration to address the lack of responsiveness or failure to register an apprentice through the provision of technical assistance or an action plan. If the cause of the deregistration stems from the program's lack of commitment to operating an apprenticeship training program, the Department thinks that it is better for the broader

apprenticeship system to deregister such programs expeditiously. In addition, because these problems are readily resolved, sponsors may always seek reinstatement of their program under proposed § 29.22 once the issue that gave rise to the failure to respond or failure to register an apprentice is resolved.

Proposed § 29.20(e) would address the process for requesting a hearing before the OALJ and would streamline existing § 29.8(b)(6) through (8). Proposed paragraph (e)(1) would explain that all requests for hearings must be sent to the OALJ. It would further note that where an SAA is the Registration Agency, the former sponsor has 15 calendar days from the date of the Administrator's final decision to request a hearing. Where an SAA deregistered the program, the Department is proposing to require the former sponsor to request review by the Administrator first to ensure that any novel or incorrect interpretations of parts 29 or 30 are not decided in the first instance by the OALJ. As OA is the Department's subject-matter expert on apprenticeship, the Department thinks it most appropriate that OA should always be afforded the opportunity to review a deregistration decision by an SAA before the OALJ or the Administrative Review Board (ARB) render the final agency decision for the Department. As noted above, this would allow OA to provide input on any novel issues relating to this part, part 30, or the National Apprenticeship System that are present in the matter.

Proposed paragraph (e)(2) would explain that a request for a hearing must simultaneously be furnished to the Administrator (*see https://www.dol.gov/agencies/eta/apprenticeship* for contact information), and the Associate Solicitor for Employment and Training Legal Services (*see https://www.dol.gov/agencies/sol/divisions/employment-training-legal-services* for contact information). The paragraph would further explain that the Administrator will promptly compile and submit to the OALJ the administrative file containing the

documentation relied on by the Administrator in reaching the Administrator's final decision or the Notice of Deregistration, as applicable.

Proposed paragraph (e)(3) would explain that hearings would be conducted per proposed § 29.21.

Section 29.21 – Hearings on deregistration.

Proposed § 29.21 would carry forward much of current § 29.10. However, existing § 29.10(a), which currently requires the Administrator to request a hearing from the OALJ, would be deleted entirely and replaced with the process described above. The Department determined that the current process outlined in § 29.10(a) is inefficient and that the appealing party's notice is sufficient.

Proposed § 29.21(a)(1) and (2) would carry forward existing § 29.10(b)(1) and (2) verbatim. In addition, the proposed rule would add paragraphs (a)(3), to clarify that the request for a hearing is not a complaint to which an answer is required, and (a)(4), to clarify that limited pre-hearing motions and discovery may be permitted at the discretion of the assigned Administrative Law Judge. The clarification in paragraph (a)(3) that no answer to a request for hearing would be required is intended to supplement the OALJ regulations at 29 CFR part 18 and capture the reality that an Administrative Law Judge assigned to a deregistration hearing will receive a comprehensive administrative file from the Administrator, which should render a separate answer unnecessary. The clarification in paragraph (a)(4) is intended to allow for limited discovery, though the Department anticipates that in most instances the case will be able to be decided on the record without further discovery.

Proposed § 29.21(b) would carry forward existing § 29.10(c) with the only additions being added citations to the ARB's recently promulgated Rules of Practice and Procedure and the inclusion of a standard of review for the OALJ. The Department proposes to clarify that the arbitrary and capricious standard of review applies because it

is regularly used in administrative adjudications reviewing final agency determinations. The arbitrary and capricious standard of review would require the Administrative Law Judge to uphold the Administrator's decision unless it is shown by the sponsor to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law.

Section 29.22 – Reinstatement of program registration.

Proposed § 29.22 is new and would explain that an apprenticeship program that is deregistered may have its registration reinstated if the prospective sponsor submits adequate evidence that the program is operating in compliance with parts 29 and 30. Although a former sponsor would normally be able to reapply for registration, this section would establish a parallel process by which a former sponsor with an active but unregistered program could submit evidence in support of having its registration reinstated. The Department envisions that this process would address situations where a former sponsor's deregistered standards are in conformance with parts 29 and 30 but where the former sponsor was deregistered for not operating its program in conformance with the standards, with part 29, or with part 30. For example, a sponsor could be deregistered for failure to register a single apprentice, but post-deregistration provide the Registration Agency with evidence of registering at least one apprentice as well as an adequate explanation for not doing so previously; the determination as to what constitutes adequate evidence lies exclusively with the Registration Agency.

Section 29.23 – Exemptions.

Proposed § 29.23 would permit the Administrator to entertain requests for exemptions from any or all of the provisions contained in subpart A of 29 CFR part 29. Such requests would be required to be made in writing and transmitted to the Administrator and would also be required to contain a statement of the reasons supporting the request. The Administrator would only grant an exemption for good cause. Good cause may be found in instances where the sponsor demonstrates to the

Administrator that the granting of the exemption will expand or support the safety and welfare of apprentices. The Department would not grant an exemption that would reduce or minimize the protections afforded apprentices under this proposed regulation. The Department is interested in any comments regarding criteria the Department could use to establish when good cause may be found.

This proposed exemption provision would be similar to the existing exemption allowance contained in 29 CFR 30.19 of the EEO in Apprenticeship regulations, except that SAAs would be excluded from involvement in the consideration or issuance of exemptions under proposed § 29.23, and the Administrator would retain the full and exclusive authority to evaluate and grant exemptions from the provisions of subpart A of 29 CFR part 29.

The Department also wishes to note that the proposed exemption provision would not apply to any of the regulatory provisions contained in either subpart B or subpart C of the revised 29 CFR part 29. The Department is proposing this to ensure the exemptions are solely based on labor standards requirements. The Department would consider comments on exemptions for subpart B for potential sponsors of registered CTE apprenticeship. The Department is not proposing an exemption authority for subpart C because that subpart addresses the collection of apprenticeship data, which as described below is a key priority of this rulemaking to ensure a comprehensive data set on registered apprenticeship programs. Subpart C also governs the SAAs; the Department is not proposing any exemptions regarding their individual governance, in an effort to build a more cohesive system. While the Department may consider individual program level exemptions on labor standards, given the Department's goal of building a National Apprenticeship System, the elements of subpart C are not being proposed to be eligible for exemption.

C. Subpart B – Career and Technical Education Apprenticeship

The Department has long heard from National Apprenticeship System stakeholders that creating additional apprenticeship opportunities would expand the benefits of apprenticeship and maximize its workforce development potential, particularly for individuals who are in the early stages of career development, such as students in high school and postsecondary students who are actively taking steps to begin their future careers and assessing the postsecondary opportunities available to them. It also would be a beneficial model for businesses looking to expand their talent pipelines, including businesses that participate in registered apprenticeship programs under subpart A. Registered apprenticeship has been a successful workforce development tool for job seekers for decades, and the Department recognizes that many of the occupational training and professional development elements of registered apprenticeship would be valuable for the subset of the population who are enrolled in high school and in community and technical colleges and are taking steps to improve their career opportunities. However, the existing National Apprenticeship System has had very limited participation from high-school-aged youth. In FY 2022, only 1.2 percent of active apprentices, or 7,643 apprentices, in registered apprenticeship programs were 16-18 years old.[144] Most youth ages 16-18 are in high school, and these years are critical for helping students understand and make informed choices for their education and career paths, particularly for youth who do immediately enter postsecondary education.[145]

More broadly, the Department is concerned about the persistent decline in youth labor force participation, as well as an unemployment rate more than twice as high as the national average, for those individuals aged 16 to 24 years old. The summer labor force participation rate for 16- to 24-year-olds was 60.2 percent in July 2023, down from 61.8

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[144] OA, "Data and Statistics," *https://www.apprenticeship.gov/data-and-statistics* (last updated June 16, 2023).
[145] OA, "Data and Statistics," *https://www.apprenticeship.gov/data-and-statistics* (last updated June 16, 2023).

percent in July 2019.[146] Youth labor force participation has been trending downward since reaching a high of 77.5 percent in July 1989 due to a number of factors, such as lack of training and work experience, transportation and access to work sites, and the lasting impact of labor market disruptions during and following economic downturns.[147] While some individuals aged 16 to 24 years old may be attending some type of education or training and forgoing employment, research indicates these factors may also underlie why the unemployment rate for this population, those who are actively looking for work but are unemployed, is more than twice as high as the national average. This population's unemployment rate (ages 16-24) remains well above the national average based on the BLS "Employment and Unemployment Among Youth Summary," published in August 2023, which showed the July 2023 unemployment rate for youth was 8.7 percent,[148] compared to 3.5 percent overall at the same time. Ongoing declines in labor force participation and disparities in unemployment may create long-term challenges for those individuals in this population who seek job opportunities that provide economic mobility and may disrupt the development of a skilled workforce needed to address demographic shifts and sustain U.S. economic competitiveness. The Department recognizes the need to engage and support school-aged individuals and adult learners who are seeking to enter a career pathway and utilize an earn-and-learn model such as registered apprenticeship, which will help to increase labor force participation and close the gap in unemployment rates relative to the rest of the working population.

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[146] BLS, The Economics Daily, Aug. 29, 2023, https://www.bls.gov/opub/ted/2023/60-2-percent-of-youth-participated-in-the-labor-force-in-july-2023.htm (last visited Oct. 5, 2023).
[147] Note: After peaking at 77.5 percent in July 1989, the rate trended downward then ranged between 60.0 to 60.6 percent during 2012 to 2018. Congressional Research Service, "Youth and The Labor Force: Background and Trends," Aug. 20, 2018, https://crsreports.congress.gov/product/pdf/R/R42519.
[148] BLS, Economic News Release, "Employment and Unemployment Among Youth Summary," Aug. 16, 2023, *https://www.bls.gov/news.release/youth.nr0.htm*.

Nationally, Perkins CTE programs enroll roughly 8.3 million secondary students and 3.5 million postsecondary students,[149] and they are open for enrollment by students looking to attain industry-recognized competencies and skills, a recognized postsecondary credential, and work-based learning experiences. Additionally, the inclusion of CTE programs within the current registered apprenticeship model has provided a promising opportunity to bridge education and workforce development. After working and consulting with registered apprenticeship stakeholders, workforce development analysts and experts, and Federal partners at ED, the Department is proposing a new and emergent type of registered apprenticeship—registered CTE apprenticeship—modeled on the most relevant elements of traditional registered apprenticeship but with key distinguishing features to accommodate students in high school and postsecondary education.

This proposed registered CTE apprenticeship model seeks to strengthen the connection with secondary and postsecondary education programs by bringing together the core concepts of registered apprenticeship and CTE, and working to ensure that strong State-level coordination exists to manage the program. To this end, the Department has proposed the registered CTE apprenticeship program be delivered through a Perkins-eligible recipient's CTE program because Perkins already provides a high-quality framework for apprenticeship-related instruction and can capture economies of scale in matching students interested and involved in CTE with registered apprenticeship. Perkins-eligible recipients may choose to become CTE apprenticeship sponsors to expand and enhance their Perkins CTE program with high-quality on-the-job experience for their students, culminating in a credential that would enhance CTE students' prospects to transition to employment, registered apprenticeship under subpart

[149] ED, Perkins Collaborative Resource Network, "National Summary," https://cte.ed.gov/profiles/national-summary (last visited Sept. 8, 2023).

A, or postsecondary education. The proposed regulation and registered CTE apprenticeship program would not impact the independence and function of ED's Perkins program or that of Perkins grantees and subgrantees. That is, the proposed subpart would only apply to States that develop a written agreement between their State CTE Agency and a Registration Agency, States that wish to become Registration Agencies, and States and CTE programs that wish to become registered CTE apprenticeship sponsors as recognized by DOL. Further, ED's implementation and oversight of the Perkins CTE program would be unaffected. In addition, though the regulations propose that the State CTE Agency (i.e., the agency with authority to oversee Perkins) is a required partner, the regulations would not alter the existing authorities of the State CTE Agency for implementation and oversight of Perkins.

The proposed requirements for registered CTE apprenticeship's labor standards, program registration, and program administration would largely reflect the labor standards, program registration, and program administration requirements for registered apprenticeship, with some distinctions and differences as explained in this NPRM's preamble for subpart B. Many of the proposed requirements are already common practice in high-quality CTE programs and related work-based learning programs. The primary distinctions between these two types of registered apprenticeship programs, under subparts A and B, would be: (1) the required use of industry skills frameworks to support CTE apprenticeship-related instruction and provide direction for on-the-job training; (2) different hours thresholds for related instruction and on-the-job training; (3) different eligibility requirements for who may serve as program sponsors; and (4) student outcomes focused on post-completion career pathways. The Department proposes to center registered CTE apprenticeship programs around industry skills frameworks (rather than the occupational basis of most registered apprenticeship programs). Industry skills frameworks more broadly encompass the range of career options available to high school

and college students by integrating industry-recognized competencies and skills. Registered CTE apprenticeship programs would be guided by an approved industry skills framework and delivered through a Perkins-eligible recipient's CTE program and paid on-the-job training.[150]

In addition, the registered CTE apprenticeship model would place a greater emphasis on the related instruction element of registered apprenticeship, and proposes to involve a higher amount of required time spent in related instruction (CTE apprenticeship-related instruction) with postsecondary credit hours and a lesser amount of on-the-job training, compared to the proposed program in subpart A. For registered CTE apprenticeship, the Department proposes a minimum of 540 hours of required CTE apprenticeship-related instruction, which encompasses not less than 12 postsecondary credit hours as part of the program. The proposed 540 hours of CTE apprenticeship-related instruction and 900 hours of on-the-job training could occur while a student is enrolled in high school, or while a student is enrolled in postsecondary education, or the program could be structured to span high school and postsecondary education.

For secondary school systems, the registered CTE apprenticeship model may expand opportunities for students to pursue postsecondary coursework, create opportunities to earn recognized postsecondary credentials that students earn in CTE programs, including a nationally recognized certificate of completion of registered CTE apprenticeship, and expand work-based learning to include paid on-the-job training with designed wage increases, and support the alignment of CTE programs to registered apprenticeship programs under subpart A, in addition to postsecondary credential and degree programs.

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[150] The Perkins statute safeguards local control over instructional content, academic standards and assessments, curricula, and programs of instruction. 20 U.S.C. 2306a(a). Accordingly, the regulations proposed would only impact and control DOL CTE apprenticeship programs and would not create any rules governing the operation of Perkins programs. Nothing in this proposed regulation would mandate, direct, or control a State's, local educational agency's, eligible Perkins recipient's, or school's specific instructional content, academic standards and assessments, curricula, or program of study.

For postsecondary institutions the registered CTE apprenticeship model may create opportunities to develop additional employer-driven educational programs, particularly in programs where clinical experiences and similar models may not exist, and where students would benefit from paid on-the-job training offered alongside or included as part of a postsecondary credential and/or degree program. Registered CTE apprenticeship may also help postsecondary institutions to create education programs that bridge their workforce and degree programs within their institution, potentially creating opportunities for students to access federal student aid to support their participation in the program, in addition to creating opportunities to embed an apprenticeship program within a degree program, and expand programs that are offered as an ETP under WIOA.

For regions that are seeking to create or have already established strong linkages between their secondary education system and community and technical college system, registered CTE apprenticeship can be structured to bridge these two education systems, ensuring that students graduate high school, transition into postsecondary education with at least 12 postsecondary credit hours, earn a recognized postsecondary credential, and have strong pathways to continue their education while simultaneously participating in the workforce and receiving progressive wage increases. Registered CTE apprenticeship may also help these communities to better position employers as co-owners of their education and workforce systems, support paid on-the-job learning and other forms of Federal and State financial aid that may be available, to help to offset their education costs, provide additional student mentorship, and leverage additional support from community-based organizations to provide wraparound or other student services.

In contrast, for registered apprenticeship under subpart A, the Department is proposing 144 hours of related instruction for every 2,000 hours of on-the-job training. The higher amount of CTE apprenticeship-related instruction is proposed to ensure that CTE apprentices have the requisite number of hours to successfully complete a program

and academic requirements for graduation. The lower amount of on-the-job training hours is proposed to ensure that CTE apprentices receive the technical, hands-on opportunities to demonstrate their progress and attainment of industry-recognized competencies and skills while also ensuring that CTE apprentices work an age-appropriate number of hours while attending school. Specifically, researchers have consistently found that there are negative academic outcomes for students who work intensively (e.g., more than 20 hours) during high school. For example, one study that examined the impact of employment on academic performance and behavioral outcomes (e.g., effort, truancy, misbehavior, and suspensions) of students in 8th, 10th, and 12th grade found that intensive work in high school, defined as working more than 20 hours per week, was associated with lower grade point averages, lower school effort, and greater frequencies of misbehavior. Those who worked more limited hours (20 hours or less per week) increased their odds of obtaining a bachelor's degree and exhibited no differences in high school academic or behavioral outcomes than those who did not work at all.[151]

Standards of registered CTE apprenticeship would be based on approved industry skills frameworks and delivered through CTE programs and paid on-the-job training that must be completed by a CTE apprentice to receive a certificate of completion of registered CTE apprenticeship. Completing a registered CTE apprenticeship program would provide a CTE apprentice with industrywide skills and competencies, a recognized postsecondary credential(s) and at least 12 transferable postsecondary credit hours, which would enable CTE apprentices to enroll in a postsecondary educational program, enroll in a registered apprenticeship under subpart A, potentially with advanced standing, or continue employment.

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[151] Jeremy Staff et al., "Adolescent work intensity, school performance, and academic engagement," Sociology of Education, 83(3), 183-200 (July 2010), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2926992/.

While the new model of registered CTE apprenticeship is designed to align with Perkins CTE programs, CTE apprenticeship programs under this proposal also would have the option to design programs that meet the registration requirements of subpart A, particularly in CTE program areas that are more occupationally based. In doing so, secondary and postsecondary institutions may choose to build onto their existing registered apprenticeship programs to create additional opportunities for learners or they may wish to connect registered apprenticeship programs that are developed under subparts A and B to create stackable instructional models. For secondary and postsecondary institutions that already support registered apprenticeship programs under subpart A, the development of registered CTE apprenticeship programs may help to create new pathways into registered apprenticeship, may support diversity, equity, inclusion, and accessibility efforts, and may create opportunities to engage existing or new employers to expand their partnership in new or different occupations and industries.

Registered CTE apprenticeship would be an additional model designed to specifically align labor standards with State-approved CTE programs and, where appropriate, State or locally developed educational curriculum, where it may not always be feasible under subpart A and, in doing so, would provide multiple postsecondary pathways for CTE students and employment, and may include opportunities for CTE students to earn advanced standing in registered apprenticeship under subpart A. Registered CTE apprenticeship would retain most of the key elements of the registered apprenticeship model as set forth in proposed subpart A, with some differences or adjustments based on the unique characteristics of the population registered CTE apprenticeship will serve—namely, high school and college students—including, among other considerations, their age and typical experience, their courseload, schedule, and stage of career development or transition into a new career. As proposed, the Department envisions some key adjustments to the registered apprenticeship model for registered

CTE apprenticeship. The Department considered using exemptions proposed under subpart A to accommodate this program design, but determined that the requirement for Registration Agency coordination with State CTE Agencies is an essential element of this proposal and could not be implemented through use of exemptions under subpart A. In addition, programs are not exempt from the establishment and implementation of robust standards of registered CTE apprenticeship. Such standards are essential to ensuring that registered CTE apprenticeship programs deliver consistently high-quality education and training, while also ensuring that CTE apprentices are trained in a safe and accessible workplace environment where they are protected from exploitation and abuse.

The Department coordinated and sought consultation with ED in developing the proposed regulations for registered CTE apprenticeship. In addition, this new model is informed by existing and ongoing efforts to develop youth and registered apprenticeship models that incorporate CTE.[152] In coordination with ED, the Department will seek to provide technical assistance to States and local stakeholders as needed to implement this new model.

The Department has also taken into consideration the recommendations from the ACA to expand apprenticeship opportunities that offer postsecondary credit and the ability to advance along a career pathway for in-school youth and other individuals.[153] The registered apprenticeship model has been highly successful, as described throughout this rulemaking, in successfully training individuals outside of the current secondary and postsecondary education systems. However, it has not been able to systematically align

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[152] Joseph B. Fuller et al., The Project on Workforce, Harvard University, "The Options Multiplier: Decoding the CareerWise Youth Apprenticeship Journey," Nov. 14, 2022, https://www.hbs.edu/faculty/Pages/item.aspx?num=63353.

[153] *See* ACA, "Interim Report to the Secretary of Labor," May 16, 2022, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf.* ACA recommendations on this topic include to coordinate with ED and education institutions to promote the provision of academic credit for apprenticeship training or tuition reimbursement and to enhance high school-level apprenticeships with credit given for direct entry into formal registered apprenticeship programs.

with CTE programs and employment opportunities for those students who may have difficulty meeting the minimum eligibility requirements for entering into a registered apprenticeship program under subpart A.

The Department recognizes that previous efforts to create and strengthen articulation between secondary and postsecondary institutions have had positive effects for the populations targeted by this proposal. From fall 2019 to fall 2021, 586,000 fewer recent high school graduates were enrolled in community college compared with 277,000 fewer older adults, a troubling trend as students of all ages enter or re-enter the labor market without the necessary education and training for economic success. However, during this same time, dual enrollment, a hallmark of successful CTE programs and youth apprenticeship models that incorporate CTE, continued to grow with high school students accounting for one in five community college students.[154] The impact of obtaining postsecondary education is profound: for all demographic groups by gender and race, the labor force participation rate increases by 4.4 percent and the unemployment rate decreases by 0.5 percent for high school graduates with some college compared to those who graduated high school but have no college.[155] In addition, data from the High School Longitudinal Study of 2009 indicate that, 3 years after completing high school, public high school graduates who were not enrolled in a postsecondary credential program and who had earned 3.00 or more CTE credits during high school had a lower unemployment rate than their peers who earned fewer CTE credits.[156]

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[154] John Fink, "What Happened to Community College Enrollment During the First Years of the Pandemic? It Depends on the Students' Age," Jan. 9, 2023, *https://ccrc.tc.columbia.edu/easyblog/what-happened-to-community-college-enrollment-depends-students-age.html*.

[155] BLS, Labor Force Statistics from the Current Population Survey, "Employment status of the civilian noninstitutional population 25 years and over by educational attainment, sex, race, and Hispanic or Latino ethnicity," *https://www.bls.gov/cps/cpsaat07.htm* (last updated Jan. 25, 2023).

[156] National Center for Education Statistics, "Data Point: Labor Market Outcomes for High School Career and Technical Education Participants: 2016," Apr. 2020, *https://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2020060*.

Additionally, at the secondary level students who concentrate[157] in a CTE program have a 96.2 percent 4-year graduation rate in the aggregate and greater than 90 percent for all students subgroups disaggregated by gender, race, ethnicity, and special populations with the exception of youth in foster care (86.7 percent) and youth who are single parents (89.3 percent)[158], which are closer to the national average of 87 percent.[159] By incorporating the benefits of strong academic and technical preparation and established articulation between secondary and postsecondary credits, which is found in high-quality CTE programs, along with establishing quality labor standards for the paid work-based learning component for students in the registered CTE apprenticeship program, the Department anticipates this model will be successful in establishing a strong skills-based foundation with quality work experience to jumpstart CTE apprentices' careers, while also ensuring that students continue to meet core educational milestones.

The Department believes a unique model of quality labor standards, based on the success of registered apprenticeship, that is designed for individuals in secondary or postsecondary education can help students have successful careers and can benefit employers in developing a skilled workforce. This model, in conjunction with an existing infrastructure that supports the capacity and expertise to administer and provide quality CTE curricula and program offerings, could help to close a widening divide and ensure all learners and workers who face labor market disparities have greater opportunities for economic mobility. These quality labor standards while participating in education

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[157] In Perkins, the term "CTE concentrator" means: (1) at the secondary school level, a student served by an eligible recipient who has completed at least two courses in a single career and technical education program or program of study; and (2) at the postsecondary level, a student enrolled in an eligible recipient who has either earned at least 12 credits within a career and technical education program or program of study or completed such a program if the program encompasses fewer than 12 credits or the equivalent in total (Perkins sec. 3(12)). This means that once a student completes two courses in a single CTE program of study, they are counted as a CTE concentrator.

[158] ED, Perkins Collaborative Resource Network, "National Summary," https://cte.ed.gov/pcrn/profile/national/performance/2021/population/1s1/met/secondary/race (last visited Oct. 23, 2023).

[159] National Center for Education Statistics, "Fast Facts, High School Graduation Rates," https://nces.ed.gov/fastfacts/display.asp?id=805 (last visited Oct. 23, 2023).

activities can be especially beneficial for youth and other individuals starting their careers by ensuring they are receiving and applying industry-validated skills and competencies in a paid work setting.

Section 29.24 – Registration of career and technical education apprenticeship programs.

Proposed § 29.24 would create the regulatory structure for registered CTE apprenticeship programs to meet the following core requirements: coordination between a Registration Agency and State CTE Agency; program standards and the requirement that they be registered with a Registration Agency; alignment of competencies obtained through on-the-job training outlined in approved industry skills frameworks that provide CTE apprentices with industry-recognized skills and competencies; CTE apprenticeship-related instruction component of the standards delivered through a CTE program; program sponsor eligibility and requirements for LEA, institutions of higher education, State CTE Agencies, or designated intermediaries; partnership requirements and coordination with employers and intermediaries; and CTE apprenticeship agreements. This is a new and emerging model that is intended to integrate labor standards and industrywide skills and competencies into CTE programs and would support the development of a talent pipeline to meet current and future employer workforce needs. The Department is interested in comments regarding these proposed core requirements, which are described herein, including any recommendations regarding different or additional requirements and any information that can substantiate those recommendations.

§ 29.24(a) Required coordination.

Proposed § 29.24(a)(1) would establish the requirement for a Registration Agency, whether it is OA or the SAA, and the State CTE Agency to coordinate on the administration of Registered CTE apprenticeship programs in each State. The purpose of

this requirement is to facilitate a flexible framework between the Registration Agency, which would have the responsibility for approving standards of registered CTE apprenticeship, and the State CTE Agency, which has the existing responsibility to oversee Perkins CTE programs within respective States and approved CTE programs. Areas of coordination include the process of program approvals, program reviews, data collection, and compliance activities established within this part. The purpose of coordinating administrative responsibilities is to ensure that both parties work cooperatively to support registered CTE apprenticeship program sponsors, such as LEAs, institutions of higher education, and their designated intermediaries, in the coordination of registered CTE apprenticeship programs while ensuring that such programs meet the requirements of this part. Most importantly, coordination is necessary to ensure the welfare of CTE apprentices, many of whom are likely to be high school and community college students who will be transitioning into a postsecondary educational program, a registered apprenticeship program under subpart A, or other employment following the completion of the registered CTE apprenticeship. Coordination to engage industry and business is integral to the success of all registered apprenticeship programs, especially a new model that would provide career readiness and exploration through paid on-the-job training for students in State-approved CTE programs. A State CTE Agency and Registration Agency are encouraged to coordinate industry engagement, provide services to business and employers, promote CTE apprenticeships, and provide technical assistance on developing program standards.

While high school youth can currently participate in registered apprenticeship programs under subpart A, this new model would provide an opportunity for secondary and postsecondary schools to engage with the National Apprenticeship System and work with education administrators, instructors, and practitioners to utilize and leverage their institutional expertise in developing and structuring CTE related instruction and paid on-

the-job training. The Department understands that the State CTE Agency would have the statutory responsibility for a number of requirements under this part. If the proposed rule is adopted as drafted, it would be incumbent on States to develop the proper coordination to ensure that the welfare of CTE apprentices and administrative oversight by each party meet all existing Federal and State statutory and regulatory requirements. The Department notes that nothing in this proposed rule is intended to alter the existing authorities of the State CTE Agency for oversight of Perkins and the Registration Agency for oversight of any registered apprenticeship program. The Department is interested in comments on how Registration Agencies and State CTE Agencies should develop the necessary coordination, what elements should be included in the coordination process, and what challenges and barriers may exist that would require technical assistance or additional subregulatory guidance.

Proposed § 29.24(a)(2) would establish the requirement for the State CTE Agency and Registration Agency to enter into a written agreement for the statewide coordination and operation of registered CTE apprenticeship programs. The written agreement should describe the roles and responsibilities of each agency that has programmatic and administrative responsibilities throughout this part. The Department recognizes that States can develop various agreements, such as memoranda of understanding, interagency agreements, and other types of written agreements, that establish roles and responsibilities for the purposes of aligning State resources, administrative infrastructure, and program accountability. States should have maximum flexibility in developing such written agreements, but the requirement to have a written agreement is designed to ensure that a formal understanding about roles and responsibilities has been agreed upon. The Department is interested in comments about whether there should be additional guidance on what should be included in a written agreement. The Department is also interested in comments about existing coordination mechanisms for the establishment of written

coordination agreements between a Registration Agency and State CTE Agency that might be incorporated into SAA State Apprenticeship Plan efforts described below and in subpart C to facilitate program oversight and fulfill administrative requirements, such as program review processes and data sharing agreements.

§ 29.24(b) Approval of industry skills framework.

Proposed § 29.24(b) would establish industry skills frameworks as a distinct requirement and component of registered CTE apprenticeship that would be required to be included in registered CTE apprenticeship program standards. An industry skills framework describes industrywide competencies and skills that are foundational to any number of career pathways within an industry or industry sector for which the framework has been developed. Industry skills frameworks would provide the basis for assessing competency and skill attainment of CTE apprentices in the on-the-job training component of a registered CTE apprenticeship. They also would be the framework whereby high-quality labor standards can be applied and integrated into the registered CTE apprenticeship model. In conjunction with CTE apprenticeship-related instruction, industry skills frameworks would enable the programmatic outcomes of placement into employment, a postsecondary educational program, or a registered apprenticeship program under subpart A.

Industry skills frameworks are similar in concept to the National Occupational Standards for Apprenticeship detailed in proposed § 29.13 but are different in that they focus on industrywide competencies, whereas National Occupational Standards focus on occupational proficiency. Industry skills frameworks are foundational industrywide skills and competencies that enable access to a career pathway and are the essential "building blocks" for greater occupational proficiency. Similar to National Occupational Standards for Apprenticeship, the Administrator would oversee the development of and updates to industry skills frameworks. As part of the proposed approval process, the Administrator

would ensure that such frameworks are industry validated, rigorously developed, and portable. Industry skills frameworks should be designed to incorporate foundational skills and competencies, such as employability skills or workplace competencies, that are accepted industrywide and, in combination with technical skills, are applicable to real-world workplace tasks and activities. Industry skills frameworks comprehend skills and competencies that are portable across a number of occupations within the industry. As such, registered CTE apprenticeship programs would provide an opportunity for CTE apprentices to discover occupations that would be included within any one industry skills framework.

Industry skills frameworks can be the foundational component for developing both standards of registered CTE apprenticeship and a work process schedule for greater occupational proficiency if a potential program sponsor endeavors to operate both models of registered apprenticeship under subparts A and B. Industry skills frameworks are not, however, a replacement for a work process schedule in the determination of an occupation suitable for registered apprenticeship under proposed § 29.7 in subpart A or a framework that is a substitute for National Occupational Standards for Apprenticeship under proposed § 29.13 in subpart A. The Department notes that creating a broad industry skills and competency foundation as a starting point in program development for registered CTE apprenticeship programs as opposed one that ultimately requires to proficiency in a specific occupation is one of the key departures from the registered apprenticeship model under subpart A. However, the Department envisions the industry skills framework can be complementary in helping students get skills and competencies that can be built into registered apprenticeship programs under subpart A. These proposed industry skills frameworks establish the floor for student skill development, allowing programs to build on top of this foundation to create programmatic opportunities for greater specificity as to the skills and competencies that would lead

toward occupational proficiency, including opportunities for alignment to registered apprenticeship programs under subpart A where appropriate. Proposed § 29.24(b)(1) describes the criteria that must be met before the Administrator will approve an industry skills framework for use in a registered CTE apprenticeship program.

Proposed § 29.24(b)(1)(i) would establish the requirement for an industry skills framework to include a structure for the development of professional behaviors, workplace competencies, and academic competencies required by an industry. Examples of professional behaviors include but are not limited to reliability, initiative, interpersonal skills, and adaptability; academic competencies might include the ability to effectively read and write, problem-solve, and think critically; and workplace competencies might include collaboration and teamwork, oral and written communication, and customer service.

Proposed § 29.24(b)(1)(ii) would establish the requirement that industry skills frameworks are validated, widely recognized, and nationally applicable in the industry to which the framework is intended to apply. Industry skills frameworks recognize that many skills and competencies are cross-cutting, across industries and sectors, and provide a strong foundation for greater technical proficiency applied toward learning an occupation or across an occupational cluster. To the extent that industry skills frameworks align with CTE Career Clusters and the process by which State and local advisory councils address workforce needs by providing recommendations on CTE programmatic alignment, the Department is interested in comments that explore this interconnection and alignment to create greater feedback on the development of industry skills frameworks and their required use in standards of registered CTE apprenticeship.[160]

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[160] The National Career Clusters® Framework serves as an organizing tool for CTE programs, curriculum design and instruction. There are 16 Career Clusters in the National Career Clusters Framework, representing 79 career pathways to help learners navigate their way to greater success in college and career. The framework also functions as a useful guide in developing programs of study bridging secondary and postsecondary systems and for creating individual student plans of study for a complete range of career

The Department envisions leveraging the proposed process for establishing National Occupational Standards for Apprenticeship (see § 29.13 in subpart A of this proposal) to develop industry skills frameworks. The Department anticipates that the initial process for developing industry skills frameworks would engage a broad set of industry stakeholders.

Proposed § 29.24(b)(1)(iii) would require that the skills and competencies specified within the on-the-job training outline be obtained by a CTE apprentice through the attainment of at least 900 hours of on-the-job training over the course of the program, as explained below. The 900 hours may be spread across multiple years; however, the Department does consider a minimum requirement of on-the-job training hours to be an important requirement of the registered CTE apprenticeship model to ensure CTE apprentices are obtaining employment in the program, at a sufficient length, in order to obtain industrywide or industry-sector technical competencies.[161]

Proposed § 29.24(b)(1)(iv) would establish the requirement that an industry skills framework align with an approved CTE program so that the employment component of the registered CTE apprenticeship is providing the appropriate practical on-the-job training supported by the CTE apprenticeship-related instruction. In this connection to the National Apprenticeship System, registered CTE apprenticeship programs with approved industry skills frameworks will align with the National Career Clusters® Framework Perkins Career Clusters published by Advance CTE and associated CTE programs. The Department is interested in comments that address potential alignment and implementation to create systematic cohesion and seamless transitions for CTE

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options. As such, it helps learners discover their interests and their passions, and empowers them to choose the educational pathway that can lead to success in high school, college, and career. More information, including crosswalks with DOL's O*Net occupational codes can be found here: *https://careertech.org/career-clusters*.

[161] *See* DOL, "Building Blocks Model," *https://www.careeronestop.org/CompetencyModel/competency-models/building-blocks-model.aspx* (last visited July 20, 2023).

apprentices to successfully participate, progress through, and complete a registered CTE apprenticeship.

Proposed § 29.24(b)(1)(v) would establish the requirement that industry skills frameworks detail the industry-validated methods for ongoing evaluations to assess an apprentice's attainment of a competency to make sure that CTE apprentices are regularly evaluated as they progress through the registered CTE apprenticeship. As explained in the preamble for subpart A's proposed § 29.16, the Department views regular evaluations of apprentices in registered apprenticeship programs as a central element of program design that verifies whether or not programs are meeting apprenticeship's foundational goal of preparing apprentices for their future careers. The Department notes that student skill demonstrations and evaluation currently exist in high-quality CTE programs. Programs must perform assessments or evaluations to verify that apprentices have learned and retained the job skills, knowledge of theoretical concepts that underpin successful performance of such skills, and professional behaviors that will make them successful in their careers.

At proposed § 29.24(b)(1)(v), the Department proposes to include regular evaluations as a required element of registered CTE apprenticeship, and as with the proposed assessment framework for registered apprenticeship in subpart A, would leave all aspects of the design of such assessments up to registered CTE apprenticeship program sponsors. The Department expects that industry stakeholders, educational and workforce development experts, and other leaders will be instrumental in developing frameworks for the evaluation of CTE apprentices in registered CTE apprenticeship programs, and that individual programs would tailor such frameworks to the specific elements and needs of their program, course of study, and CTE apprentice population.

For registered CTE apprenticeship, such evaluations will be important, but should take a different form than the more robust evaluation and end-point assessment

framework proposed in this rulemaking for registered apprenticeship programs (at proposed § 29.16). In the Department's view, registered CTE apprenticeship programs would not need to confer occupational proficiency for all participants. Registered CTE apprenticeship programs may serve more secondary and postsecondary student apprentices than registered apprenticeship programs under subpart A and would benefit such apprentices by introducing them to career options and ideas, developing professional behaviors, and conferring occupational competencies that will aid them in their efforts to find and retain meaningful careers and pursue higher levels of education. The Department does not view the attainment of occupational proficiency as an appropriate baseline requirement for registered CTE apprenticeship programs, because the unique design of this model focuses more on foundational industry skills than on occupational proficiency, which the Department has determined requires more on-the-job training hours to achieve, as described in subpart A. However, the Department notes that some registered CTE apprenticeship programs and registered apprenticeship programs under subpart A should align to support student learning progression through both programs, and in doing so will blend industry skills frameworks with established occupational work process schedules or National Occupational Standards for Apprenticeship under subpart A to support student mastery of both models.

The Department invites public comments on the proposed requirement to regularly assess CTE apprentices' progress at proposed § 29.24(b)(1)(v), including the differences between the minimum requirements for evaluating apprentices across registered apprenticeship and registered CTE apprenticeship. The Department notes that there are already existing assessments being utilized by many high quality CTE programs; however, the Department is seeking comments as to whether an industry-recognized end-point assessment for registered CTE apprenticeship would strengthen the relevance of the skills and competencies attained and maximize the likelihood that

students seeking to directly enter high-quality careers will be able to do so. The Department is generally interested in comments regarding ideas and approaches to strengthen the connection between registered CTE apprenticeship programs and the labor market, and specifically whether the inclusion of an end-point assessment requirement would strengthen this connection.

Proposed § 29.24(b)(2) would establish the requirement for the Administrator to solicit public feedback, including from industry in evaluating suitability of industry skills frameworks. The purpose of this proposed provision is to ensure the Administrator would be able to engage the public and industry leaders, such as industry associations, large, medium, and small employers, labor unions and, to the extent feasible, State and local CTE advisory council industry membership, to ensure that industry skills frameworks are continuously updated to reflect the changing needs of industry for which a skills framework has been developed. Such a process, along with the requirement of 30 days of public comment would ensure the opportunity for robust feedback on the applicability of standards to industry and ensure standards are of the highest quality and relevance. Additionally, to ensure transparency OA would maintain a publicly accessible link to the approved industry skills frameworks as well as any that were not approved. Lastly, this provision provides that the Administrator may also use relevant industry data or information to validate the relevance of industry skills frameworks. Such resources may include the O*NET database, industry and occupational data from BLS and other federal agencies, as well as other data and information available to ensure industry skills frameworks are aligned with the needs of their respective industries.

The Department recognizes that for a potential program sponsor looking to develop a registered CTE apprenticeship program, an industry skills framework must first be developed and approved by the Administrator. The Department also recognizes that as a new model of registered apprenticeship, implementation will require a reasonable

timeframe to develop processes through subregulatory guidance, a written agreement for the coordination between a Registration Agency and State CTE Agency, registered CTE apprenticeship programs, and approved industry skills frameworks. The Department anticipates a robust process for the development of industry skills frameworks will be required to ensure that industry, across both the National Apprenticeship System stakeholder and Perkins communities, are engaged and invited to participate in such frameworks. State CTE Agencies will be important leaders in these conversations and State CTE standards may provide a foundation for some industry skills frameworks. This process will also help the Department determine in which industries such industry skills frameworks must first be developed, the number of industry skills frameworks, and their alignment and application with other frameworks. Until the frameworks are developed and approved, a registered CTE apprenticeship program sponsor will not be able to properly develop and align their on-the-job training outlines with the approved industry skills framework required in this section.

§ 29.24(c) Standards of registered CTE apprenticeship.

Proposed § 29.24(c) would describe the minimum standards of registered CTE apprenticeship that all registered CTE apprenticeship programs must include to be registered by a Registration Agency. The establishment and implementation of robust standards of registered CTE apprenticeship is essential to ensuring that registered CTE apprenticeship programs deliver consistently high-quality education and training to registered CTE apprentices, while also ensuring that CTE apprentices are trained in a safe and accessible workplace environment where they are protected from exploitation and abuse. Standards of registered CTE apprenticeship largely would follow the labor standards of apprenticeship under subpart A that elaborate and strengthen the current standards of apprenticeship for the conduct of registered apprenticeship programs that

address key program components, such as progressively increasing wages, apprentice-to-journeyworker ratios, safety requirements, advanced standing and credit, cost transparency, and effective measures to ensure that apprentices are free from violence, intimidation, and retaliation in the workplace. These are the core requirements that help ensure that apprentices receive high-quality training in a safe, healthy environment.

Registered CTE apprenticeship program standards would differ from the standards set forth in subpart A by incorporating key concepts such as industry skills frameworks that inform the outline for the on-the-job training component, CTE apprenticeship-related instruction that utilize State-approved CTE programs for the curriculum of non-duplicative coursework, the requirement that standards include the awarding of at least 12 postsecondary credit hours leading to a recognized postsecondary credential attainment, and which may include advanced standing in registered apprenticeship programs under subpart A, and how such standards will enable CTE apprentices to enroll in postsecondary educational programs, engage in employment, or both. The Department's intention in creating the Registered CTE apprenticeship model with quality labor standards in conjunction with CTE apprenticeship-related instruction is to enable the foundation for sustained academic success within the program and beyond program completion, provide the opportunity for continuous skill and competency attainment that will enable greater proficiency in a job as students enter the labor market, and ensure the program is able to fulfill the Department's mission to safeguard the welfare of apprentices, which includes CTE apprentices. Similar to proposed § 29.8, proposed § 29.24(c) would ensure program sponsors, participating employers, registered CTE apprentices, and other interested parties understand the minimum standards of registered CTE apprenticeship and seek to provide apprentices the necessary skills and competencies for lifelong labor market success. Given the unique partnerships required at the State level and the incorporation of State-approved CTE programs embedded into the

CTE apprenticeship-related instruction, the Department is not proposing a National Program Standards for Apprenticeship registration framework for registered CTE apprenticeship.[162] The Department considers local registration as defined in proposed § 29.2 as the appropriate method for registering CTE apprenticeship programs.

Proposed § 29.24(c)(1) would establish the requirement for program sponsors to include an on-the-job training outline that aligns with an approved industry skills framework in standards for registered CTE apprenticeship. The Department envisions industry skills frameworks to be the guiding framework for program sponsors to use in determining the appropriate work activities that lead to proficiency of skills and competencies that a CTE apprentice would attain in a paid, on-the-job training work experience. Industry skills frameworks would be inclusive of all the requisite skills and competencies that an industry would both recognize and find valuable for employment in a number of occupations that are predominantly found within a single industry or across an industry sector. Such on-the-job training outlines aligned to industry skills frameworks would provide measurable proficiency in the attainment of industry-recognized skills and competencies. Registration Agencies would have the discretion to determine whether a proposed on-the-job training outline submitted by a sponsor aligns with an approved industry skills framework approved by the Administrator. The Department acknowledges the need for a balance and customization of on-the-job training outlines with the goal of ensuring programs are providing competencies on the job in a way that is industry validated to ensure CTE apprentices have recognized work experience and are set up for career success in occupations throughout the respective industry.

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[162] As previously stated, these proposed regulations would govern the proposed DOL CTE apprenticeship program; they would not govern ED or the Perkins program. In particular, the Perkins statute safeguards local control over instructional content, academic standards and assessments, curricula, and programs of instruction. 20 U.S.C. 2306a(a). These regulations would only impact and control DOL CTE apprenticeship programs and would not create any rules governing the operation of Perkins programs. Nothing in this proposed regulation would mandate, direct, or control a State's, local educational agency's, eligible Perkins recipient's, or school's specific instructional content, academic standards and assessments, curricula, or program of instruction.

Proposed § 29.24(c)(2) would establish the requirement for program sponsors of a registered CTE apprenticeship to include a description of the CTE apprenticeship-related instruction that must, at a minimum, include a State-approved CTE program and have a duration of at least 540 hours. The Department proposes a minimum of 540 hours of CTE apprenticeship-related instruction to earn a certificate of completion of registered CTE apprenticeship which would allow the CTE apprentice to concentrate in a postsecondary CTE program, as applicable, complete a recognized postsecondary credential and earn and receive at least 12 postsecondary credit hours towards a recognized postsecondary credential or degree, while also providing flexibility for eligible program sponsors to determine the appropriate number of hours above this requirement based on State and local CTE programs and the development of career pathway programs that connect registered CTE apprenticeship programs with additional postsecondary education opportunities.

The Department proposes a minimum of 540 hours of CTE apprenticeship-related instruction to earn a certificate of completion of registered CTE apprenticeship because 540 hours would provide a CTE apprentice the opportunity to complete foundational coursework and more advanced coursework necessary to demonstrate success in postsecondary education, pursue registered apprenticeship under subpart A, and to seek further employment.

Related to the 540 hour minimum requirement for CTE apprenticeship-related instruction, the Department is proposing that CTE apprentices must receive a minimum of 12 postsecondary credit hours as part of their program. The Department intends for the use of the term "credit hour" to align with the definition under the Higher Education Act of 1965 and its implementing regulations, as amended.[163] The Department notes that each

[163] https://www.ecfr.gov/current/title-34/part-600#p-600.2(Credit%20hour)

postsecondary credit hour translates to approximately 30 clock hours.[164] Generally, 12 postsecondary credit hours should comprise approximately 360 clock hours of the required 540 hour minimum for CTE apprenticeship-related instruction. However, the Department notes that postsecondary credit hours may also be acquired as part of the on-the-job training component of the program, that when combined with credit hours earned during the CTE apprenticeship-related instruction should equal not less than 12 postsecondary credit hours.

The Department notes that the remaining CTE apprenticeship-related instruction hours may be acquired through additional postsecondary credit hours, secondary education, or through other industry or employer designed related instruction, as applicable. This proposal is designed to provide sponsors flexibility of how to attain the 540 hours, in addition to the 12 postsecondary credit hour requirement.

The postsecondary credit hour requirement is proposed so that the CTE apprenticeship-related instruction includes industrywide skills and competencies and the acquisition of college credit to ensure that CTE apprentices make significant progress toward a postsecondary credential or degree such as an associate's degree and/or bachelor's degree. Evidence shows clear economic gains for individuals as they attain higher levels of education after high school, such as the acquisition of postsecondary credit and credentials. According to the Department's Bureau of Labor Statistics (BLS), earnings increase and unemployment decreases among individuals who have attained postsecondary education and credentials when compared to individuals who have only completed high school.[165] In addition, the Department believes the requirement for 12 postsecondary credit hours that can be applied towards a recognized postsecondary credential or degree will incentivize the greater utilization of college programs while

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[164] https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-05-25/implementation-updated-clock-credit-conversion-regulations-ea-id-general-21-34
[165] https://www.bls.gov/emp/chart-unemployment-earnings-education.htm

students are in high school, which evidence suggests leads to improved student outcomes. These benefits include higher student performance on state assessments, higher high school graduation rates, increased enrollment and completion of postsecondary programs, and increased lifetime earnings for students.[166] Finally, the model of adopting college, including postsecondary credit hours, in high schools has been shown to increase access and opportunity to college and postsecondary education for low-income students, underserved populations, and first-generation college students.[167] The Department believes the evidence associated with postsecondary educational attainment is a critical component and benefit to students in the design of registered CTE apprenticeship programs.

The Department is proposing a 12 postsecondary credit hour standard because the Department believes that this level of credit has multiple benefits for CTE apprentices, while balancing the ability to design programs under this proposed approach. This includes helping CTE apprentices who are in secondary school to complete high school and transition into higher levels of education and employment, as evidenced by the benefits of dual enrollment, as well as serving adults who may be career changers, and subsequently providing these apprentices with a head start to pursue additional postsecondary education. Evidence suggests that the benefits of dual enrollment increase for secondary students with every postsecondary credit earned, particularly that benefits and educational attainment increase for those students with 12 or more credits than those

[166] https://www.air.org/project/evaluating-impact-early-college-high-schools
[167] Six Years and Counting: The ECHSI Matures (air.org)

with less than 12 credits.[168, 169] Therefore, the Department is proposing this approach to ensure the benefits of this evidence is incorporated into the program design of registered CTE apprenticeship. CTE apprentices under this approach will be in a strong position to build their careers with continued employment, including through registered apprenticeship programs under subpart A, continue their postsecondary education towards a postsecondary credential and degree, or both.

The Department is seeking comments on its proposal to require that all registered CTE apprentices earn 12 postsecondary credit hours as part of their participation in a registered CTE program, and is interested in comments that identify: 1) how this proposal supports the broader goal of the program to increase the labor market connectivity for CTE apprentices; 2) the benefits for CTE apprentices of this approach or an alternative standard of postsecondary credit hours should be considered; and 3) the feasibility for secondary school sponsors of registered CTE apprenticeship programs to design programs that include these requirements. Additionally, the Department is interested in comments regarding the impact of the 12 postsecondary credit hour requirement across all industries that would utilize registered CTE apprenticeship and registered apprenticeship programs under subpart A or if other factors should be considered on an industry basis.

The Department is particularly interested in comments about how it can a support the growth of secondary educational models that imbed postsecondary credit hours into the program design. The Department is also interested in comments regarding the

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[168] Taylor, J. L., Allen, T. O., An, B. P., Denecker, C., Edmunds, J. A., Fink, J., Giani, M. S., Hodara, M., Hu, X., Tobolowsky, B. F., & Chen, W. (2022), Research priorities for advancing equitable dual enrollment policy and practice. Salt Lake City, UT: University of Utah. Retrieved from: https://cherp.utah.edu/_resources/documents/publications/research_priorities_for_advancing_equitable_dual_enrollment_policy_and_practice.pdf.

[169] Radunzel, J., Noble, J., & Wheeler, S. (2014). Dual-credit/dual-enrollment coursework and long-term college success in Texas. ACT. https://www.act.org/content/dam/act/unsecured/documents/DualCreditTexasReport.pdf

attainment of a minimum of 12 postsecondary credit hours, including that it leads to a postsecondary credential or degree, evidenced by a postsecondary institution's official transcript(s) for a CTE apprentice, and any other factors that can increase access to the labor market and higher education opportunities for CTE apprentices. Finally, we recognize that many registered CTE sponsors will not be credit awarding institutions, particularly local education agencies. The Department is seeking comment on whether it will be feasible for sponsors to enter into partnerships with institutions of higher education or to make other arrangements for the awarding of the requisite credit hours, and whether the Department should include an affirmative partnership requirement between postsecondary institutions and local education agencies if they seek to sponsor a registered CTE apprenticeship program.

In considering whether to establish a floor for the number of hours required in CTE apprenticeship-related instruction, the Department evaluated a number of factors, such as application of standard credit-bearing unit, State flexibility for establishing credit hours, and Perkins performance accountability. Initially, the Department regarded the Carnegie unit as a universal unit of measurement in credit-bearing hours for a student's ability to successfully complete the necessary credits for attaining a recognized secondary or postsecondary degree.[170] While the Carnegie unit is a standardized unit of measurement, under Perkins, States have flexibility in how they define courses and assign credits to courses. States that use Carnegie or other units may translate those units into hours of instruction.

Perkins-eligible recipients typically calculates contact hours for State accountability purposes. As an example calculation, a P-12 school year is typically 180 days, and if a student attends school every day and has 6 CTE contact hours during a

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[170] Carnegie Foundation for the Advancement of Teaching, "What is the Carnegie Unit?," *https://www.carnegiefoundation.org/faqs/carnegie-unit* (last visited July 20, 2023).

school day, that student would accumulate 540 hours of contact hours. In this example, 540 hours supports the establishment of the required number of hours in CTE apprenticeship-related instruction, provided that these hours include the required postsecondary coursework. Postsecondary Perkins recipients may also choose to calculate instruction time using clock hour and credit hour requirements. In this example, 540 clock hours would equate to 18 credit hours using the guidance provided by Federal Student Aid.[171]

In establishing a floor of 540 hours, the Department is allowing flexibility to accommodate variability in how eligible program sponsors define hours and how they are applied to meet the requirement for the CTE apprenticeship-related instruction component. The inclusion of at least 12 postsecondary credit hours within the 540 hours of CTE apprenticeship-related instruction is designed to ensure that there are strong linkages between secondary and postsecondary programs, and opportunities for students to achieve the desired outcomes of the program. The Department anticipates that there will be a range of applicable credit hours that are counted toward a CTE apprentice's participation in a program as a requirement of a CTE apprenticeship-related instruction component included in the standards. A program sponsor would need to determine the required length of time a student may be enrolled in a corresponding program and as part of the overall CTE apprenticeship-related instruction. The Department recognizes that the requirement for 540 hours for CTE apprenticeship-related instruction may solely occur while students are in high school, may solely occur while students are enrolled in postsecondary education, and may also span students' high school experience and into postsecondary education. To the extent that States have CTE programs that include dual or concurrent enrollment agreements or articulation agreements that facilitate the

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[171] *See* Federal Student Aid, "Implementation of updated clock-to-credit conversion regulations," May 25, 2021 https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-05-25/implementation-updated-clock-credit-conversion-regulations-ea-id-general-21-34.

extension of programs that have similar characteristics to registered CTE apprenticeship programs, the Department is interested in commenters' examples of such programs and the necessary coordination amongst CTE stakeholders to achieve the 540 hours of CTE apprenticeship-related instruction and the inclusion of at least 12 postsecondary credit hours that will be necessary to enable and expand these types of educational pathways. The Department is also interested in comments about the established floor for CTE apprenticeship-related instruction and whether it should be lower or higher to best accommodate the proposed model while providing educational attainment pathways for enrolled students.

This proposal also includes a provision found in subpart A regarding whether apprentices, or CTE apprentices in this instance, would be provided wages and fringe benefits during their participation in CTE apprenticeship-related instruction. The Department acknowledges that under the registered CTE apprenticeship model, where the CTE program is the primary form of CTE apprenticeship-related instruction, sponsors and employers may be less likely to provide support wages for the hours in which the CTE apprentices are participating in their CTE program. However, the Department encourages, where possible, registered CTE apprenticeship models in which employers elect to provide wages or fringe benefits during CTE apprenticeship-related instruction. This may also be relevant where employer-specific training is added to the CTE program as part of the total amount of CTE apprenticeship-related instruction.

Proposed § 29.24(c)(3) would establish the requirement that program sponsors of a registered CTE apprenticeship include a description of any recognized postsecondary credentials that would be awarded to a CTE apprentice as a programmatic outcome either during or at the completion of registered CTE apprenticeship. Program sponsors also would be required to include, as applicable, any associate or baccalaureate degree associated with the program and the amount of postsecondary credit hours that students

will earn as a result of the registered CTE apprenticeship. Program sponsors must also include the name of any credential or certificate awarding entity, typically an accredited education institution, as part of the description. The Department has proposed a similar requirement in subpart A, requiring the disclosure of credentials provided by the program; however, the requirement to disclose the number of postsecondary credit hours is a proposed requirement for registered CTE apprenticeship. The Department has determined this information is valuable for Registration Agencies to have as part of its desire to build high-quality registered apprenticeship programs in both models.

Proposed § 29.24(c)(4) would establish the requirement that program sponsors of a registered CTE apprenticeship include a description of how the program will result in CTE apprentices' selection into an apprenticeship program registered under subpart A, enrollment in a postsecondary educational program, employment, or some combination thereof. The Department considers a program that accomplishes any one of these three outcomes as key to measuring the success of the registered CTE apprenticeship model, and believes it is important for sponsors to have considered these outcomes and for apprentices to have visibility into the potential outcome of their participation. Registered CTE apprenticeship programs should establish a documented relationship with a registered apprenticeship program established under proposed subpart A, especially in sectors where such programs are well-established, and with an institution of higher education, to maximize educational and employment opportunities for CTE apprentices.

As previously discussed, an industry skills framework is utilized in developing the on-the-job outline that is a core component of a registered CTE apprenticeship. Such outlines must have a minimum duration of 900 hours of paid on-the-job training and lead to proficiency in the skills and competencies described in the industry skills framework. Proposed § 29.24(c)(5) would establish the requirement that program sponsors of a registered CTE apprenticeship include a description of the employment in which CTE

apprentices will be employed in on-the-job training with criteria included in the on-the-job training outline. The Department is proposing this requirement because registered apprenticeship programs under subpart A are responsible for training in a specific occupation and, therefore, the specific type of employment is known in that model, under the registered CTE apprenticeship model, the Department is approving broader industry skills frameworks that could lead to attainment of foundational skills in multiple occupations within an industry. The Department considers the requirement critical to ensuring the employment associated with the registered CTE apprenticeship is relevant to the industry skills framework. By including this description, a Registration Agency can better ascertain that the skills identified in the framework are being achieved by the CTE apprentice through employed on-the-job training.

The Department is basing the 900 hours requirement on certain State youth apprenticeship models that require a minimum of 450 hours of on-the-job training per year.[172] The Department has also reviewed several State requirements of State youth apprenticeship models and how States and localities have incorporated CTE into such models, as well as the incorporation of CTE into pre-apprenticeship and registered apprenticeship.[173, 174] Such practices are the basis for establishing the requirement of 900 hours of on-the-job training. For example, the State of Wisconsin has established that a youth apprenticeship consists, at minimum, of 1 year of employment of at least 450 hours and related instruction of at least two semester-long courses.[175] In addition to completing

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[172] Wisconsin Department of Public Instruction, "Career-Based Learning Experience: State-Certified Youth Apprenticeship," Aug. 2022, *https://dpi.wi.gov/sites/default/files/imce/acp/pdf/2022_08_State-Certified_Youth_Apprenticeship_handout.pdf*.

[173] An explanation of youth apprenticeship utilizing registered apprenticeship can be found at *https://www.jff.org/what-we-do/impact-stories/center-for-apprenticeship-and-work-based-learning/youth-apprenticeship*. *See also* Joseph B. Fuller et al., The Project on Workforce, Harvard University, "The Options Multiplier: Decoding the CareerWise Youth Apprenticeship Journey," Nov.14, 2022, https://www.hbs.edu/faculty/Pages/item.aspx?num=63353.

[174] ED, "Opportunities for Connecting Secondary Career and Technical Education (CTE) Students and Apprenticeship Programs," June 2017, *https://careertech.org/resource/connecting-secondary-cte-and-apprenticeships.*

[175] Wisconsin Department of Workforce Development, "Youth Apprenticeship," *https://dwd.wisconsin.gov/apprenticeship/ya* (last visited July 20, 2023).

1 year of a youth apprenticeship, high school juniors or seniors may choose to also complete 2 years of employment of at least 900 hours and related instruction of at least four semester-long courses, which can be completed during the junior or senior year of high school (including over the summer or during breaks between semesters). Similarly, the State of Maryland offers youth apprenticeship opportunities for students typically in their junior and senior year of high school and requires students in such programs work a minimum of 450 hours with an employer approved by the Maryland Division of Workforce Development and Adult Learning while receiving concurrent related educational instruction that has been approved by their local school system.[176] The Department is basing its approach off of these models' 1-year youth apprenticeship standard, which balances a student's education and work-life, and applying it to a model that requires the equivalent of a 2 year duration. This would help to ensure the programmatic goal of bridging secondary and postsecondary education with quality labor standards. Rather than impose a yearly requirement, the hourly requirement provides flexibility for multiple models of when the employment may take place, including during the school year or semester and over the summer or during breaks between semesters. The Department welcomes comments both on establishing a floor of paid on-the-job training hours for registered CTE apprenticeship, as well as any recommendations on the number of hours needed for that floor. The Department is interested in comments about whether this proposed floor limits program development. To the extent that potential program sponsors are interested in pursuing this new model, the Department is interested in comments addressing whether existing program design and outcomes provide evidence that the number of 900 hours should be lessened. The Department is also interested in

[176] Maryland Department of Labor, "Policy Issuance 2022-12: Youth Apprenticeship," Dec. 19, 2022, *https://www.labor.maryland.gov/employment/mpi/mpi12-22.pdf*.

comments addressing whether the 900-hour floor is sufficient to train apprentices on core industry competencies in a work setting or if a higher number should be considered.

Proposed § 29.24(c)(6) largely follows proposed § 29.8(a)(17) and would require the written standards to include wages that the CTE apprentice will receive during the registered CTE apprenticeship program. The current regulation at 29 CFR 29.5(b)(5) stipulates the payment of a progressively increasing schedule of wages to be paid to the apprentice with the skill required. It further provides that the entry wage may not be less than the Fair Labor Standards Act minimum wage, where applicable, unless a higher wage is required by other applicable Federal, State, or local law, or respective regulations, or by collective bargaining agreement.

The Department also proposes to retain the requirement of a minimum wage floor at the outset of the apprenticeship and a graduated schedule of progressively increasing wages for apprentices during the remainder of the apprenticeship term. However, similar to proposed § 29.8(a)(17), proposed § 29.24(c)(6) would stipulate that the graduated schedule of wages paid to a CTE apprentice would increase over the balance of the apprenticeship term to reflect the apprentice's progressive acquisition of industry skills and competencies.

The Department invites comments on these provisions to bolster the registered CTE apprenticeship progressive wage requirements. The Department is interested in comments regarding the feasibility of this approach across industries, and whether this requirement effectively balances the goal of providing continuous progressive wages with competency attainment against industry needs for flexibility regarding wage increases.

In addition to these proposed wage progression revisions, the Department reminds sponsors that, consistent with the requirements of 29 CFR part 30, the wages paid by a sponsor or a participating employer to a CTE apprentice must not discriminate against such persons on the basis of race, color, religion, national origin, sex, sexual orientation,

gender identity, age (40 or older), genetic information, or disability. In addition, the Department reminds both registered CTE apprenticeship program sponsors and participating employers that CTE apprentices who meet the definition of an employee under either the Internal Revenue Code or the Fair Labor Standards Act—which they will in virtually every instance—must not be misclassified by such sponsors or employers as independent contractors.

Proposed § 29.24(c)(7) would follow proposed § 29.8(a)(19) in subpart A, regarding the ratio of apprentices to journeyworkers, and would apply ratio requirements for registered CTE apprenticeship in this part. The intended purpose of this ratio requirement is to further the Department's goal of ensuring the safety and welfare of CTE apprentices while engaged in on-the-job training. Proposed § 29.24(c)(7)(i) would specify that the sponsor's ratio must be approved by a Registration Agency, consistent with the proper safety, health, supervision, and training of the CTE apprentice. This requirement would center apprentice safety and welfare as the main considerations in the establishment of the specific numeric ratio for a registered CTE apprenticeship program. To ensure that the ratio is consistent with the proper safety, health, supervision, and training of the registered CTE apprentice, program sponsors and the reviewing Registration Agency should consider factors that could endanger the welfare of an apprentice who is participating in their program such as risk of exposure to hazardous working conditions and risk of serious bodily injury or death while on the job.

In practice, a ratio of one apprentice to one journeyworker has been the norm for programs under subpart A; however, registered CTE apprenticeship may require greater scrutiny for ratios because there is a greater likelihood that high-school-aged CTE apprentices may participate in settings where they will need more supervision to ensure proper training and safety.

While apprentice safety is the focus of the proposed requirement, there would also be flexibility provided to sponsors in setting the specific numeric ratio. Proposed § 29.8(c)(7)(ii) would specify that sponsors must use a ratio that is consistent with the provisions of any applicable collective bargaining agreements, as well as any applicable Federal and State laws governing ratios of apprentices to journeyworkers, and specific and clearly described as to its application to a particular workforce, workplace, job site, department, or plant. The Department recognizes that a one-size-fits-all approach is not feasible with respect to ratios. Instead, the Department is cognizant that ratios may be different depending upon the specific industry or on-the-job training opportunity in which the registered CTE apprenticeship program is taking place. The Department also recognizes that a specific numeric ratio of an apprenticeship program may be set in an applicable collective bargaining agreement or by applicable Federal and State laws. As described in subpart A at proposed § 29.8, the current practice has been to approve a 1:1 ratio, with some deviations based on safety and other considerations of specific industries. The Department anticipates a similar ratio for registered CTE apprenticeship. Ultimately, each program must have a ratio specific to that program that is designed to protect the safety of its CTE apprentices consistent with the considerations described and discussed above. The Department is seeking comments on these longstanding criteria, particularly to ensure how the ratios are applied in both emerging and traditional industries that provide CTE apprentices with foundational skills and competencies and work experiences. The Department is also interested in comments about setting ratios where there is a blended on-the-job training component with a registered apprenticeship under subpart A. Finally, the Department seeks comments on whether it should require a different CTE apprentice-to-journeyworker ratio because of the nature of this model being designed for students and their related employment.

Proposed § 29.24(c)(8) would establish the requirement for a probationary period that program sponsors of a registered CTE apprenticeship must include in program standards. The probationary period for registered CTE apprenticeship programs may not exceed 30 days. Proposed § 29.24(c)(8) differs from proposed § 29.8(a)(12) by creating a shorter probationary timeframe for registered CTE apprenticeship. The 30-day probation period aligns with customary practices Perkins-eligible recipients and institutions utilize to allow students to change courses at the outset of a semester. For example, a CTE apprentice may choose to change their course schedule or enroll in another program or other coursework unrelated to the registered CTE apprenticeship for which they were admitted. The probationary period is also shortened to recognize that registered CTE apprenticeship programs' on-the-job training hours are shorter in length than those of registered apprenticeship programs under subpart A. The Department is interested in comments about whether the probationary period length is appropriate for CTE students' participation in and program sponsors' operation of CTE programs and registered CTE apprenticeship programs.

Proposed § 29.24(c)(9) follows proposed § 29.8(a)(15) and would require that the standards of registered CTE apprenticeship include an attestation that the program sponsor will provide adequate, safe, and accessible facilities for the training and supervision of apprentices. The attestation must include that the program sponsor will provide accessible facilities (including for individuals with disabilities), aligning with the Department's broader goal that registered CTE apprenticeship programs registered under this part are career pathways available to everyone. The Department adds that the attestation would also require that the facilities be compliant with all applicable Federal, State, and local laws, including, but not limited to, disability, occupational safety, and occupational health laws.

Proposed § 29.24(c)(10) follows proposed § 29.8(a)(16) and would require that the standards of registered CTE apprenticeship include an attestation that the program sponsor will provide adequate, industry-recognized safety training for apprentices in both the on-the-job training and CTE apprenticeship-related instruction components of the registered CTE apprenticeship program. Proposed § 29.24(c)(10) would require that safety training provided to CTE apprentices be tailored to mitigate the potential workplace hazards that may be encountered in the covered industry skills framework on-the-job training outline. This proposed requirement would help ensure the safety of apprentices participating in registered CTE apprenticeship programs.

Proposed § 29.24(c)(11) would establish the requirement that program sponsors of a registered CTE apprenticeship include in their standards the minimum qualifications, if any, required by a sponsor and its participating employers for persons entering the CTE apprenticeship program. The purpose of this provision is to ensure that program eligibility and subsequent opportunities for CTE apprentices to participate in the paid on-the-job component of their registered CTE apprenticeship program have inclusive, achievable, and standardized minimum qualifications to ensure fair and equitable opportunities for all students looking to access and enter a registered CTE apprenticeship. This provision would also acknowledge that program sponsors and employers have minimum qualifications for entry, such as a student's responsibility to have completed requisite coursework, and have an appropriate attendance history. The Department requests comment on whether program sponsors and employers should be permitted to establish a certain minimum grade point average for CTE apprentices to obtain entry into, or maintain enrollment in, a registered CTE apprenticeship program.

Proposed § 29.24(c)(12) would follow existing requirements under the current regulations at 29 CFR part 29 and proposed § 29.8(a)(2) under subpart A and would apply to this part. Proposed § 29.24(c)(12) would require program sponsors of registered

CTE apprenticeship programs to include a provision in their program standards that describes the program's method for the selection of apprentices. The current regulations specify that program standards for all registered apprenticeship programs must fully comply with the EEO in Apprenticeship regulations at 29 CFR part 30, and current 29 CFR 29.5(b)(21)—which forms the basis for the language proposed at § 29.8(a)(2) in subpart A and in this part in this NPRM—specifies that selection procedures must conform to the regulations governing the selection of apprentices at current 29 CFR 30.10. The current regulatory text covers selection procedures within a provision that includes other requirements for program sponsors that have EEO elements and corresponding part 30 requirements. The Department has determined that the regulated community would benefit from the clarity that would arise from separating these elements out into distinct provisions. Accordingly, the Department proposes to include a provision covering selection procedures for registered CTE apprenticeship programs, similar to proposed 29 CFR 29.8(a)(2). Such selection procedures must conform to the corresponding requirements at 29 CFR 30.10.

The EEO in Apprenticeship regulations at 29 CFR 30.10 reiterate the part 29 requirement that sponsors must submit selection procedures in the written plan for their program standards, which are submitted to and approved by the Registration Agency. The regulations at 29 CFR 30.10 stipulate that sponsors may use any method or combination of methods for the selection of apprentices, as long as the selection method(s) comply with the Uniform Guidelines on Employee Selection Procedures found at 41 CFR part 60-3, which require an evaluation of the selection procedures' impact on race, sex, and ethnic groups, as well as a demonstration of the business necessity for procedures that result in an adverse impact across any of these demographic groups. The regulations at 29 CFR 30.10 also stipulate that selection procedures be applied uniformly and consistently across all applicants and apprentices, and that the selection procedures must comply with

title I of the ADA and the implementing regulations at 29 CFR part 1630. Finally, the regulations at 29 CFR 30.10 clarify that selection procedures must be facially neutral with respect to race, color, religion, national origin, sex, sexual orientation, age (40 or older), genetic information, and disability. Per the ruling from *Washington v. Davis*, 426 U.S. 229 (1976), a decision (or selection procedures, in the case of the apprenticeship regulations at parts 29 and 30) appears facially neutral if it neither creates a "suspect classification" nor infringes on a "fundamental right."[177] As stated in subpart A, these regulatory requirements would be unchanged by this NPRM. However, for this subpart all potential program sponsors seeking approval of a registered CTE apprenticeship must be in compliance with the selection procedures regulations at parts 29 and 30, and the Department stands ready to provide subregulatory guidance on these requirements or any other requirements related to the development, submission, and approval of program standards.

Proposed § 29.24(c)(13) would require program sponsors to provide a list of any supportive services that may be available to the CTE apprentice, including childcare, transportation, equipment, tools, or any other supportive service provided by the sponsor or a partnering organization. This proposal would provide an opportunity for the CTE apprentice to be aware of any supports they may have access to or receive during their participation in the program. Such supports may be arranged through partner organizations or in coordination with the workforce development system.

Proposed § 29.24(c)(14) would largely follow proposed § 29.8(a)(20), which would change an existing requirement concerning the granting of advanced standing, credit, and an increased wage to an apprentice and confers this recognition to CTE apprentices. The proposed provision would require that the program sponsors' standards

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[177] Thomas B. Henson, "Proving Discriminatory Intent From a Facially Neutral Decision With A Disproportionate Impact," 36 Wash & Lee L. Rev. 109, 1979, *https://scholarlycommons.law.wlu.edu/cgi/viewcontent.cgi?article=2745&context=wlulr*.

of registered CTE apprenticeship programs not only grant advanced standing, credit, and an increased wage to a CTE apprentice when appropriate, but explicitly instruct sponsors to include a process by which they will reduce the usual term of on-the-job training or CTE apprenticeship-related instruction. This change would recognize that the reduction of the usual term of on-the-job training or related instruction may be appropriate in two scenarios: (1) where a CTE apprentice comes to a program with prior qualifications that warrant the reduction of the usual term of on-the-job training or related instruction, such as previous enrollment in a program that aligns with the program in CTE apprenticeship-related instruction in a registered CTE apprenticeship program; and (2) where an apprentice demonstrates expedited progress while in a registered CTE apprenticeship program that warrants the reduction of the usual term of on-the-job training or related instruction, such as the attainment of postsecondary credit that may be counted for matriculation purposes.

Further, proposed § 29.24(c)(14) would create two requirements for the process by which sponsors must abide. Proposed § 29.24(c)(14)(i) would require that the established process be fair, transparent, and objective in identifying, assessing, and documenting a registered CTE apprentice's prior learning or experience as well as any accelerated progress made by a CTE apprentice. Proposed § 29.24(c)(14)(ii) would require that the process must result in advanced standing, credit, and an increased wage that is commensurate with any progression granted because of the registered CTE apprentice's prior qualifications or accelerated progress. The Department notes that this feature of accelerating CTE apprentices was a feature of the competency-based model of registered apprenticeship under the current rule, which the Department is proposing to remove as a separate model. The Department recognizes that the utilization of industry skills frameworks for the attainment of industrywide skills and competencies resembles the competency model in some regards but is differentiated by the successful attainment

of industrywide skills and competencies and not proficiency in any one occupation suitable for registered apprenticeship. The Department's proposal seeks to embed the benefits of competency attainment from this model with minimum employment duration requirements for on-the-job training. This proposal would allow sponsors the flexibility to advance apprentices, and for CTE apprentices to receive commensurate advancement in wages, based on their prior experience. This proposal would help to ensure sponsors continue to have some of the key flexibility components of the competency-based approach that are well-suited for registered CTE apprentices, with key quality enhancements enabling the Registration Agency, in coordination with a State CTE Agency, to review to ensure CTE apprentices are progressed fairly, and such processes are equitable, objective, and align with educational requirements embedded within a program.

The Department's proposed method of requiring a minimum amount of on-the-job training hours while allowing advanced standing based on existing competency is similar to the current "hybrid" model of registered apprenticeship and would provide the right balance of training participants to an industry standard and duration, while recognizing the unique skill and competency progressions of CTE apprentices. This provision would also ensure that a CTE apprentice does not have an abbreviated on-the-job training experience in the program if circumstances do not warrant it, so that a program is not graduating apprentices from their program before they have completed their training and demonstrate the requisite proficiency. CTE apprentices may need to complete on-the-job training even when an academic school year has ended. The Department is interested in comments about the applicability of such mechanisms for recognition, such as prior learning in a program or transferable credit through dual or concurrent enrollment, in this new model and welcomes comments about other mechanisms that would enable CTE apprentices the opportunity for advanced standing, credit, and increased wages.

Proposed § 29.24(c)(15) would create a requirement that the standards of registered CTE apprenticeship include an attestation to document in writing that the qualifications and experience of the trainers and instructors providing the on-the-job training and CTE apprenticeship-related instruction to CTE apprentices satisfy the requirements in proposed § 29.12 of subpart A. The requirement in this section would be an acknowledgment in the standards that the requirements of proposed § 29.12 are being met. The Department believes it is important that the standards of registered CTE apprenticeship include this requirement so that the Registration Agency can ensure that trainers are qualified and so that apprentices know that they are being trained by qualified individuals.

Proposed § 29.24(c)(16) would require that registered CTE apprenticeship program sponsors identify the Registration Agency and State CTE Agency for which the program is being registered. The purpose of this proposed provision is to ensure that both coordinating entities are accurately identified and that such information is available to the CTE apprentices and their parents or guardian, if applicable, as well as the Registration Agency for conducting program reviews and coordinating with a State CTE Agency as applicable in the written agreement.

Proposed § 29.24(c)(17) would address a program's adherence to EEO Requirements and would stipulate that the standards of registered CTE apprenticeship must include the equal opportunity pledge as required in § 30.3(c), as well as a statement that the program must be conducted, operated, and administered in conformity with all applicable provisions of 29 CFR part 30.

Proposed § 29.24(c)(18) would require program sponsors of a registered CTE apprenticeship to include in standards the contact information of the appropriate party to address complaints within the program. In addition to filing complaints with the program, CTE apprentices may make complaints to a Registration Agency consistent with

paragraph (g) of this section, and information on how to do so must be included in the apprentice agreement as required by paragraph (e) of this section.

§ 29.24(d) Registered CTE apprenticeship program sponsors.

Proposed § 29.24(d) would describe the entities eligible to be a sponsor of a registered CTE apprenticeship program, the process for which a sponsor registers a registered CTE apprenticeship program, additional responsibilities for intermediaries designated to be program sponsors, and the requirement for program sponsors to enter into an adoption agreement.

§ 29.24(d)(1) Eligible registered CTE apprenticeship program sponsors.

Proposed § 29.24(d)(1) would establish the types of organizations and entities that may be eligible for registration by a Registration Agency to serve as a sponsor of a registered CTE apprenticeship program. For the registered CTE apprenticeship model, the Department envisions LEAs, institutions of higher education, State CTE Agencies, or another State government agency that shares responsibility for CTE in the State, as the primary organizations and entities that may serve as a program sponsor. Such Perkins-eligible recipients and agencies are embedded within the existing infrastructure of Perkins and are well-positioned to perform many of the programmatic and administrative requirements that program sponsors must perform under this part. The proposed eligible registered CTE apprenticeship program sponsor organizations and entities have institutional experience and acumen working with and supporting students who are enrolled in CTE programs. Consistent with statutory Perkins requirements as administered by ED, Perkins-eligible recipients and agencies that provide administrative and programmatic oversight would be required to ensure that rigorous academic standards are developed, implemented, successfully met, and continuously refined to provide CTE students with educational outcomes that prepare them for career pathways in high-demand industries that offer good jobs. In addition, administrators and CTE

faculty would be equipped with certified training to perform the requisite administration and execution of recognized programs that registered CTE apprenticeship has included as an integral component for CTE apprenticeship-related instruction. To the extent that any of the aforementioned organizations and entities chose to designate as a program sponsor an intermediary, they may do so by entering into an agreement.

Proposed § 29.24(d)(1)(iv) would allow a State CTE Agency, State Educational Agency, LEA, or institution of higher education to designate an intermediary to act as a program sponsor. To serve as a sponsor, intermediaries should have expertise in organizing and coordinating registered CTE apprenticeship programs or registered apprenticeship programs under subpart A. The following organizations and entities are examples of entities that may qualify to be designated as an intermediary: the local affiliate of a labor organization, such as a joint apprenticeship and training committee; an employer; the local affiliate of a trade or industry organization; a local workforce development board as established under WIOA; an institution of higher education (including community or technical colleges, 4-year degree granting institutions, Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority Serving Institutions); an LEA; and any other public, private, or not-for-profit entity that has experience coordinating Perkins funding. This broad list of examples shows the potential models that may be developed in coordination and partnership at the State or local level. In practice, a number of potential program sponsors that would be eligible under this part operate consortia and designate responsibility to LEAs, institutions of higher education, or non-profit organizations that specialize in the administration and operation of education programs. The Department understands that States and local education systems may need flexibility in designing registered CTE apprenticeship programs to accommodate nuances in the development and articulation. The Department is most interested in comments about both the feasibility and capacity of

the proposed eligible organizations and entities and the types of intermediaries that may be designated through an agreement to develop registered CTE apprenticeship programs within existing CTE programs.

§ 29.24(d)(2) Sponsor program registration.

Proposed § 29.24(d)(2) would contain the requirements for a program sponsor to submit an application for registration of a new registered CTE apprenticeship program. The Department anticipates electronic submission of applications, which would lead to increased timely technical assistance. The Department has successfully launched a web-based platform called Standards Builder, which has also been leveraged by SAAs and could be utilized for the registration of registered CTE apprenticeship programs. While there is no requirement that standards must be submitted electronically in the current rule for registered apprenticeship programs, the Department anticipates that requiring submissions electronically would result in better customer service, enable technical assistance to be provided electronically and timely, and could yield more responsive approvals of programs that meet the requirements of this part and part 30. The Department anticipates continuing to expand and refine its development of web-based tools to assist in the registration process, and requiring electronic submissions would allow OA to focus its efforts more on providing sponsors technical assistance than on reviewing and providing feedback through nonelectronic means.

Proposed § 29.24(d)(2)(i) through (v) would require a prospective program sponsor to submit: (1) an on-the-job training outline that aligns with an associated industry skills framework, set forth in proposed § 29.24(b); (2) a registered CTE apprenticeship-related instruction outline, set forth in proposed § 29.24(c)(2); (3) standards of registered CTE apprenticeship for the proposed program, set forth in proposed § 29.24(c); and (4) the CTE apprenticeship agreement for the registered CTE apprenticeship, set forth in proposed § 29.24(e). These requirements would capture the

core elements of a registered CTE apprenticeship program and ensure that program sponsors have addressed such core elements in the submission process to register a program.

Proposed § 29.24(d)(2)(v)(A) through (G) would require a registered CTE apprenticeship program sponsor to include a written plan with seven components. Proposed § 29.24(d)(2)(v)(A) would require a description of how the program will ensure the students who are selected to participate in the registered CTE apprenticeship program reflect a diverse and inclusive cross-section of the current student body enrollment of the participating secondary or postsecondary school(s), consistent with the requirements of 29 CFR part 30. The purpose of this component of the written plan is for the program sponsor to demonstrate to the Registration Agency that the program sponsor is providing equitable opportunities for all students within the educational institution. Proposed § 29.24(d)(2)(v)(B) would require a description of how the approved industry skills framework aligns with the existing CTE program. The purpose of this component of the written plan is to ensure that there is alignment between the industrywide skills and competencies detailed within an Administrator-approved industry skills framework with a State-approved CTE program. Standards of registered CTE apprenticeship would not impact, direct, or control Perkins CTE programs, as such are completely within local control as established in 20 U.S.C. 2306a. Proposed § 29.24(d)(2)(v)(C) would require a description of recognized postsecondary credentials the program may provide, including how the program confers such credentials, and its usefulness for apprentices' entry into employment, a registered apprenticeship program under subpart A, a postsecondary educational program, or some combination thereof. The purpose of this component of the written plan is to demonstrate the likelihood that the registered CTE apprenticeship would provide corresponding educational credentials and provide a pathway for a CTE apprentice to enter into any one of the aforementioned outcomes.

Proposed § 29.24(d)(2)(v)(D) would require a written description from the registered CTE apprenticeship program sponsor of how they will ensure that each employer participating in the program has an established record of maintaining a safe and inclusive workplace that is free from discrimination, violence, harassment, intimidation, and retaliation against employees. The purpose of including this description is to ensure the safety and welfare of CTE apprentices participating in the on-the-job training component of the program.

Proposed § 29.24(d)(2)(v)(E) would require a written description from the registered CTE apprenticeship program sponsor of how CTE apprentices will have access to a broad range of career services and supportive services that enable participation in, and successful completion of, the CTE apprenticeship program. The purpose of including this assurance is to provide transparency to potential program participants and their families that such services are available so students can equitably access, participate in, and complete a CTE apprenticeship program regardless of potential socioeconomic barriers that would otherwise provide a financial hardship to the CTE apprentice or their families.

Proposed § 29.24(d)(2)(v)(F) would require a written description from the registered CTE apprenticeship program sponsor of how it will conduct routine monitoring and oversight of all aspects of the registered CTE apprenticeship program. The purpose of this written assurance is to ensure a program sponsor is aware of its responsibility to provide timely and accurate monitoring and oversight to maintain the functionality and integrity of the registered CTE apprenticeship program and to allow the Registration Agency to take necessary corrective action if the sponsor fails to abide by this assurance.

Proposed § 29.24(d)(2)(v)(G) would require a written description from the registered CTE apprenticeship program sponsor of how the program will take affirmative

steps to adhere to the requirements of 29 CFR part 30. This section is the same concept as proposed for registered apprenticeship programs in proposed § 29.10(a)(8) and the Department is including this provision here, with updates to account for registered CTE apprenticeship programs and CTE apprentices in the proposed text to ensure this provision is referencing the terms of subpart B.

Proposed § 29.24(d)(2)(vi) would require a written assurance from the registered CTE apprenticeship program sponsor that parties involved with the operation of the registered CTE apprenticeship program, such as employers, partnering educational institutions, and designated intermediaries, agree to the specific commitments, roles, and responsibilities addressed in the program standards. In addition, proposed § 29.24(d)(2)(vii) would require an assurance that such agreements be formalized through memoranda of understanding or other written agreements. This proposed provision would help establish that the prospective sponsor has engaged with these stakeholders and partners and would allow the Registration Agency to hold the sponsor accountable if they have not engaged these stakeholders and partners.

Proposed § 29.24(d)(2)(vii) would require a written assurance from the registered CTE apprenticeship program sponsor that, consistent with § 29.18, the sponsor will maintain any required records that the Registration Agency considers necessary to determine whether the sponsor has complied or is complying with the requirements of this part and any applicable Federal or State laws. The purpose of this written assurance is to provide a Registration Agency with pertinent records for conducting program reviews and other compliance activities. All records referenced in proposed § 29.24(d)(2)(i) through (vii) would be subject to the records retention requirement in proposed § 29.24(d)(2)(viii).

§ 29.24(d)(3) Additional responsibilities for intermediaries serving as a sponsor.

Proposed § 29.24(d)(3) would require an intermediary that has been designated as a program sponsor under proposed § 29.24(d)(1)(iv) to comply with the requirements of this subpart and coordinate with relevant Perkins educational institutions and agencies to ensure program sponsor requirements are met, including the complete electronic submission of written assurances under proposed § 29.24(d)(2) as well as any and all State and local State laws, requirements of a State CTE Agency, and any other agency that administers Perkins CTE programs in the State for which there may be additional requirements that apply. The Department recognizes that intermediaries, depending upon the organization or entity designated, may need to coordinate with partnering educational institutions and agencies to share applicable registered CTE apprenticeship information, in compliance with section 444 of the General Education Provisions Act, as amended, commonly known as the Family Educational Rights and Privacy Act of 1974 (FERPA), to meet the proposed requirements of this part. The Department is interested in hearing from potential registered CTE apprenticeship intermediaries about the potential challenges and opportunities for meeting requirements of a program sponsor in this part and the role Registration Agencies and State CTE Agencies may play to facilitate an intermediary's participation in this new model.

§ 29.24(d)(4) Sponsor standards adoption agreements.

Proposed § 29.24(d)(4) follows the entirety of proposed § 29.11 in subpart A and would prescribe the content and operational requirements for a written sponsor standards adoption agreement, as defined in proposed § 29.2, between a sponsor and a participating employer that is reached outside of a collective bargaining process. The Department believes this addition would be critical for the registered CTE apprenticeship model because employers are not eligible sponsors of this model. Given the vital role employers play in providing the on-the-job training in both the registered apprenticeship and registered CTE apprenticeship model, it is important that an adoption agreement for

employers is developed. The Department notes that the main difference in subpart B is the name of the agreement, so the regulated community can distinguish between the agreements an employer signs for subpart A (a program standards adoption agreement) and the agreement an employer signs for subpart B (a sponsor standards adoption agreement). Agreements between the sponsors of a registered CTE apprenticeship program and an individual employer that participates in that sponsor's program would be required under this proposal for registered CTE apprenticeship. The Department believes that the inclusion of a regulatory provision expressly obligating participating employers to comply with the sponsor's standards of registered CTE apprenticeship and to adhere to the requirements contained in 29 CFR parts 29 and 30 would serve to bolster registered CTE apprenticeship program accountability and integrity and protect the safety and welfare of CTE apprentices. Because a participating employer in a sponsor's group program will typically be the entity that employs and pays wages to CTE apprentices enrolled in a registered CTE apprenticeship program, and that also typically provides close on-the-job direct supervision and training to such individuals, it follows that such employers should be obligated to adhere to the same standards of CTE apprenticeship and regulatory obligations as the sponsor of the program so that apprentices are protected and receive the full benefit of the program.

§ 29.24(e) CTE apprenticeship agreement.

As with registered apprenticeship, the Department views the formal apprenticeship agreement between a program sponsor and a CTE apprentice as a foundational element of registered CTE apprenticeship that protects the welfare of CTE apprentices by clarifying the terms and conditions of the program in which they intend to participate, and by serving as a verifiable record of such terms and conditions. The Department views the apprenticeship agreement as holding equal value and importance under each model, and accordingly has proposed provisions in subpart B that largely

mirror the apprenticeship agreement provisions in subpart A, with some minor adjustments or revisions that reflect the relevant entities and context for registered CTE apprenticeship programs. As with registered apprenticeship, the Department views CTE apprenticeship agreements as a critical tool for protecting CTE apprentices' welfare by establishing transparency and accountability. Further, the Department recognizes that the success of efforts to expand registered apprenticeship, including through the creation of this newly proposed registered CTE apprenticeship model, depends in part on the effective communication of the benefits of CTE apprenticeship and what CTE apprentices can expect to achieve in terms of their career development through participation in a registered CTE apprenticeship program. The Department views the CTE apprenticeship agreement as an important tool not only for holding all parties accountable to a program's agreed-upon terms and conditions, but also as a tool to succinctly explain the purpose, benefits, and intended outcomes of a registered CTE apprenticeship program. For registered CTE apprenticeship, clarifying the shape and value of such outcomes, and the program's training and instruction plan for achieving such outcomes, is critical for explaining the potential value of this new apprenticeship model and encouraging enrollment in any newly created registered CTE apprenticeship programs.

Proposed § 29.24(e)(1) mirrors the proposed regulatory text at proposed § 29.9(a) and would establish that all registered CTE apprenticeship programs must develop an apprenticeship agreement containing the terms and conditions of the training and instruction plan for CTE apprentices. The proposed text at § 29.24(e)(1) differs slightly in that it would require that the agreement include the program's terms and conditions for education of registered CTE apprentices, in addition to the employment and training of apprentices contained at proposed § 29.9(a). This reflects the educational context of registered CTE apprenticeship, including the entities the Department expects would

establish and participate in such programs, and the model's increased focus on education and classroom learning.

Proposed § 29.24(e)(1)(i) through (v) would establish the list of parties that must sign the apprenticeship agreement for registered CTE apprenticeship programs. These parties would include the CTE apprentice (proposed paragraph (e)(1)(i)), the CTE apprentice's parent or legal guardian if the CTE apprentice is under 18 years of age (proposed paragraph (e)(1)(ii)), the sponsor (proposed paragraph (e)(1)(iii)), the secondary or postsecondary educational institution where the CTE apprentice is enrolled (proposed paragraph (e)(1)(iv)), and any employers participating in the registered CTE apprenticeship program that have adopted or agreed to the sponsor standards adoption agreement (proposed paragraph (e)(1)(v)). These parties would reflect the same list as the parties that must sign the apprenticeship agreement for registered apprenticeship programs at proposed § 29.9(a)(1) through (4), with one addition that reflects the educational context of the registered CTE apprenticeship program (the proposed requirement at § 29.24(e)(1)(iv) that the secondary or postsecondary institution sign the agreement for registered CTE apprenticeship). The Department views educational institutions as critical partners in the development and success of registered CTE apprenticeship, given that the Department envisions that this model would complement and build upon established CTE programs, curricula, and networks. The Department proposes to include educational institutions as required signatories for apprenticeship agreements to extend the transparency and accountability the agreement would establish to these partners. Further, as discussed earlier, enrollment as a student in a CTE program in a secondary or postsecondary institution is a proposed requirement to participate as a registered CTE apprentice, and the Department expects that requiring such institutions to sign apprenticeship agreements would further confirm and clarify participants' eligibility.

Proposed § 29.24(e)(2) would provide that the signed apprenticeship agreement (which includes the program standards for the registered CTE apprenticeship program) must be provided to the CTE apprentice and their parent or legal guardian, as applicable, prior to the apprenticeship's start date. This provision largely reflects the proposed requirement at proposed § 29.9(b), but would intentionally include the CTE apprentice's parent or legal guardian as parties who must receive the agreement prior to the start of the apprenticeship term. This difference between the recipients of the apprenticeship agreement at proposed § 29.9(b) and proposed § 29.24(e)(2) reflects the school-aged population (secondary or postsecondary students) that may participate in registered CTE apprenticeship programs, and the importance of keeping their parents or legal guardians informed of the terms and conditions of this new career development opportunity for their child or dependent, including the hourly demands it will place on the students' schedules, assurances of the safe and welcoming environment the student would encounter through the program, and what their child or dependent can expect to receive through participating in the program to support their professional development.

Proposed § 29.24(e)(3)(i) through (xvi) would list 16 elements that apprenticeship agreements must contain for registered CTE apprenticeship, and this list of elements mirrors the elements that must be contained in apprenticeship agreements for registered apprenticeship at proposed § 29.9(c)(1) through (16). Proposed § 29.24(e)(3)(i) and (ii) would provide that apprenticeship agreements for registered CTE apprenticeship programs must include contact and identifying information for CTE apprentices (including date of birth and, on a voluntary basis, their Social Security number) and contact information for the Registration Agency, sponsor, and any participating employers. While the Social Security number is not required to be reported to the Registration Agency, it will need to be provided to the employer. These elements would mirror the required elements for the apprenticeship agreements in registered

apprenticeship at proposed § 29.9(c)(1) and (2) and would ensure that the apprenticeship agreement is a reliable source for up-to-date contact information for those individuals participating in registered CTE apprenticeship programs, and those parties involved in registering, overseeing, and operating a program.

Proposed § 29.24(e)(3)(iii) would contain some differences from its companion provision at proposed § 29.9(c)(3). For registered CTE apprenticeship, the Department proposes that the apprenticeship agreement must include the identification of the job or occupation the CTE apprentice will be employed in, as well as the industry skills framework and CTE apprenticeship-related instruction outline that underpin the program's alignment with an established CTE course of study and a career readiness framework (in the context of registered CTE apprenticeship, this is known as the industry skills framework). These elements would mirror the related instruction and work process schedule for registered apprenticeship (the subject of proposed § 29.9(c)(3)) and the Department is including the relevant terminology at proposed § 29.24(e)(3)(iii) for clarity regarding which terminology applies within each model.

Proposed § 29.24(e)(3)(iv) would provide that the apprenticeship agreement includes the program's standards for the registered CTE apprenticeship and would mirror the proposed regulatory text at proposed § 29.9(c)(4) for apprenticeship agreements in registered apprenticeship. Proposed § 29.24(e)(3)(v) would mirror the proposed regulatory text at proposed § 29.9(c)(5) and would provide that apprenticeship agreements under the registered CTE apprenticeship model must describe the roles, duties, and responsibilities of CTE apprentices, sponsors, and participating employers. As with proposed § 29.9(c)(5), proposed § 29.24(e)(3)(v) would stipulate that any employers participating in registered CTE apprenticeship programs must provide CTE apprentices with information about their rights and protections under Federal, State, and local labor laws and the process for filing complaints with the relevant Registration Agency. The

reasons for these proposed requirements in the CTE apprenticeship agreement are the same as for the apprenticeship agreement under subpart A.

Proposed § 29.24(e)(3)(vi) would provide that the apprenticeship agreement must provide the beginning and expected end date for the term of the CTE apprenticeship, as well as the date when on-the-job training will begin. This differs from the requirement at proposed § 29.9(c)(6), which would require that apprenticeship agreements for registered apprenticeship programs provide the beginning dates for the program overall, the beginning date for on-the-job training, and the duration of the probationary period for the program. Regarding the probationary period, this proposal would provide that apprenticeship agreements for registered CTE apprenticeship programs must include a description of the program's probationary period and would stipulate that such period may not exceed 30 days. The Department is proposing to take a slightly different approach to probationary periods under the registered CTE apprenticeship model and recognizes that allowing a probationary period that lasts longer than 30 days would not serve the best interests of CTE apprentices. Apprentices in registered CTE apprenticeship programs must also enroll in an established CTE program, while job seekers considering participating in a registered apprenticeship program are not so connected to the program or occupation via other established enrollments. Accordingly, the Department believes that the probationary period for registered apprenticeship programs should be more flexible and subject to the sponsor's discretion, while the probationary period for registered CTE apprenticeship programs should have a shorter maximum length and should reflect that the CTE apprentice is firmly established in the job training program and course of study via multiple agreements and enrollments.

Proposed § 29.24(e)(3)(vii) concerns wages paid to CTE apprentices and contains some differences from the apprenticeship agreement section for wages in registered apprenticeship at proposed § 29.9(c)(7). Proposed § 29.24(e)(3)(vii) would require the

apprenticeship agreement include the entry wage and graduated scale of increasing wages for registered CTE apprentices, as would be required at proposed § 29.9(c)(7), but would not include the "journeyworker wage" nor the "fringe benefits" information that would be required at proposed § 29.9(c)(7). The Department is not proposing any wage requirements tied to journeyworker wages in registered CTE apprenticeship programs. The CTE apprenticeship model's focus is on industry skills frameworks, and thus reflects an inherent flexibility in terms of a program's relation to several occupations, rather than just a single occupation as in registered apprenticeship. Thus, the Department does not view the journeyworker wage in an occupation as relevant to the apprenticeship agreement for registered CTE apprenticeship.

Proposed § 29.24(e)(3)(viii) would provide that the apprenticeship agreement must contain the allocation of hours between a registered CTE apprenticeship program's on-the-job training component and CTE apprenticeship-related instruction component, mirroring proposed § 29.9(c)(8) with the slight adjustment of the term "CTE apprenticeship-related instruction."

Proposed § 29.24(e)(3)(ix) would provide that the apprenticeship agreement must explain the methods used over the course of the registered CTE apprenticeship program to measure CTE apprentices' attainment of competencies, which differs slightly from the requirement at proposed § 29.9(c)(9) that would also include measuring the apprentice's progress towards acquiring the competencies necessary for a registered apprenticeship program's end-point assessment. As discussed above, the Department has determined that end-point assessments will be a useful tool for measuring and affirming apprentices' proficiency in registered apprenticeship programs; however, such assessments would not be appropriate for the registered CTE apprenticeship model. The latter model is based on providing training and instruction within a broader scope of career readiness than the registered apprenticeship model, which focuses more acutely on proficiency within a

specific occupation and aligns with an end-point assessment measuring such occupational proficiency. As such, the Department's proposed model for registered CTE apprenticeship does not include an end-point assessment and would grant registered CTE apprenticeship programs more flexibility in designing program completion measures that apply to the program's associated career pathways.

Proposed § 29.24(e)(3)(x) would mirror the proposed regulatory language at § 29.9(c)(10) and would provide that, under both models, the apprenticeship agreement should describe any supportive services available to apprentices or CTE apprentices. These may include childcare services, transportation stipends or reimbursement programs, equipment or tools, or other supportive services under both models. This reflects the Department's consideration of advice from apprenticeship stakeholders, including the ACA, that the provision of supportive services is an important factor in addressing barriers to participation, particularly for underserved communities, individuals in rural communities, and individuals who face challenges or bear responsibilities for providing dependent care during typical working hours. The Department requests comment on whether registered CTE apprenticeship programs should be required to provide CTE apprentices with access to supportive services.

Similarly, proposed § 29.24(e)(3)(xi) would mirror the requirement at proposed § 29.9(c)(11) that apprenticeship agreements contain a description of the nature and amount of any unreimbursed costs associated with a program. As discussed above, the Department is concerned about excessive or undue participation costs and the burden they place on job seekers seeking to improve their career readiness through participation in a registered CTE apprenticeship program. The Department therefore proposes that registered CTE apprenticeship programs disclose all participation costs in the apprenticeship agreement so that CTE apprentices are not faced with unexpected costs once they have taken steps to participating in a registered CTE apprenticeship program.

To further its goal of establishing transparency throughout all apprenticeship programs registered for Federal purposes (including registered apprenticeship programs and registered CTE apprenticeship programs), the Department proposes to require that apprenticeship agreements under both models must include a description of any credentials, secondary credits, or postsecondary credit hours conferred upon participants who progress through the program. However, the Department expects that registered CTE apprenticeship programs may not provide the same breadth of credentials as a registered apprenticeship program more closely aligned with a specific occupation. Accordingly, the proposed regulatory text at proposed § 29.24(e)(3)(xii) would differ slightly from the proposed regulatory text at § 29.9(c)(12) in that the former would not refer to "occupational qualifications," nor would it refer to other conditions or requirements that may be related to attaining an occupational qualification or licensure under Federal, State, or local laws or requirements. The Department expects that registered CTE apprenticeship programs would confer equally valuable credentials to registered CTE apprentices, in particular secondary credits or at least 12 postsecondary educational credit hours that may accelerate their progress through an educational curriculum or career development program. As such, for CTE apprenticeship agreements, the Department proposes that registered CTE apprenticeship programs include descriptions of the "secondary or postsecondary credits or credentials" associated with completing the program.

Proposed § 29.24(e)(3)(xiii) would provide that apprenticeship agreements for the registered CTE apprenticeship model must include an affirmation from all parties that they will adhere to the applicable requirements of parts 29 and 30 governing registered apprenticeship and EEO in registered apprenticeship. This language would mirror the proposed regulatory text at proposed § 29.9(c)(13) and would reflect the Department's

reiteration that, except when explicitly stated otherwise, the requirements of parts 29 and 30 would apply to any apprenticeship program registered for Federal purposes.

Proposed § 29.24(e)(3)(xiv) would require a statement addressing whether the CTE apprentice is paid wages and benefits during the CTE apprenticeship-related instruction component of the program and, if so, what the wage rate is, and whether the CTE apprenticeship-related instruction is provided during work hours. This requirement would be the same as the proposed requirement in § 29.9(c)(14) that the apprenticeship agreement specify whether CTE apprenticeship-related instruction is compensated; however, it would more precisely require that the apprenticeship agreement address both wages (i.e., not some other form of compensation) and whether CTE apprenticeship-related instruction occurs during work hours. This would provide notice to the CTE apprentice of whether to expect CTE apprenticeship-related instruction to occur on their own time and, regardless of when CTE apprenticeship-related instruction takes place, whether it is paid and at what rate. The Department acknowledges that, under the registered CTE apprenticeship model, the CTE program would be the primary form of CTE apprenticeship-related instruction and less likely to result in a CTE apprentice receiving wages. The Department encourages, where possible, registered CTE apprenticeship models in which employers invest in their CTE apprentices with wages or fringe benefits paid during CTE apprenticeship-related instruction. As discussed in proposed paragraph (c)(2) sponsors must consider, as a part of their programs' standards of registered CTE apprenticeship, whether to pay wages for CTE apprenticeship-related instruction. Since registered CTE apprenticeship is an "earn-and-learn" model, this provision would provide transparency to the CTE apprentice about when and what wages would be received, and during what component(s) of the program. This provision would also make transparent a schedule of paid and unpaid time an CTE apprentice is expected to be present to fulfill learning and worksite productivity objectives when attending CTE

apprenticeship-related instruction and on-the-job training. Making this information available to CTE apprentices for transparency purposes would provide apprentices with the necessary information to make financial decisions, seek out resources or supportive services through a program sponsor to attend CTE apprenticeship-related instruction or compensate costs incurred, and manage time to accommodate responsibilities, such as providing care to family members.

Proposed § 29.24(e)(3)(xv) would mirror the proposed regulatory language at proposed § 29.9(c)(15) and would require that apprenticeship agreements for registered CTE apprenticeship contain the contact information of those individuals or entities designated by the program to receive, review, and address any controversies or complaints that may arise. The Department expects that CTE apprentices would benefit from the clarity of understanding the process for filing, reviewing, and resolving complaints, and as such, is including proposed regulatory language to include contact information related to the program's complaint process for both registered apprenticeship and registered CTE apprenticeship.

Proposed § 29.24(e)(3)(xvi) would require the apprenticeship agreement to include the consent of the CTE apprentice, or their parent or guardian if the CTE apprentice is under 18 and not in attendance at a postsecondary institution, permitting the secondary or postsecondary institution in which the CTE apprentice is enrolled as a student to disclose individual apprentice level information to the program sponsor, to the entity designating any intermediary organization as a sponsor, to participating employers, to the Registration Agency and the Department, if OA is not the Registration Agency, and to and any other institution involved in administering the registered CTE apprenticeship program, as would be required under proposed subpart B of this part. Secondary and postsecondary institutions that receive Federal education funds under a program administered by ED must comply with FERPA. FERPA requires, among other

things, that a parent of a student, or an "eligible student" (namely, a student who is 18 years of age or older or in attendance at a postsecondary institution at any age), provide prior written consent before an educational institution discloses personally identifiable information from the student's education records, unless an exception to FERPA's general written consent requirement applies. This provision would ensure that secondary or postsecondary institutions can meet their obligations under FERPA and disclose individual apprentice level information as required under the registered CTE apprenticeship program.

Proposed § 29.24(e)(4) would mirror the proposed regulatory text at proposed § 29.9(d) that would prohibit registered apprenticeship program sponsors from including any non-compete provisions or other provisions that would serve to restrict an apprentice's labor market mobility. The Department views this proposed prohibition of non-compete and other restrictive labor clauses as a key reform in this proposed update to the part 29 regulations and seeks to apply this prohibition to any apprenticeship programs registered for Federal purposes. Given the nature of the registered CTE apprenticeship model's outcomes being designed for placement in employment, a postsecondary educational program, or a registered apprenticeship program under subpart A, the Department does not expect non-compete provisions would be as likely as in registered apprenticeship programs under subpart A. Nevertheless, the Department expects that this important worker protection would maximize the potential benefits of apprenticeship training for all participants, whether they are students, job seekers seeking to receive training in a specific occupation, or experienced workers seeking to change careers. As such, the Department proposes including the prohibition on non-compete and other restrictive labor clauses in the apprenticeship agreements section for registered CTE apprenticeship.

Similarly, at proposed § 29.24(e)(5), the Department proposes to apply the same prohibition against non-disclosure provisions from the proposed § 29.9(e) covering apprenticeship agreements for registered apprenticeship programs. The Department sees no reason to exempt registered CTE apprenticeship programs from these proposed prohibitions on clauses that would serve to restrict an apprentice's labor market mobility and future success finding employment. On the contrary, CTE apprentices who receive training and instruction via an industry skills framework, potentially covering multiple occupations, are potentially more at risk of suffering career consequences via the inclusion of such clauses given that they are at an early stage of their careers and would not be well-served by any restriction on the employers or occupations they may wish to pursue.

Finally, proposed § 29.24(e)(6) would mirror the proposed requirement at proposed § 29.9(f) and would stipulate that registered CTE apprenticeship program sponsors must submit a completed copy of the executed apprenticeship agreement for each individual apprentice it registers for participation in its program to the Registration Agency within 30 days of the execution of the agreement. In this NPRM's preamble section-by-section discussion at proposed § 29.9(f), the Department explains that the proposed 30-day timeframe for submitting executed apprenticeship agreements to the Registration Agency would be a reduction from existing policy (from 45 days to 30 days) in the amount of time a sponsor has to submit agreements, and that this proposed timeframe would be reasonable given the advancements in technology that enable streamlined submission of apprenticeship agreements via the RAPIDS system. The Department expects that these same technological advancements would facilitate the submission of apprenticeship agreements for registered CTE apprenticeship programs and proposes to align the timelines for submitting apprenticeship agreements under both models.

The Department invites comments from the public on all aspects of the apprenticeship agreement requirements for registered CTE apprenticeship programs, including whether any of the apprenticeship agreement elements from proposed § 29.9 (applying to registered apprenticeship programs) should not apply to registered CTE apprenticeship, or whether the Department should apply different parameters based on the differences between these two models of registered apprenticeship, or whether additional elements should be added.

§ 29.24(f) Certificate of Completion of registered CTE apprenticeship.

Proposed § 29.24(f) provides that Registration Agencies would issue certificates of completion of registered CTE apprenticeship to CTE apprentices who complete all of the requirements of the program. This proposal is similar to the Certificate of Completion Registration Agencies would issue to apprentices in registered apprenticeship programs in subpart A. These Certificates of Completion are important milestones for all apprentices and help to signify their value in the job market and opportunities for advancement in their career. The Department envisions registered apprenticeship programs in subpart A would consider providing advanced standing as described in § 29.8 to CTE apprentices who complete a registered CTE apprenticeship program and can demonstrate their completion with a certificate of completion of registered CTE apprenticeship.

§ 29.24(g) Administrative requirements of the Registration Agency.

Proposed § 29.24(g) contains the provisions related to the administrative requirements for Registration Agencies operating Registered CTE apprenticeship programs. This section is designed to address the core duties of Registration Agencies and their roles and responsibilities in the registered CTE apprenticeship model. Included in this are key provisions related to technical assistance and registration of programs, establishment of a compliant process for CTE apprentices, the operation of program

reviews, deregistration processes, the recognition of Registration Agencies, data collection and metrics from programs, and program exemptions.

Proposed § 29.24(g)(1) would provide the process that the Registration Agency uses when it receives an application from a prospective program sponsor. Similar to subpart A, the Registration Agency must make a determination within 90 days of the receipt of a complete application as to whether the program has met the requirements of this subpart and is eligible for program registration. The Registration Agency would be responsible for informing applicants in writing of all decisions regarding the program registration. Additionally, if programs are denied approval for registration, the reasons for the denial must be explained in writing. These provisions would help to ensure a transparent process for sponsors and Registration Agencies for the review and approval of programs.

Proposed § 29.24(g)(2) is a provision on the role of Registration Agencies in providing technical assistance and other support, including outreach, technical assistance, and other assistance such as referrals to registered apprenticeship programs under subpart A to sponsors or other potential partners to support the adoption and expansion of registered CTE apprenticeship programs in a State.

Proposed § 29.24(g)(3) would provide a provision for CTE apprentice complaints similar to what the Department has proposed for registered apprenticeship programs in subpart A at proposed § 29.17. The Department anticipates that complaints arising under the registered CTE apprenticeship model would undergo a similar process to complaints submitted by apprentices under subpart A, and the discussion of that process is described in § 29.17. Though this section cites to § 29.17 for this process, the Department is proposing one difference, which would provide that the Registration Agency may refer complaints to the State CTE Agency as appropriate. Due to the close coordination with the State CTE Agencies envisioned under this proposed subpart, the Department

anticipates that some complaints filed with the Registration Agency may be better addressed through a referral to the State CTE Agency. For example, a CTE apprentice who has a concern about their CTE program may submit a complaint to the Registration Agency. In those instances, and depending on the nature of the complaint, the Department believes that the CTE apprentice's issue may be best addressed by the State CTE Agency. The Department envisions that the process for such referrals may be addressed in the written agreement between the Registration Agency and the State CTE Agency proposed in paragraph (a). The Department welcomes any comments on the value of a proposed alignment of complaint provisions with subpart A, or if any other processes or deviations other than the one discussed above should be considered.

Proposed § 29.24(g)(4) would provide for the conduct of program reviews to confirm the Registration Agency can ensure the program is operating in compliance with this subpart. The Department, under paragraph (g)(4)(i), is proposing to utilize the process described in proposed § 29.19 in subpart A for the process and conduct of program reviews by a Registration Agency. Proposed paragraph (g)(4)(ii) would provide that the reviews should be coordinated between the Registration Agency and the State CTE Agency, the process for which would be addressed in the written agreement described in paragraph (a). The Department envisions that examples of quality program reviews may include the State CTE Agency reviewing the CTE portions of the program while the Registration Agency reviews the labor standards. The Department is allowing flexibility on how this is coordinated but does expect a strategy or agreement to be included in the written agreement described in paragraph (a). Proposed paragraph (g)(4)(iii) provides clarity that program reviews under this subpart would not impact an entity's eligibility under, or compliance with, the Perkins programs. This provision is to make clear that the Registration Agency's authority is limited to the registration of the program and would not extend to determining eligibility for CTE funding. Perkins CTE

programs would not be governed by this subpart, but rather must meet the requirements of the Perkins statute as administered by ED. The Department welcomes comments on the alignment of program review provisions, including about the goal of a joint review process with the State CTE Agency. The current proposal encourages the idea of concurrent reviews but is proposing to provide flexibility to Registration Agencies and State CTE Agencies to address that process or alternatives as part of the written agreement in paragraph (a).

Proposed § 29.24(g)(5) would provide for the deregistration of programs that fail to meet the requirements of this subpart. The ability to deregister programs for noncompliance with this subpart and part 30 is critical to the effective oversight of registered apprenticeship programs both under subparts A and B. Provided that the Department is proposing a registration process for programs that meet the requirements of this subpart and part 30, a deregistration process is necessary for those that do not continue to meet those requirements. The process for the deregistration of programs would be the same as the process in proposed § 29.20 of subpart A. The Department envisions, similar to the process in subpart A, that a program review would occur to ascertain a sponsor's compliance with this subpart and part 30. The Department welcomes any comments on the alignment of deregistration proceedings, and the goals of aligning processes, where possible, with subpart A.

Proposed § 29.24(g)(6) would provide the same hearings process as described in proposed § 29.21 in subpart A. Given that both models of registered apprenticeship under subparts A and B have similar processes for registration, review, and deregistration, the Department is proposing to align this process for hearings. The Department welcomes any comments on the proposed alignment of this process with subpart A, particularly regarding if any deviations would provide administrative efficiencies.

Proposed § 29.24(g)(7) would provide the same hearings on deregistration process proposed in § 29.21 of subpart A. As described throughout this paragraph, the Department is proposing to align administrative processes as much as possible to minimize parallel processes for the registration, review, data collection, and oversight of registered CTE apprenticeship programs with registered apprenticeship programs in subpart A.

Proposed § 29.24(g)(8) would provide for the process of recognizing Registration Agencies for registered CTE apprenticeship. Registration Agencies would be responsible for the registration of CTE apprenticeship programs, which would provide opportunities to build alignment between registered apprenticeship programs in subpart A and registered CTE apprenticeship programs. Registration Agencies may be OA or a recognized SAA. Given the proposed requirement in paragraph (a) that there be a written agreement between the State CTE Agency and the Registration Agency, the Department does not anticipate considering National Program Standards for Apprenticeship, as proposed in subpart A, as an option for this model. One of the primary goals of this rulemaking is to bring greater alignment between registered apprenticeship models with State and local education systems. The Department envisions this localized alignment would result in quality program design tailored to local economies. As such, OA is only considering local registration by the State's respective Registration Agency. The Department is open to comments on national program registration models, and whether that could ensure alignment with State and local educational systems.

The Department clarifies that adopting the requirements of subpart B would not be a requirement for an SAA to obtain or maintain recognition as a Registration Agency and SAA. The Department acknowledges the unique requirements and partnerships needed at the State and local level to develop quality registered CTE apprenticeship programs and would not condition an SAA's recognition to register apprenticeship

programs under subpart A of this part on a requirement that they must also register programs described in this subpart.

Proposed § 29.24(g)(8)(i) would identify the circumstances in which OA may serve as the Registration Agency in a particular State. OA may serve as the Registration Agency in States where the OA Administrator has not recognized an SAA in the State, and there is a written agreement between OA and the State CTE Agency, as described in paragraph (a), for the registration of CTE apprenticeship programs in the State. Under this proposal, OA would not serve as a Registration Agency in States that have a recognized SAA or if there is not a written agreement with the State CTE Agency. Given the importance of aligning the State's education system with this model, the Department does not anticipate the registration of programs in States that do not develop written agreements with OA or do not have a recognized SAA.

Proposed § 29.24(g)(8)(ii)(A) through (D) would provide the process by which SAAs may seek recognition for the registration of CTE apprenticeship programs. The Department is proposing to limit the ability to be a Registration Agency to those entities that are Registration Agencies for the purposes of registering apprenticeship programs under subpart A. This would ensure alignment at the State level by providing that entities approving registered apprenticeship programs under subpart A are the same entities approving registered CTE apprenticeship programs under subpart B. This would help ensure greater alignment in program design, technical assistance, and administrative procedures and minimize redundancies at the State level for the registration of programs. SAAs recognized or seeking recognition under subpart C of this proposed rule would be recognized as Registration Agencies for CTE apprenticeship if they meet the criteria described in proposed paragraphs (g)(8)(ii)(A) through (D).

Proposed § 29.24(g)(8)(ii)(A) would provide that the State's proposed or current apprenticeship laws for registered CTE apprenticeship meet or exceed the requirements

for protecting the safety and welfare of CTE apprentices set forth in subpart B. This is the same standard that is being proposed for SAAs seeking recognition under subpart C. The proposed regulations are designed to set the minimum standards for registration, and SAAs may adopt requirements that include more protections for CTE apprentices in their laws.

Proposed § 29.24(g)(8)(ii)(B) would provide that the SAA must have entered into a written agreement with the respective State CTE Agency as described in paragraph (a), which outlines the required coordination between the respective agencies, including roles and responsibilities. This requirement would allow the Administrator to be sure that necessary coordination is occurring at the State level.

Proposed § 29.24(g)(8)(ii)(C) would provide that the State has submitted its relevant apprenticeship laws and CTE engagement strategies as part of its State Apprenticeship Plan submitted according to proposed § 29.27 in subpart C. This may be done concurrently as the State government agency is seeking recognition under subpart C for the purposes of registering apprenticeship programs under subpart A, or may be submitted as a modification to a State Apprenticeship Plan according to the criteria for modifications outlined in proposed § 29.27(a)(2).

Proposed § 29.24(g)(8)(ii)(D) would provide that the Administrator must approve concurrently, or have previously approved, the State government agency for recognition as an SAA under proposed § 29.27. This is designed to ensure that State government agencies would not be recognized for registering apprenticeship programs under subpart B without being approved to register programs for subpart A. The Department discussed previously that it believes it is critical that the Registration Agency for a particular State must be approved to register apprenticeship programs for subpart A purposes in order to be able to register programs for subpart B purposes. However, a State government agency

may serve as an SAA only for the purposes of registering apprenticeship programs for subpart A.

Proposed § 29.24(g)(9) is a provision related to the collection of data and quality metrics concerning registered CTE apprenticeship programs. The Department is largely proposing to align the data collection from sponsors and SAAs consistent with the requirements described in proposed § 29.25 of subpart C. The Department anticipates utilizing RAPIDS as the primary database and case management system for the collection and reporting of data on registered CTE apprenticeship programs and apprentices. The Department welcomes comments on the data collection for registered CTE apprenticeship, the proposed alignment with proposed § 29.25, and the key differences discussed below in data collection. Collectively, the Department envisions that a comprehensive data set and the alignment of reporting across both models of registered apprenticeship in this proposed rule will enable the Department to provide robust technical assistance to support stakeholders' compliance with these regulations.

Proposed § 29.24(g)(9)(i) is a provision for the collection of CTE apprentice information. The information being proposed to be collected is largely consistent with apprentice information that would be collected for apprentices under subpart A as described in proposed § 29.25(a). The discussion of those provisions is discussed in the preamble for § 29.25(a). The Department is proposing a consistent collection here with a few exceptions. For registered CTE apprenticeship under paragraph (g)(9)(i)(A), the Department would collect an associated industry skills framework with the program rather than the occupation associated with a registered apprenticeship under proposed § 29.25(a). This difference is based on the unique requirements in subpart B regarding associated industry skills frameworks as the basis for training in registered CTE apprenticeship rather than occupations suitable for registered apprenticeship. Separately, the Department is not proposing to collect pre-apprenticeship participation information as

a regulatory requirement in this section because the Department anticipates pre-apprenticeship models to be more closely associated with registered apprenticeship programs under subpart A.

Proposed paragraph (g)(9)(i)(B) would provide for sponsors to report status updates based on similar changes as discussed in proposed § 29.25(a), with the exception that the updates would be made on an academic semester basis rather than within 30 days. This is to account for the unique nature of this model, and requirement that sponsors be largely from the education system.

Proposed § 29.24(g)(9)(1)(ii) is a provision for the collection of program sponsor information and quality metrics that would be generally consistent with the proposed program sponsor information proposed for collection under § 29.25 for registered apprenticeship programs under subpart A. The primary differences are that the program sponsor information would be collected for each industry skills framework in this section rather than by occupation under proposed § 29.25. Additionally, this paragraph proposes collecting information on the outcomes of registered CTE apprenticeship, which are placement in a registered apprenticeship under subpart A, a postsecondary educational program, or employment at the time of program completion. Employment for this purpose would mean employment outside of the employment associated with a registered apprenticeship program under subpart A.

Proposed § 29.24(g)(9)(iii) is a provision for information and reports based on the information collected in paragraph (g)(9)(ii) to be made publicly available by the Registration Agency, which would align with proposed § 29.25(c). This section also would include similar language to proposed § 29.28 regarding the reporting of information from SAAs. These provisions would help support a comprehensive system data on both models of registered apprenticeship envisioned under these proposed regulations.

Proposed § 29.24(g)(10) would provide for exemptions from the subpart B requirements similar to the proposal in § 29.23 of subpart A for registered apprenticeship. As described in the preamble to proposed § 29.23, such requests would be required to be made in writing and transmitted to the Administrator and would also be required to contain a statement of the reasons supporting the request. The Administrator would only grant an exemption for good cause. Examples of good cause can be found in the preamble to proposed § 29.23. The Department has added proposed language regarding exemptions that cannot be made because they are outside of this subpart, including exemptions to requirements provided for in other applicable Federal, State, or local laws. For instance, the Administrator cannot consider exemption requests from any CTE participation requirements related to a CTE program or provisions governing the Perkins programs.

D. Subpart C – Administration and Coordination of the National Apprenticeship System

Section 29.25 – Collection of data and quality metrics concerning apprenticeship.

In the 15 years since the registered apprenticeship regulations were last updated, advancements in technology and data functionality have transformed daily life in the United States and throughout the world. These developments include a major expansion of the ability to capture, collect, store, and use data. Institutions, businesses, governments, and organizations have prioritized the collection, application, and analysis of data to capitalize on opportunities to improve programs, policies, and outcomes. Within the world of registered apprenticeship, significant developments have been made since 2008 to keep pace with the increasing significance of data, including OA's efforts to develop and refine RAPIDS as a case management platform, with the goal of aligning with the growing role of data in the daily operations of employers and program sponsors within the National Apprenticeship System.

As part of the Department's effort to modernize data collection and reporting capabilities through RAPIDS, significant investments have been made to improve functionality and provide access and interoperability to SAAs for their data collection and reporting needs. The enhanced collection of quality data by Federal agencies is supported by the provisions of the Foundations for Evidence-Based Policymaking Act of 2018 (Pub. L. 115-435), as well as President Biden's January 27, 2021 memorandum on restoring trust in government through evidence-based policymaking.[178] RAPIDS is the case management system administered by OA, and it serves as the primary platform for program sponsors' management of apprentices, occupations, job openings, and other relevant program information. The Department plans to continue RAPIDS as the primary database and case management system for the foreseeable future, but RAPIDS may undergo improvements or be altered over time, including to the name and affiliated acronym of such database and case management system, to meet the needs of National Apprenticeship System stakeholders. Technical assistance will be provided by OA, Apprenticeship Training Representatives, and applicable SAA staff as needed. This will help facilitate a connection between program sponsors using RAPIDS and Registration Agencies. While not a requirement for State recognition, SAA States and their sponsors may voluntarily opt to use the Department's case management system as a cost-effective approach to enable and support the data collection and reporting process described in proposed § 29.28(d).

Proposed § 29.25 would formalize the requirements for sponsors to report apprentice and sponsor information to their Registration Agency and establish a requirement for the Department to make this information publicly available in the form of

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[178] President Joesph R. Biden, Jr., "Memorandum on Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking," Jan. 27, 2021, https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/memorandum-on-restoring-trust-in-government-through-scientific-integrity-and-evidence-based-policymaking/.

sponsor level and national summary reports. In practice, the Department has made available related information, but this proposal would provide stakeholders with more robust and consistent information about the National Apprenticeship System. The Department is interested in comments about the benefits of making public more information about the performance of registered apprenticeship programs and their benefits to apprentices or career seekers while balancing expectations for sponsors and apprentices with respect to program burden and privacy. While some of this type of reporting currently occurs through approved ICRs (*see* OMB Control Number 1205-0223), the requirements for reporting have not been included in regulations in the past and are therefore subject to some uncertainty in terms of how the requirements might change from year to year. The Department has made significant investments in reporting capabilities through RAPIDS, including by making it available to SAAs for their reporting and data collection needs. Additionally, the increased Federal funding and benefits associated with registered apprenticeship programs (such as Apprenticeship grants, WIOA, the Davis-Bacon and related Acts, and the IRA) enhance the need to develop a more structured, uniform, and accountable reporting structure while balancing the burdens associated with collecting this information from sponsors, apprentices, and employers. The Department is particularly interested in any comments about whether the proposed approach strikes the proper balance, if other critical information should be included, or if less critical information should be omitted. The Department is also interested in any proposed quality measures for Registration Agencies or sponsors described below. Lastly, the Department is interested in comments on how it can utilize the collection of quality participant data and identify effective performance measures at the National, State, industry, and occupational level to achieve greater equity across and within the National Apprenticeship System.

Proposed § 29.25(a) would establish the requirements for what information about individual apprentices must be collected and reported by sponsors to the Registration Agency. Under the current approach, this is done primarily through sponsors entering data into the RAPIDS system, and the Department anticipates this approach will continue. Sponsors in States that do not use the system provided by the Department, whether RAPIDS or another system, would use the case management system provided by their Registration Agency to collect this information. SAA States and their sponsors may voluntarily opt to use the Department's case management system as a cost-effective approach to enable and support the data collection and reporting process described in proposed § 29.28(d). The Department is exploring approaches that would allow for apprentices to self-report and update demographic information through the mechanisms provided by the Department, which would help to meet this requirement. Such mechanisms would allow individual apprentices to report to the Department sensitive information that they might be hesitant to provide to their employer.

The collection of individual information included in this proposed section would enable substantive program analyses, including cross-sectional analyses and improved data disaggregation that would serve to identify strengths and weaknesses of the National Apprenticeship System when it comes to crucial goals like DEIA, identifying best practices, increasing economic mobility, and improving performance outcomes. Collecting data in this manner in a more uniform way and utilizing a system provided by the Department would also reduce the burden of data collection on employers and would enable the Department to ensure the questions being posed to apprentices are asked in a consistent manner during data collection. The Department will follow all applicable laws and procedures to ensure data security.

Improved collection of demographic information would enable the Department to better disaggregate demographic data, in addition to leveraging such data to develop and

track indices relating to equity in program access, exit, and completion, which can serve to inform and drive improvements towards greater equity in the National Apprenticeship System. These goals are not only important to the Department, but they are also aligned to the recommendations from the ACA on this subject. The Department is interested in comments about the Department's and SAAs' ability to collect individualized data and its benefits, particularly with regard to the ability to use cross-sectional analysis of demographic information to ensure that programs are operating equitably. The Department is also interested in comments discussing information or strategies that would help the Department assess the performance of programs in a more standardized manner.

Additionally, this section would establish that within 30 days of a change, in addition to a change of apprentice's status, sponsors must also report on the start date of on-the-job training for apprentices, changes to credentials attained, employment retention, and wage progression. This requirement would enable the Department to more fully track an apprentice's progress throughout the program including the issuance of licenses, degrees, and the full scope of credentials earned through registered apprenticeship programs, as recommended by the ACA. This additional information obtained through more regular updates would enable better analyses and more complete understanding of programs, particularly when it comes to assessments of program quality and informing potential apprentices' understanding of what to expect during their participation in a program.

Another benefit of these proposed requirements is that they would result in closer alignment between the National Apprenticeship System and WIOA, as these updates would ensure that reporting timeframes, processes, and many of the definitions are brought into closer alignment with the requirements for WIOA programs. By aligning the reporting requirements, reporting definitions, and reporting processes more closely,

States would benefit from efficiency improvements and easier cross program collaboration as information collected by one program can be collected once and shared rather than similar information being collected separately in different ways. More congruity between programs and improved information would also enable both States and job seekers to make more data-driven decisions. For example, collecting data in a similar manner to WIOA's data collection can facilitate more direct comparisons between the data on WIOA ETPs and registered apprenticeship programs. Aligning this data collection would benefit job seekers and potential apprentices by enabling them to make informed decisions based on workforce data from these programs. This can also be beneficial to employers, as more transparent information can lead job seekers to seek out programs that they are more likely to stay with long term.

Proposed § 29.25(b) would establish the requirements for what information about sponsors and their programs must regularly be collected and reported by sponsors to the Registration Agency. Currently, this information is provided to the Department primarily by Registration Agencies entering data into the RAPIDS system, and the Department is anticipating that approach will continue. This information would include data about the sponsor and any participating employers. This section is divided into two paragraphs. Paragraph (b)(1) focuses on what type of information sponsors must update within 30 days of a status change, and paragraph (b)(2) describes items that must be updated and certified by sponsors on an annual basis. For sponsors using the system provided by the Department, whether RAPIDS or another system capable of collecting this data should updates be made in the future to the Department's IT and reporting systems, the Department anticipates that this process would involve sponsors ensuring that their data and information in the system are up to date and then certifying in that system that the records are current and accurate. The Department anticipates that sponsors that are not

using the system provided by the Department would need to submit and certify a report in the system provided by the Department.

Under proposed § 29.25(b)(2) the Department anticipates the annual information being made available to the public to assist job seekers in being able to make informed choices about programs, and stakeholders would have a greater understanding of the scope, scale, and effectiveness of registered apprenticeship programs. This proposal would significantly enhance the amount of public information made available about registered apprenticeship programs and their outcomes. The Department is interested in comments on the appropriate amount of information collected and reported for public purposes, taking into account any burdens and privacy protections afforded to apprentices or programs. In balancing this, the Department is proposing to largely use measures that a Registration Agency would be able to calculate on behalf of a sponsor, rather than requiring unique measures that may require manual tracking.

One new measure would assist Registration Agencies in seeing if programs are exiting significant numbers of apprentices and not graduating them, which they can use as the basis for technical assistance. This measure, unlike the proposed cohort completion rate, would not exclude exiters during the probationary period of the program. However, the Department does consider this measure as being useful for considering any impacts in program design that lead to apprentices not completing their programs once they are apprentices. This measure would also align with the Department's ETP reporting under WIOA for program completion rates. This measure would be calculated as part of the data requirements of proposed § 29.25 and be subject to program reviews under proposed § 29.19. The Department is interested in any comments on this approach, including whether exits during the probationary period should be included and any other potential measures.

Another new measure, proposed § 29.25(b)(2)(viii), would assist Registration Agencies in determining the percentage of exiters that enter a postsecondary educational program or a career pathway program at the time of exit. The purpose of this new measure is to identify the extent to which apprentices who have either left a program prior to completion or completed a program enter into a postsecondary educational program or a career pathway program.[179] In some non-traditional industries for which registered apprenticeship programs currently exist, such as health care and education, some apprentices complete a program, receive a Certificate of Completion, and then enroll in a postsecondary educational program or another registered apprenticeship to continue education and training that leads to corresponding occupations that may provide a higher wage, are along a career pathway, and require additional competencies, skills, and recognized postsecondary credentials. The Department recognizes that the calculation of this metric may yield small percentages since it is not common across all industries and suitable occupations for apprentices to enroll in a postsecondary educational program or a career pathway program following the successful completion of a registered apprenticeship program. However, the calculation of this metric would help Registration Agencies identify which programs provide articulation and connections to the postsecondary system. These connections may be critical for programs that serve high-school-aged youth or are designed as entry-level opportunities in the health care or education industry. In addition, the information collected would enable the capacity for disaggregation by industry and occupation for registered apprenticeship exiters who enter into a postsecondary educational program or a career pathway program.

Proposed § 29.25(c) would establish annual reporting requirements for Registration Agencies, including OA, based on the information collected in paragraph (b)(2) of this section. This would include State and sponsor-level reporting and a national

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[179] WIOA sec. 3(7) (definition of *career pathway*).

summary report. These requirements would serve to further enhance equity in the National Apprenticeship System; improve the overall quality of registered apprenticeship programs through improved transparency and accountability; and allow for disaggregating registered apprenticeship data for more informative publicly available and accessible products, as is recommended by the ACA. The Department is proposing in § 29.25(c)(3) that Registration Agencies use a series of supplemental information sources, in IC efforts. Registration Agencies should provide the necessary sources of information, such as surveys, wage records, or other valid support and technical assistance to sponsors to ensure that supplemental sources are valid and meet the criteria for ensuring effective reporting requirements. These supplemental sources would enable the calculation of quality metrics on a system level, such as post-apprenticeship employment retention rates calculated 6 and 12 months after program exit; annualized median earnings of exited apprentices; percentage of all completers of a registered apprenticeship program that are earning an income that allows them to support themselves and their families, or are placed in a postsecondary educational program or a career pathway program, 1 year after program completion; and customer service metrics for Registration Agencies focused on customer satisfaction of sponsors with registered apprenticeship and Registration Agency services. In addition, the Department believes that system-level metrics for registered apprenticeship can be utilized as a mechanism to improve the overall job quality of a range of occupations as well as improve wages and working conditions for individuals pursing these careers.

The registered apprenticeship system is intended to secure apprenticeship-related pathways that lead to occupations providing income that allow individuals to support themselves and their families. Accordingly, the Department seeks to establish a system-level performance reporting measure that would quantify income outcomes for apprentices registered under subpart A and CTE apprentices registered under subpart B.

The Department is considering setting the income performance reporting measure at 200 percent of the Federal poverty level. (The Federal poverty level is a measure of income calculated annually by the Department of Health and Human Services and often used to determine Federal benefit eligibility.) If an individual receives at least 200 percent of the Federal poverty level (i.e., $49,720 a year for a family of 3 in the 48 contiguous States and the District of Columbia, or about $23.90 an hour assuming 2,080 work hours in a year) in the year after the successful completion of a registered apprenticeship program, this would be understood to be a successful program outcome. The Department envisions that making available to the public the data from this system-level performance reporting measure would benefit prospective apprentices exploring potential occupations and apprenticeship programs. The Department invites comments on this proposed methodology, including whether and how the Department should define a successful outcome for apprentices in terms of income and suggestions for modifying this proposed system-level performance reporting measure.

The Department in proposed paragraph (c)(5) may decide to withhold certain information described above from publication for good cause (for example, if the publication of data may result in personally identifiable information becoming attributable to individuals, or if the data collected has been documented to be inaccurate). The Department is interested in any other comments regarding potentially withholding information from publication.

To support operability and implementation of proposed system level metrics the Department would conduct additional research, such as researching the effective mechanisms needed for training through a registered apprenticeship model that leads to sustainable careers, how supportive services may increase the annual completion rate, the cohort completion rate, and the subsequent earnings potential of apprentices. Utilizing this framework, as noted in proposed paragraph (c)(4), the Administrator plans to conduct

evaluations and longitudinal studies to assess the impact and improve the effectiveness of registered apprenticeship programs. To the extent that information is collected in this process for the development, calculation, and implementation of publicly facing products, such as program and Registration Agency reports or dashboards, the Department may omit or suppress data or data elements necessary to protect apprentice personally identifiable data. The Department also may omit or suppress other information provided by sponsors that is collected through standards or requisite agreements that sponsors request to not be disclosed. The Department will provide guidance on this process and operational protocol through subregulatory guidance.

The Department is interested in any comments regarding these proposed measures, including additional or alternative measures. The Department is also interested in comments about the proposed measurement and IC framework as a means to make more programmatic information available to the public, particularly balancing the business needs of employers and sponsors, the privacy of apprentices, and the overarching goal of providing more information to the public, particularly to job seekers to assist in their career decisions.

Section 29.26 – Roles and responsibilities of State Apprenticeship Agencies.

The concept of SAAs serving as extensions of the Department in the registration of apprenticeship programs for Federal purposes has been and can continue to be an effective model to expand capacity, expertise, and local partnerships. SAAs can also serve as laboratories to promote innovative models of apprenticeship. SAAs have been innovative in moving into more formal roles in pre-apprenticeship programs and in youth apprenticeship models, even if those efforts to date are not officially recognized for Federal purposes. The Department supports these innovations at the State level that are designed to make more apprenticeship models and quality standards available to career seekers and youth.

However, ambiguity about the roles and responsibilities of SAAs relative to the roles and responsibilities of State Apprenticeship Councils, and inconsistent alignment with the Department's current apprenticeship regulations, has created a highly fragmented, inconsistent system that has deviated from the model envisioned by the current regulation and that has, in some instances, created a challenging market for sponsors and employers seeking to enhance and invest in their worker training through the registered apprenticeship training model.

Proposed § 29.26 would substantially revise the content of the provisions in existing § 29.13 concerning the duties and responsibilities of SAAs that are recognized by OA for Federal purposes. Among other things, this updated regulatory provision would describe the duties and responsibilities of recognized SAAs, as well as the proper allocation of responsibilities between such SAAs and the State Apprenticeship Councils that they are responsible for establishing and overseeing. The Department is concerned that the current version of the regulation has not been effective in delineating the respective duties and powers of the foregoing administrative and advisory bodies, which has seriously impeded the fair, efficient, consistent, and transparent operation of the National Apprenticeship System.

The Department has long taken the view that SAAs—acting as impartial and disinterested governmental bodies that are accountable to the elected executive authority within their respective States—are best suited to fairly and equitably discharge the administrative and oversight duties with respect to apprenticeships that have been entrusted to such SAAs by the Administrator. While the Department notes that many SAAs have admirably fulfilled these administrative responsibilities in accordance with the current regulatory requirements established at 29 CFR 29.13, the Department has also observed that other States have not operated in accordance with the current regulation. Specifically, while the current regulation (at 29 CFR 29.13(a)(2)) stipulates that a State

Apprenticeship Council, which functions in a regulatory or advisory capacity, must be established by an SAA and must operate under the direction of that SAA, the authority to evaluate and register apprenticeship programs in a number of States has been improperly ceded—on either a de facto or a de jure basis—to State Apprenticeship Councils or other non-governmental, external entities.

The Department has received disturbing complaints from potential program sponsors—particularly those operating within the skilled trades—that have unsuccessfully sought to register apprenticeship programs in certain States where State Apprenticeship Councils have impermissibly exercised the authority to approve or deny applications for program registration. These complaints have often cited the infrequency of State Apprenticeship Council hearings to consider applications for registration (as these bodies typically meet only on a quarterly basis), repeated postponements of decisions by a State Apprenticeship Council on whether to approve or deny program standards or registration, and the absence of procedural due process, appeal rights, and a written record in those instances where a Council has improperly issued a negative final determination on a potential program's registration. Such conduct by State Apprenticeship Councils may help to explain why the speed of program registration in SAA States lags behind the pace of registrations in those States administered by OA.[180] In instances where an applicant who otherwise appears to meet the existing regulatory requirements for program registration has encountered such inappropriate barriers to registration, the Department has been obligated to consider whether the exercise of its residual, plenary authority under existing 29 CFR 29.13(i) to register apprenticeship programs in any State would be warranted.

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[180] *See* Apprenticeships for America, "The State of Apprenticeships in the U.S.: A Plan for Scale," July 2022, *https://www.apprenticeshipsforamerica.org/white-paper.*

Accordingly, this revised provision would clarify that an SAA that has received recognition (under proposed § 29.27) from the Administrator possesses the exclusive, non-delegable authority to evaluate, approve, register, monitor, oversee, suspend, and deregister apprenticeship programs operating within that State. The only exception would be when the Administrator—taking into account the interests of the National Apprenticeship System as a whole—chooses to exercise its residual authority to register an apprenticeship program on either a State-by-State or a nationwide basis.

Specifically, as a prerequisite for the recognition or continued recognition of an SAA by the Department, the proposed rule (at § 29.26(b)) would expressly prohibit a State—either in law or in practice—from delegating, assigning, or relinquishing any of the discretionary authority conferred by the Department upon an SAA, including with respect to registration determinations and the oversight of apprenticeship programs and standards within that State, to any external third-party entity, including a State Apprenticeship Council.

In a related vein, the proposed rule (at § 29.26(b)) would reiterate the requirement contained in the current rule (at 29 CFR 29.13(a)(2)) that State Apprenticeship Councils must operate under the direction and control of the SAAs that have established them, and would also expressly prohibit State Apprenticeship Councils from assuming or exercising any of the discretionary and inherently governmental regulatory and oversight duties with respect to apprenticeship that are properly vested in an SAA. The proposed rule would also eliminate the somewhat inchoate distinction posited under the current version of the regulation (at 29 CFR 29.2 and 29.13(a)(2)) between those State Apprenticeship Councils whose purposes and functions are "advisory" in nature from those that are "regulatory" in nature. The proposed rule instead would stipulate that all State Apprenticeship Councils must serve an exclusively advisory function. Specifically, the proposed rule (at § 29.26(c)) would limit the duties and powers of State Apprenticeship Councils to

providing their respective SAAs with written, non-binding advice, recommendations, research, and reports concerning apprenticeship-related matters, and to providing advice in connection with the State's submission of the State Apprenticeship Plan that is required under § 29.27 of the proposed rule.

However, the Department wishes to note that the foregoing prohibition would not prohibit an SAA from using contractors or other third parties to perform tasks that do not involve or relate to duties described in proposed § 29.26(a), such as providing assistance to the SAA with promotional and public outreach activities. The SAA must retain the ultimate decision-making authority regarding whether an apprenticeship program qualifies for registration. In addition, the proposed regulation (at § 29.26(a)(5)) would require SAAs, as a precondition for receiving either initial or continued recognition, to provide OA with data relating to apprentices and registered apprenticeship programs in that State. This regulatory data-sharing requirement described in proposed § 29.28, if adopted, would enhance registered apprenticeship program transparency, and provide the public with a truly national picture of the performance of the National Apprenticeship System.

SAAs are defined, both under current regulations and under proposed § 29.2, as the agency of a State government that has responsibility and accountability for apprenticeships within the State. An approved SAA steps into the role of OA in that State, administering registered apprenticeship in lieu of OA and in a manner consistent with OA's role as outlined in these proposed regulations. In furtherance of a unified National Apprenticeship System, an SAA can only exercise this responsibility once it has established, among other things, that its laws, statutes, and regulations are consistent with Federal regulations, as discussed below. This serves to promote uniformity and consistency of experience, particularly for sponsors of registered apprenticeship programs and apprentices, among not only SAAs, but also those States where apprenticeship is

regulated and overseen by OA. In short, it facilitates the establishment of a more unified National Apprenticeship System. Currently, there are 30 SAAs serving as Registration Agencies, a number that has increased over the last several years. This section would provide an explanation of the roles and responsibilities of SAAs and the general requirements to obtain recognition from the Administrator.

Proposed paragraph (a) is new and explains, upon recognition, what actions an SAA would be allowed to conduct for Federal purposes.

Proposed § 29.26(a)(1) and (7) would detail the SAA's role and responsibilities with respect to establishing and implementing apprenticeship-related regulations, policies, and procedures to meet the requirements of proposed parts 29 and 30. Proposed § 29.26(a)(2) through (6) and (8) through (10) would describe the SAA's role and responsibilities over the day-to-day establishment, operation, and oversight of registered apprenticeship programs. Efforts to expand and modernize the apprenticeship system must be inclusive of industries that are well-established within the apprenticeship system as well as industries seeking to begin or expand their participation. In furtherance of this goal, the SAA would bear the responsibility of promoting cohesion and alignment among program sponsors and employers. Lastly, proposed § 29.26(a)(11) would provide for the role SAAs may provide as Registration Agencies for registered CTE apprenticeship under subpart B. The primary discussion of SAA recognition for the purposes of subpart B is located in the preamble for § 29.24(g)(8).

The Department proposed paragraph (a) to clarify the expected role and responsibilities of the SAA. The requirements in current § 29.13 have some description of the expected roles and responsibilities of the SAA, but that section is not clear, and the relevant roles and responsibilities are spread throughout the section. This proposed paragraph would make those roles and responsibilities clear and include them in one location for ease of use. Further, the Department is adding proposed paragraph (a) to

establish the key responsibilities of SAAs, which also applies to Registration Agencies generally and supports establishing the key roles and responsibilities in the system. The activities listed in proposed paragraph (a) are those that OA would ordinarily perform if a State did not have a recognized SAA. The Department anticipates that proposed paragraph (a) would reduce confusion about the expectations of the SAA and ensure that the SAA is fulfilling the needs of apprentices, sponsors, and employers in the State for which it has been recognized to be the Registration Agency for Federal purposes.

Proposed paragraph (b) is new and explains that SAA functions in proposed § 29.26(a) cannot be delegated, assigned, devolved, or relinquished to any other entity. Proposed paragraph (c), which describes the role of the State Apprenticeship Council, would further clarify that the functions described in (a) cannot be performed by the State Apprenticeship Council. In the preamble to the 2008 final rule that last updated the apprenticeship regulations in 29 CFR part 29, the Department confirmed that it would only recognize SAAs and would not recognize State Apprenticeship Councils in the discussion of public comments received on 29 CFR 29.13.[181] The Department acknowledged that State Apprenticeship Councils comprise knowledgeable apprenticeship stakeholders representing "diverse employer, labor, and public interests," but ultimately concluded that State Apprenticeship Council members are not State officials and are thus not accountable to the State nor the Department. The Department continues to view State Apprenticeship Councils as a valuable advisory resource for SAAs but continues to believe that authority over registered apprenticeship in a State should rest with a State government agency. The Department further believes that clarifying that SAAs cannot delegate regulatory and oversight functions to State Apprenticeship Councils would strengthen accountability within the National Apprenticeship System.

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[181] See existing regulation at 29 CFR 29.13, concerning "Recognition of State Apprenticeship Agencies."

Despite the 2008 final rule's clarification that the Department would not recognize State Apprenticeship Councils, in some States, such entities have overtaken regulatory and oversight functions from SAAs. Commenters responding to the 2007 NPRM that preceded the 2008 final rule confirmed that this practice was ongoing before the 2008 update to the regulations and remarked that some State laws granting State Apprenticeship Councils oversight of the State's apprenticeship system or granting State Apprenticeship Councils the authority to promulgate regulations dictating the role and functions of SAAs, would need to be overturned. Such delegation of critical apprenticeship system oversight has continued in the intervening years, and in some States, State Apprenticeship Councils continue to perform key apprenticeship oversight functions, including making determinations on an occupation's suitability for registered apprenticeship training and making registration determinations. The Department is concerned that the State Apprenticeship Councils continue to play this role in some States, and maintains the view expressed in the preamble to the 2008 final rule that administration and oversight functions are the responsibility of government entities comprising Federal or State officials. State officials are accountable to the interests of an entire State and that State's population, while State Apprenticeship Council members are not. State Apprenticeship Council members appropriately comprise equal numbers of representatives from different sectors and bring diverse perspectives on apprenticeship to the table, but they are ultimately not accountable to the public in the same manner as State officials working in SAAs.[182] As expressed in the preamble to the 2008 final rule, the Department maintains that the effective function of the relationship between the

[182] The existing apprenticeship regulations at § 29.13(a)(2)(ii) require that State Apprenticeship Councils "must include an equal number of representatives of employer and of employee organizations and include public members who shall not number in excess of the number named to represent either employer or employee organizations." The Department proposes to retain this requirement on the makeup of State Apprenticeship Councils in this proposed rule but offers more details on who would constitute a member of an "employer organization," "labor organizations," and "members of the public" at proposed § 29.26(d)(1)(i) through (iii).

Federal government and State governments necessitates a direct relationship between Federal and State government agencies. The Department recognizes and appreciates the valuable expertise and advice that State Apprenticeship Councils have historically provided and expects that they will continue to serve as a valuable source of advice helping to inform matters related to registered apprenticeship, including ongoing efforts to expand registered apprenticeship into new and emerging industries and to new and diverse populations. However, in order to further establish effective accountability throughout the National Apprenticeship System and to provide optimal clarity to the regulated community, the Department has determined to propose revisions to the apprenticeship regulations to expressly state the appropriate, solely advisory role of State Advisory Councils and clarify that SAAs may not delegate apprenticeship oversight nor regulatory functions to such entities. SAAs are reminded that if the State Apprenticeship Council performs functions that can only be exercised by the SAA, then the Administrator can take appropriate remedial action including the initiation of derecognition proceedings.

The regulatory and oversight functions of an SAA are foundational in ensuring the establishment and maintenance of high-quality and safe apprenticeship training. For the reasons discussed above, the Department has determined that these functions should remain as responsibilities of the SAA, which it has recognized for the purpose of discharging these responsibilities for Federal purposes and which the Department monitors and oversees for compliance with the requirements in proposed parts 29 and 30.

Proposed paragraph (c) is new and would consolidate requirements around the establishment and duties of State Apprenticeship Councils into one provision. Proposed paragraph (c) explains SAAs would be required to establish a State Apprenticeship Council. The Department emphasizes that proposed paragraph (c) would envision the creation of a single State Apprenticeship Council. While existing requirements may have

been unclear as to the Department's intention, in this rulemaking the Department makes clear that proposed part 29 would intend for only one State Apprenticeship Council to be established by a given SAA. As a purely advisory body, State Apprenticeship Councils' focus should be convening stakeholders from different sector perspectives—namely, employers, organized labor, and the public sector—to offer guidance and advice on apprenticeship matters that balances the priorities and perspectives of each sector. State Apprenticeship Councils should serve as the forum for meeting the challenge of balancing different sectoral perspectives and arriving at consensus advice through robust discussion, deliberation, and compromise among stakeholders from these sectors. The Department recognizes that the challenge of balancing competing perspectives to arrive at consensus advice on apprenticeship matters would be compounded if multiple State Apprenticeship Councils were operating in a single State. In such a situation, one State Apprenticeship Council may be engaged in robust debate on a challenging issue and arrive at a consensus recommendation over the course of a series of meetings, while another State Apprenticeship Council may take up the same issue, engage in such debate, and arrive at a completely different recommendation. Within each State Apprenticeship Council, the views of stakeholders from different sectors will have been heard and considered, but because discussions took place in two different forums, the ultimate recommendation for the State's consideration may be unclear. In the Department's view, based in part on successful interactions with the ACA at the national level, maintaining a single State Apprenticeship Council would be the best approach for convening apprenticeship stakeholders from different sectors to produce useful advice for SAAs on apprenticeship matters.

In order to address the many issue areas and topics related to registered apprenticeship, and to more closely align the advisory work of a State Apprenticeship Council with the specific expertise and professional backgrounds of the individuals who

comprise a State Apprenticeship Council, it may be useful for such Councils to establish subcommittees, appoint chairs, cochairs, or other leadership roles, and otherwise divide responsibilities within the Council. Aside from stipulating that State Apprenticeship Councils contain equal representation from employers, organized labor, and members of the public, and limiting the number of State Apprenticeship Councils in a State to one, the Department is not proposing any limitations or restrictions on the composition, division of responsibilities, or internal functions of State Apprenticeship Councils in this proposed regulation, provided the Council exercises only those functions that it is authorized to exercise under this proposed regulation.

Proposed paragraph (c) would explain that State Apprenticeship Councils are strictly advisory bodies that are created by, and with the purpose to serve, the SAA by providing non-binding advice. State Apprenticeship Councils have historically provided valuable advice and insights for consideration by SAAs, and the Department recognizes the value such entities add to the National Apprenticeship System through the provision of non-binding advice and recommendations at the State level. State Apprenticeship Councils have provided, and will continue to provide, useful advice on sector-specific strategies to inform efforts to expand registered apprenticeship, considerations on how best to align different workforce development programs (such as WIOA), LEA initiatives, or public-private sector partnerships with registered apprenticeship, and other issues where an SAA benefits from the synthesis of diverse industry perspectives that may not exist among State employees working at an SAA. As this proposed rule would explicitly clarify the advisory role of State Apprenticeship Councils, the Department expects that State Apprenticeship Councils would be more effective and timelier in executing their pivotal role of providing advice on apprenticeship matters based on the input from diverse stakeholders from different sectors. This is especially true in cases where a State Apprenticeship Council has been performing functions that should have

been reserved for SAAs, such as reviewing and adjudicating applications for an occupation's suitability for registered apprenticeship training or program registration. In such cases, these responsibilities would be appropriately retained by the SAA, and the State Apprenticeship Councils formerly acting in such capacity would be free to focus on deliberations on challenging issues and the provision of useful, consensus advice reflecting input from multiple sectors and industry stakeholders.

The Department is also interested in hearing from stakeholders on the Department's proposal to transition State Apprenticeship Councils to a more strategic role and away from reviewing applications from prospective sponsors to allow for greater focus on expansion, quality improvements, equity, and system alignment initiatives within the State.

Proposed § 29.26(c)(1) concerns the composition of State Apprenticeship Councils and would expand upon the language in the existing regulation at 29 CFR 29.13(a)(2)(i) and (ii). The existing regulation provides that State Apprenticeship Councils must comprise individuals who are knowledgeable in matters pertaining to "apprenticeable occupations" and must include equal numbers of representatives from employer and employee organizations, as well as public members "who shall not number in excess of the number named to represent either employer or employee organizations."[183] This proposed rule would retain the requirement that State Apprenticeship Councils contain an equal number of representatives from these three sectors—employers or employer organizations, labor organizations, and members of the public.[184] It would further provide more granular information about the backgrounds of

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[183] *See* 29 CFR 29.13(a)(2)(i) and (ii).

[184] While the current regulation does stipulate equal numbers of representatives from the employer and labor sectors, it only requires that the number of public representatives be equal to (or less than) the number of representatives from the employer sector or the labor sector (which are required to be equal). For example, the current regulation would allow for a State Apprenticeship Council to be made up of 10 representatives from each of the employer and labor sectors, and up to 10 (but no more than 10) representatives from the general public. The proposed regulation would require equal numbers of representatives from all three sectors—employer, labor, and public.

such individuals that would be useful for aligning State Apprenticeship Council membership with the Department's goals for expansion of the National Apprenticeship System and alignment with other workforce development entities and LEAs. This proposal also envisions that State Apprenticeship Councils would be balanced from an employer and labor perspective, but also that the membership would be reflective and inclusive of underserved communities so the State Apprenticeship Council can provide key recommendations that promote the goals of expansion, diversification, and greater equity in the National Apprenticeship System.

For example, at proposed 29 CFR 29.26(c)(1)(i), the Department explains that representatives from the employer sector (either employers or employer organizations) may include representatives from sectors where apprenticeship is not currently widespread. Similarly, proposed paragraph (c)(1)(ii) explains that representatives from labor organizations or joint labor-management organizations (an organization that is known to and relevant for registered apprenticeship, wherein representatives from both the management and labor divisions of an organization form a deliberative body that addresses issues with input from both sides) may include those from industries or occupations where apprenticeship has not traditionally been utilized. This additional detail would align with the Department's goal of expanding registered apprenticeship generally, and particularly into new industries where registered apprenticeship has yet to take hold as an effective workforce training tool. The Department expects that State Apprenticeship Councils would be a useful resource to support this goal and encourages such bodies to recruit members who can provide insights from industries targeted for registered apprenticeship expansion.

At proposed 29 CFR 29.26(c)(1)(iii), the Department proposes to require that State Apprenticeship Councils' representatives from the general public include at least one representative from the State's workforce development system, and at least one

representative from the secondary or postsecondary education system in the State who is familiar with registered apprenticeship. The Department expects that improved alignment between the National Apprenticeship System and State-level workforce development programs and educational networks would be another area where State Apprenticeship Councils can provide valuable insight, advice, and recommendations to guide the ongoing integration of these related job strategies. Apprenticeship, workforce training, and education all share the common goal of preparing participants—whether apprentices, job seekers, or students—for success in the labor market, for stable careers, and for achieving financial security. Successful outcomes for such participants also benefit U.S. employers by helping them address their talent needs. Ultimately, successful outcomes for job seekers and employers make U.S. businesses more competitive in the global marketplace and provide a meaningful boost to the U.S. economy; achieving optimal alignment among apprenticeship, workforce development, and education is a critically important national interest. Accordingly, the Department proposes to require that State Apprenticeship Councils would recruit and retain members who represent workforce development and education to facilitate connections and provide insight for the mutual benefit of their respective systems and the National Apprenticeship System.

Proposed § 29.26(c)(2) is a new provision that, for the reasons discussed above, would prohibit State Apprenticeship Councils from assuming or carrying out any of the responsibilities and functions of the SAA listed in proposed § 29.26(a).

Proposed paragraph (d) would require that an SAA must establish a reciprocity process for providing approval in the SAA's State to apprentices, registered apprenticeship programs, and standards of apprenticeship that are registered by other Registration Agencies for Federal purposes. Proposed paragraph (d) would expand upon an existing requirement that an SAA must accord reciprocal approval for Federal purposes. The existing requirement does not specify how, or on what basis, an SAA must

provide reciprocal approval which has led to uncertainty by sponsors on the process for being granted such reciprocity across SAAs. To address this gap, proposed paragraph (d) would specify that the process must provide for a determination on a program sponsor's application for reciprocity no later than 45 calendar days after receipt of the request. Further, proposed paragraph (e) would specify a reciprocity process established by an SAA provide reciprocal approval only when certain conditions are met.

Proposed § 29.26(d)(1) would require that the reciprocity process must ensure reciprocal approval only be provided where the program sponsor meets the statutory and regulatory wage and hour requirements and apprentice-to-journeyworker ratios of the State in which reciprocal approval is sought.

Proposed § 29.26(d)(2) would require that the reciprocity process ensures that the program and apprentices to which reciprocal approval is accorded are registered by the SAA.

Proposed § 29.26(d)(3) would require that the reciprocity process must account for the development of standards that meet or exceed the requirements of State or local licensure, if licensure is required for the occupation that is the subject of the program that is being accorded reciprocal approval. This proposed change from requiring reciprocity is a recognition of an evolution in the Department's understanding of how reciprocity works with regard to SAAs, State labor laws, licensing laws, and the expansion of State benefits associated with registration by an SAA. The Department believes the current regulatory text at § 29.13(b)(7), which essentially requires SAAs to provide reciprocal approval, is overly simplistic and, if read literally, could jeopardize the ability of apprentices to legally work in a State. The current effect has been a barrier to registration status access and a failure to properly account for all the State issues related to apprenticeship programs. However, the Department does believe that reciprocity is a vital tool in assisting sponsors that have already met the registration requirements in a State but that

have operations in another to more easily acquire registration status in that State. The Department, in acknowledging these two needs, is proposing to require that States develop a process in which they would provide reciprocity and articulate that process as part of their State Apprenticeship Plan submission in proposed § 29.27(b)(3). The Department anticipates that expansion of this requirement and further elaboration upon the criteria that a reciprocity process must address would further its goal of driving alignment in the National Apprenticeship System and is interested in comments about this approach in terms of providing transparency to potential sponsors while balancing the complex State needs.

Section 29.27 – Recognition of State Apprenticeship Agencies.

Proposed § 29.27 would provide the framework for OA to confer recognition to States that seek to obtain recognition or renewal of recognition as an SAA State. In the process of obtaining recognition, States would undergo a strategic planning process that seeks to establish a broad vision of registered apprenticeship expansion, modernization, diversification, and equitable opportunities for all learners and workers. The strategic planning process would be an opportunity for States to convene stakeholders at the State level that find value and opportunity in bolstering the system of registered apprenticeship in the State. Through this process, States can build consensus around a shared strategic vision and goals; promote program quality and good jobs; leverage and align with an existing workforce and education infrastructure; meet the skilled workforce needs of employers in existing and emerging high-growth industries and occupations; galvanize commitments for increasing access to and support within registered apprenticeship for individuals from underserved communities; and utilize data collection and reporting capacity for greater system accountability and transparency.

The Department envisions that the State Apprenticeship Plan would be a blueprint for how a State will prioritize Federal and State investments in registered apprenticeship

and align administrative, operational, and governance principles for more effective and efficient implementation of expansion and equity strategies and goals. To the extent this process for recognition and State apprenticeship planning is currently underway in States, either through executive order,[185] statutory mandate,[186] or unified or combined planning under WIOA[187] and Perkins, States can build off of their lessons learned in this proposed process and continuously incorporate new investments, statutory or governance changes, and system innovations through utilization of maximum flexibility to modify plans. States also would have the opportunity to receive recognition from the Department for the purposes of operating registered CTE apprenticeship programs in their States as part of the State Apprenticeship Plan.

Through the State planning process for SAA recognition, States would have an opportunity to incorporate new and existing investments, innovations, and strategies into their plans. States can incorporate recent investments in the transportation, clean energy, and manufacturing sectors, and in more resilient infrastructure, for example, through the Bipartisan Infrastructure Law, IRA, and CHIPS Act. These laws aim to encourage the use of registered apprenticeship and would offer an opportunity to engage and convene stakeholders in new and emergent industries that may not have traditionally been participating in the National Apprenticeship System. Furthermore, investments that have been made by the Department under AAI, Apprenticeship Building America, and State

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[185] Office of the Governor of Kansas, Laura Kelly, Executive Order No. 22-07, "Establishing the Office of Registered Apprenticeship," Sept. 6, 2022, *https://sos.ks.gov/publications/Register/Volume-41/Issues/Issue-37/09-15-22-50504.html.*

[186] Governor's Workforce Board, Rhode Island, "Unlocking Apprenticeship: A Strategic Plan for Expanding New and Innovative Apprenticeship Models in Rhode Island," Dec. 2017, *https://apprenticeshipri.org/wp-content/uploads/2018/01/2017-Apprenticeship-Report-Final.pdf.*

[187] DOL, "Required Elements for Submission of the Unified or Combined State Plan and Plan Modifications under the Workforce Innovation and Opportunity Act," OMB Control Number 1205-0522, Sept. 5, 2019, *https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/State-Plan-ICR.pdf.* Note: States must address all program-specific requirements for the WIOA core programs regardless of whether the State submits either a Unified or Combined State Plan. The Unified or Combined State Plan must, with respect to activities carried out under subtitle B of title I of WIOA, describe how the State will incorporate registered apprenticeship into its strategy for service design and delivery as well as provide the procedure, eligibility criteria, and information requirements for determining training provider initial and continued eligibility, including for registered apprenticeship programs.

Apprenticeship Expansion, Equity, and Innovation grants have been and continue to be a catalyst for encouraging States to make strategic investments through coordinated partnership with regional and local program sponsors and employers and to build a dynamic system of registered apprenticeship in their States. States also would have the opportunity to create and join an interconnected network of industry intermediaries at the national and State level to facilitate effective industry engagement and support efforts for program sponsors to better integrate equity into programs. To the extent that States choose to better align cross-system planning with WIOA or Perkins or both, States can use the State Apprenticeship Plan process for coordination at the State and local level to leverage resources for related instruction and on-the-job training. Additionally, this would enable the leveraging of Federal- and State-funded workforce and education infrastructure and provide necessary supportive services for shared priority populations, underserved communities, and individuals who face barriers to economic mobility. This approach would also enable equitable access to career exploration, pre-apprenticeship, and Job Corps that lead to registered apprenticeship career pathways for job seekers. Lastly, this approach would enable SAAs to engage in employer-driven, innovative sector strategies and State economic development initiatives, as well as align measurable outcomes and disaggregated demographic data through data sharing and reporting strategies.

Finally, proposed § 29.27 would modify the existing regulatory requirement (found at 29 CFR 29.13(a)(1)) that an SAA, to be eligible for recognition by OA, must submit a State apprenticeship law that conforms to the requirements contained in 29 CFR parts 29 and 30. The proposed rule would instead require that a State's apprenticeship laws either meet or exceed the minimum requirements set forth in 29 CFR parts 29 and 30 for protecting the safety and welfare of apprentices, as discussed further below. Over time, the Department has observed that the existing State law conformity standard has

greatly impeded the efficient and reasonable consideration of applications for recognition by many SAAs. The Department believes that this revision would ensure that all SAAs satisfy the minimum Federal labor standards and EEO in apprenticeship requirements established by the foregoing regulations, while also providing States with the regulatory flexibility to innovate and expand the scope of protections available to apprentices who are enrolled in, or seeking admission into, registered apprenticeship programs. This provision would also harmonize with the State law flexibilities that would be preserved under the proposed regulatory provision concerning "Relation to Other Laws" at proposed § 29.5.

The process proposed in this section would further promote consistency within the National Apprenticeship System as it is intended to establish a process that would be uniform and transparent for States seeking recognition or continued recognition as an SAA State. The implementation of a 4-year State planning process would satisfy each of those goals by simultaneously creating a consistent cadence by which all States would have their suitability for recognition assessed, and a basis to be used by the Administrator to approve or deny submitted State Apprenticeship Plans. This augmentation to the current process would leave in place integral components of systemic consistency such as demonstrated compliance with Federal regulations and submission of a State EEO plan. The addition of components such as the operationalization of requirements outlined in proposed § 29.26, and clear communication of a strategic vision for the continued expansion and modernization of apprenticeship are needed to strengthen the existing recognition process. The Department intends to make the contents of such plans publicly available to promote greater transparency in the National Apprenticeship System.

Proposed § 29.27 would set forth new requirements for State government agencies to obtain or maintain recognition as an SAA. Specifically, this section describes the process by which a State government agency would submit a State Apprenticeship

Plan to the Administrator for review and approval. As discussed below, this process would require a State government agency to submit, as part of the State Apprenticeship Plan, strategic planning elements that address the State's goals to expand the registered apprenticeship model.

Proposed paragraph (a) would outline the application process for the submission, review, approval, or disapproval of the State Apprenticeship Plan. Current § 29.13(d) prescribes that the State's apprenticeship law will be reviewed for Federal conformity every 5 years based on their last approval from OA. To address the lack of consistency, proposed § 29.27(a)(1) would establish a clear process and a regular cadence for all States to submit a State Apprenticeship Plan for review and approval by the Administrator. Proposed § 29.27(a)(1) would set forth that State Apprenticeship Plans are due every 4 years, beginning for a State seeking recognition for a 4-year period after December 31, 2026, a departure from the current SAA recognition period of 5 years. This change is precipitated by ETA's desire to better align apprenticeship with the greater workforce development system, including WIOA and the Perkins program, which also utilizes a State planning process on a 4-year cycle. The selection of December 31, 2026, would provide at least 2 full calendar years for States to make the necessary changes to their laws and develop plans consistent with the requirements in this proposed rule. The timing of 2026 generally aligns with the next WIOA State planning process that States undergo as required by title I of that Act as well as the Perkins program. While there is some inconsistency with the WIOA State planning process, which is for the period beginning July 1, 2026, the Department believes that States do need sufficient time to make changes, particularly in instances where State apprenticeship laws may need to be updated. While the cycles do not completely overlap, they do occur during the same calendar year and the Department considers this alignment in timing as a strategic opportunity to build greater cohesion and strategic State operations and coordination with

the State's workforce system, CTE system, and system of registered apprenticeship, all of which are engaged in planning around the same time period. This alignment could lead to increased system cohesion and coordination. To address this gap in time, the Department is proposing the first State Apprenticeship Plan cycle to be slightly less than 4 years. Proposed paragraph (a)(1)(ii) would provide that the first State apprenticeship planning cycle would cover SAA recognition from January 1, 2027, through June 30, 2030. Proposed paragraph (a)(1)(iii) would provide that the second State apprenticeship planning period would cover the 4-year period beginning on July 1, 2030. The goal of this proposal is to align with WIOA's State planning process in the future. Proposed paragraph (a)(1)(iv) would provide that while a State can seek SAA recognition at any time, consistent with it being at least 120 days prior to when a State is requesting such recognition, the approved SAA must also submit a State Apprenticeship Plan to align with the next State apprenticeship planning cycle. For instance, if a State that has not been previously recognized as an SAA State applies for and receives SAA recognition from the Administrator in July 2028, they must still submit a State Apprenticeship Plan for recognition for the 4-year period spanning July 1, 2030, to June 30, 2034. The goal of this proposal is to ensure that all SAAs are on a consistent and aligned State planning cycle. In addition to ensuring consistency with other programs such as WIOA and Perkins to enhance synergies between the systems, it also may lead to benefits from SAAs sharing their planning experiences with each other to strengthen State coordination and alignment. Under proposed paragraph (a)(1)(i), SAAs seeking recognition from the Administrator must submit their plans for the Administrator's review at least 120 days prior to the proposed effective date of their recognition. This would mean that State government agencies seeking recognition for a period after December 31, 2026, must submit on approximately September 1, 2026, to meet the 120-day criteria. The Department is interested in comments about this approach, the ability of States to

successfully transition, and any potential flexibilities the Administrator may need to provide under this approach. Commenters requesting flexibility are encouraged to describe a standard by which this could be accomplished so as to not perpetuate longstanding misalignment with these proposed regulations.

Proposed § 29.27(a)(2) would specify the circumstances that would lead to an SAA seeking a modification to their State Apprenticeship Plan. Proposed paragraph (a)(2)(i) outlines when a modification would be required. These circumstances would include changes in Federal or State law, changes to labor market conditions, or changes to State vision, strategies, policies, operational procedures, or organizational structure of the SAA that would materially impact the ability of the SAA to fulfill its plan as written and approved. For example, modifications would be necessary when a new State apprenticeship law adds further requirements not called for under these proposed regulations, or a State may restructure its oversight of its workforce training programs by shifting oversight to a different State government agency. However, a determination would need to be made that the modified submission meets the requirements for approval.

Proposed § 29.27(a)(2)(ii) would describe that an SAA also has the discretion to modify its State Apprenticeship Plan. This may include an SAA seeking a change in its recognition status from provisional to full under proposed paragraph (c) of this section. While regulatory in nature for the compliance of the SAA, the Department believes Plans are also strategic documents that can lead to greater institutionalizing of State-based systems of registered apprenticeship into not just a regulatory or passive role in reviewing programs but in proactive approaches and strategies to expanding high-quality registered apprenticeship programs. Another example of when an SAA may seek a modification to its State Apprenticeship Plan is if the SAA is seeking recognition for the purposes of registering CTE apprenticeship programs under subpart B. The Department envisions that

SAAs may seek this recognition at a different time period than the initial SAA recognition process, and a State Apprenticeship Plan modification would be an appropriate method to seek recognition for the purposes of subpart B.

Proposed § 29.27(a)(2)(iii) would specify that modifications to an approved State Apprenticeship Plan must be submitted to the Administrator at least 120 days prior to the requested effective date of the modification. The Department is including this requirement to allow the Administrator sufficient time to review and confirm that any proposed modifications meet the requirements for approval.

Proposed § 29.27(a)(2)(iv) would provide that, if the modifications are approved by the Administrator, modified State Apprenticeship Plans remain approved until the end of the original cycle of the Plan.

Proposed paragraph (b) describes the contents of the State Apprenticeship Plan. Proposed paragraph (b) begins by setting forth the minimum requirements by which a recognized SAA must abide. Then, proposed paragraph (b) goes on to describe the full contents of what a State Apprenticeship Plan must include.

Proposed § 29.27(b)(1) would establish what the Department has determined to be the core requirements of the registered apprenticeship model that a recognized SAA must meet or exceed. As part of this process the State must submit its proposed or current apprenticeship laws governing the standards of apprenticeship, apprenticeship agreements, registration requirements, program standards adoption agreements, qualifications of apprentice trainers and providers of related instruction, end-point assessments, complaints, recordkeeping, processes by which a program will be reviewed and if necessary deregistered, the roles and responsibilities of SAAs, and the reporting requirements for an SAA. This provision also would require that the SAA coordinate with the State's education system, including institutions of higher education, LEAs, State CTE and Educational Agencies, and other educational entities that support CTE programs

and career pathways, and mandate that the SAA provide a description of any efforts to align and leverage apprenticeship-related data with education system and workforce development system data. The Department believes that these are core requirements of Registration Agencies and, as such, must govern the roles of SAAs. Instead of the current standard of conformity with 29 CFR part 29, the Department is proposing a standard that the State laws meet or exceed these requirements for protecting the safety and welfare of apprentices. The Department is proposing this more flexible approach for States to innovate beyond the current conformity standard, which essentially requires that the State laws mirror 29 CFR part 29 with few exceptions. This standard is designed to set the minimum quality requirements and would provide States the flexibility to innovate if they can demonstrate that it advances the goal of protecting the safety and welfare of apprentices. This standard is at the heart of the Department's mission under the NAA. The Department welcomes comments on this proposed standard including ideas by which the Department may apply it. Under the proposed standard, State laws that, for example, provide higher or more frequent wage progressions than the proposed rule, would require more frequent program reviews, or require more training for instructors or protections for apprentices may all be acceptable deviations.

Proposed § 29.27(b)(2) would identify the Strategic Planning Elements to be submitted as part of the State Apprenticeship Plan. Strategic planning elements provide an opportunity for the SAA to develop a vision for expanding and improving the registered apprenticeship model in its respective State, something that is integral to the robust cooperation between OA and SAAs. The absence of strategic alignment in the current recognition process limits OA's ability to promote and embed high-quality apprenticeship as a talent development strategy within States. Increased Federal benefits and strategies tied to the leveraging of registered apprenticeship programs have created a need to ensure further cooperation by SAAs to perform a strategic role in the State's

strategic workforce initiatives. Examples of this increased need include the passage of WIOA and the strategic role registered apprenticeship programs are designed to play in fostering registered apprenticeship strategies, and the need to ensure an active role in promoting equity in apprenticeship in light of both the 29 CFR part 30 regulation and the Department's priorities. By mapping out both short-term and long-term strategies through utilization of available individual and cross-sectional labor market data that speaks to the past, present, and future potential of registered apprenticeship as a workforce development strategy , a State would be better positioned to work with OA and ETA to grow and modernize apprenticeship within the State. The strategic planning elements would allow OA to ascertain how an SAA will align with the Department's goal of, and initiatives around, driving ongoing modernization and system alignment across stakeholders. Components of the strategic planning elements would include goals for expanding the registered apprenticeship model in the State; goals for promoting registered apprenticeship programs for underserved communities in the State; goals for aligning a State's registered apprenticeship activities with broader education and workforce development activities; activities to coordinate with economic development entities within the State; and strategies for engaging and leveraging industry intermediaries as part of the State's strategy for expanding registered apprenticeship programs.

Proposed § 29.27(b)(3) would identify the Operational Planning Elements to be submitted as part of the State Apprenticeship Plan. Operational planning elements would identify key items that are necessary to the implementation of the vision developed in the strategic planning elements and that generally describe how the State government agency would perform the roles and responsibilities of an SAA described in proposed § 29.26. Proposed § 29.27(b)(3) would specify the required operational planning elements when a State is submitting its State Apprenticeship Plan for recognition as an SAA State every 4

years. The operational planning elements required in an initial State Apprenticeship Plan would be: the State's EEO plan, in conformity with part 30; the State's technical assistance plan; the State's process by which it will meet performance reporting requirements of proposed § 29.28 including utilizations details of data management tools and data management procedures; the plan for conducting program reviews; the State's plans to operationalize registration standards; the State's reciprocity policy, in accordance with proposed § 29.26(f); and the structure of how the State Apprenticeship Council is or will be structured consistent with the requirements of proposed § 29.26.

Proposed § 29.27(b)(4) would identify the assurances to be provided to the Administrator as part of the State Apprenticeship Plan. The assurances would provide a simplified method for OA to ensure that an SAA is meeting other requirements of proposed parts 29 and 30, not already identified in the other subsections of proposed § 29.27(b)(4). The assurances identified would be: that the State will provide a process for local registration of National Guidelines for Apprenticeship Standards; that the State has the resources necessary to operate the SAA and is capable of carrying out all of the responsibilities of the SAA; that the State will have a publicly available website describing its apprenticeship-related laws, regulations, policies, and procedures; and that the State will require from sponsors a written assurance that they are complying with the requirements of the Support for Veterans in Effective Apprenticeships Act of 2019. The Department has determined that these assurances would be necessary to align the operations of recognized SAAs with that of OA. The Department anticipates that these assurances would help drive system alignment and deliver high-quality apprenticeship training to all apprentices by all Registration Agencies. The Department has proposed these provisions as assurances as a balance of prioritizing the most important elements where a narrative is needed for a State Apprenticeship Plan versus the need to have an SAA provide a more streamlined process for meeting these key goals. The Department

welcomes comments on these assurances, including the value an assurance in this situation brings, whether an assurance is sufficient to drive the alignment desired, and what, if any, other assurances should be considered in a State Apprenticeship Plan.

Proposed § 29.27(b)(5) would provide for the process by which a State government agency operating or seeking to operate as an SAA may apply for and receive recognition to register CTE apprenticeship programs in their State. States would not be required to seek recognition for registering CTE apprenticeship programs under subpart B to receive recognition for registering apprenticeship programs under subpart A. States that do seek this recognition would be required to submit their proposed or current registered CTE apprenticeship laws as described in proposed § 29.24(g)(8) as part of their State Apprenticeship Plan or modification. Additionally, this section would include the requirement that the written agreement between the Registration Agency in proposed § 29.24(a)(2) would be submitted with the State Apprenticeship Plan so that OA can ascertain that this requirement has been met prior to granting recognition. Lastly, the State Apprenticeship Plan must include a narrative description of how the State would seek to develop and expand registered CTE apprenticeship programs in the State. The Department is requiring this to ensure strategic alignment for the SAA in their strategies for expanding both registered apprenticeship under subpart A as well as registered CTE apprenticeship under subpart B.

Proposed paragraph (c) explains the designations that OA would convey upon review of a State Apprenticeship Plan submitted by a State. The Department anticipates that this approach would better ensure that it can both further its goal of driving system alignment and high-quality apprenticeship training across the National Apprenticeship System and provide flexibility to States in transitioning to the State planning process.

Proposed § 29.27(c)(1) would describe the conditions that must be met for OA to convey full recognition. The Department has determined that the State Apprenticeship

Plan must demonstrate all conditions in proposed § 29.27(c)(1) for full recognition because they would be necessary to ensure the State has addressed all of the requirements in the proposed rule regarding the increased role that the Department envisions for SAAs. Those requirements would include, but are not limited to, minimum labor standards, a comprehensive State Apprenticeship Plan that addresses all of the strategic and operational elements necessary to drive the expansion of quality registered apprenticeship programs, clear commitments and progress in promoting equity throughout the system, and strategies that integrate workforce development and educational activities.

Proposed § 29.27(c)(2) describes when OA would convey provisional recognition. Provisionally approved SAAs have provided a minimally sufficient State Apprenticeship Plan that has met the minimum requirements and standards set forth in proposed parts 29 and 30. However, these are plans that the Department has determined have one or more deficiencies regarding the State's planning that prevent the plan from obtaining full recognition. Proposed § 29.27(c)(2)(i) describes the deficiencies that may result in provisional recognition, including strategic planning or operational elements that are not complete or responsive, such as not having a technical assistance strategy for the period covering the State Apprenticeship Plan.

Proposed § 29.27(c)(2)(ii) explains that OA would provide technical assistance to States as they develop, and prior to the submission of, any subsequent State Apprenticeship Plan, either a modification of the initially submitted plan or a new 4-year plan. OA would require the submission and approval of a corrective action plan for the purpose of obtaining full recognition. A corrective action plan would detail a set of actionable steps the SAA will undertake to address areas of concern in the State Apprenticeship Plan, including a timeline for the implementation of such activities. This provision also would contain the requirement that a State may not be provisionally recognized for more than one full planning cycle. This would allow provisionally

recognized States the time needed to make the necessary adjustments to be fully recognized.

Proposed paragraph (c)(3) would describe denial of recognition. Proposed § 29.27(c)(3)(i) specifies that denial of recognition would mean that the Administrator has determined that the State's apprenticeship laws do not meet the minimum standards described in proposed § 29.27(b)(1). Proposed § 29.27(c)(3)(ii) would specify that denial of recognition would also be conveyed when the Administrator is unable to fully approve a State Apprenticeship Plan after the State was provisionally recognized for one full planning cycle as described in proposed § 29.27(c)(2). Proposed § 29.27(c)(3)(iii) goes on to explain that the processes and procedures applicable to such denial of recognition would be described in proposed § 29.29.

Proposed paragraph (d) continues the concept in the current regulation at 29 CFR 29.13(i) that OA would also retain its existing authority to register an apprenticeship program on either a local registration or (with respect to National Program Standards for Apprenticeship) nationwide basis in instances where such an action would serve the interests of the National Apprenticeship System.

Proposed paragraph (e) provides that OA would monitor and review SAAs to ensure they are operating consistent with their approved State Apprenticeship Plans. While the State Apprenticeship Plan would provide a regular 4-year cycle for the review of SAAs through their plan submissions, certain instances may warrant more frequent reviews. For example, if a State is provisionally granted recognition, OA may schedule a review to go over the corrective action plan and provide technical assistance to ensure the agreed upon benchmarks in the plan are being met or conclude that a revision is needed. The Department is interested in any comments about when periodic reviews could or should happen outside of the 4-year State apprenticeship planning cycle.

Proposed paragraph (f) would provide for the derecognition of an SAA, whether fully or provisionally approved, when the Administrator determines that an SAA is not operating consistent with its approved State Apprenticeship Plan, and references the procedures described in proposed § 29.29 below.

Proposed paragraph (g) explains that OA may suspend an SAA's authority to register new apprenticeship programs where a corrective action plan is not submitted for review and approval, as contemplated by proposed paragraph (c)(2). Proposed paragraph (g) goes on to describe the process by which the suspension would take effect and the duration of the suspension. The Administrator would provide written notice to the State of the suspension, which would take effect 30 calendar days after the date of the written notice. The suspension would end upon the State's submission of a corrective action plan, as described in proposed paragraph (c)(2). The Department has determined that this provision is necessary to ensure that States submit corrective action plans to OA to address their provisional status and a plan to make the changes necessary for full recognition. While an SAA that does not submit a corrective action plan as part of its requirement for provisional recognition would ultimately be considered for derecognition proceedings, the Department envisions this suspension provision as an interim step that the Administrator may take prior to derecognition. The Department is interested in comments regarding an interim approach towards accountability in this regard, including if other interim steps should be considered, or if a State's failure to submit corrective action plans should immediately lead to denial of a State Apprenticeship Plan and derecognition.

Proposed paragraph (h) explains that where a State Apprenticeship Plan is denied or where the Administrator derecognizes an SAA, a State would not be permitted to have a State government agency function as an SAA. Specifically, a State would not be authorized to conduct operations and activities, for Federal purposes, in connection with

those responsibilities enumerated in proposed § 29.26(a). Further, proposed paragraph (h) explains that this prohibition would continue until OA conveys full or provisional recognition to a State Apprenticeship Plan. States that have been denied recognition or derecognized may always submit an updated or new State Apprenticeship Plan to address the recognition requirements.

Section 29.28 – Reporting requirements for State Apprenticeship Agencies.

One of the key goals of the Department's proposed rule is the collection of accurate and complete registered apprenticeship data. A key goal for the Department to fully and accurately oversee the National Apprenticeship System, is to have comprehensive and complete data from the entire system, including SAAs. While the existing regulations do not impose a specific requirement regarding data collection from SAAs, OA and SAAs have made great strides to enhance and increase SAA data reporting to OA. While those voluntary submissions have greatly increased OA's ability to oversee the system and report its successes to stakeholders, the lack of a consistent reporting requirement leaves significant gaps in the quality of data. Data collection requirements that fail to mandate a central repository for program data and the data of individual apprentices do not give sufficient credence to the importance of data to the continued growth and modernization of apprenticeship. Data collection and data integrity are not optional tools to optimize the National Apprenticeship System, but rather compulsory elements. Replacing voluntary recommendations with mandatory requirements impresses upon SAAs the Department's commitment to the creation and sustainment of a transparent, unified data system.

Proposed § 29.28 would establish requirements for SAAs to collect and report apprentice and sponsor data and information to the Department. These requirements would include at least quarterly submission of individual apprentice records and annual submission of sponsor records, as defined in proposed § 29.25. This requirement could be

met by using the Department-provided case management system, such as many SAAs currently do with RAPIDS, or creating interoperable mechanisms in which the required information is reported accurately, timely, and with validity in the format determined by the Administrator on a quarterly and annual basis. Utilizing a central information and case management system provided by the Department would defer costs for States related to the development and ongoing maintenance of such systems and make available technical assistance to States to enable the technological expertise and capacity to reliably and validly enter accurate information to manage registered apprenticeship program participants while also fulfilling reporting requirements.

The purpose of this proposed provision is to facilitate modernization of the National Apprenticeship System, as recommended in the ACA's 2022 Interim Report,[188] and to increase the SAAs' reporting to OA's RAPIDS, by making data collection and reporting more uniform and standardized across the Department's and SAAs' case management systems. Creating a more unified and standardized approach to data collection and reporting also would enable system transparency and accountability. Greater transparency is another recommendation in the ACA's 2022 Interim Report, as enabling greater transparency can help States develop validation strategies for more reliable data.[189] Furthermore, increased accountability can help States assess program

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[188] ACA recommendations from its 2022 Interim Report related to the uniform collection of apprenticeship data on a national scale include:

- Analyze how to encourage more State participation in RAPIDS and consider withholding OA State-level funding for States that do not fully participate in the RAPIDS system. Encourage States that do not participate in the RAPIDS system, or participate only partially, to take part in the collection and sharing of apprenticeship data for the benefit of the national dataset (RAPIDS).
- Encourage sponsors and apprentices to provide requested data for the benefit of a robust, national apprenticeship dataset.
- To assist stakeholders, including States and sponsors, with improved data collection and usage, OA should consider investments or other financial support to incentivize complete and accurate data collection.

ACA, "Interim Report to the Secretary of Labor," May 16, 2022, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

[189] One recommendation from the ACA's 2022 Interim Report was to "[m]ake RAPIDS data more publicly available and accessible to improve transparency and accountability, and enable improved insights and analysis related to apprenticeship." ACA, "Interim Report to the Secretary of Labor," May 16, 2022, at 16, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

quality and support equity strategies to increase registered apprenticeship program access, participation, and improve outcomes for underserved communities. Through more robust data collection and reporting, National Apprenticeship System stakeholders can make more informed, data-driven decisions about how to best target investments in registered apprenticeship programs.

States would also be able to have a framework for disaggregating demographic data to support planning requirements and align State planning goals with State strategic planning efforts under WIOA and Perkins. Increased data collection and reporting can facilitate opportunities for States to rigorously evaluate and assess apprenticeship pathways. Understanding that many States have their own case management systems for sponsor and apprentice data, this modernization effort would support flexibility and create mechanisms for increased interoperability.

Proposed § 29.28(a) would establish the requirement that information about individual apprentices and sponsors must be collected by the Registration Agency, which is described in proposed § 29.25(a) and (b). This requirement makes clear that SAAs would be responsible for reporting to the Department the information that sponsors report to the Registration Agency under proposed § 29.25(a) and (b). These requirements are key to improving collection of demographic information that would enable the Department to better disaggregate and leverage such data to develop and track indices relating to equity. This data analysis can serve to inform and drive improvements towards greater equity in the apprenticeship system. These goals are not only important to the Department, they are also aligned to the recommendations from the ACA to increase SAA reporting to OA on this subject.

These changes not only serve the goals of greater transparency and equity, but would also enable the Department to modernize its systems to capture more fully an apprentice's progress throughout the program, including the capture of licenses, degrees,

and the full scope of credentials earned through registered apprenticeship programs, as recommended by the ACA.

Proposed § 29.28(b) would establish the requirement that information collected under proposed § 29.25(a) must be reported by the Registration Agency to the Department on at least a quarterly basis. Under the current approach, this type of reporting is done primarily through sponsors and Registration Agencies entering data into the RAPIDS system, and the Department anticipates that approach would continue. This would ensure that Registration Agencies are responsible for reporting quarterly to the Department the information that sponsors report to the Registration Agency under proposed § 29.25(a). Reporting on a quarterly basis would align the reporting cadence with WIOA and most other workforce programs, and enable more timely availability of information as well as more timely identification of any reporting difficulties and deficiencies so that those issues can be resolved in advance of the submission of annual reports. Quarterly reporting also would enable the identification of patterns that occur within the year, such as seasonal changes in employment patterns.

Proposed § 29.28 (c) would establish the requirement that information collected under proposed § 29.25(b) must be reported by the Registration Agency to the Department on an annual basis. Under the current approach, this type of reporting is done primarily through sponsors and Registration Agencies entering data into the RAPIDS system, and the Department anticipates that approach would continue. This would ensure that Registration Agencies are responsible for reporting annually to the Department the information that sponsors report to the Registration Agency under proposed § 29.25(b).

Proposed § 29.28(d) would establish that the Department will make the information collected under proposed § 29.28(c) publicly available. The Department anticipates utilizing a public-facing website on apprenticeship.gov to share this information. Information shared will include raw data in a variety of file formats. This

would be responsive to the recommendation from the ACA to make disaggregated demographic data publicly available and modernize the National Apprenticeship System through quality data and analytics.

Proposed § 29.28(e) would establish that to meet the requirements in proposed § 29.28(a) through (c), SAAs must either utilize a case management system provided by the Department, such as RAPIDS, or maintain a State system that is capable of reporting individual apprentice record level information to the Department in a manner that meets requirements prescribed by the Administrator and minimum security requirements consistent with FERPA. This would be a vital component to ensure that the data reported to OA is consistent nationally and across State lines. The Department is not proposing to mandate the use of RAPIDS or a future system; however, as of the end of fiscal year 2023, 19 States do utilize RAPIDS as their primary system and it is a service available to them to assist in meeting these requirements and 11 States use an external case management system, uploading results into RAPIDS on a quarterly basis. Separately, the Department acknowledges that some SAAs have their own systems and may collect additional information that is important for their stakeholders. This proposal would not require them to no longer use that system but would require that they report in a consistent format.

Section 29.29 – Denial of a State Apprenticeship Plan for recognition as a State Apprenticeship Agency and derecognition of existing State Apprenticeship Agencies.

The current regulations at § 29.13 include a paragraph regarding the denial of an application for a State to become an SAA as well as a paragraph regarding procedures when an SAA voluntarily withdraws from recognition. The current regulations also feature a separate section describing the derecognition process at § 29.14. Proposed § 29.29 is new and would consolidate the processes and procedures concerning the denial of a State Apprenticeship Plan and the derecognition of an existing SAA into one section.

Proposed § 29.29 would update the existing language and align these existing processes with the new State apprenticeship planning process in proposed § 29.27. The procedures concerning requests for a hearing after a final determination denying recognition or derecognizing an existing SAA would largely be the same as the current regulation but have been updated to align with the deregistration hearing procedures in proposed § 29.21. Further, State obligations after derecognition of an existing SAA would largely retain the language in the current regulation.

Proposed paragraph (a) would outline the processes and procedures when OA denies a State Apprenticeship Plan or derecognizes an existing SAA.

Proposed § 29.29(a)(1) explains that a written notice would be provided to a State when OA denies a State Apprenticeship Plan, pursuant to proposed § 29.27(c)(3), or derecognizes an existing SAA, pursuant to proposed § 29.27(f). The notice would include the reason, or reasons, for the denial or derecognition. The notice would also identify what remedial measures the State will need to take to address the denial or derecognition. Finally, the notice would set a timeline for addressing those measures, which must be no longer than 12 months after the date of the written notice. Corrective action plans would be required in the case of a provisionally recognized SAA. Here, in the case of derecognition, corrective action plans would not exist. Instead, upon issuance of the written notice that is provided to an SAA that it will be derecognized including the reasons leading to the derecognition, the State would be given a timeline to complete necessary remedial measures to address the reasons leading to derecognition. The inclusion of a timeline is necessary so that a State can make the necessary changes or take the necessary actions to ensure compliance. If a State does not make the necessary changes or take the necessary actions, the Department would proceed with the denial or derecognition procedures described in proposed § 29.29. The Department acknowledges that the reason for the denial or derecognition will vary based on the facts specific to the

scenario, and, as a result, the time needed to address those measures will vary. However, the Department believes that a specific timeframe is necessary to ensure that the reason for denial or derecognition would be addressed in an expeditious manner. Accordingly, the Department determined that proposed § 29.29(a)(1) should include a provision specifying that a State would be given no longer than 12 months after the date of the written notice to address identified remedial measures. The Department determined that 12 months would be an appropriate timeframe to allow a State to make potential changes to their State laws, which may require a significant amount of State legislative session scheduling. However, the Department does not want this timeframe to remain open-ended, and 12 months would provide the urgency needed to make the necessary changes.

Proposed § 29.29(a)(2) is based on the existing regulation and would explain that if a State does not address or fails to remedy the reason(s) for the denial or derecognition in the timeframe identified in the written notice, the Administrator may issue a final determination. In the final determination, the Administrator would include the reason(s) for the denial or derecognition and the State would be provided an opportunity to request a hearing within 30 calendar days of the date of the final determination. The Department would provide notice to the public if a State has been derecognized by the Department.

Proposed § 29.29(a)(3) is based on existing provisions at § 29.13(g) and § 29.14(c)(3). This section would describe the procedural requirements when a State requests a hearing upon receiving the Administrator's final determination. Proposed § 29.29(a)(3) would provide that a request for a hearing must be sent to the OALJ and the Administrator, who, in turn, transmits the request to the Office of the Solicitor. The Administrator would also promptly provide the OALJ with the administrative file containing all relevant documents relied upon by the Administrator in making the final determination.

Proposed § 29.29(a)(4) and (5) are based on the existing provisions at § 29.13(g)(1) through (4), respectively. Both proposed § 29.29(a)(4) and (5) have been updated to align with the procedures for hearings on deregistration, described in proposed § 29.21.

Proposed § 29.26(a)(6) would describe the procedures applicable when an SAA voluntarily seeks withdrawal from recognition. This section would recognize that States have the discretion to voluntarily relinquish recognition of recognized SAAs.

Proposed paragraph (b) is based on existing provisions at § 29.14(d) and (e) and would describe what actions the Administrator must take when an existing SAA is denied recognition, derecognized, or voluntarily seeks withdrawal of derecognition. Proposed § 29.29(b)(1) would be the same as existing § 29.14(d)(1). Proposed § 29.29(b)(2) would combine existing § 29.14(d)(2) and (e) into a single provision and also update the procedures described therein. Specifically, proposed § 29.29(b)(2) would set forth a requirement that the Administrator must notify sponsors, in the State where the SAA is derecognized, that the Department will cease to recognize their programs that were previously registered unless the sponsor submits an application for registration with OA within 45 calendar days after the date of the final agency determination to derecognize the SAA. Proposed § 29.29(b)(2) goes on to describe that the sponsor's application for registration would be reviewed in accordance with the requirements and procedures described in proposed § 29.10. Within 90 calendar days of receiving the application for registration, OA would review the application to determine if it meets the requirements for registration described in proposed § 29.10(a) and would approve any applications for registration in accordance with the procedures and requirements described in proposed § 29.10(b). OA would deny any applications for registration if the application does not meet the requirements in proposed § 29.10(b). The procedures described in proposed § 29.10(c) would apply to any applications for registration that are declined.

Proposed paragraph (c) is based on a requirement at existing § 29.14(h) and would explain what a State must do when its existing SAA has been denied recognition or derecognized by OA or has voluntarily withdrawn from recognition. Proposed § 29.29(c)(1) would describe the transfer of apprenticeship-related records and information to the Department after derecognition. Proposed § 29.29(c)(2) would update language from the current regulation to align with proposed paragraph (b), adding an additional requirement that the State must notify sponsors that their programs will no longer be registered for Federal purposes as of 45 calendar days after the date of the Administrator's final determination. Sponsors interested in registration with OA must submit an application for registration to OA, pursuant to proposed paragraph (b). Finally, proposed § 29.29(c)(3) would require that States must cooperate fully with the Administrator during a transition period. For example, the Department, during such a transition, envisions that the State would maintain open lines of communication with the Department and would facilitate the transfer of pertinent records and information in a timely manner. The Department includes this proposed provision to ensure smooth, seamless continuity of operations in the National Apprenticeship System, and to further support the Department in fulfilling its obligations and responsibilities to apprentices and program sponsors.

Section 29.30 – Apprenticeship requirements in other laws.

Proposed § 29.30 is designed to help the National Apprenticeship System integrate with other Federal or State laws that have been designed to support the expansion of registered apprenticeship programs by providing a Certificate of Participation to stakeholders, which provides information on apprentice participation that may be required by other Federal or State laws. This provision would seek to address situations where information on apprentices in registered apprenticeship programs is necessary to document compliance with Federal and State laws separate from the NAA.

For example, the Department has a long history of providing information on apprentice participation to satisfy the prevailing wage requirements of the Davis-Bacon and related Acts and 29 CFR part 5. Additionally, with the expansion of registered apprenticeship as an allowable activity under WIOA, the apprenticeship requirements of the IRA, and other Federal and State laws that provide Federal and State benefits associated with utilizing registered apprenticeship, there is, and will continue to be, a need for OA or SAAs to provide information to Federal and State officials responsible for implementing Federal and State laws, sponsors or participating employers seeking Federal or State benefits for participation in registered apprenticeship programs, workforce development system partners funding individual training accounts or on-the-job training contracts under WIOA with registered apprenticeship programs, and potentially future stakeholders as Federal and State policymakers continue to embrace the registered apprenticeship model. The Department is adding this provision to make it clear that provision of this information would be permissible to allow other, related laws to be effectively implemented provided that it would be done so consistent with the requirement of any applicable Federal or State privacy law or other relevant law.

E. Part 30 Revisions

As part of this proposed rule for 29 CFR part 29, the Department is proposing technical and conforming edits to 29 CFR part 30, which would address EEO in apprenticeship. The Department invites commenters to opine on the proposed technical and conforming edits to part 30; however, the scope of these changes is narrow and primarily confined to necessary adjustments to align with proposed changes to 29 CFR part 29. The Department is fully committed to the enhanced alignment of the labor standards of 29 CFR part 29 with the part 30 requirements and has proposed changes through part 29 to bring about greater alignment. The Department believes that this increased alignment between the two parts would enhance the implementation of 29 CFR

part 30 across the National Apprenticeship System and promote greater equity and opportunity for job seekers and apprentices nationwide. Correspondingly, the Department proposes limited changes to 29 CFR part 30 to ensure consistency with the quality enhancements proposed for 29 CFR part 29 in this rulemaking.

The Department proposes a technical change to replace all cross-references in part 30 that currently cite to specific sections of part 29 with citations that simply cite to "part 29." The Department proposes this change to remove what will now be outdated references and to avoid the need to update these cross-references again following any future reorganization of part 29. This change would affect the following sections: 29 CFR 30.3(b)(2)(i), 30.10(a), and 30.12(a)(3); the introductory language of 29 CFR 30.18(a)(1); 29 CFR 30.18(a)(3) and (4); the introductory language of 29 CFR 30.18(c); and 29 CFR 30.18(c)(3) and (d).

The Department also proposes a conforming change to replace the terms "EEO compliance review" and "compliance review" with "program review" throughout part 30. This would be consistent with the terminology being proposed in part 29 and more accurately reflects the scope of OA's reviews, which include both parts 29 and 30 components. This change is strictly one of terminology and the Department is not proposing to change anything about the nature of the reviews as they are described in part 30. This terminology change would affect the following sections: 29 CFR 30.5(b)(2) and (c)(6), 30.7(d)(2)(ii), 30.12(f), and 30.13(a), (b), and (c); the introductory language to 29 CFR 30.15; and 29 CFR 30.17(a)(3) and 30.18(b) and (c)(1).

Section 30.2 – Definitions.

Proposed 29 CFR 30.2 would revise the definition section to cite to the definitions of 29 CFR 29.2. The Department is proposing this change to place all definitions related to the National Apprenticeship System in one section. The Department considers this technical change an important one for the regulated community to be able to navigate and

access all the required definitions in one section of regulatory text more easily. The Department is proposing all the definitions that were in part 30, but not in part 29, to be inserted into § 29.2, with these changes discussed in that section.

Section 30.13 – Program reviews.

In addition to the proposed terminology change to "program reviews," discussed above, the Department proposes to amend § 30.13 by replacing references to "business days" with simply "days." Days would be defined in 29 CFR 29.2 to mean calendar days, and not business days or workdays. The Department is proposing to use calendar days instead of business days for consistency with part 29 and to improve clarity for the regulated community. In situations where sponsors currently have 30 business days to comply or respond to a review finding, under this proposed rule they would have 45 calendar days to do so. The Department views these timeframes as roughly equivalent and would not intend to alter the substantive amount of working time within which sponsors would need to act. The Department is including a reference to the EEO requirements contained in this part to ensure that as the Department is proposing the term program reviews to address compliance with both parts 29 and 30, this edit would ensure the regulatory text of part 30 is in alignment with this provision.

Section 30.14 – Complaints.

The Department proposes to add a new subordinate paragraph (c)(1)(vi) to § 30.14(c), which would require the Registration Agency to protect the identity of the complainant to the extent practicable. This addition would maintain consistency with the complaint process being proposed under part 29. The Department invites comments on the substance of this provision under § 29.17(e)(2), where the rationale is more fully laid out.

Section 30.15 – Enforcement actions.

The Department proposes to amend § 30.15(b) by deleting "or if the Registration Agency does not institute such proceedings within 45 days of the start of the suspension, the suspension is lifted" at the end of the paragraph. This alteration would maintain consistency between the suspension and enforcement procedures under both parts 29 and 30. This change would also permit the Registration Agency to impose a suspension for a set period of time without being required to proceed to deregistration proceedings within 45 days of the imposition of the suspension, thus providing sponsors and Registration Agencies more time to resolve any deficiencies.

Section 30.20 – Severability.

The Department proposes to include a severability provision, identical to that proposed in 29 CFR 29.5, as part of the conforming edits being proposed for part 30 to maintain consistency between the two parts.

V. Regulatory Analysis and Review

A. Executive Orders 12866 (Regulatory Planning and Review), 14094 (Modernizing Regulatory Review), and 13563 (Improving Regulation and Regulatory Review)

Under E.O. 12866, OMB's Office of Information and Regulatory Affairs (OIRA) determines whether a regulatory action is significant and, therefore, subject to the requirements of the executive order and review by OMB. *See* 58 FR 51735 (Oct. 4, 1993). Section 1(b) of E.O. 14094 amends sec. 3(f) of E.O. 12866 to define a "significant regulatory action" as an action that is likely to result in a regulation that may: (1) have an annual effect on the economy of $200 million or more (adjusted every 3 years by the Administrator of OIRA for changes in gross domestic product), or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, territorial, or Tribal governments or

communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs, or the rights and obligations of recipients thereof; or (4) raise legal or policy issues for which centralized review would meaningfully further the President's priorities or the principles set forth in E.O. 12866. *See* 88 FR 21879 (Apr. 11, 2023). This proposed rule is a significant regulatory action under section 3(f)(1) of E.O. 12866, as amended by E.O. 14094.

E.O. 13563 directs agencies to propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; the regulation is tailored to impose the least burden on society, consistent with achieving the regulatory objectives; and in choosing among alternative regulatory approaches, the agency has selected those approaches that maximize net benefits. E.O. 13563 recognizes that some benefits are difficult to quantify and provides that, where appropriate and permitted by law, agencies may consider and discuss qualitatively values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts.

1. Summary of the Economic Analysis

The Department anticipates that the proposed rule would result in benefits, costs, cost savings, and transfers for sponsors, participating employers, apprentices, and society. The benefits of the proposed rule are described qualitatively in section V.A.2 (Benefits). The estimated costs are explained in sections V.A.3 (Quantitative Analysis Considerations), V.A.4 (Subject-by-Subject Analysis), and V.A.5 (Summary of Costs). The nonquantifiable costs and cost savings are described qualitatively in section V.A.6 (Nonquantifiable Costs and Cost Savings). The nonquantifiable transfer payments are described qualitatively in section V.A.7 (Nonquantifiable Transfer Payments). An analysis of distributional impacts of the proposed rule is in section V.A.8 (Distributional

Impact Analysis). Finally, the regulatory alternatives are explained in section V.A.9 (Regulatory Alternatives).

The quantified costs of the proposed rule for participating employers are rule familiarization and recordkeeping. The quantified costs of the proposed rule for sponsors include rule familiarization, on-the-job training documentation, wage analysis and career development, data collection and reporting, program registration, program standards and adoption agreement, administration of end-point assessments to apprentices and program reviews. The quantified costs of the proposed rule for apprentices include data collection and reporting and end-point assessments. The quantified costs of the proposed rule for SAAs are associated with rule familiarization, data collection and reporting, program registration, program reviews, data sharing, reciprocity of registration, and submission of State Apprenticeship Plans. The quantified costs of the proposed rule for the Federal Government are associated with the occupation suitability determination process, program registration, National Occupational Standards for Apprenticeship, National Program Standards for Apprenticeship, National Guidelines for Apprenticeship Standards, end-point assessments, and program reviews. The quantified costs of the proposed rule for apprentices are the requirement to take an end-point assessment.

Exhibit 1 shows the total estimated costs of the proposed rule over 10 years (2025–2034) at discount rates of 3 percent and 7 percent. The proposed rule is expected to have first-year costs of $147.9 million in 2022 dollars. Over the 10-year analysis period, the annualized costs are estimated at $151.9 million at a discount rate of 7 percent in 2022 dollars. In total, over the first 10 years, the proposed rule is estimated to result in costs of $1.066 billion at a discount rate of 7 percent in 2022 dollars. The majority of these costs are from changes to registered apprenticeship that would result in an estimated annualized cost of $145.9 million at a discount rate of 7 percent and total 10-year costs of $1.024 billion at a discount rate of 7 percent. The creation of registered CTE

apprenticeship is expected to result in lower costs than the changes to registered apprenticeship as the Department anticipates that it would be a smaller program. The Department estimates annualized costs from registered CTE apprenticeship at $6.0 million at a 7-percent discount rate and total 10-year costs of $42.1 million at a 7-percent discount rate.

Exhibit 1: Estimated Costs (2022 $millions)			
Year	**Registered Apprenticeship Program Costs**	**CTE Program Costs**	**Total Costs**
1	$147.2	$0.8	$147.9
2	$126.8	$2.5	$129.3
3	$131.9	$3.7	$135.6
4	$137.3	$4.9	$142.2
5	$142.6	$6.1	$148.8
6	$148.2	$7.3	$155.5
7	$153.3	$8.6	$161.9
8	$158.7	$9.7	$168.4
9	$164.1	$11.0	$175.0
10	$169.6	$12.2	$181.8
Annualized, 3% discount rate, 10 years	$147.0	$6.4	$153.4
Annualized, 7% discount rate, 10 years	$145.9	$6.0	$151.9
Total, 3% discount rate, 10 years	$1,254.2	$54.4	$1,308.6
Total, 7% discount rate, 10 years	$1,024.5	$42.1	$1,066.6

2. Benefits

This section provides a qualitative description of the anticipated benefits associated with the proposed rule. The Department is unable to quantify the anticipated benefits due to data limitations and therefore is providing a qualitative description of those benefits. The Department seeks public comments and inputs to allow for quantification of the benefits in the final rule.

a. Benefits from improvements and updates to registered apprenticeship.

There are numerous benefits that are expected to result from the updates to registered apprenticeship programs, including greater worker protections, advancements in equity, higher quality apprenticeship training, and enhanced program transparency.

The addition of program reviews would increase worker protections and program transparency through reviews of registered apprenticeship programs to ensure compliance and identify any deficiencies that require remedy. In addition, program reviews must be conducted if the Registration Agency receives credible information or allegations that the program is not being operated in accordance with program standards and requirements. This requirement would offer greater accountability in the operation of apprenticeship programs and provide an avenue for investigating any potential instances of noncompliance. In doing so, the Department would create more safeguards for apprentices to ensure that they have healthy and safe working and learning environments.

The proposed updates to registered apprenticeship would also yield additional benefits to apprentices through changes to the process for determining occupations suitable for apprenticeship. The Department's proposal would create a more objective, proactive, and transparent process for determining occupations suitable for apprenticeship, which would allow occupations in non-traditional apprenticeship industries to grow while providing protections against the splintering of existing occupations, which could have a negative impact on workers' wages and job quality. These modifications also would reinforce that new occupations suitable for apprenticeship must meet industry-recognized criteria that place workers on a pathway to earning an income that allows them to support themselves and their families, with a fair opportunity for career advancement and economic mobility.

b. General apprenticeship benefits from the creation of the registered CTE apprenticeship model.

The proposed registered CTE apprenticeship model would offer multiple benefits to individuals who are seeking career opportunities and looking to develop the skills necessary to be successful in a certain field. Apprenticeships help workers to master both hard skills that are relevant to occupations, and soft skills such as communication,

problem-solving, respectful workplace behavior, and teamwork, all while being paid for their work.[190] Development of these skills is highly valued by potential employers and offers benefits for future employment opportunities. Studies have found that individuals who participated in a registered apprenticeship program were 8.6 percent more likely than nonparticipants to be employed 6 and 9 years after enrollment.[191] In addition, apprenticeship participants and those who completed registered apprenticeship programs were also found to have greater lifetime earnings benefits compared to those who had not participated in or completed a registered apprenticeship program.[192] These benefits amounted to $100,000 in lifetime earnings benefits for registered apprenticeship participants and over $240,000 for those who completed registered apprenticeship programs.[193] It should be noted, however, that the results of these studies are correlational in nature. Apprenticeships not only provide individuals with valuable training and skill development without requiring a period of unpaid training time—or even requiring educational loans—but also serve a long-term benefit in overall career success.

For businesses sponsoring a program, registration provides a structure and framework for developing a diverse pool of skilled workers critical to a company's success and a positive net benefit through value creation and an ROI. One report shows that utilizing apprenticeships can contribute to the financial success of a business by reducing employee turnover; promoting a diverse, inclusive, and accessible talent pipeline; and contributing to a more positive company culture.[194] In embracing DEIA in the workforce, research shows that businesses will outperform less diverse companies in

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[190] Robert Lerman, "Expanding Apprenticeship – A Way to Enhance Skills and Careers," Apr. 15, 2010, *https://www2.ed.gov/PDFDocs/college-completion/03-expanding-apprenticeship.pdf.*
[191] Debbie Reed et al., "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in Ten States," July 25, 2012, *https://mathematica.org/publications/an-effectiveness-assessment-and-costbenefit-analysis-of-registered-apprenticeship-in-10-states*.
[192] *Ibid.*
[193] *Ibid.*
[194] Accenture, "Getting to Equal: The Disability Inclusion Advantage," 2018, *https://www.accenture.com/_acnmedia/PDF-89/Accenture-Disability-Inclusion-Research-Report.pdf.*

terms of profitability. One study found that businesses in the top quartiles for gender diversity were 21 percent more likely to experience above-average profitability than companies in the fourth quartile, while companies in the top quartiles for ethnic and cultural diversity were 35 percent more likely to outperform other companies in terms of profitability.[195] Thus, businesses sponsoring an apprenticeship program will not only have the ability to add diversity to their own workforce but also may outperform other companies profit-wise. Some examples of indirect benefits include "improved pipeline of skilled employees, improved productivity of coworkers, improved firm culture and employee engagement and loyalty, reduced turnover, and even process or product innovation."[196] Another report shows that registered apprenticeship programs help eliminate the biasing factors that traditionally create barriers to entry and promotion for workers. This opportunity creates equity for those who are part of registered apprenticeship programs and allows for fairness and transparency throughout the process.[197]

The proposed registered CTE apprenticeship model would have numerous benefits for students who are enrolled in high school or in community and technical colleges. This new model would allow students to continue their education while participating in the labor market, provide students with opportunities to attain a recognized postsecondary credential, complete college coursework and a registered apprenticeship program, and participate in paid on-the-job learning. These opportunities would allow students to earn and learn, accelerate their completion of postsecondary

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[195] Dame Vivian Hunt, Lareina Yee, Sara Prince, and Sundiatu Dixon-Fyle, "Delivering through diversity," Jan. 18, 2018, *https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/delivering-through-diversity.*

[196] Kevin Hollenbeck, Daniel Kuehn, Robert Lerman, and Siobhan Mills De La Rosa, "Do Employers Earn Positive Returns to Investments in Apprenticeship? Evidence from Registered Programs under the American Apprenticeship Initiative," Oct. 26, 2022, *https://wdr.doleta.gov/research/FullText_Documents/ETAOP2022-36_AAI_ROI_Final_Report_508_9-2022.pdf.*

[197] Intelligent Partnerships, "Expanding DEIA Programs Through Apprenticeship," Apr. 2022, *https://www.apprenticeship.gov/sites/default/files/expanding-deia-programs-through-apprenticeship.pdf.*

credentials through dual enrollment, and put students on a career path. Earn and learn programs provide students with an opportunity to gain access to good jobs and stable careers without debt or substantial financial burden.[198] A study completed on the CareerWise Colorado program found that nearly 64 percent of CareerWise students achieve the program's goal of apprenticeship serving as an "options multiplier," in which they transition on to postsecondary education, employment, or both.[199] The program would also provide developmental benefits for youth participants, both at the personal and professional level.[200] This relationship can be especially impactful for youth whose caregivers are inconsistent or unavailable by providing these individuals with a source of stability and a role model. Registered CTE apprenticeship would also help to develop young people's career-relevant skillsets at an early age, particularly in the realm of soft and interpersonal skills. Gaining practical experience in organization, problem-solving, teamwork, and time management would help these individuals build the necessary skills for future success in their occupations.[201] We welcome comments providing resources and best practices in mentorship to ensure that programs help apprentices, including those from underserved communities, excel in mentorship programs.

c. Prohibiting non-disclosure and non-compete provisions (§ 29.9(d)(1) and (2), (e)).

While the proposed prohibitions on non-compete and non-disclosure provisions in apprenticeship agreements may impose cost burdens on those program sponsors and participating employers that might otherwise elect to use them (i.e., the forfeiting of any

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[198] Joseph B. Fuller et al., The Project on Workforce, Harvard University, "The Options Multiplier: Decoding the CareerWise Youth Apprentice Journey," Nov. 14, 2022, https://www.hbs.edu/faculty/Pages/item.aspx?num=63353.
[199] Joseph B. Fuller et al., The Project on Workforce, Harvard University, "The Options Multiplier: Decoding the CareerWise Youth Apprentice Journey," Nov. 14, 2022, https://www.hbs.edu/faculty/Pages/item.aspx?num=63353.
[200] Jean E. Rhodes et al., "A Model for the Influence of Mentoring Relationships on Youth Development," Oct. 5, 2006, *https://www.rhodeslab.org/files/Model.pdf.*
[201] Robert Lerman, "Expanding Apprenticeship – A Way to Enhance Skills and Careers," Apr. 15, 2010, *https://www2.ed.gov/PDFDocs/college-completion/03-expanding-apprenticeship.pdf.*

investment made by such an employer to train an apprentice), the Department is persuaded that any such costs would be outweighed on a macroeconomic level by the substantial economic benefits that would accrue to other employers in the same sector or occupation that can offer a more competitive salary and package of benefits to those employees (such as apprentices) who might otherwise be effectively prevented from offering their skills in the labor market because of such restrictive employment contract covenants. By prohibiting or limiting the use of such anticompetitive practices with respect to apprenticeship agreements, the Department seeks to promote a freer and more competitive marketplace for both employers and skilled workers.

The Department acknowledges that prohibiting non-compete provisions may lead to the unintended consequence of disincentivizing investment in apprenticeship training. However, the Department has determined that this risk would be outweighed by the benefit of prohibiting anticompetitive practices during the term of the registered apprenticeship program. The Department is seeking to encourage the growth of high-quality apprenticeship and the increased use of registered apprenticeship as a training tool. Encouraging competition in the market would serve these goals by incentivizing employers to seek to retain their apprentices through high-quality training and employment rather than through limiting apprentices' ability to seek employment opportunities elsewhere during the term of the apprenticeship. In other words, providing high-quality registered apprenticeship would be a more effective and fair method of retaining apprentices in a registered apprenticeship program rather than through a prohibition on labor movement, which the Department views as harmful to both employers as a restraint on a free and competitive market and to apprentices as a restraint on their mobility.

In addition, there are several benefits that would accrue to apprentices by prohibiting non-disclosure and non-compete provisions. The proposed rule would

increase apprentice mobility and labor market competition by removing certain restrictions such as non-compete provisions, thus allowing them to move freely between jobs. The absence of these restrictions would provide apprentices with the opportunity to seek higher paying positions, which would result in an overall increase in wages and offer greater opportunities for growth. Increased mobility is particularly beneficial to younger apprentices, as job changes account for approximately one-third of early career wage growth.[202] One recent study estimated that a nationwide ban on non-compete provisions would increase average earnings by 3.3 to 13.9 percent.[203] The FTC recently estimated that one in five American workers is bound by a non-compete provision.[204] A 2014 survey of workers found that 18 percent of respondents work under a non-compete provision at the time of the survey and that 38 percent had been subject to a non-compete provision during their career.[205] Although these studies are for the general workforce, the Department does not expect the prevalence of non-compete provisions to be materially different in registered apprenticeship. Therefore, the financial benefits of removing non-compete provisions from apprentice agreements could be significant, especially for young apprentices.

In addition to earnings increases, the proposed rule could provide greater opportunities for completed apprentices to potentially engage in entrepreneurial activities.[206] The absence of non-compete provisions generally allows entrepreneurial activity to increase through the formation of intra-industry spinoffs, which serve as grounds for knowledge sharing, innovation, and career growth.[207] The Department is

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[202] Robert Topel and Michael Ward, "Job Mobility and the Careers of Young Men," May 1, 1992, Q. J. Econ. 107(2), 439-479, *https://academic.oup.com/qje/article-abstract/107/2/439/1838303*.
[203] Matthew S. Johnson, Kurt Lavetti, and Michael Lipsitz, "The Labor Market Effects of Legal Restrictions on Worker Mobility," 2020, at 2, *https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3455381.*
[204] 88 FR 3482 (Jan. 19, 2023) (NPRM on non-compete provisions).
[205] Evan P. Starr, James J. Prescott, and Norman D. Bishara, "Noncompete Agreements in the U.S. Labor Force," 64 J. L. & Econ. 1, 53-84 (2021), *https://repository.law.umich.edu/articles/2263*.
[206] John M. McAdams, "Non-Compete Agreements: A Review of the Literature," Dec. 31, 2019, *https://dx.doi.org/10.2139/ssrn.3513639*.
[207] 88 FR 3482 (Jan. 19, 2023) (NPRM on non-compete provisions).

unable to estimate the extent to which recently completed apprentices remain under non-compete provisions and their ability to engage in entrepreneurial activity, but the ability for apprentices to freely leverage their skills and knowledge through entrepreneurial ventures would increase career growth opportunities and the potential for wage increases.

d. National Occupational Standards for Apprenticeship, National Program Standards for Apprenticeship, and National Guidelines for Apprenticeship Standards (§§ 29.13 through 29.15).

Under the proposed rule, the Department seeks to facilitate the use of registered apprenticeship models currently available by defining "National Program Standards for Apprenticeship" and "National Guidelines for Apprenticeship Standards." This would promote innovation of and enable ease of access to industry-recognized, standardized products that are intended to facilitate the expansion of new quality programs to be registered expeditiously and efficiently. This would create a more efficient process for National Program Standards for Apprenticeship approval and for local registration of National Guidelines for Apprenticeship Standards. The proposed rule also defines "National Occupational Standards for Apprenticeship." This new product would build, and continuously reinforce and improve with validated industry feedback, a national system of occupational frameworks that incentivize quality in registered apprenticeship programs and feature industry-validated training standards and curricula. The National Occupational Standards for Apprenticeship would provide a template for national occupations, programs, and guidelines that would create time and cost savings for sponsors or SAAs that would have submitted new occupation determinations, by allowing them to leverage national frameworks that are already developed by OA.

e. Complaints (§ 29.17).

The proposed rule would extend the amount of time for apprentices to file complaints against sponsors as well as provide requirements that Registration Agencies

better protect the identity of apprentices who file complaints. These changes would result in apprentices having more time and feeling more comfortable in filing complaints against sponsors, which could result in better work conditions, improved apprenticeships, and more apprentices completing their programs.

f. Deregistration (§ 29.20).

Currently, deregistration of an apprenticeship program occurs when a sponsor fails to demonstrate compliance with 29 CFR part 29. The proposed rule would add a suspension step allowing sponsors an adequate span of time to update their practices and come into compliance without having to be deregistered and then reregistered at a later date. Under this procedure, a Registration Agency would suspend a registration of new apprentices until the sponsor has achieved compliance with part 29 through the completion of a voluntary compliance action plan or until a final order is issued in formal deregistration proceedings initiated by the Registration Agency.

The intermediary step of suspension represents a benefit because it would allow sponsors to become compliant without having to be deregistered and then reregister or abandon their program. The benefits of this provision are difficult to quantify because of a lack of data on how many suspensions might occur as well as the fact that some programs eligible for deregistration may seek deregistration voluntarily. Voluntary deregistration, however, can occur for several reasons and it would be incorrect to assume that all voluntary deregistrations directly correlate with sponsors that have been deregistered.

The Department expects that fewer programs would be required to deregister or voluntarily deactivate as a result of the suspension procedure, enabling more active total sponsors and the associated apprenticeship opportunities.

3. Quantitative Analysis Considerations

The Department estimated the costs of the proposed rule relative to the existing baseline (i.e., regulations at 29 CFR part 29). In accordance with the regulatory analysis guidance articulated in OMB Circular A-4 and consistent with the Department's practices in previous rulemakings, this regulatory analysis focuses on the likely consequences of the proposed rule (i.e., the costs that are expected to accrue to the affected entities). The analysis covers 10 years to ensure it captures the major costs that are likely to accrue over time. The Department expresses the quantifiable impacts in 2022 dollars and uses discount rates of 3 and 7 percent, pursuant to Circular A-4.

a. Estimated number of registered apprenticeship program SAAs.

The proposed rule would impact SAAs through new regulatory requirements that result in new burdens to or transfer payments. The Department currently works with 31 SAAs, and these are used as the affected population through the period of analysis.

b. Estimated number of registered apprenticeship program sponsors.

The proposed rule would affect registered apprenticeship programs and their sponsors. A sponsor can have more than one program but, due to data availability, this analysis assumes the number of registered apprenticeship programs is the same as the estimated number of sponsors. The Department used historical data from the Energy Document Portal (EDP) on the number of registered apprenticeship programs from 2017 to 2022 to calculate the annual average growth in the number of programs. To project the number of registered apprenticeship programs and sponsors from 2025 to 2034 the Department calculated the average annual increase in programs (942), presented in Exhibit 2. This increment was applied to project the population of programs from 2025 to 2034.

The proposed rule would add requirements for new registered apprenticeship program registrations. New program registrations differ from the average annual increase

in sponsors because the increase in program registrations is partially offset by deregistrations. The Department used historical data from EDP on the number of new program registrations from 2017 to 2022 to calculate an average annual increase in the number of new programs (73) based on the average difference in programs from year to year and applied to project the population of new programs from 2025 to 2034. Data on new program registrations are presented in Exhibit 2.

Exhibit 2: Historical Number of Registered Apprenticeship Programs					
Year	**Total Programs***	**New Programs***	**Competency-Based Programs**	**Hybrid Programs**	**Non-Collectively Bargained Programs**
2017	18,956	2,176	833	980	2,083
2018	20,371	2,691	1,102	1,295	2,115
2019	21,872	2,540	1,386	1,544	2,119
2020	22,495	2,376	1,670	1,755	2,138
2021	23,785	2,688	2,096	1,981	2,122
2022	23,666	2,543	2,474	2,114	2,095
Average Annual Increase***	942	73	328	227	
Average***					2,112

*Total number of programs does not sum from the detailed components because only a small subset of programs are competency-based, hybrid, or non-collectively bargained. The remaining programs not competency-based or hybrid are hourly programs with at least 2,000 hours of on-the-job training and the remaining programs not included in the non-collectively bargained figures are collectively bargained. These two categories of program do not face unique costs and therefore are not included in the table.
**New programs are newly registered apprenticeship programs for a particular year. They add to the total number of programs but are not equal to the difference in total programs between years due the occurrence of deregistered programs.
***The average annual increase was calculated by averaging the differences in population from year to year. For example, 942 = ((20,371-18,956),(21,872-20,371),(22,485-21,872),(23,785-22,485),(23,666-23,785))/5. When the average annual increase or average has a value, that indicates the value used to develop projections.

The Department derived subpopulations of registered apprenticeship programs to estimate the effect of the proposed rule on programs with certain characteristics. The number of programs that were not solely time-based (i.e., competency-based programs or hybrid programs) were calculated by the Department using historical data from EDP from 2017 to 2022. The Department calculated the average annual increase in the number of competency-based programs (328) and the average annual increase in the number of hybrid programs (227) based on the average differences in these programs from year to

year. These estimates were applied to project the populations of these programs from 2025 to 2034. Lastly, the proposed rule would have new requirements for registered apprenticeship programs that are not collectively bargained, so the Department estimated the number of programs for which these requirements would apply. Using historical EDP data from 2017 to 2022, the Department assumed that the number of non-collectively bargained programs would remain constant across years, based on the average number of these programs across years (2,112).

Exhibit 2 above presents the historical data on the above five program populations across available years of data as well as average annual increase used to derive the projected number of entities or, in the case of programs reviewed, the average population assumed constant across years. The projected number of each entity from 2025 through 2034, based on either the average annual increase or the average annual value from Exhibit 2, are provided in Exhibit 3 below.

Exhibit 3: Projected Number of Registered Apprenticeship Programs

Year	Total Programs	New Programs	Competency-Based Programs	Hybrid Programs	Non-Collectively Bargained Programs
2025	26,492	2,763	3,459	2,794	2,112
2026	27,434	2,837	3,787	3,021	2,112
2027	28,376	2,910	4,115	3,248	2,112
2028	29,318	2,983	4,443	3,475	2,112
2029	30,260	3,057	4,771	3,702	2,112
2030	31,202	3,130	5,100	3,928	2,112
2031	32,144	3,204	5,428	4,155	2,112
2032	33,086	3,277	5,756	4,382	2,112
2033	34,028	3,350	6,084	4,609	2,112
2034	34,970	3,424	6,412	4,836	2,112

The number of programs reviewed by either OA or SAAs would also be affected by the proposed rule. The Department used a percentage-based approach to estimate the number of programs reviewed by either Registration Agency. The Department reviews each program every 5 years, meaning that 20 percent of programs are reviewed every year. Of the programs reviewed, the Department estimates that 58.2 percent are reviewed

by SAAs and 41.8 percent are reviewed by OA, based on an average of 12,946 programs registered by SAAs yearly and 9,288 registered by OA yearly. Therefore, the Department calculates that 8.4 percent of all programs are reviewed by OA yearly and 11.6 percent of all programs are reviewed by SAAs yearly.[208] The Department applies these percentages to the projected number of programs from 2025 to 2034 to determine the number of programs reviewed by each agency.

c. Estimated number of registered apprenticeship program participating employers.

The proposed rule would increase requirements for participating employers in each registered apprenticeship program. The Department used RAPIDS to gather data on the number of participating employers in 2022 and derive the ratio of employers to programs. By dividing the number of participating employers in 2022 by the number of programs in 2022, it was calculated that there are roughly 1.53 employers per program.[209] This ratio was applied to the projected number of sponsors from Exhibit 3 to derive the number of employers from 2025 to 2034, presented in Exhibit 4 below.

Exhibit 4: Projected Number of Participating Employers	
Year	**Number of Participating Employers**
2025	40,533
2026	41,974
2027	43,415
2028	44,857
2029	46,298
2030	47,739
2031	49,180
2032	50,622
2033	52,063
2034	53,504

d. Estimated number of apprentices.

[208] 8.4 percent = 41.8 percent x 20 percent; 11.6 percent = 58.2 percent x 20 percent.
[209] 36,218 participating employers in 2022 / 23,666 programs in 2022 = 1.53.

The proposed rule would affect apprentices. The Department used historical data on the number of apprentices from 2017 to 2022 to project the population of apprentices from 2025 to 2034 by calculating the average annual increase in the number of apprentices (32,512).[210] Exhibit 5 presents the number of apprentices from 2017 to 2022 as well as the average annual increase.

Exhibit 5: Historical Number of Apprentices	
Year	**Total Apprentices**
2017	415,458
2018	466,560
2019	520,411
2020	538,204
2021	549,747
2022	578,020
Average Annual Increase	32,512

The average annual increase in apprentices is used to project the number of apprentices in 2025-2034, presented in Exhibit 6 below.

Exhibit 6: Projected Number of Apprentices	
Year	**Number of Apprentices**
2025	675,557
2026	708,070
2027	740,582
2028	773,094
2029	805,607
2030	838,119
2031	870,632
2032	903,144
2033	935,656
2034	968,169

e. Estimated number of occupations.

The proposed rule would impose new requirements in the occupation determination application process and introduce new administrative burdens to sponsors, SAAs, and OA, based on the number of occupation determination applications. The Department used historical data from RAPIDS to calculate the average annual number of

[210] *See* OA, "Data and Statistics," *https://www.apprenticeship.gov/data-and-statistics* (last updated June 16, 2023).

occupation determination applications. Data on the number of new and revised occupation determination applications were available from 2019 to 2022. The Department calculated the average annual number of new occupation applications (15) and used this to project new applications for a suitability determination from 2025 to 2034. However, for revised occupations, the proposed rule at § 29.7(h) envisions that OA would review existing approved occupations for revisions every 5 years. There are currently approximately 1,100 approved occupations, so the Department estimates approximately 220 revised occupations per year (1100 ÷ 5 years = 220). The proposed rule would allow the establishment of national occupations, so the Department also estimates that there would be 15 new national occupations yearly based on the bulletin list of national occupations from Apprenticeship.gov. Exhibit 7 presents the historical data on the number of new occupations applications and the average number used in the analysis for each year from 2025 to 2034.

Exhibit 7: Historical Number of New Occupation Applications	
Year	**Number of New Occupation Determinations Applications**
2019	17
2020	14
2021	12
2022	16
Average	15

f. Estimated number of CTE SAAs.

The creation of registered CTE apprenticeship would result in CTE SAAs entering into agreements with OA to run CTE programs. The Department expects that over the 10-year analysis period that States running their CTE programs would be a proportion of the States with recognized SAAs for registered apprenticeship. The Department estimates that half of the States that are registered apprenticeship SAAs would become CTE SAAs by 2034. Therefore, the Department estimates a steady increase to 16 CTE SAAs by 2035 by assuming 3 percent enter each year (1 SAA per

year). Those projected number of CTE SAAs are presented in Exhibit 8. The Department seeks public comment on the assumption that half of States that are registered apprenticeship SAAs would become CTE SAAs by 2034. The Department thinks this estimate is reasonable since it is a voluntary model that States may or may not subscribe to, but the public's input is still requested.

Exhibit 8: Projected Number of CTE SAAs	
Year	**Number of CTE SAAs**
2025	1
2026	2
2027	3
2028	4
2029	5
2030	6
2031	7
2032	7
2033	8
2034	9

g. Estimated number of registered CTE apprenticeship program sponsors, CTE participating employers, and CTE apprentices.

Secondary schools and postsecondary institutions would be eligible to be registered CTE apprenticeship program sponsors. The Department estimated the population based on the number of school districts that receive Perkins Federal Grant Program funds and the number of postsecondary institutions offering approved CTE programs. The Institute of Education Services estimates that 65 percent of LEAs receive Perkins funds. Based on National Center for Education Statistics (NCES) data, there were 19,359 LEAs in 2021-2022, resulting in an estimate of 12,583 receiving Perkins funds. Data collected by NCES through the Integrated Postsecondary Education Data System indicate that the number of public 2-year and less than 2-year institutions with CTE programs is 1,134 institutions. This results in a total potential population of 13,717 sponsors. However, because of requirements to register, maintain 540 hours of CTE apprenticeship-related instruction over the program, and expectations for registered CTE

apprenticeship to slowly ramp up, the Department estimates a small percent of these would become sponsors in the first year (1 percent or 137 sponsors), second year (3 percent or 412 sponsors), and in each subsequent year (3 percent or 412 sponsors).

To estimate the number of participating employers and apprentices associated with registered CTE apprenticeship program sponsors, the Department used data from registered apprenticeship. As discussed in the population estimates for registered apprenticeship, there are approximately 1.53 participating employers per sponsor and 23.4 apprentices per sponsor. The Department expects similar ratios under CTE and used these with the projected number of sponsors to project participating employers and apprentices.

The Department's projections of registered CTE apprenticeship program sponsors, participating employers, and apprentices are presented in Exhibit 9.[211]

Exhibit 9: Projected Number of Registered CTE Apprenticeship Program Sponsors, Participating Employers, and Apprentices

Year	Registered CTE Apprenticeship Program Sponsors	CTE Participating Employers	CTE Apprentices
2025	137	210	3,210
2026	549	839	12,839
2027	960	1,469	22,468
2028	1372	2,099	32,098
2029	1783	2,728	41,727
2030	2195	3,358	51,356
2031	2606	3,988	60,986
2032	3018	4,617	70,615
2033	3429	5,247	80,244
2034	3841	5,876	89,874

h. Estimated number of new CTE apprentices.

The Department estimated the costs of the proposed CTE program based on the number of new apprentices who are projected to enter registered CTE apprenticeship

[211] Year 1, 137 = 0.01 × 13,717. Year 2, 549 = 137 + 0.03 × 13,717; Year 3, 960 = 549 + 0.03 × 13,717; Year 4, 1,372 = 960 + 0.03 × 13,717; Year 5, 1,783 = 1,372 + 0.03 × 13,717; Year 6, 2,195 = 1,783 + 0.03 × 13,717; Year 7, 2,606 = 2,195 + 0.03 × 13,717; Year 8, 3,018 = 2,606 + 0.03 × 13,717; Year 9, 3,429 = 3,018 + 0.03 × 13,717; Year 10, 3,841 = 3,429 + 0.03 × 13,717.

programs. Accordingly, the Department developed projections for the number of new CTE apprentices entering each year of the program based on the number of projected CTE apprentices in Exhibit 10. Given that 540 hours of CTE apprenticeship-related instruction would be required for apprentices in registered CTE apprenticeship programs, the Department expects that it would take 1 to 2 years to complete a registered CTE apprenticeship. To develop its projections, the Department assumed the value of 2 years and estimated the cohorts that would enter each year and exit after 2 years based on the projected CTE apprenticeship population. The projected number of new CTE apprentices and the cohorts those numbers are derived from are presented in Exhibit 10.

Exhibit 10: Projected Number of Annual New CTE Apprentices										
	Year 1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Cohort 1	3,210	3,210								
Cohort 2		9,629	9,629							
Cohort 3			12,839	12,839						
Cohort 4				19,259	19,259					
Cohort 5					22,468	22,468				
Cohort 6						28,888	28,888			
Cohort 7							32,098	32,098		
Cohort 8								38,517	38,517	
Cohort 9									41,727	41,727
Cohort 10										48,147
New Apprentices	**3,210**	**9,629**	**12,839**	**19,259**	**22,468**	**28,888**	**32,098**	**38,517**	**41,727**	**48,147**
Total Apprentices	3,210	12,839	22,468	32,098	41,727	51,356	60,986	70,615	80,244	89,874

i. Compensation rates.

Exhibits 11a through 11c present the hourly compensation rates for the occupational categories that are expected to experience a change in level of effort (workload) due to the proposed rule. We used BLS's mean hourly wage rate for private sector and State employees.[212] We also used the wage rate from the Office of Personnel

[212] BLS, "May 2022 National Industry-Specific Occupational Employment and Wage Estimates: NAICS 999200 - State Government, excluding schools and hospitals (OEWS Designation)," *https://www.bls.gov/oes/current/naics4_999200.htm* (last updated Apr. 25, 2023).

Management's Salary Table for the 2022 General Schedule for Federal employees.[213] To reflect total compensation, wage rates include nonwage factors, such as overhead and fringe benefits (e.g., health and retirement benefits). For all labor groups (i.e., private sector, State, and Federal Government), we used an overhead rate of 17 percent.[214] For the private sector, we used a fringe benefits rate of 42 percent, which represents the ratio of average total compensation to average wages for private industry workers in 2022.[215] For the State government sector, we used a fringe benefits rate of 62 percent, which represents the ratio of average total compensation to average wages for State government workers in 2022.[216] For the Federal Government, we used a fringe benefits rate of 63 percent.[217] We then multiplied the sum of the loaded wage factor and overhead rate by the corresponding occupational category wage rate to calculate an hourly compensation rate.[218]

Exhibit 11a: Compensation Rates for Private Sector Employees (2022 dollars)

Position	Grade Level	Base Hourly Wage Rate (a)	Loaded Wage Factor (b)	Overhead Costs (c)	Hourly Compensation Rate d = a + b + c

[213] Office of Personnel Management, "Salary Table 2022-GS," Jan. 2022, *https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/GS_h.pdf*.
[214] U.S. Environmental Protection Agency, "Wage Rates for Economic Analyses of the Toxics Release Inventory Program," June 1, 2002, *https://www.regulations.gov/document?D=EPA-HQ-OPPT-2014-0650-0005*. DOL has used 17 percent in prior final rules, including the Adverse Effect Wage Rate Methodology for the Temporary Employment of H–2A Nonimmigrants in Non-Range Occupations in the United States final rule (RIN 1205-AC05), Temporary Agricultural Employment of H–2A Nonimmigrants in the United States (RIN 1205-AB89), Cranes and Derricks in Construction: Railroad Roadway Work (RIN 1218-AD07), and Occupational Exposure to Beryllium and Beryllium Compounds in Construction and Shipyard Sectors final rule (RIN 1218-AD29).
[215] BLS, "Employer Costs for Employee Compensation – 2022," May 16, 2023, *https://data.bls.gov/cgi-bin/srgate.* Calculated using Series Id CMU2020000000000D and CMU2020000000000P, CMU2010000000000D and CMU2010000000000P. Average of 2022 Q1-Q4 for private industry total compensation cost per hour worked divided by average of 2022 Q1-Q4 for private industry wages and salaries cost per hour worked.
[216] *Ibid*. Calculated using Series Id CMU3020000000000D and CMU3020000000000P, CMU3010000000000D and CMU3010000000000P. Average of 2022 Q1-Q4 for State and local government total compensation cost per hour worked divided by average of 2022 Q1-Q4 for State and local government wages and salaries cost per hour worked.
[217] DOL "Workforce Innovation and Opportunity Act (WIOA) Common Performance Reporting," OMB Control No. 1205-0526, concluded May 5, 2021, *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202012-1205-003*.
[218] The hourly compensation rates presented in Exhibit 11a, Exhibit 11b, and Exhibit 11c are rounded. Calculations used throughout the regulatory impact analysis (RIA) use the unrounded value. Therefore, numbers may not sum due to rounding for the convenience of the reader.

Position	Grade Level	Base Hourly Wage Rate (a)	Loaded Wage Factor (b)	Overhead Costs (c)	Hourly Compensation Rate d = a + b + c
Training and Development Manager	N/A	$64.84	$27.23 (=$64.84 × 0.42)	$11.02 (=$64.84 × 0.17)	$103.09
Office and Administrative Support Occupation	N/A	$21.62	$9.08 (=$21.62 × 0.42)	$3.68 (=$21.62 × 0.17)	$34.38
Apprentice	N/A	$16.33	$6.86 (=$16.33 × 0.42)	$2.78 (=$16.33 × 0.17)	$25.96
Industry Leader	N/A	$64.15	$26.94 (=$64.15 × 0.42)	$10.91 (=$64.15 × 0.17)	$102.00

Exhibit 11b: Compensation Rates for State Employees (2022 dollars)

Position	Grade Level	Base Hourly Wage Rate (a)	Loaded Wage Factor (b)	Overhead Costs (c)	Hourly Compensation Rate d = a + b + c
Training and Development Manager	N/A	$41.48	$25.72 (=$41.48 × 0.62)	$7.05 (=$41.48 × 0.17)	$74.25
Secretary and Administrative Assistant	N/A	$22.74	$14.10 (=$22.74 × 0.62)	$3.86 (=$22.74 × 0.17)	$40.70
Computer Systems Analyst	N/A	$39.11	$24.25 (=$39.11 × 0.62)	$6.65 (=$39.11 × 0.17)	$70.01

Exhibit 11c: Compensation Rates for Federal Employees (2022 dollars)

Position	Grade Level	Base Hourly Wage Rate (a)	Loaded Wage Factor (b)	Overhead Costs (c)	Hourly Compensation Rate d = a + b + c
Administrative Assistant	GS-7, Step 5	$20.91	$13.17 (=$20.91 × 0.63)	$3.55 (=$20.91 × 0.17)	$37.63

4. Subject-by-Subject Analysis

The Department's subject-by-subject analysis covers the estimated costs and cost savings of the proposed rule. The hourly time burdens and other estimates used to quantify the costs are largely based on the Department's experience with registered apprenticeship.

a. Registered apprenticeship costs.

(1) Rule familiarization.

When the proposed rule becomes final and takes effect, sponsors, employers, and SAAs would need to familiarize themselves with the new regulation, thereby incurring a one-time cost. To estimate the cost of rule familiarization to sponsors, the Department estimates that each sponsor would have a Training and Development Manager (private sector) spend 4 hours reading and reviewing the new rule. The estimate is based on the length and complexity of this rule, and the Department's program experience with previous apprenticeship regulations. This estimate aligns with the time estimate made in the 2016 DOL Apprenticeship Equal Employment Opportunity (EEO) RIA for the time required to read and review the rule. The Department seeks public comment on this estimate. In subsequent years, this cost is only applied to new sponsors. The estimated cost in year 1 is $10,924,835 (= 26,492 sponsors in year 1 × 4 hours × $103.10 per hour). In years 2-10, only new sponsors would incur this cost. In year 2, for example, new sponsors would face a cost of $1,169,764 (= 2,837 new sponsors × 4 hours × $103.10 per hour).

To estimate the cost of rule familiarization to participating employers, the Department estimates that each participating employer would have a Training and Development Manager (private sector) spend 2 hours reading and reviewing the new rule. This estimate was made by dividing the time estimate of 4 hours to read and review the rule from the 2016 DOL Apprenticeship EEO RIA in half. The Department anticipates it will take participating employers less time to read and review the rule since only certain provisions will be relevant to them. The Department seeks public comment on this estimate with the goal of providing refined estimates in the final rule. In subsequent years, this cost is only applied to new participating employers. The estimated cost in year 1 is $8,357,498 (= 40,533 participating employers in year 1 × 2 hours × $103.10 per hour). In years 2-10, only new participating employers would incur this cost. In year 2,

for example, new employers would face a cost of $297,175 (= 1,441 new participating employers × 2 hours × $103.10 per hour).

To estimate the cost of rule familiarization to SAAs, the Department estimates that each SAA would have a Training and Development Manager (State level) spend 4 hours reading and reviewing the new rule. This estimate aligns with the time estimate made in the 2016 DOL Apprenticeship EEO RIA for the time required to read and review the rule. The Department seeks public comment on this estimate with the goal of providing refined estimates in the final rule. This would result in a first-year cost to SAAs of $9,207 (= 31 SAAs × 4 hours × $74.25 per hour). The Department estimates that SAAs would only incur costs from rule familiarization in the first year.

In total, rule familiarization would have annualized costs over the 10-year analysis period of $3.6 million at a discount rate of 3 percent and $3.9 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $30.7 million at a discount rate of 3 percent and $27.6 million at a discount rate of 7 percent.

(2) New requirements for on-the-job training documentation (§ 29.7(b)(3)).

The proposed rule would require sponsors to submit documentation of the industry standard of minimum hours needed to obtain proficiency in the occupation under consideration, and that the minimum hours are not less than 2,000 hours. Programs that do not meet the 2,000-hour minimum requirement would need to update their on-the-job training requirements and submit documentation. There are currently an average of 3,459 programs that have occupations that are competency-based and 2,794 registered apprenticeship programs that have occupations that are hybrid (time-based and competency-based). It is assumed that these programs would not meet the minimum 2,000-hour requirement of on-the-job training and would incur one-time costs to update their requirements. The Department estimates that sponsors would have a Training and

Development Manager (private sector) spend 8 hours updating their on-the-job training requirements and spend 2 hours submitting documentation. These estimates are based on program experience, and the Department seeks public comment on these estimates. In year 1, the Department estimates the cost to be $6,446,568 (= 6,253 occupations with programs with <2,000 hours on-the-job training × 10 hours × $103.10 per hour). In years 2-10, only sponsors with new occupations would need to submit the documentation of training requirements and incur costs.

In total, the annualized cost over the 10-year analysis period of new requirements for on-the-job training documentation is estimated at $733,723 at a discount rate of 3 percent and $857,800 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $6.3 million at a discount rate of 3 percent and $6.0 million at a discount rate of 7 percent.

(3) Wage analysis and career development profile (§ 29.7(b)(2)).

The proposed rule would require sponsors to submit documentation of the typical compensation and career advancement profile for each occupation that places workers in an occupation that leads to a sustainable career. The Department estimates that this new requirement would impose costs on sponsors to submit documentation of the wage analysis and career advancement profile for existing occupations and new and revised occupation determinations. The Department estimates that sponsors would have a Training and Development Manager (private sector) spend 2 hours to develop and submit the documentation for each existing, new, and revised occupation. This estimate aligns with the time estimates for similar activities in the 2019 DOL Industry-Recognized Apprenticeship Programs (IRAP) RIA for the time required to prepare and submit the wage analysis and career development profile. The Department seeks public comment on this estimate with the goal of providing refined estimates in the final rule. This would

result in an annual cost to sponsors of $48,455 (= 235 new and revised occupation determinations × 2 hours × $103.10 per hour).

In total, the annualized cost over the 10-year analysis period of documenting the wage analysis and career development profile is estimated at $48,455 at a discount rate of 3 percent and $48,455 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $413,330 at a discount rate of 3 percent and $340,327 at a discount rate of 7 percent.

(4) DOL-OA occupation determination evaluation process (§ 29.7(c)).

The proposed rule would update the process by which OA evaluates occupation determinations by providing more clarity and being more precise on what is being evaluated including all the new documentation submissions under proposed § 29.7(b). In addition, the proposed rule formalizes the process by which OA solicits feedback from industry leaders on the suitability of an occupation for registered apprenticeship.

The Department estimates that OA would incur costs for a GS-13 manager to spend an additional 4 hours reviewing the new documentation under proposed § 29.7(b) for each occupation application. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to OA for new and revised occupation determinations, with a cost in year 1 of $74,617 (= 235 new and revised occupation determinations × 4 hours × $79.38).

In addition, the Department estimates that industry leaders would spend a total of 2 hours providing feedback on the suitability of an occupation for registered apprenticeship. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to private industry for new and revised occupation determinations, with a cost in year 1 of $47,939 (= 235 new and revised occupation determinations × 2 hours × $102.00).

In total, the annualized cost over the 10-year analysis period of the new OA occupation determination evaluation process is estimated at $122,556 at a discount rate of 3 percent and $122,556 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $1.0 million at a discount rate of 3 percent and $860,786 at a discount rate of 7 percent.

(5) Data collection and reporting (§§ 29.25, 29.8(a), 29.9(b) and (c)).

The proposed rule would create new data collection and reporting requirements for apprentices, participating employers, sponsors, and SAAs. Proposed § 29.25(a) would create new apprentice level data collections, including information on pre-apprenticeship services, occupations, and wage schedules. Proposed § 29.25(b) would create new data collections on program sponsors including information such as participating employers, copies of program standards adoption agreements, participation with credentialing agencies, numbers of new and active apprentices, completed apprentices, out-of-pocket costs by apprentices, earnings from completed apprentices. Proposed § 29.8(a) on standards of apprenticeship would update requirements for the written set of standards of apprenticeship including information on term of the apprenticeship program, and related instruction. Proposed § 29.9 would require sponsors to give the signed apprenticeship agreement to the apprentice and to include new information in the apprenticeship agreements such as descriptions of roles, terms and conditions, end-point assessments, unreimbursed costs, expenses or fees, and credentials.

The Department estimates that complying with these additional data collections and transmitting them to OA would impose additional time burdens on apprentices, sponsors, and SAAs. The majority of these data collections are simple drop down or choice answers similar to the existing form ETA-671 covered under existing ICR 1205-0223.

The Department estimates that apprentices would spend an additional 5 minutes (0.083 hours) providing information to sponsors (proposed § 29.25(a)). This estimate aligns with the time estimate in the supporting statement for Registration and Equal Employment Opportunity in Apprenticeship Programs (OMB Control Number 1205-0223, hereafter referred to as the EEO Supporting Statement), Table 1 for the time apprentices spend on apprenticeship agreements and program registration additions. The Department seeks public comment on this estimate. This would result in an annual cost to apprentices, with a cost in year 1 of $1,455,873 (= 675,557 apprentices × 0.083 hour × $25.96 per hour).

The Department estimates that sponsors would require a Training and Development Manager (private sector) to spend 0.33 hour to provide information on standards of apprenticeship (proposed § 29.8(a)). This estimate aligns with the time estimate in the EEO Supporting Statement, Table 1 for the time sponsors spend updating standards of apprenticeship. The Department seeks public comment on this estimate. The Department estimates that sponsors would also have an office and administrative support staff (private sector) spend 5 minutes (0.083 hour) per apprentice providing additional data on apprentices (proposed § 29.25(a)) and providing the apprenticeship agreement (proposed § 29.9). This estimate aligns with the time estimate in the EEO Supporting Statement, Table 1 for the time sponsors spend providing additional data on apprentices and providing the apprenticeship agreement. The Department seeks public comment on this estimate. Finally, the Department estimates that sponsors would also have an office and administrative support staff (private sector) spend 5 minutes (0.083 hour) per participating employer providing additional data on employers in their programs (proposed § 29.25(b)). This estimate aligns with the time estimate in the EEO Supporting Statement, Table 1 for the time sponsors spend providing additional data on employers in their programs. The Department seeks public comment on this estimate. This would

result in an annual cost to sponsors, with a cost in year 1 of $2,944,441 (= 26,492 programs × 0.33 hour × $103.10 per hour + 675,557 apprentices × 0.083 hour × $34.38 per hour + 40,533 participating employers × 0.083 hour × $34.38 per hour).

The Department estimates that SAAs would have a Training and Development Manager (State level) spend an additional 1.5 hours per sponsor providing additional data to OA (proposed § 29.25(a) and (b), as required by proposed § 29.28). This estimate is made by multiplying the time estimate in the EEO Supporting Statement, Table 1 by 1.5 to account for the added length of the form. The Department seeks public comment on this estimate. This would result in an annual cost to SAAs, with a cost in year 1 of $2,950,515 (= 26,492 sponsors × 1.5 hours × $74.25 per hour).

In total, the annualized cost over the 10-year analysis period of the new data collection and reporting requirements is estimated at $8.64 million at a discount rate of 3 percent and $8.55 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $73.7 million at a discount rate of 3 percent and $60.0 million at a discount rate of 7 percent.

(6) Program registration (§ 29.10).

The proposed rule would require sponsors that submit new applications to include additional information in their applications including a narrative on how they are working with the workforce system, information on their financial capacity and other resources to operate the proposed program, and any history of violations. OA and SAAs would need to review this new information when making a registration determination.

The Department estimates that sponsors would have a Training and Development Manager (private sector) spend 1 hour submitting the additional information with applications for new programs. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to

sponsors submitting new program applications, with a cost in year 1 of $284,874 (2,763 new programs × 1 hour × $103.10 per hour).

Each Registration Agency would spend additional time reviewing the added information to registration applications. The Department estimates that SAAs would have a Training and Development Manager (State level) spend 0.5 hour reviewing the additional information. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to SAAs based on the number of new registration applications they would review. The Department assumes they would review the same proportion of new registration applications as there are programs registered with SAAs (58.2 percent, on average between 2019 and 2022), with a cost in year 1 of $59,730 (= 2,763 new program registrations × 58.2% × 0.5 hour × $74.25 per hour).

The Department estimates that OA would have a GS-13 level employee spend 0.5 hour reviewing the additional information. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to OA based on the number of new registration applications they would review (41.8 percent), with a cost in year 1 of $45,814 (= 2,763 new program registrations × 41.8% × 0.5 hour × $79.38 per hour).

In total, the annualized cost over the 10-year analysis period of the new program registration requirements is estimated at $434,561 at a discount rate of 3 percent and $431,342 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $3.7 million at a discount rate of 3 percent and $3.0 million at a discount rate of 7 percent.

(7) Reporting for program standards adoption agreement (§ 29.11).

The proposed rule would require non-collectively bargained programs to include requirements that participating employers would adopt and comply with the sponsor's

standards of apprenticeships as well as applicable requirements under 29 CFR part 30. This primarily formalizes existing arrangements between employers and sponsors. In addition to formalizing these agreements, they must be transmitted by the sponsor to OA, thereby imposing a new burden on sponsors.

The Department estimates that sponsors that have non-collectively bargained programs would have a Training and Development Manager (private sector) spend 1 hour transmitting the adoption agreements with employers to OA. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to sponsors with non-collectively bargained programs of $217,738 (= 2,112 average annual non-collectively bargained programs × 1 hour × $103.10).

In total, the annualized cost over the 10-year analysis period of the program standards adoption agreement provision is estimated at $217,738 at a discount rate of 3 percent and $217,738 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $1.9 million at a discount rate of 3 percent and $1.5 million at a discount rate of 7 percent.

(8) National Occupational Standards for Apprenticeship, National Program Standards for Apprenticeship, and National Guidelines for Apprenticeship Standards (§§ 29.13 through 29.15).

The proposed rule would allow OA to create National Occupational Standards for Apprenticeship that would be suitable for adoption by program sponsors. This would extend existing work to identify and characterize competency-based occupational frameworks and ensure they meet the new standards of proposed § 29.7. The Department estimates that a GS-13 level employee would require 40 hours to commission each new national occupational standard. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost of

$47,628 (= 15 annual new national occupation determinations × 40 hours × $79.38 per hour).

In total, the annualized cost over the 10-year analysis period of commissioning National Occupational Standards for Apprenticeship is estimated at $47,628 at both a discount rate of 3 percent and 7 percent. The total cost over the 10-year analysis period is estimated at $406,277 at a discount rate of 3 percent and $334,519 at a discount rate of 7 percent.

(9) End-point assessments (§ 29.16).

The proposed rule would require sponsors to conduct an end-point assessment with the apprentice after their completion of the registered apprenticeship program. The end-point assessment would objectively measure the apprentice's acquisition of the relevant knowledge, skills, and competencies necessary to demonstrate proficiency in the occupation covered by the program. The Department understands that many sponsors already perform end-point assessments but does not have data on how many do so. Therefore, the Department estimates the costs based on all sponsors conducting end-point assessments as a result of the proposed rule. The Registration Agency would award a Certificate of Completion to the apprentice after successful completion of the end-point assessment.

The Department estimates that apprentices would spend 1 hour working with the sponsor answering questions and completing the end-point assessment. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to apprentices, with a cost in year 1 of $17,540,640 (= 675,557 apprentices × 1 hour × $25.96 per hour). The Department estimates that sponsors would also have a Training and Development Manager (private sector) spend 1 hour working with the apprentices to assess their proficiency in the occupation covered by the program. This estimate is based on program experience, and

the Department seeks public comment on this estimate. This would result in an annual cost to sponsors, with a cost in year 1 of $69,646,975 (= 675,557 apprentices × 1 hour × $103.10). The Department estimates the Registration Agency would have a GS-7 staff spend 15 minutes (0.25 hour) per program awarding a Certificate of Completion to each apprentice after successful completion of the end-point assessment. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost, with a cost in year 1 of $249,276 (= 26,492 × 0.25 hour × $37.64 per hour).

In total, the annualized cost over the 10-year analysis period of the end-point assessment requirements is estimated at $105.3 million at a discount rate of 3 percent and $104.0 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $898.5 million at a discount rate of 3 percent and $730.7 million at a discount rate of 7 percent.

(10) Recordkeeping (§ 29.18).

The proposed rule would require participating employers to record and maintain additional information on end-point assessments and safety records. The Department estimates that office and administrative support staff (private sector) would spend 4 hours recording and maintaining the additional information. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would result in an annual cost to participating employers, with a cost in year 1 of $5,573,384 (= 40,533 participating employers × 4 hours × $34.38 per hour).

In total, the annualized cost over the 10-year analysis period of this recordkeeping requirement is estimated at $6.42 million at a discount rate of 3 percent and $6.36 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $54.7 million at a discount rate of 3 percent and $44.6 million at a discount rate of 7 percent.

(11) Program reviews (§ 29.19).

The proposed rule would require Registration Agencies to conduct periodic program reviews at least every 5 years. Program reviews can consist of off-site reviews such as desk audits of submitted records or on-site reviews at the workplace of the sponsor or participating employer, and could involve examination and copying of relevant documents or interviews. The Registration Agency must also present a Notice of Program Review Findings to the sponsor. If a sponsor receives a Notice of Program Review Findings that indicates a failure of compliance, the sponsor must develop a compliance action plan that details a commitment to remediate the areas of noncompliance, precise actions to be taken, the time period over which the deficiency would be remedied, and identification of individuals responsible for corrections of deficiencies.

The Department assumes that 20 percent of program sponsors would be subject to program reviews annually, such that in a 5-year period all program sponsors would be reviewed. The Department estimates that OA would conduct annual program reviews for 8.4 percent of sponsors based on the proportion of programs registered by OA and that a GS-13 level employee would spend 40 hours conducting each program review. This estimate aligns with the time estimate made in the 2016 Apprenticeship EEO RIA for the time required to conduct compliance reviews. The Department seeks public comment on this estimate. This would result in an annual cost to OA, with a cost in year 1 of $7,027,755 (= 26,492 sponsors in year 1 × 8.4% × 40 hours × $79.38 per hour).

The Department estimates that SAAs would conduct annual program reviews for the remaining 11.6 percent of sponsors and that a Training and Development Manager (State level) would spend 40 hours conducting each program review. This estimate aligns with the time estimate made in the 2016 Apprenticeship EEO RIA for the time required to conduct compliance reviews. The Department seeks public comment on this estimate.

This would result in an annual cost to SAAs, with a cost in year 1 of $9,162,569 (= 26,492 sponsors in year 1 × 11.6% × 40 hours × $74.25 per hour).

The Department estimates that 20 percent of sponsors would be found noncompliant and need to develop a compliance action plan. The Department thinks this estimate is reasonable due to the number of new program requirements that sponsors would need to implement but seeks public comment on this estimate. The Department estimates that a Training and Development Manager (private sector) would require 8 hours to develop and write the compliance action plan and 0.17 hour to submit it electronically. These estimates are based on program experience, and the Department seeks public comment on these estimates. This would result in an annual cost to sponsors, with a cost in year 1 of $892,559 (= 26,492 sponsors in year 1 × 20% undergoing program reviews × 20% found noncompliant × 8.17 hours × $103.10 per hour).

In total, the annualized cost over the 10-year analysis period of program reviews is estimated at $19.7 million at a discount rate of 3 percent and $19.5 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $167.8 million at a discount rate of 3 percent and $136.8 million at a discount rate of 7 percent.

(12) Data sharing (§ 29.28).

The proposed rule would require SAAs to furnish OA with apprenticeship-related data applicable to proposed §§ 29.25 and 29.28. Most SAAs already use RAPIDS and therefore would not face costs to develop software or IT infrastructure as a result of this provision. For the three SAAs that do not currently use RAPIDS, the Department assumes that they would face costs associated with developing the software and IT infrastructure as well as new costs for compiling and submitting their apprenticeship data. The Department assumes that all SAAs would face new costs for compiling and submitting their apprenticeship data.

The Department estimates that the three SAAs not using RAPIDS would face a one-time cost associated with software and IT systems infrastructure of $100,000 and $50,000 in licensing costs. The Department also assumes that they would face annual costs associated with consulting costs and system maintenance of $75,000. This would result in costs to SAAs not using RAPIDS of $2,475,000 in the first year (= 11 SAAs not using RAPIDS × $225,000 for system infrastructure, licensing, and consulting and maintenance costs) and annual costs in years 2-10 of $825,000 (= 11 SAAs not using RAPIDS × $75,000 for annual consulting and system maintenance costs).

The Department estimates that all SAAs would have a Training and Development Manager (State level) spend 32 hours compiling and submitting apprenticeship data. This estimate aligns with time estimates for similar activities in the 2016 WIOA RIA. The Department seeks public comment on this estimate. The Department further estimates that all SAAs would have 3 computer systems analysts (State level) spend 80 hours each working to help compile and submit apprenticeship data. This estimate aligns with time estimates for similar activities in the 2016 WIOA RIA for the time required to compile and submit apprenticeship data. The Department seeks public comment on this estimate. Finally, the Department estimates that all SAAs would have an office and administrative support staff (State level) spend 72 hours to assist with compiling and submitting apprenticeship data. This estimate aligns with time estimates for similar activities in the 2016 WIOA RIA. The Department seeks public comment on this estimate. This would result in an annual cost to SAAs of $685,359 (= 31 SAAs × 32 hours × $74.25 per hour + 31 SAAs × 240 hours × $70.01 per hour + 31 SAAs × 72 hours × $40.70 per hour).

In total, the annualized cost over the 10-year analysis period for data sharing is estimated at $1.70 million at a discount rate of 3 percent and $1.73 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $14.5 million at a discount rate of 3 percent and $12.1 million at a discount rate of 7 percent.

(13) SAA reciprocity of registrations (§ 29.26(d)).

In order to obtain or maintain full or provisional recognition status, SAAs would be required to establish a process and criteria for providing approval to apprentices, apprenticeship programs, and standards of apprenticeship. Under this requirement, SAAs would face a burden to develop and write a reciprocity statement. The Department estimates that each SAA would have a Training and Development Manager (State level) spend 4 hours to develop and write the reciprocity statement. This estimate is based on program experience, and the Department seeks public comment on this estimate. This would be a one-time cost resulting in a first-year cost of $9,207 (= 31 SAAs × 4 hours × $74.25 per hour). In total, the annualized cost over the 10-year analysis period is estimated at $1,048 at a discount rate of 3 percent and $1,225 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $8,939 at a discount rate of 3 percent and $8,605 at a discount rate of 7 percent.

(14) Submission of State Apprenticeship Plan (§ 29.27).

In order to maintain recognition as an SAA, each SAA would be required to submit a State Apprenticeship Plan every 4 years, beginning in 2026. The State Apprenticeship Plan would contain strategic planning elements such as goals for expansion; promotion of DEIA; a narrative describing workforce development activities; and a description of its strategy and initiatives for ensuring its registered apprenticeship programs feature high-quality apprenticeships. The State Apprenticeship Plan also would include operational planning elements such as regulatory documentation, State EEO plan, complaint investigation plan, technical assistance plan, performance reporting process, program review plan, registration standards, reciprocity policy, and data sharing policy. Finally, the State Apprenticeship Plan would include a variety of assurances that the State would abide by relevant regulatory requirements, registration requirements, resource availability, and information availability. Under this requirement, SAAs would face a

burden to write and document these requirements, and then submit their State Apprenticeship Plan.

The Department estimates that each SAA would have a Training and Development Manager (State level) spend 86 hours to develop, write, review, and submit the State Apprenticeship Plan. This estimate aligns with the time estimate made in the 1205-0522 Supporting Statement for WIOA State Plans for the time required to write state plans. The Department seeks public comment on this estimate. This periodic cost would occur every 4 years, beginning in 2026. Therefore, SAAs would face costs in years 2, 6, and 10 of $197,948 (= 31 SAAs × 86 hours × $74.25 per hour). In total, the annualized cost over the 10-year analysis period is estimated at $58,575 at a discount rate of 3 percent and $57,723 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $499,656 at a discount rate of 3 percent and $405,424 at a discount rate of 7 percent.

b. CTE costs.

(1) Rule familiarization.

When the proposed rule becomes final and takes effect, registered CTE apprenticeship program sponsors, participating employers, and SAAs would need to familiarize themselves with the new regulation, thereby incurring a one-time cost. To estimate the cost of rule familiarization to sponsors, the Department estimates that each registered CTE apprenticeship program sponsor would have a Training and Development Manager (private sector) spend 4 hours reading and reviewing the new rule. This estimate aligns with the time estimate made in the 2016 DOL EEO Apprenticeship RIA for the time required to read and review the rule. The Department seeks public comment on this estimate. In subsequent years, this cost is only applied to new registered CTE apprenticeship program sponsors. The estimated cost in year 1 is $56,566 (= 137 sponsors in year 1 × 4 hours × $103.10 per hour). In years 2-10, only new sponsors

would incur this cost. In years 2-10, new sponsors would face a cost of $169,699 (= 412 new sponsors × 4 hours × $103.10 per hour).

To estimate the cost of rule familiarization to participating employers, the Department estimates that each participating employer would have a Training and Development Manager (private sector) spend 2 hours reading and reviewing the new rule. This estimate was made by dividing the time estimate of 4 hours to read and review the rule from the 2016 DOL EEO Apprenticeship RIA in half. The Department anticipates it will take participating employers less time to read and review the rule since only certain provisions will be relevant to them. The Department seeks public comment on this estimate. In subsequent years, this cost is only applied to new CTE participating employers. The estimated cost in year 1 is $43,273 (= 210 participating employers in year 1 × 2 hours × $103.10 per hour). In years 2-10, only new participating employers would incur this cost. In year 2, for example, new employers would face a cost of $129,820 (= 630 new participating employers × 2 hours × $103.10 per hour).

To estimate the cost of rule familiarization to SAAs, the Department estimates that each CTE SAA would have a Training and Development Manager (State level) spend 4 hours reading and reviewing the new rule. This estimate aligns with the time estimate made in the 2016 DOL EEO Apprenticeship RIA for the time required to read and review the rule. The Department seeks public comment on this estimate. This would result in an annual cost to new CTE SAAs, with an estimated year 1 cost of $297 (= 1 CTE SAAs × 4 hours × $74.25 per hour).

In total, rule familiarization would have annualized costs over the 10-year analysis period of $278,274 at a discount rate of 3 percent and $274,349 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $2.4 million at a discount rate of 3 percent and $1.9 million at a discount rate of 7 percent.

(2) Development of industry skills frameworks (§ 29.24(b)).

The proposed rule would require OA to develop industry skills frameworks. OA would be required to develop training outlines that provide a structure for developing the personal effectiveness, academic, and workplace competencies required by an industry. The proposed rule would require the industry skills frameworks to describe the core competencies to be developed across an industry and must specify an on-the-job training outline detailing the minimum number of on-the-job training hours apprentices must attain in order to meet the specific benchmarks required by an industry.

The Department assumes that OA would develop a specific industry skills framework for 16 industries[219] participating in the program and estimates that OA would have a GS-13 level employee spend 80 hours per industry developing the training material and course content. This estimate aligns with the time estimate made in the 2020 DOL IRAP rule for the time required to develop a training plan. The Department seeks public comment on this estimate. The Department assumes that it can develop 8 industry skills frameworks per year and therefore that it will develop 8 in year 1 and 8 in year 2. The Department also assumes there will be engagement from industry leaders to support the review of the industry skills frameworks and industry leaders will spend a total of 2 hours providing their support for this review. This estimate is based on program experience, and the Department seeks public comment on this estimate.

To estimate the costs to OA associated with developing industry skills frameworks, the Department multiplied the anticipated number of industry skills frameworks developed per year by the hour burden to develop the Skills Frameworks and by the GS-13 (Federal) loaded hourly wage. In years 1-2, the Department estimates costs

[219] The basis for the 16 industries is the 16 Career Clusters that were created by Advance CTE on behalf of ED. Advance CTE, "Career Clusters," https://careertech.org/career-clusters (last visited Oct. 23, 2023).

to OA associated with developing industry skills frameworks to be $50,803 per year (= 8 industry skills frameworks × 80 hours × $79.38 per hour).

To estimate the costs to industry leaders associated with supporting the development of the industry skills frameworks, the Department multiplied the anticipated number of industry skills frameworks developed per year by the hour burden to develop the Skills Frameworks and by the industry leader's loaded hourly wage. In years 1-2, the Department estimates costs to industry leaders associated with supporting the development of the industry skills frameworks to be $1,632 per year (= 8 industry skills frameworks × 2 hours × $102 per hour).

In total, the annualized cost over the 10-year analysis period for program sponsors to develop industry skills frameworks is estimated at $11,762 at a discount rate of 3 percent and $13,498 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $100,333 at a discount rate of 3 percent and $94,804 at a discount rate of 7 percent.

(3) CTE apprenticeship program registration applications (§ 29.24(d)(2)).

The proposed rule would require a prospective program sponsor to electronically submit to a Registration Agency an application that includes written plans and assurances. The Department anticipates the program sponsor's Training and Development Manager (private sector) would spend 10 hours carrying out the duties associated with CTE apprenticeship registration applications. This estimate is based on program experience, and the Department seeks public comment on this estimate.

To estimate the costs associated with CTE apprenticeship program registration applications, the Department multiplied the number of anticipated program sponsors in each year by the hour burden to compile application information and by the Training and Development Manager (private sector) loaded hourly wage. In year 1, the Department estimates costs associated with compiling and submitting program applications to be

$141,416 (= 137 program sponsors × 10 hours × $103.10 per hour). In year 2, the Department estimates costs associated with compiling and submitting program applications to be $424,249 (= 412 new program sponsors × 10 hours × $103.10 per hour).

In total, the annualized cost over the 10-year analysis period for program sponsors to compile and submit program applications is estimated at $392,058 at a discount rate of 3 percent and $386,614 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $3.3 million at a discount rate of 3 percent and $2.7 million at a discount rate of 7 percent.

(4) Selection of diverse and inclusive cross-section of students (§ 29.24(d)(2)(v)(A)).

The proposed rule would require program sponsors to ensure a diverse and inclusive cross-section of students is selected for participation. The Department assumes that in order to be compliant with the proposed rule, program sponsors would ensure that information is distributed regularly to underserved communities. The Department anticipates the program sponsor's human resources (HR) manager and administrative assistant would spend 0.5 hours, respectively, carrying out the duties associated with distributing information. This estimate aligns with the time estimate made in the 2016 EEO Apprenticeship RIA for the time spent on outreach to students from underserved communities. The Department seeks public comment on this estimate.

To estimate the costs associated with ensuring a diverse and include cross-sections of students are selected, the Department multiplied the anticipated number of program sponsors per year by the hour burden to distribute information to underserved communities and by the HR manager as well as the administrative assistant loaded hourly wage (private sector), respectively. In year 1, the Department estimates costs associated with distributing information to underserved communities to be $10,086 (= 137 program

sponsors × 0.5 hours × $32.93 per hour + 137 program sponsors × 0.5 hours × $114.13 per hour).

In total, the annualized cost over the 10-year analysis period for program sponsors to ensure a diverse and inclusive cross-section of students is selected is estimated at $138,880 at a discount rate of 3 percent and $129,487 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $1.2 million at a discount rate of 3 percent and $909,461 at a discount rate of 7 percent.

(5) Sponsor oversight of participating employers (§ 29.24(d)(4)).

The proposed rule would impose costs on sponsors to ensure that each of the employers that participate in the program adheres to all requirements of the proposed rule. The Department anticipates the program sponsor's HR manager would spend 8 hours performing the duties associated with overseeing the participating employers. This estimate is based on program experience, and the Department seeks public comment on this estimate.

To estimate the costs associated with sponsor oversight of participating employers, the Department multiplied the number of program sponsors anticipated each year by the hour burden to ensure participating employers adhere to all the requirements of the proposed rule and by the HR manager hourly wage (private sector). In year 1, the Department estimates the costs associated with the oversight of participating employers to be $125,424 (= 137 program sponsors × 8 hours × $114.13 per hour).

In total, the annualized cost over the 10-year analysis period for program sponsors to oversee participating employers is estimated at $1.7 million at a discount rate of 3 percent and $1.6 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $14.7 million at a discount rate of 3 percent and $11.3 million at a discount rate of 7 percent.

(6) CTE apprenticeship agreement (§ 29.24(e)).

The proposed rule would require all program sponsors registered by a Registration Agency to develop and establish a written CTE apprenticeship agreement that contains the terms and conditions of the employment, education, and training of the CTE apprentice. The Department anticipates the program sponsor's Training and Development Manager (private sector) would spend 0.167 hours performing the duties associated with the CTE apprenticeship agreements. This estimate aligns with the time estimate made in the 2020 DOL IRAP rule for the time required to prepare and sign the apprenticeship agreement. The Department seeks public comment on this estimate.

To estimate the costs associated with the CTE apprenticeship agreement, the Department multiplied the number of CTE apprentices anticipated to participate each year by the hour burden for program sponsors to prepare and sign the CTE apprenticeship agreement and by the Training and Development Manager wage (private sector). In year 1, the Department estimates the costs associated with preparing and signing CTE apprenticeship agreements to be $55,263 (= 3,210 CTE apprentices × 0.167 hours × $103.10 per hour).

In total, the annualized cost over the 10-year analysis period for program sponsors to develop written CTE apprenticeship agreements is estimated at $421,712 at a discount rate of 3 percent and $395,717 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $3.6 million at a discount rate of 3 percent and $2.8 million at a discount rate of 7 percent.

(7) Credentials upon completion of program (§ 29.24(f)).

The proposed rule would impose costs on the Registration Agency to provide a nationally recognized certificate of completion of registered CTE apprenticeship and any other industry-recognized credential to students who meet the graduation requirements for the registered CTE apprenticeship program. The Department estimates that OA would

issue 41.8 percent of the total credentials based on the proportion of certificates issued by SAAs (58.2 percent). The Department anticipates that the duties associated with issuing completion credentials would be performed by a GS-13 level employee who would spend 0.25 hour providing a certificate of completion of registered CTE apprenticeship and other credentials to students. This estimate aligns with the time estimate made in the RAP section of this RIA for the time required to provide a certificate of compliance to each sponsor. The Department seeks public comment on this estimate. To estimate the costs associated with OA providing completion credentials to students, the Department multiplied the number of CTE apprentices anticipated to receive certificates each year by the hour burden for OA to prepare and issue the certificates and by the GS-13 wage (public sector). The Department assumes that the first cohort of students to receive completion credentials would be eligible beginning in year 2, and estimates the costs to OA associated with providing completion credentials to be $26,609 (= 3,210 CTE apprentices × 41.8% × 0.25 hour × $79.38 per hour).

The Department estimates that SAAs would issue 58.2 percent of the total credentials based on the anticipated total number of CTE apprentices per year. The Department anticipates that the duties associated with issuing completion credentials would be performed by a Training and Development Manager (public sector) who would spend 0.25 hour providing a certificate of completion of registered CTE apprenticeship and other credentials to students. This estimate aligns with the time estimate made in the RAP section of this RIA for the time required to provide a certificate of compliance to each sponsor. The Department seeks public comment on this estimate. To estimate the costs associated with SAAs providing completion credentials to students, the Department multiplied the number of CTE apprentices anticipated to receive certificates each year by the hour burden for SAAs to prepare and issue the certificates and by the Training and Development Manager wage (public sector). In year 2, the Department estimates the

costs to SAAs associated with providing completion credentials to be $34,692 (= 3,210 CTE apprentices × 58.2%× 0.25 hour × $74.25 per hour).

In total, the annualized cost over the 10-year analysis period for OA and SAAs to issue completion credentials is estimated at $376,291 at a discount rate of 3 percent and $348,039 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $3.2 million at a discount rate of 3 percent and $2.4 million at a discount rate of 7 percent.

(8) Program registration (§ 29.24(g)(1)).

The proposed rule would require Registration Agencies to review CTE apprenticeship program registration applications and determine whether the program is eligible for registration within 90 days of receipt. Additionally, Registration Agencies would have to inform applicants in writing of decisions regarding program registration.

The Department estimates that OA would register 41.8 percent of programs based on the proportion of programs that are typically registered by SAAs (58.2 percent). The Department anticipates that the duties of reviewing applications and making a determination would be performed by a GS-13 level employee who would spend 2 hours reviewing program registration applications and informing applicants of their decision. This estimate is based on program experience, and the Department seeks public comment on this estimate. To estimate the costs associated with OA reviewing CTE apprenticeship program registration applications and informing applicants of their decision, the Department multiplied the number of programs typically registered by OA by the hour burden for OA to review program registration applications and by the GS-13 hourly wage. This would result in an annual cost to OA, with a cost in year 1 of $9,097 (= 137 program sponsors × 41.8% × 2 hours × $79.38 per hour).

The Department estimates that SAAs would register 58.2 percent of programs, and the time required for a Training and Development Manager to review program

registration applications and inform applicants of their decision would be consistent with that of OA's at 2 hours. This estimate is based on program experience, and the Department seeks public comment on this estimate. To estimate the costs associated with SAAs reviewing CTE apprenticeship program registration applications and informing applicants of their decision, the Department multiplied the number of programs typically registered by SAAs by the hour burden for SAAs to review program registration applications and by the Training and Development Manager (State level) hourly wage. This would result in an annual cost to SAAs, with a cost in year 1 of $11,860 (= 137 program sponsors × 58.2% × 2 hours × $74.25 per hour).

In total, the annualized cost over the 10-year analysis period for Registration Agencies to review CTE apprenticeship program registration applications and inform applicants of their decision is estimated at $58,102 at a discount rate of 3 percent and $57,295 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $495,622 at a discount rate of 3 percent and $402,418 at a discount rate of 7 percent.

(9) Technical assistance and other support (§ 29.24(g)(2)).

The proposed rule would require Registration Agencies to provide outreach, technical assistance, and other support to potential sponsors to support the adoption of registered CTE apprenticeship.

The Department estimates that OA would provide technical assistance to 41.8 percent of program sponsors based on the proportion of programs that are typically registered by OA. The Department anticipates that the time required for a GS-13 level employee to provide technical assistance and other support to sponsors would be 3 hours. This estimate aligns with time estimates for similar activities in the 2016 WIOA RIA. The Department seeks public comment on this estimate. To estimate the costs associated with OA providing technical assistance, the Department multiplied the number of

programs typically registered by OA, and thus receiving technical assistance from OA, by the hour burden for OA to provide technical assistance and by the GS-13 hourly wage. This would result in an annual cost to OA, with a cost in year 1 of $13,646 (= 137 program sponsors × 41.8% × 3 hours × $79.38 per hour).

The Department estimates that SAAs would provide technical assistance to 58.2 percent of program sponsors based on the proportion of programs that are typically registered by SAAs. The Department anticipates that the time required for a Training and Development Manager to provide technical assistance and other support to sponsors would be 3 hours. This estimate aligns with time estimates for similar activities in the 2016 WIOA RIA. The Department seeks public comment on this estimate. To estimate costs associated with SAAs providing technical assistance, the Department multiplied the number of programs typically registered by SAAs, and thus receiving technical assistance from SAAs, by the hour burden for SAAs to provide technical assistance and by the Training and Development Manager (State level) hourly wage. This would result in an annual cost to SAAs, with a cost in year 1 of $17,791 (= 137 program sponsors × 58.2% × 3 hours × $74.25 per hour).

In total, the annualized cost over the 10-year analysis period for Registration Agencies to provide outreach, technical assistance, and other support to potential sponsors is estimated at $432,862 at a discount rate of 3 percent and $403,586 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $3.7 million at a discount rate of 3 percent and $2.8 million at a discount rate of 7 percent.

(10) Program reviews (§ 29.24(g)(4)).

The proposed rule would require Registration Agencies to conduct reviews of registered CTE apprenticeship programs at least every 5 years. Program reviews can consist of off-site reviews such as desk audits of submitted records or on-site reviews at

the workplace of the sponsor. On-site reviews could involve copying of relevant documents and interviews with employees, CTE apprentices, journeyworkers, supervisors, managers, and hiring officials. The Registration Agency must also provide a written Notice of Program Review Findings to the sponsor. If a sponsor receives a Notice of Program Review Findings that indicates a failure of compliance, the sponsor must develop a compliance action plan or submit a written rebuttal to the Registration Agency.

The Department assumes that 20 percent of program sponsors would be subject to program reviews annually, such that in a 5-year period all program sponsors would be reviewed. The Department estimates that OA would conduct annual program reviews for 8.4 percent of sponsors based on the proportion of programs registered by OA and that a GS-13 level employee would spend 40 hours conducting each program review. This estimate aligns with the time estimate made in the RAP section of this RIA for the time required to conduct program reviews. The Department seeks public comment on this estimate. This would result in an annual cost to OA, with a cost in year 1 of $36,388 (= 137 sponsors in year 1 × 8.4% × 40 hours × $79.38 per hour).

The Department estimates that SAAs would conduct annual program reviews for the remaining 11.6 percent of sponsors and that a Training and Development Manager (State level) would spend 40 hours conducting each program review. This estimate aligns with the time estimate made in the RAP section of this RIA for the time required to conduct program reviews. The Department seeks public comment on this estimate. This would result in an annual cost to SAAs, with a cost in year 1 of $47,442 (= 137 sponsors in year 1 × 11.6% × 40 hours × $74.25 per hour).

The Department estimates that 20 percent of sponsors would be found noncompliant and need to develop a compliance action plan. The Department estimates that a Training and Development Manager (private sector) would require 8 hours to develop the compliance action plan and 0.17 hour to submit it electronically. These

estimates align with the time estimates made in the RAP section of this RIA for the time required to develop and submit the compliance action plan. The Department seeks public comment on these estimates. This would result in an annual cost to sponsors, with a cost in year 1 of $4,621 (= 137 sponsors in year 1 × 20% undergoing program reviews × 20% found noncompliant × 8.17 hours × $103.10 per hour).

In total, the annualized cost over the 10-year analysis period of program reviews is estimated at $1.2 million at a discount rate of 3 percent and $1.1 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $10.4 million at a discount rate of 3 percent and $8.0 million at a discount rate of 7 percent.

(11) Request for reconsideration of program registration status (§ 29.24(g)(5) through (7)).

The proposed rule would allow sponsors to file a request for reconsideration if their initial application is denied, renewal of the registration of a program is denied, or the program is deregistered. It would also require Registration Agencies to review the request and issue a written explanation of their final decision.

The Department assumes that 25 percent of program sponsors would submit a request for reconsideration annually but seeks public comment on this assumption. The Department thinks this estimate is reasonable due to the level of coordination required for this model and since the program is new. The estimate is also based on the Department's experience with registered apprenticeship. The Department also assumes that the duties associated with preparing and submitting requests for reconsideration for program sponsors would be performed by a Training and Development Manager (private sector) who would spend 6 hours preparing requests. This estimate is based on program experience, and the Department seeks public comment on this estimate. In year 1, the Department estimates the costs for program sponsors associated with requests for reconsideration to be $21,212 (= 137 sponsors × 25% requesting consideration × 6 hours

× $103.10 per hour). In year 2, the Department estimates the costs for new program sponsors associated with new requests for reconsideration to be $63,637 (= 412 new sponsors × 25% requesting consideration × 6 hours × $103.10 per hour).

The Department assumes that 41.8 percent of programs will be registered by OA. The Department also assumes that the duties associated with Registration Agencies reviewing requests for reconsideration for OA will be performed by a GS-13 level employee who will spend 2 hours reviewing requests. This estimate is based on program experience, and the Department seeks public comment on this estimate. In year 1, the Department estimates the costs for OA associated with requests for reconsideration to be $2,274 (= 137 sponsors × 41.8% registered by OA × 25% requesting consideration × 2 hours × $79.38 per hour). In year 2, the Department estimates costs for OA associated with new request for reconsideration to be $6,823 (= 412 new sponsors × 41.8% registered by OA × 25% requesting consideration × 2 hours × $79.38 per hour).

The Department assumes that 58.2 percent of program sponsors will be registered by SAAs. The Department also assumes that the duties associated with Registration Agencies reviewing requests for reconsideration for SAAs will be performed by a Training and Development Manager (private sector) who will spend 2 hours reviewing requests. This estimate is based on program experience, and the Department seeks public comment on this estimate. In year 1, the Department estimates costs for SAAs associated with request for reconsideration to be $2,965 (= 137 sponsors × 58.2% registered by SAAs × 25% requesting consideration × 2 hours × $74.25 per hour). In year 2, the Department estimates costs for SAAs associated with new request for reconsideration to be $8,895 (= 412 new sponsors × 58.2% registered by SAAs × 25% requesting consideration × 2 hours × $74.25).

In total, the annualized cost over the 10-year analysis period associated with requests for reconsideration of program status is estimated at $73,334 at a discount rate of

3 percent and $72,316 at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $625,555 at a discount rate of 3 percent and $507,917 at a discount rate of 7 percent.

(12) Data and quality metrics; submission to Registration Agency (§ 29.24(g)(9)).

The proposed rule would require CTE apprentices to provide their information to program sponsors. The Department assumes that CTE apprentices would spend 0.16 hour providing their information to program sponsors. This estimate aligns with the time estimate made in the RAP section of this RIA for the time apprentices spend providing their information to program sponsors. The Department seeks public comment on this estimate. To calculate the costs for CTE apprentices associated with providing information to program sponsors, the Department multiplied the number of anticipated CTE apprentices each year by the hour burden to provide information and by the CTE apprentice hourly wage (private sector). In year 1, the Department estimates the costs for CTE apprentices to provide their information to program sponsors to be $13,835 (= 3,210 CTE apprentices × 0.16 hour × $25.96 per hour).

The proposed rule would require program sponsors to spend time compiling and sending to OA data on CTE apprentices, participating employers, and themselves. The Department assumes program sponsors would spend 0.167 hour (10 minutes) compiling and sending data on CTE apprentices, 0.167 hour on participating employers, and 0.67 hour on themselves. These estimates align with the time estimates made in the RAP section of this RIA for the time required to compile and send data. The Department seeks public comment on these estimates. The Department also assumes that the duties associated with the hour burden to compile and send data would be performed by a Training and Development Manager (private sector). To calculate the costs to program sponsors associated with compiling and sending data, the Department multiplied the number of CTE apprentices, program sponsors, and employers anticipated each year by

the respective hour burden to compile and send data and by the Training and Development Manager wage (private sector). In year 1, the Department estimates the costs to program sponsors associated with compiling and sending data to be $67,857 (= 3,210 CTE apprentices × 0.167 hour × $103.10 per hour + 210 participating employers × 0.167 hour × $103.10 per hour + 137 program sponsors × 0.67 hour × $103.10 per hour).

The Department assumes that the duties associated with compiling and developing reports to be made publicly available would be performed by a GS-13 level employee who would spend 60 hours compiling and developing reports. This estimate is based on program experience, and the Department seeks public comment on this estimate. To calculate the costs for OA associated with compiling and developing reports, the Department multiplied the hour burden to compile and develop reports by the GS-13 wage. In year 1, the Department estimates the costs to OA associated with compiling and developing reports to be $4,763 (= 60 hours × $79.38 per hour).

The proposed rule would require CTE SAAs to compile and submit all CTE apprenticeship-related data. The Department assumes that the duties associated with compiling and submitting CTE apprenticeship-related data would be performed by management, computer systems, and administrative staff who would spend 32 hours, 240 hours, and 72 hours, respectively, compiling and submitting data. These assumptions are consistent with the assumptions in registered apprenticeship for similar activities. Additionally, the Department assumes that CTE SAAs would spend 40 hours compiling and developing reports to be made publicly available. This estimate is based on program experience, and the Department seeks public comment on this estimate. In year 1, the Department estimates the costs to CTE SAAs associated with compiling and developing reports to be $25,078 (= 1 CTE SAA × 32 hours × $74.25 per hour + 1 SAA × 240 hours × $70.01 per hour + 1 SAA × 72 hours × $40.70 per hour + 1 SAA × 40 hours × $74.25 per hour).

In total, the annualized costs over the 10-year analysis period associated with data quality and metrics are estimated at $1.3 million at a discount rate of 3 percent and $1.2 million at a discount rate of 7 percent. The total cost over the 10-year analysis period is estimated at $10.7 million at a discount rate of 3 percent and $8.2 million at a discount rate of 7 percent.

5. Summary of Costs

This proposed rule would result in costs from changes to the registered apprenticeship regulations and creation of the registered CTE apprenticeship model. Exhibit 12 presents a summary of the estimated costs for each quantified provision for the registered apprenticeship and registered CTE apprenticeship, respectively.

Exhibit 12: Summary Table of Costs by Provision (2022 $millions, annualized, 7%)

Registered Apprenticeship Provisions	Registered Apprenticeship Cost per Provision	CTE Provisions	CTE Cost per Provision
Rule familiarization	$3.93	Rule familiarization	$0.27
New requirements for on-the-job training	$0.86	Development of industry skills frameworks	$0.01
Wage analysis and career development	$0.05	Apprenticeship program registration application	$0.39
Occupation determination evaluation process	$0.12	Selection of diverse and inclusive cross-section of students	$0.13
Data collection and reporting	$8.55	Sponsor oversight	$1.61
Program registration	$0.43	Apprenticeship agreement	$0.40
Reporting for program standards and adoption agreement	$0.22	Credentials upon completion of program	$0.35
National occupation, program, and guidance standards	$0.05	Program registration	$0.06
End-point assessments	$104.03	Technical assistance and other support	$0.40
Recordkeeping	$6.36	Program reviews	$1.14
Program reviews	$19.48	Request for reconsideration of program registration status	$0.07
Data sharing	$1.73	Data and quality metrics	$1.17

SAA reciprocity of registrations	$0.001		
Submission of State Apprenticeship Plan	$0.06		

The proposed rule would result in quantified costs to registered apprenticeship SAAs, sponsors, participating employers, and apprentices. The proposed rule would also result in quantified costs to CTE program SAAs, sponsors, participating employers, and apprentices. Exhibit 13 presents a summary of the quantifiable costs to each type of entity associated with the proposed rule.

Exhibit 13: Summary Table of Costs by Provision (2022 $millions, annualized, 7%)	
Registered Apprenticeship Program Entities	
SAAs	$13.52
Sponsors	$91.34
Participating Employers	$7.77
Apprentices	$22.60
OA	$10.62
CTE Program Entities	
SAAs	$1.19
Sponsors	$3.66
Participating Employers	$0.12
Apprentices	$0.18
OA	$0.84

Exhibit 14 presents a summary of the quantifiable costs associated with this proposed rule.

Exhibit 14: Estimated Costs (2022 $millions)			
Year	**Registered Apprenticeship Program Costs**	**CTE Program Costs**	**Total Costs**
1	$147.2	$0.8	$147.9
2	$126.8	$2.5	$129.3
3	$131.9	$3.7	$135.6
4	$137.3	$4.9	$142.2
5	$142.6	$6.1	$148.8
6	$148.2	$7.3	$155.5
7	$153.3	$8.6	$161.9
8	$158.7	$9.7	$168.4
9	$164.1	$11.0	$175.0
10	$169.6	$12.2	$181.8

Annualized, 3% discount rate, 10 years	$147.0	$6.4	$153.4
Annualized, 7% discount rate, 10 years	$145.9	$6.0	$151.9
Total, 3% discount rate, 10 years	$1,254.2	$54.4	$1,308.6
Total, 7% discount rate, 10 years	$1,024.5	$42.1	$1,066.6

6. Nonquantifiable Costs and Cost Savings

This section addresses the nonquantifiable costs and cost savings of the proposed rule.

a. Costs.

(1) Authority to determine occupations suitable for apprenticeship (§ 29.7(a)).

The proposed rule would give the authority to determine occupations suitable for registered apprenticeship only to OA. Currently, some occupations are determined to be suitable for registered apprenticeship only by SAAs. Those occupations determined only by SAAs, and not OA, to be suitable for registered apprenticeship would need to submit new requests for the occupations to be approved by OA for them to continue to be suitable for registered apprenticeship. The Department assumes that sponsors would submit new requests for all occupations only approved by SAAs to be determined suitable for registered apprenticeship therefore incurring a one-time cost. The Department does not have data on the number of occupations that are only determined to be suitable for registered apprenticeship by SAAs and therefore is unable to quantify the cost of submitting the new requests for occupation suitability. The Department seeks public comments on data supporting costs of occupation suitability determinations to SAAs and sponsors.

(2) New requirements for off-the-job training documentation (§ 29.7(b)(4)).

The proposed rule would require sponsors to submit documentation of the curriculum and number of off-the-job training hours, which cannot be less than 144

hours. Programs that do not meet the 144-hour minimum requirement would need to update their off-the-job training requirements and submit documentation. The Department does not have data on the number of programs that do not meet the minimum 144-hour requirements of off-the-job training and is therefore unable to quantify this cost.

(3) Deregistration (§ 29.20).

As discussed under the benefits section, the proposed rule would add a suspension step prior to deregistration allowing sponsors an adequate span of time to update their practices and be in compliance without having to be deregistered and then reregistered at a later date. Both SAAs and OA would need to develop a process for suspension procedures and offer technical assistance to sponsors to promote compliance with the suspension process. The Department is unable to quantify this cost due to uncertainty with procedures that would be developed and a lack of data on how many suspensions would be expected to occur. In addition, the addition of the suspension step could reduce the number of costly deregistrations, potentially even leading to cost savings for Registration Agencies.

(4) State Apprenticeship Councils (§ 29.26(d)).

The proposed rule would increase and clarify the requirements for State Apprenticeship Councils that are established by SAAs. State Apprenticeship Councils provide SAAs with written, nonbinding advice, recommendations, research, and reports concerning apprenticeship-related matters, and on the submission of the State Apprenticeship Plan. The proposed rule would establish requirements for State Apprenticeship Council composition including requiring State Apprenticeship Councils to be composed of individuals who are familiar with occupations suitable for registered apprenticeship, registered apprenticeship programs, and opportunities across a wide range of industries and sectors including employers, representatives of employers, representatives of labor organizations, members of State workforce development boards,

representatives of the secondary or postsecondary education system, and other stakeholders of the National Apprenticeship System. State Apprenticeship Council participation would be voluntary and therefore impose de minimis costs on individuals. However, SAAs would have a cost to recruit members and maintain the State Apprenticeship Council. The Department lacks data on the burden or costs associated with establishing and maintaining a State Apprenticeship Council and is therefore unable to quantify the costs of this provision. The Department seeks public comment on data or estimates of the costs associated with establishing and maintaining a State Apprenticeship Council for any States that would need to create State Apprenticeship Councils.

b. Cost savings.

(1) Exemptions (§ 29.23).

The proposed rule would provide relief to certain sponsors that can justify being exempt from certain requirements of subpart A of 29 CFR part 29. This would result in cost savings for sponsors and potentially participating employers. The Department is unable to project how many exemptions would be requested and granted, as well as what provisions the exemptions would be for. Therefore, the Department is unable to estimate the potential cost savings resulting from exemptions. The Department seeks public comment on how sponsors may use the exemption provision.

7. Nonquantifiable Transfer Payments

a. Progressive wage increases (§ 29.8(a)(17)(B)).

The proposed rule would require a graduated schedule of increasing wages from entry wage to the journeyworker wage that includes at least one incremental wage step during the first 2,000 hours of on-the-job training and a final wage that is at least 75 percent of the journeyworker wage paid by the employer for that occupation. These changes would result in transfer payments from participating employers to apprentices. Participating employers that, in the baseline, do not increase wages during the first 2,000

hours or do not pay an end-point wage of 75 percent of the journeyworker wage, would need to pay higher total wages over the apprenticeship term. The Department lacks data on the number of participating employers that do not offer at least one wage increase for every 2,000 hours or the number of participating employers that do not pay an end-point wage of 75 percent of the journeyworker wage. Therefore, the Department is unable to quantify the transfer payments associated with either change. The Department seeks public comment on how progressive wage increases from this provision would impact apprentices and employers, specifically data that would indicate how many apprentices are currently not receiving progressive wage increases.

b. Unreimbursed costs to apprentices (§ 29.8(a)(18)).

The proposed rule would limit the unreimbursed costs, expenses, and fees that an apprentice may incur during the registered apprenticeship program to those that are necessary and reasonable and do not impose financial barriers. The Department believes that there are currently some instances in which apprentices are required to pay costs, expenses, or fees that are excessive and unreasonably burden the apprentice. The Department expects that this provision would reduce the instances of these and as a result, be a transfer payment from sponsors or participating employers to apprentices. The Department does not have data on the prevalence of excessive costs to apprentices, and therefore is unable to quantify this transfer payment.

8. Distributional Impact Analysis

E.O. 13985, "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government," seeks to advance equity in agency actions and programs. The term *equity* is defined as consistent and systematic fair, just, and impartial treatment of individuals, including individuals who belong to underserved communities, such as women; Black, Latino, and Indigenous and Native American persons; Asian Americans and Pacific Islanders; other persons of color; members of

religious minorities; lesbian, gay, bisexual, transgender, and queer persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

To assess the impact of the proposed rule on equity, the Department analyzed Census data from the 2020 American Community Survey with data on the demographic distribution of registered apprenticeship programs. As shown in Exhibit 15 below, certain underserved communities are well represented in registered apprenticeship programs and are approximately equal to or exceed the distribution of these groups in the Census Workforce Population.[220] This includes individuals who identify as Hawaiian/Pacific Islander, Hispanic, Native American, Black, Veteran, and Youth. Although the remaining demographic groups' representation in registered apprenticeship programs does not yet reflect the overall U.S. workforce, significant progress has been made and efforts continue to advance equity for underserved communities. This proposed rule tries to further advance registered apprenticeship as an equitable program by increasing the rights of apprentices such as by removing non-compete provisions, improving the complaint process, ensuring progressive wage increases through an apprentice's tenure, and other quality improvements to registered apprenticeship.

Exhibit 15: Demographic Comparison Between U.S. Census Workforce and Registered Apprenticeship Program

Demographic	Census	OA
Asian	6.11%	2.04%
Black or African American	11.89%	10.77%
Disabled	4.94%	1.12%
Hawaiian/Pacific Islander	0.18%	1.10%
Hispanic or Latino	17.86%	22.75%
Multiracial	4.34%	1.10%
Native American	0.68%	1.60%
Veteran	4.20%	7.09%

[220] U.S. Census Bureau, "American Community Survey Data," 2020, *https://www.census.gov/programs-surveys/acs/data.html*.

White	71.63%	61.74%
Women	43.15%	13.8%
Youth	12.64%	39.00%

The advancement of worker rights and pay through changes in registered apprenticeship from removal of non-compete provisions, improvements to the complaint process, progressive wage increases, and other quality improvements to registered apprenticeship would have the potential to have two distributional impacts: (1) for the existing distribution of registered apprenticeship, which serves underserved communities at a rate equal to or higher than the population, improve their economic outcomes; and (2) have the potential to make registered apprenticeship more attractive and increase further the representation of underserved communities.

For the apprentices in the current distribution of registered apprenticeship, as shown in Exhibit 15, improvements in registered apprenticeship would improve their economic outcomes as described by the benefits of the proposed rule. Workers could potentially receive higher wages by improving their labor mobility, would participate in higher quality registered apprenticeship programs, and would face fewer financial barriers affecting their economic future.

The reduction in financial barriers would potentially increase participation by underserved communities. Many of the underserved communities are economically disadvantaged or face other workplace-related barriers. Reducing financial barriers and improving economic outcomes from registered apprenticeship could incentivize greater participation by those underserved communities. Changes to the registered apprenticeship model, combined with prior updated EEO regulations for registered apprenticeship programs, which were released in 2016, would help businesses to reach a larger and more diverse pool of workers, while also protecting apprentices and applicants from

discrimination.[221] The effects of the Department's efforts are evident in the demographic data provided by 686,000 apprentices between 2010 and 2019.[222] These data show that the representation of Asian apprentices has increased from 1.7 percent in 2010 to 2.2 percent in 2019.[223] Additionally, the distribution of Black or African American apprentices has grown from 12.8 percent in 2010 to 17.1 percent in 2019.[224] This demonstrates that efforts to advance equity in registered apprenticeship programs have proven to be effective thus far, and this work will continue to ensure that underserved communities are represented in these programs. The new registered CTE apprenticeship program would expand worker protections and anti-discrimination initiatives to youth apprentices.

Although the participation of nearly all underserved communities has become more closely aligned with the makeup of the overall U.S. workforce, women's representation in registered apprenticeship programs still falls well below this metric. Although women comprise 43.15 percent of the American workforce in 2020,[225] only 13.8 percent of all apprentices are women in 2022.[226] According to BLS, women accounted for only 10.9 percent of total employed construction workers in 2022,[227] and only 4.2 percent of those working skilled construction trades occupations.[228] The Department's Women's Bureau has worked to expand opportunities for women by

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[221] OA, "Diversity, Equity, Inclusion, and Accessibility," *https://www.apprenticeship.gov/employers/diversity-equity-inclusion-accessibility* (last visited July 20, 2023).
[222] DOL, "Equity Snapshot: Apprenticeships in America," Nov. 4, 2021, *https://blog.dol.gov/2021/11/03/equity-snapshot-apprenticeships-in-america*.
[223] *Ibid.*
[224] *Ibid.*
[225] U.S. Census Bureau, "American Community Survey Data," 2020, *https://www.census.gov/programs-surveys/acs/data.html.*
[226] OA, "Women in Apprenticeship," Aug. 2022, *https://www.apprenticeship.gov/sites/default/files/dol-industry-factsheet-series-women.pdf.*
[227] BLS, "Labor Force Statistics from the Current Population Survey," Jan. 25, 2023, *https://www.bls.gov/cps/cpsaat18.htm*.
[228] Institute for Women's Policy Research, "Numbers Matter: Women Working in Construction," July 2023, *https://iwpr.org/wp-content/uploads/2023/07/Quick-Figure-construction-July-2023.pdf.*

administering the WANTO grant program.[229] Since 2017, approximately 15 million in grant funding has been awarded to help recruit, train, and retain more women in pre-apprenticeship and registered apprenticeship programs in industries where they are typically underrepresented.[230] This grant program, amongst the previously discussed reduction of financial barriers by this proposed rule, will continue to create a pathway for more women, including those that are economically disadvantaged, to enter registered apprenticeship programs.[231] This proposed rule would ensure that all registered apprenticeship programs, including those targeting the disadvantaged, maintain high-quality programming, report more data that can be used to analyze participation and outcomes, and do not impose unnecessary financial burdens. The creation of the registered CTE apprenticeship model would also provide more opportunities for women to get into registered apprenticeship programs at an earlier stage in their career.

9. Regulatory Alternatives

OMB Circular A-4, which outlines best practices in regulatory analysis, directs agencies to analyze alternatives if such alternatives best satisfy the philosophy and principles of E.O. 12866. Accordingly, the Department considered four regulatory alternatives for changes to registered apprenticeship, two less burdensome and two more burdensome than the proposed rule. Under the first alternative, end-point assessments (proposed § 29.16) would not be required under the proposed rule. Under the second alternative, program reviews (proposed § 29.19) would only be conducted for cause. Under the third alternative, program reviews (proposed § 29.19) would be conducted for all sponsors every 2 years rather than every 5 years. Finally, under the fourth alternative, end-point assessments (proposed § 29.16) would be conducted by an independent third

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[229] OA, "WANTO Grant Program," *https://www.dol.gov/agencies/wb/grants/wanto* (last visited July 20, 2023).
[230] *Ibid.*
[231] DOL, Women's Bureau, "Advancing Opportunities for Women through Apprenticeship," Jan. 2021, *https://www.dol.gov/sites/dolgov/files/WB/media/AdvancingOpportunitiesWomenthroughApprenticeship-jan2021.pdf.*

party. The Department seeks comment on these four regulatory alternatives as well as additional regulatory alternatives for the Department to consider.

For the first alternative the Department considered removing the requirement for end-point assessments. To estimate the reduction in costs under this alternative, the Department subtracted the estimated costs of end-point assessments from the total costs estimated of the proposed rule. Over the 10-year analysis period, the annualized costs are estimated at $41.8 million at a discount rate of 7 percent. In total, this alternative is estimated to result in costs of $293.8 million at a discount rate of 7 percent.

The Department decided not to pursue this alternative because end-point assessments are a key method for sponsors to assess the skills and knowledge acquired by the apprentice. They help to measure and ensure the quality of registered apprenticeship programs.

For the second alternative the Department considered conducting program reviews only for cause, rather than for all sponsors every 5 years. To estimate the reduction in costs under this alternative, the Department adjusted the calculations described in the subject-by-subject analysis for program reviews (proposed § 29.19). The Department estimated that instead of all sponsors undergoing a program review every 5 years, only 320 sponsors would receive program reviews in each year. The Department maintained the assumption that 20 percent of those program reviews would find noncompliance and require a subsequent compliance action plan. The Department maintained the cost estimates for all other provisions. Over the 10-year analysis period, the annualized costs are estimated at $127.9 million at a discount rate of 7 percent. In total, this alternative is estimated to result in costs of $898.2 million at a discount rate of 7 percent.

The Department decided not to pursue this alternative because conducting program reviews only for cause would miss a large number of programs that may need

reviews. To ensure high-quality registered apprenticeship programs, and that all programs abide by the regulatory requirements of registered apprenticeship, the Department believes that all registered apprenticeship programs should be reviewed over a 5-year period as specified in the proposed rule. This 5-year period ensures that the Department has the resources available to conduct reviews and that the review is not overly burdensome on programs undergoing the review.

For the third alternative, the Department considered conducting program reviews for all registered apprenticeship programs every 2 years, rather than for all programs every 5 years. This would increase the frequency at which the Department could identify noncompliance and potentially improve the quality of registered apprenticeship programs by ensuring closer compliance with the regulatory requirements. To estimate the increase in costs under this alternative, the Department adjusted the calculations described in the subject-by-subject analysis for program reviews (proposed § 29.19). The Department estimated that instead of all sponsors undergoing a program review every 5 years, they would receive a program review every 2 years. This would increase the annual number of program reviews conducted by SAAs (from 3,085 in year 1 to 7,713) and by OA (from 2,213 in year 1 to 5,533). The Department maintained the cost estimates for all other provisions. Over the 10-year analysis period, the annualized costs are estimated at $196.9 million at a discount rate of 7 percent. In total, this alternative is estimated to result in costs of $1,383.1 million at a discount rate of 7 percent.

The Department decided not to pursue this alternative because conducting program reviews every 2 years would increase costs by more than the benefit of more frequent program reviews. In addition, OA, and potentially SAAs, would lack the resources to conduct the large number of annual program reviews required. The Department welcomes comments with recommendations for how OA could use its

resources most effectively to identify and review more frequently programs that need improvement.

For the fourth and final alternative the Department considered requiring end-point assessments to be conducted by an independent third party. An independent third party would remove any potential for conflicts of interest related to the perceived effectiveness of the sponsor's registered apprenticeship program that could occur by having sponsors conduct end-point assessments themselves. Requiring the end-point assessment to be conducted by an independent third party would have the potential to increase the quality of registered apprenticeship programs and ensure apprentices complete the program with the tools and skills needed to succeed. To estimate the increase in costs under this alternative, the Department adjusted the calculations described in the subject-by-subject analysis for end-point assessments (proposed § 29.16). The Department increased the time required for a Training and Development Manager (private sector) from 1 hour to 4 hours to account for additional preparation, synthesis of findings, and reporting of findings by the independent third party. The Department maintained the estimated cost of all other provisions of the proposed rule. Over the 10-year analysis period, the annualized costs are estimated at $646.3 million at a discount rate of 7 percent. In total, this alternative is estimated to result in costs of $4,539.5 million at a discount rate of 7 percent.

The Department decided not to pursue this alternative because the burden placed on registered apprenticeship programs is estimated to be too high for the resulting benefits of independent third-party end-point assessments.

The Department presents a comparison of the costs of each of the four alternatives and the proposed rule in Exhibit 16 below.

Exhibit 16: Summary of Proposed and Alternatives Costs (2022 $millions)					
Year	**NPRM**	**Alt. 1**	**Alt. 2**	**Alt. 3**	**Alt. 4**
1	$147.2	$59.7	$131.2	$172.8	$408.7

2	$126.8	$35.1	$110.1	$153.3	$400.9
3	$131.9	$36.1	$114.7	$159.4	$418.7
4	$137.3	$37.2	$119.4	$165.6	$436.6
5	$142.6	$38.4	$124.2	$171.9	$454.6
6	$148.2	$39.7	$129.1	$178.4	$472.7
7	$153.3	$40.7	$133.7	$184.4	$490.4
8	$158.7	$41.8	$138.4	$190.7	$508.4
9	$164.1	$43.0	$143.2	$197.0	$526.3
10	$169.6	$44.3	$148.1	$203.4	$544.5
Annualized, 3% discount rate	$147.0	$41.7	$128.6	$185.4	$539.4
Annualized, 7% discount rate	$145.9	$41.8	$127.9	$196.9	$646.3
Total, 3% discount rate, 10 years	$1,254.2	$355.6	$1,097.0	$1,581.8	$4,601.3
Total, 7% discount rate, 10 years	$1,024.5	$293.8	$898.2	$1,383.1	$4,539.5

In addition to the four regulatory alternatives discussed above, the Department also considered maintaining the status quo. E.O. 12866 states, "In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating." Accordingly, the Department considered not implementing any of the provisions in this proposed rule. Under the status quo alternative, the Department would retain current program standards, apprenticeship agreements, and state governance requirements, and would not develop a registered CTE apprenticeship model. Doing so would incur no new costs or benefits. The Department decided against maintaining the status quo because the Department believes the proposed rule would improve the capacity of the National Apprenticeship System to respond to evolving employer needs, provide workers equitable pathways to good jobs, and increase the system's long-term resilience.

B. Regulatory Flexibility Act, Small Business Regulatory Enforcement Fairness Act of 1996, and Executive Order 13272 (Proper Consideration of Small Entities in Agency Rulemaking)

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. 104–121 (Mar. 29, 1996), hereafter jointly referred to as the RFA, requires agencies to prepare an initial regulatory flexibility analysis (IRFA) when proposing, and a final regulatory

flexibility analysis when issuing, regulations that will have a significant economic impact on a substantial number of small entities.

The Department believes that this proposed rule would have a significant economic impact on a substantial number of small entities and is therefore publishing this IRFA as required. It should be noted, however, that participation in registered apprenticeship programs and registered CTE apprenticeship programs is voluntary; therefore, only small entities that choose to continue participate would experience an economic impact—significant or otherwise. The Department anticipates that small businesses would continue to participate only if they believe the benefits will outweigh the costs. Because participation is voluntary, the increased burdens associated with this proposed rule may result in certain entities choosing to discontinue participation in the National Apprenticeship System. On the whole, however, the Department expects this rulemaking to facilitate the expansion and growth of registered apprenticeship.

1. Why the action by the agency is being considered.

The NAA has not been changed since the New Deal. There is need for a renewed commitment to registered apprenticeship and a modern system. In addition, there is need for a registered pathway for CTE apprenticeship. It has been decades since there has been a serious overhaul and update of registered apprenticeship regulations to address labor standards in a rapidly changing economy. This proposed rule would enhance labor standards to affirm guarantees and results for workers, create a consistent navigable system to support expansion across industries, and create equitable pathways to registered apprenticeship for underserved communities and youth. In addition, it would extend the high-quality requirements associated with registered apprenticeship to the newly created registered CTE apprenticeship model.

2. Objectives and legal basis for the proposed rule.

The NAA (29 U.S.C. 50) authorizes the Secretary of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to extend the application of such standards by encouraging their inclusion in contracts of apprenticeship, to cooperate with States to formulate and promote such standards, and to bring together employers and labor for the formulation of programs of apprenticeship. Pursuant to this authority, the Department has established regulations governing the registration of apprenticeship programs and apprentices at 29 CFR part 29 that prescribe minimum quality and content requirements with respect to a program's standards of apprenticeship and its apprenticeship agreements; establish procedures concerning the registration, cancellation, and deregistration of apprenticeship programs; and set forth a mechanism for the recognition of SAA as Registration Agencies. The steady expansion of the registered apprenticeship model has revealed the need to revise and modernize the policies and procedures contained in the current version of 29 CFR part 29 in order to promote dual goals of fostering innovation while preserving and enhancing the quality and effectiveness of the registered apprenticeship model.

3. Description and estimate of the small entities affected by the proposed rule.

The proposed rule would primarily affect program sponsors and participating employers in registered apprenticeship. Registered apprenticeship program sponsors may be employers, employer associations, industry associations, or labor management organizations and, thus, may represent businesses, small businesses, and not-for-profit organizations. The proposed rule would also affect program sponsors and participating employers in registered CTE apprenticeship. Registered CTE apprenticeship program sponsors may be secondary schools and postsecondary institutions. This analysis focuses on the participating employers and sponsors that participate in registered apprenticeship programs or registered CTE apprenticeship programs and would incur costs from the

proposed rule. As explained in the E.O. 12866 section above, the Department used historical program data for registered apprenticeship, and the Department's best estimates of CTE participation, to estimate the number of participating employers and sponsors that are projected to participate in registered apprenticeship programs and registered CTE apprenticeship programs. Exhibit 17 below summarizes the projections over the 10-year analysis period.

Exhibit 17: Projected Number of Sponsors and Participating Employers				
Year	**Total Registered Apprenticeship Program Sponsors**	**Total Registered Apprenticeship Program Participating Employers**	**Total Registered CTE Apprenticeship Program Sponsors**	**Total CTE Participating Employers**
1	26,492	40,533	137	210
2	27,434	41,974	549	839
3	28,376	43,415	960	1,469
4	29,318	44,857	1,372	2,099
5	30,260	46,298	1,783	2,728
6	31,202	47,739	2,195	3,358
7	32,144	49,180	2,606	3,988
8	33,086	50,622	3,018	4,617
9	34,028	52,063	3,429	5,247
10	34,970	53,504	3,841	5,876

The Department lacks data on the size of these sponsors and participating employers. Therefore, the Department assumes that registered apprenticeship program sponsors will have the same size distribution as the firms in each of the 19 major industry sectors represented in registered apprenticeship. In addition to the 19 major industry sectors, the Department assumes that the Educational Services sector (NAICS 61) would have a similar representation in size distribution for registered CTE apprenticeship program sponsor. This assumption allows the Department to conduct a robust analysis using data from the Census Bureau's Statistics of U.S. Businesses,[232] which include the number of firms, number of employees, and annual revenue by industry and firm size.

[232] *See* U.S. Census Bureau, "Statistics of U.S. Businesses," *https://www.census.gov/programs-surveys/susb/data.html* (last updated May 10, 2022).

Using these data allows the Department to estimate the per-program costs of the proposed rule as a percent of revenue by industry and firm size. The Department also lacks data on the size of participating employers in either registered apprenticeship or registered CTE apprenticeship, but as discussed below, is able to conclude that there would not be a significant economic impact on any participating employers that are not sponsors.

4. Compliance requirements of the proposed rule.

The E.O. 12866 analysis above quantifies several types of labor costs that would be borne by registered apprenticeship program sponsors: (1) rule familiarization; (2) on-the-job training documentation; (3) wage analysis and career development; (4) data collection and reporting; (5) program registration; (6) program standards and adoption agreement; (7) end-point assessments; and (8) program reviews. Since some sponsors can also be participating employers, the Department adds costs of recordkeeping that are imposed on participating employers to all sponsors.

As explained in the E.O. 12866 section above, the Department estimates the following first-year costs to sponsors; each sponsor would incur a subset of these nine costs:

- rule familiarization: $412 per sponsor
- on-the-job training documentation: $1,031 per sponsor with program with less than 2,000 hours on-the-job training
- wage analysis and career development profile: $206 per sponsor submitting a new or revised occupation determination
- data collection and reporting: $111 per sponsor
- program registration: $103 per sponsor with a new program
- program standards adoption agreement: $103 per sponsor with new non-collectively bargained program standards
- end-point assessments: $103 per sponsor per apprentice

- program reviews: $842 per noncompliant sponsor
- recordkeeping: $138 per employer

Additional costs that may be incurred but could not be quantified due to a lack of data include new requirements for off-the-job training and prohibition of non-disclosure and non-compete provisions. In addition, the proposed rule would result in transfer payments from participating employers to apprentices in the form of compensation, but the Department lacks data on the extent of entities that would be impacted as well as the magnitude of transfers as discussed in the nonquantifiable transfer payments section of the E.O. 12866 analysis.

The costs associated with the increased requirements for registered apprenticeship present the possibility that some sponsors and employers may leave the registered apprenticeship system altogether. However, in other countries with quality labor standards, such as Germany, apprenticeship participation remains high. In Germany, about 54.5 percent of graduates from general education[233] enter the labor force through an apprenticeship training program.[234] German apprenticeship programs include numerous costly requirements, including contractual agreements between apprentices and employers, national apprenticeship standards for each occupation, and examinations to ensure apprentices meet the standards of excellence at the end of their program.[235] Despite these program requirements, apprenticeship participation in Germany has remained high. The Department does not expect the proposed rule to result in an exodus from registered apprenticeship as a result of increased requirements. Participation in apprenticeship programs is greater in Germany than in the United States, indicating that

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[233] Graduating from general education in Germany is comparable to graduating from high school in the United States.
[234] Diana Elliott and Miriam Farnbauer, "Bridging German and US Apprenticeship Models," Aug. 2021, *https://www.urban.org/sites/default/files/publication/104677/bridging-german-and-us-apprenticeship-models.pdf.*
[235] *Ibid.*

quality labor standards would unlikely decrease apprenticeship participation in the United States and could potentially make apprenticeship more attractive.[236]

The E.O. 12866 analysis above quantifies several types of labor costs that would be borne by registered CTE apprenticeship program sponsors: (1) rule familiarization; (2) program registration application requirements; (3) selection of a diverse and inclusive cross-section of students; (4) sponsor oversight; (5) apprenticeship agreements; (6) program reviews; (7) request for reconsideration of program registration status; and (8) data and quality metrics.

As explained in the E.O. 12866 section above, the Department estimates the following first-year costs to registered CTE apprenticeship program sponsors; each sponsor would incur a subset of these eight costs:

- rule familiarization: $412 per sponsor
- program registration application requirements: $1,031 per sponsor
- selection of a diverse and inclusive cross-section of students: $74 per sponsor
- sponsor oversight: $913 per sponsor
- apprenticeship agreements: $17 per sponsor per apprentice
- program reviews: $842 per noncompliant sponsor
- request for reconsideration of program registration status: $619 per sponsor
- data and quality metrics: $495 per sponsor

Additional costs that may be incurred but could not be quantified due to a lack of data include new requirements for off-the-job training and prohibition of non-disclosure

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[236] Rates of participation, measured in number of apprentices per 1,000 workers, are found to be much higher in Germany than in the United States. *See* Maia Chankseliani et al., "People and Policy: A comparative study of apprenticeship across eight national contexts," Oct. 2017, *https://ora.ox.ac.uk/objects/uuid:56a3d0c9-3221-43d9-9da4-e1883e5a7a00*.

and non-compete provisions. In addition, the proposed rule would result in transfer payments from participating employers to apprentices in the form of compensation, but the Department lacks data on the extent of entities that would be impacted as well as the magnitude of transfers as discussed in the nonquantifiable transfer payments section of the E.O. 12866 analysis.

To quantify the costs to small entities, the Department uses the same cost estimates for sponsors and participating employers described in the subject-by-subject analysis of the E.O. 12866 analysis for registered apprenticeship programs and registered CTE apprenticeship programs, respectively. Note that "firm" refers to "sponsor" in this IRFA. Sponsors are frequently employers, so the Department combined the costs for sponsors and employers to obtain an upper-bound estimate of the cost for "firms." Hence, the cost estimates are the maximum amount that would be borne by a small entity that chooses to participate. The E.O. 12866 analysis above quantifies two types of labor costs that would be borne by participating employers in registered apprenticeship: (1) rule familiarization; and (2) recordkeeping. These two requirements combined would impose $343.69[237] in costs on each participating employer. For participating employers in CTE, the Department estimates costs of $206.19 for rule familiarization. These costs are combined with the costs for sponsors to estimate the costs for firms.

[237] The cost of $343.69 on each participating employer is derived from the sum of costs per employer associated with rule familiarization ($206.19) and recordkeeping ($137.50). The cost of $206.19 comes from the multiplication of the time for existing entities to read and review the new rule by the Training and Development Manager loaded private wage rate by 0.5 to determine the cost per employer. The cost of $137.50 comes from the multiplication of the time required to record and maintain additional information by the Office and Administrative Support Occupation hourly wage rate.

Exhibit 18 shows the estimated cost per registered apprenticeship program sponsor for each year of the analysis period. The first-year cost per sponsor is estimated at $3,420 at a discount rate of 7 percent. The annualized cost per sponsor is estimated at $3,238 at a discount rate of 7 percent. These estimates are *average* costs, meaning that some registered apprenticeship program sponsors would have higher costs while other sponsors would have lower costs, regardless of firm size. The Department seeks public comment on these estimates with the goal of providing refined estimates in the final rule.

Exhibit 18: Estimated Cost to Registered Apprenticeship Program Sponsors ($ thousands unless otherwise noted)

Year	Rule Familiarization	On-the-Job Training Documentation	Wage Analysis and Career Development Profile	Data Collection and Reporting	Program Registration	Program Standards Adoption Agreement	End-Point Assessments	Recordkeeping	Program Reviews	Total Cost	Number of Registered Apprenticeship Program Sponsors	Cost per Sponsors ($)
1	$10,925	$6,400	$48	$2,944	$285	$218	$69,647	$5,573	$893	$96,933	26,492	$3,659
2	$1,170	$0	$48	$3,073	$292	$218	$72,999	$5,772	$924	$84,496	27,434	$3,080
3	$1,200	$0	$48	$3,202	$300	$218	$76,351	$5,970	$956	$88,245	28,376	$3,110
4	$1,230	$0	$48	$3,331	$308	$218	$79,703	$6,168	$988	$91,994	29,318	$3,138
5	$1,261	$0	$48	$3,460	$315	$218	$83,055	$6,366	$1,020	$95,742	30,260	$3,164
6	$1,291	$0	$48	$3,589	$323	$218	$86,406	$6,564	$1,051	$99,491	31,202	$3,189
7	$1,321	$0	$48	$3,718	$330	$218	$89,758	$6,762	$1,083	$103,239	32,144	$3,212
8	$1,351	$0	$48	$3,847	$338	$218	$93,110	$6,961	$1,115	$106,988	33,086	$3,234
9	$1,382	$0	$48	$3,976	$345	$218	$96,462	$7,159	$1,146	$110,736	34,028	$3,254
10	$1,412	$0	$48	$4,105	$353	$218	$99,814	$7,357	$1,178	$114,485	34,970	$3,274
											First-year cost ($), 7% discount rate	$3,420
											Annualized cost ($), 7% discount rate, 10 years	$3,238

Exhibit 19 shows the estimated cost per registered CTE apprenticeship program sponsor for each year of the analysis period. The first-year cost per sponsor is estimated at $3,476 at a discount rate of 7 percent. The annualized cost per sponsor is estimated at $2,398 at a discount rate of 7 percent. These estimates are *average* costs, meaning that some registered CTE apprenticeship program

sponsors would have higher costs while other sponsors would have lower costs, regardless of entity size. The Department seeks public comment on these estimates with the goal of providing refined estimates in the final rule.

Exhibit 19: Estimated Cost to Registered CTE Apprenticeship Program Sponsors ($ thousands unless otherwise noted)

Year	Rule Familiarization	Program Registration Application Requirements	Selection of Diverse and Inclusive Cross-section of Students	Sponsor Oversight	Apprenticeship Agreements	Program Reviews	Request for Reconsideration of Program Registration Status	Data and Quality Metrics	Total Cost	Number of Registered CTE Apprenticeship Program Sponsors	Cost per Sponsors ($)
1	$57	$141	$10	$125	$55	$5	$21	$68	$482	137	$3,516
2	$170	$424	$40	$501	$166	$18	$64	$271	$1,655	549	$3,016
3	$170	$424	$71	$877	$221	$32	$64	$475	$2,333	960	$2,430
4	$170	$424	$101	$1,252	$332	$46	$64	$679	$3,067	1,372	$2,236
5	$170	$424	$131	$1,628	$387	$60	$64	$882	$3,746	1,783	$2,101
6	$170	$424	$161	$2,004	$497	$74	$64	$1,086	$4,480	2,195	$2,041
7	$170	$424	$192	$2,380	$553	$88	$64	$1,289	$5,159	2,606	$1,979
8	$170	$424	$222	$2,755	$663	$102	$64	$1,493	$5,892	3,018	$1,953
9	$170	$424	$252	$3,131	$718	$116	$64	$1,696	$6,571	3,429	$1,916
10	$170	$424	$282	$3,507	$829	$129	$64	$1,900	$7,305	3,841	$1,902
First-year cost ($), 7% discount rate											$3,476
Annualized cost ($), 7% discount rate, 10 years											$2,398

5. Estimated impact of the proposed rule on small entities.

Based on the estimated costs to participating employers, presented above, to have a significant economic impact on a participating employer in registered apprenticeship, the participating employer would need revenue less than $11,400.[238] For participating employers in registered CTE apprenticeship, the participating employer would need revenue less than $6,800.[239] Based on the Department's analysis of participating employers that is presented below, there are no industries that have entities in the smallest size categories where average revenue is below $34,000.[240] The majority of costs on entities that could be small are on sponsors and are described below.

a. Registered apprenticeship program sponsors.

The Department used the following steps to estimate the cost of the proposed rule per registered apprenticeship program sponsor as a percentage of annual receipts. First, the Department used the Small Business Administration's Table of Small Business Size Standards to determine the size thresholds for small entities within each major industry.[241] Next the Department obtained data on the number of firms, number of employees, and annual revenue by industry and firm size category from the Census Bureau's Statistics of U.S. Businesses.[242] The Department used the Gross Domestic Product deflator to convert revenue data from 2017 dollars to 2022 dollars.[243] Then, the Department divided the estimated first-year cost and the annualized cost per registered apprenticeship program sponsor (discounted at a 7-percent rate) by the average annual

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[238] $11,400 is the value at which 3% of revenue impacted would be larger than 3% (= $343.69 / 0.03).
[239] $6,800 is the value at which 3% of revenue impacted would be larger than 3% (= $206.19 / 0.03).
[240] The Management of Companies and Enterprises Industry, for enterprises with receipts below $100,000, has average receipts per firm of $34,371 (*see* Exhibit 32), which is the smallest of the industries analyzed.
[241] U.S. Small Business Administration, "Table of Small Business Size Standards," Mar. 17, 2023, *https://www.sba.gov/document/support-table-size-standards*. The size standards, which are expressed in either average annual receipts or number of employees, indicate the maximum allowed for a business in each subsector to be considered small.
[242] U.S. Census Bureau, "Statistics of U.S. Businesses," *https://www.census.gov/programs-surveys/susb/data.html* (last updated May 10, 2022).
[243] U.S. Bureau of Economic Analysis, "Table 1.1.9. Implicit Price Deflators for Gross Domestic Product," *https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey* (last visited May 30, 2023).

receipts per firm to determine whether the proposed rule would have a significant economic impact on sponsors in each size category.[244] Finally, the Department divided the number of firms in each size category by the total number of small firms in the industry to determine whether the proposed rule would have a significant economic impact on a substantial number of small entities.[245]

The results for registered apprenticeship are presented in the following 19 tables, one for each major industry sector. The tables are in numeric order by their North American Industry Classification System (NAICS) code—from NAICS 11 (Agriculture, Forestry, Fishing and Hunting) to NAICS 81 (Other Services). Currently, apprentices are concentrated in the construction industry (33 percent), public administration industry (22 percent), and educational services industry (12 percent),[246] yet the Department has included tables for all 19 major sectors because the Department anticipates that this proposed rule would facilitate the expansion of registered apprenticeship. The variety of industries and occupations that would benefit from registered apprenticeship keeps growing as the Department identifies strategies and opportunities to expand the system. Since this proposed rule is expected to affect small entities across all sectors of the economy, our analysis shows how entities of different sizes within all 19 major industries could be impacted. In short, the first-year cost or annualized cost per registered apprenticeship program sponsor would have a significant economic impact on a substantial number of small entities in 12 out of 19 industries. It should be noted, however, that participation in registered apprenticeship programs is voluntary; therefore,

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[244] For purposes of this analysis, the Department used a 3-percent threshold for "significant economic impact." The Department has used a 3-percent threshold in prior rulemakings. *See, e.g.*, 79 FR 60633 (Oct. 7, 2014) (establishing a minimum wage for contractors).
[245] For purposes of this analysis, the Department used a 15-percent threshold for "substantial number of small entities." The Department has used a 15-percent threshold in prior rulemakings. *Ibid.*
[246] OA, "Apprentice Population by State Analysis (11-09-2023)," *https://public.tableau.com/app/profile/dol.apprenticeship/viz/ApprenticePopulationbyStateAnalysis11-09-2023_16995503558600/ApprDemoApprLocation* (last visited Nov. 20, 2023).

only small entities that choose to continue to participate would experience an economic impact—significant or otherwise.

As shown in Exhibit 20, the first-year and annualized costs for registered apprenticeship program sponsors in the agriculture, forestry, fishing, and hunting industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the agriculture, forestry, fishing, and hunting industry (18.0 percent). The first-year costs are estimated to be 5.7 percent of the average receipts per firm and the annualized costs are estimated to be 5.4 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 20: Agriculture, Forestry, Fishing, and Hunting Industry									
Small Business Size Standard: $2.25 million – $34.0 million									
	Number of Firms[1]	Number of Firms as Percent of Small Firms in Industry[2]	Total Number of Employees[3]	Annual Receipts ($ million)[4]	Average Receipts per Firm ($)[5]	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts[6]	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts[7]
Enterprises with receipts below $100,000	4,042	18.0%	4,495	$242	$59,803	$3,420	5.7%	$3,238	5.4%
Enterprises with receipts of $100,000 to $499,999	8,582	38.3%	16,607	$2,592	$302,003	$3,420	1.1%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	3,703	16.5%	14,450	$3,127	$844,419	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	3,686	16.5%	28,333	$6,781	$1,839,700	$3,420	0.2%	$3,283	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	1,370	6.1%	21,333	$5,634	$4,112,289	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	455	2.0%	11,328	$3,153	$6,929,380	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	208	0.9%	7,019	$2,101	$10,101,550	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	193	0.9%	9,143	$2,545	$13,188,869	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	79	0.4%	4,324	$1,520	$19,242,856	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	60	0.3%	4,297	$1,357	$22,619,811	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	28	0.1%	3,068	$710	$25,343,408	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	17	0.1%	1,623	$475	$27,948,978	$3,420	0.0%	$3,238	0.0%

[1] Source: U.S. Census Bureau, Statistics of U.S. Businesses. Note that "firm" refers to "sponsor" in this analysis.

[2] Number of firms ÷ Small firms in industry

[3] Source: U.S. Census Bureau, Statistics of U.S. Businesses.

[4] Source: U.S. Census Bureau, Statistics of U.S. Businesses.

[5] Annual receipts ÷ Number of firms

[6] First-year cost per firm with 7% discounting ÷ Average receipts per firm

[7] Annualized cost per firm with 7% discounting ÷ Average receipts per firm

As shown in Exhibit 21, the first-year and annualized costs for sponsors in the mining industry are not expected to have a significant economic impact (3 percent or more) on small entities of any size.

Exhibit 21: Mining, Quarrying, and Oil and Gas Industry									
Small Business Size Standard: 500 – 1,500 employees									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with 0-4 employees	10,808	57.2%	16,788	$7,142	$660,839	$3,420	0.5%	$3,238	0.5%
Enterprises with 5-9 employees	2,909	15.4%	19,066	$6,524	$2,242,749	$3,420	0.2%	$3,238	0.1%
Enterprises with 10-19 employees	2,091	11.1%	28,171	$10,099	$4,829,914	$3,420	0.1%	$3,238	0.1%
Enterprises with 20-99 employees	2,276	12.0%	86,829	$40,628	$17,850,734	$3,420	0.0%	$3,238	0.0%
Enterprises with 100-499 employees	636	3.4%	93,513	$62,788	$98,723,345	$3,420	0.0%	$3,238	0.0%
Enterprises with 500-749 employees	80	0.4%	26,343	$28,174	$352,168,820	$3,420	0.0%	$3,238	0.0%
Enterprises with 750-999 employees	46	0.2%	19,861	$23,285	$506,201,362	$3,420	0.0%	$3,238	0.0%
Enterprises with 1,000-1,499 employees	46	0.2%	28,800	$25,639	$557,359,001	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 22, the first-year and annualized costs for sponsors in the utilities industry are not expected to have a significant economic impact (3 percent or more) on small entities of any size.

Exhibit 22: Utilities Industry									
Small Business Size Standard: 250 – 1,150 employees									
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with 0-4 employees	3,028	52.1%	5,752	$3,386	$1,118,256	$3,420	0.3%	$3,238	0.3%
Enterprises with 5-9 employees	983	16.9%	6,300	$1,771	$1,802,011	$3,420	0.2%	$3,238	0.2%
Enterprises with 10-19 employees	524	9.0%	7,065	$4,836	$9,229,631	$3,420	0.0%	$3,238	0.0%
Enterprises with 20-99 employees	892	15.3%	40,089	$40,076	$44,927,999	$3,420	0.0%	$3,238	0.0%
Enterprises with 100-499 employees	325	5.6%	52,541	$71,683	$220,563,226	$3,420	0.0%	$3,238	0.0%
Enterprises with 500-749 employees	45	0.8%	20,302	$34,430	$765,120,600	$3,420	0.0%	$3,238	0.0%
Enterprises with 750-999 employees	16	0.3%	4,734	$5,385	$336,536,358	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 23, the first-year and annualized costs for sponsors in the construction industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the construction industry (24.1 percent). The first-year costs are estimated to be 5.6 percent of the average receipts per firm and the annualized costs are estimated to be 5.3 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 23: Construction Industry									
Small Business Size Standard: $19.0 million – $45.0 million									
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	167,522	24.1%	156,090	$10,303	$61,501	$3,420	5.6%	$3,238	5.3%
Enterprises with receipts of $100,000 to $499,999	247,074	35.5%	544,141	$70,010	$283,356	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	89,351	12.9%	444,318	$75,937	$849,870	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	95,739	13.8%	828,261	$178,934	$1,868,977	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	45,814	6.6%	707,745	$189,624	$4,138,994	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	17,860	2.6%	416,512	$127,936	$7,163,277	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	9,233	1.3%	283,971	$93,588	$10,136,274	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	9,925	1.4%	401,418	$141,445	$14,251,410	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts	5,029	0.7%	270,176	$101,235	$20,130,283	$3,420	0.0%	$3,238	0.0%

of $15,000,000 to $19,999,999									
Enterprises with receipts of $20,000,000 to $24,999,999	3,089	0.4%	200,568	$79,474	$25,728,192	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	2,011	0.3%	150,472	$63,084	$31,369,492	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	1,396	0.2%	119,403	$51,560	$36,934,449	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	1,056	0.2%	99,968	$44,799	$42,423,297	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	1,466	0.2%	166,727	$74,924	$51,107,775	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 24, the first-year and annualized costs for sponsors in the manufacturing industry are not expected to have a significant economic impact (3 percent or more) on small entities of any size.

Exhibit 24: Manufacturing Industry
Small Business Size Standard: 500 – 1,500 employees

	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with 0-4 employees	102,242	41.5%	188,002	$49,168	$480,898	$3,420	0.7%	$3,238	0.7%
Enterprises with 5-9 employees	45,821	18.6%	306,025	$64,082	$1,398,532	$3,420	0.2%	$3,238	0.2%
Enterprises with 10-19 employees	37,549	15.2%	511,380	$115,096	$3,065,227	$3,420	0.1%	$3,238	0.1%
Enterprises with 20-99 employees	46,089	18.7%	1,872,005	$513,594	$11,143,518	$3,420	0.0%	$3,238	0.0%
Enterprises with 100-499 employees	12,397	5.0%	2,162,360	$807,852	$65,165,144	$3,420	0.0%	$3,238	0.0%
Enterprises with 500-749 employees	1,127	0.5%	526,397	$251,406	$223,075,773	$3,420	0.0%	$3,238	0.0%
Enterprises with 750-999 employees	608	0.2%	370,263	$171,676	$282,361,226	$3,420	0.0%	$3,238	0.0%
Enterprises with 1,000-1,499 employees	578	0.2%	487,897	$272,079	$470,724,074	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 25, the first-year and annualized costs for sponsors in the wholesale trade industry are not expected to have a significant economic impact (3 percent or more) on small entities of any size.

Exhibit 25: Wholesale Trade Industry									
Small Business Size Standard: 100 – 250 employees									
	Number of Firms	Number of Firms as Percent of Small	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts

		Firms in Industry							
Enterprises with 0-4 employees	170,879	57.9%	282,713	$338,168	$1,978,989	$3,420	0.2%	$3,238	0.2%
Enterprises with 5-9 employees	48,559	16.5%	320,741	$317,555	$6,539,573	$3,420	0.1%	$3,238	0.0%
Enterprises with 10-19 employees	34,020	11.5%	453,838	$422,050	$12,405,945	$3,420	0.0%	$3,238	0.0%
Enterprises with 20-99 employees	33,409	11.3%	1,246,435	$1,202,036	$35,979,399	$3,420	0.0%	$3,238	0.0%
Enterprises with 100-499 employees	8,042	2.7%	1,109,430	$1,214,818	$151,059,248	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 26, the first-year and annualized costs for sponsors in the retail trade industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, but those firms do not constitute a substantial number of small entities in the retail trade industry (10.9 percent). The first-year costs are estimated to be 5.6 percent of the average receipts per firm and the annualized costs are estimated to be 5.3 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 26: Retail Trade Industry									
Small Business Size Standard: $9.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	69,679	10.9%	83,278	$4,273	$61,325	$3,420	5.6%	$3,238	5.3%

Enterprises with receipts of $100,000 to $499,999	212,200	33.2%	532,330	$68,606	$323,308	$3,420	1.1%	$3,238	1.0%
Enterprises with receipts of $500,000 to $999,999	118,943	18.6%	528,280	$100,873	$848,081	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	126,105	19.8%	914,575	$235,819	$1,870,018	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	57,394	9.0%	700,081	$234,541	$4,086,499	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	19,586	3.1%	372,573	$137,951	$7,043,341	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	9,435	1.5%	244,343	$93,510	$9,910,941	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	9,308	1.5%	317,070	$128,366	$13,790,901	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	4,846	0.8%	215,896	$92,769	$19,143,425	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts	3,166	0.5%	167,389	$78,331	$24,741,263	$3,420	0.0%	$3,238	0.0%

of $20,000,000 to $24,999,999									
Enterprises with receipts of $25,000,000 to $29,999,999	2,307	0.4%	139,998	$69,819	$30,263,799	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	1,785	0.3%	118,314	$62,954	$35,268,411	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	1,510	0.2%	110,947	$61,983	$41,048,054	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	2,120	0.3%	179,497	$102,501	$48,349,525	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 27, the first-year and annualized costs for sponsors in the transportation and warehousing industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the transportation and warehousing industry (18.0 percent). The first-year costs are estimated to be 5.8 percent of the average receipts per firm and the annualized costs are estimated to be 5.5 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 27: Transportation and Warehousing Industry
Small Business Size Standard: $9.0 million – $47.0 million

	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	32,704	18.0%	34,795	$1,940	$59,315	$3,420	5.8%	$3,238	5.5%
Enterprises with receipts of $100,000 to $499,999	72,673	40.1%	152,029	$20,835	$286,688	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	26,780	14.8%	148,113	$22,433	$837,693	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	25,365	14.0%	269,241	$46,486	$1,832,678	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	11,101	6.1%	223,441	$44,874	$4,042,296	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	4,406	2.4%	137,503	$30,296	$6,876,163	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	2,207	1.2%	91,077	$21,057	$9,540,834	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	2,322	1.3%	129,477	$29,881	$12,868,860	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,288	0.7%	97,798	$21,948	$17,040,160	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	772	0.4%	78,172	$16,800	$21,761,486	$3,420	0.0%	$3,238	0.0%

Enterprises with receipts of $25,000,000 to $29,999,999	538	0.3%	58,986	$13,069	$24,290,896	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	440	0.2%	55,986	$12,195	$27,715,884	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	333	0.2%	37,644	$9,427	$28,309,025	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	416	0.2%	62,522	$14,692	$35,317,590	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 28, the first-year and annualized costs for sponsors in the information industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the information industry (20.0 percent). The first-year costs are estimated to be 5.9 percent of the average receipts per firm and the annualized costs are estimated to be 5.6 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 28: Information Industry									
Small Business Size Standard: $11.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	15,481	20.0%	16,482	$892	$57,602	$3,420	5.9%	$3,238	5.6%
Enterprises with receipts of $100,000 to $499,999	28,404	36.7%	68,508	$8,391	$295,425	$3,420	1.2%	$3,238	1.1%

Enterprises with receipts of $500,000 to $999,999	10,545	13.6%	57,480	$8,811	$835,598	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	10,590	13.7%	109,948	$19,795	$1,869,207	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	5,196	6.7%	99,937	$21,171	$4,074,388	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	2,180	2.8%	65,492	$15,155	$6,952,024	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	1,173	1.5%	48,149	$11,398	$9,716,735	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	1,325	1.7%	73,550	$18,201	$13,736,535	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	783	1.0%	59,471	$14,948	$19,090,309	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	497	0.6%	42,068	$11,733	$23,607,138	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	372	0.5%	39,211	$10,737	$28,863,621	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	271	0.4%	32,396	$9,252	$34,138,424	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	221	0.3%	31,989	$8,464	$38,297,393	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of	317	0.4%	43,836	$14,133	$44,582,414	$3,420	0.0%	$3,238	0.0%

$40,000,000 to $49,999,999									

As shown in Exhibit 29, the first-year and annualized costs for sponsors in the finance and insurance industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the finance and insurance industry (18.7 percent). The first-year costs are estimated to be 5.8 percent of the average receipts per firm and the annualized costs are estimated to be 5.5 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 29: Finance and Insurance Industry									
Small Business Size Standard: $15.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	43,946	18.7%	48,037	$2,597	$59,098	$3,420	5.8%	$3,238	5.5%
Enterprises with receipts of $100,000 to $499,999	109,042	46.5%	244,100	$33,314	$305,519	$3,420	1.1%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	35,651	15.2%	158,385	$29,334	$822,802	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	23,382	10.0%	184,397	$42,220	$1,805,650	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	9,135	3.9%	146,376	$37,457	$4,100,430	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts	3,926	1.7%	101,333	$27,564	$7,020,937	$3,420	0.0%	$3,238	0.0%

of $5,000,000 to $7,499,999									
Enterprises with receipts of $7,500,000 to $9,999,999	2,158	0.9%	76,995	$21,387	$9,910,531	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	2,545	1.1%	122,949	$35,425	$13,919,423	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,494	0.6%	98,142	$29,155	$19,514,918	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	977	0.4%	75,763	$24,489	$25,065,036	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	642	0.3%	61,866	$19,483	$30,347,565	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	537	0.2%	56,634	$19,541	$36,389,004	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	438	0.2%	50,652	$17,860	$40,776,274	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000	567	0.2%	79,713	$27,717	$48,883,444	$3,420	0.0%	$3,238	0.0%

to $49,999,999									

As shown in Exhibit 30, the first-year and annualized costs for sponsors in the real estate and rental and leasing industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the real estate and rental and leasing industry (22.3 percent). The first-year costs are estimated to be 5.5 percent of the average receipts per firm and the annualized costs are estimated to be 5.3 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 30: Real Estate and Rental and Leasing Industry									
Small Business Size Standard: $9.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	68,419	22.3%	66,469	$4,217	$61,630	$3,420	5.5%	$3,238	5.3%
Enterprises with receipts of $100,000 to $499,999	136,155	44.3%	248,363	$39,835	$292,575	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	45,372	14.8%	171,862	$37,654	$829,887	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	34,152	11.1%	245,779	$61,652	$1,805,217	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of	12,210	4.0%	175,672	$48,951	$4,009,113	$3,420	0.1%	$3,238	0.1%

$2,500,000 to $4,999,999									
Enterprises with receipts of $5,000,000 to $7,499,999	4,020	1.3%	90,148	$27,714	$6,894,004	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	2,025	0.7%	63,474	$19,313	$9,537,201	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	1,869	0.6%	79,396	$24,481	$13,098,206	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,003	0.3%	52,698	$17,642	$17,589,281	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	617	0.2%	42,433	$13,469	$21,829,242	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	446	0.1%	33,126	$11,579	$25,961,260	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	318	0.1%	29,216	$9,810	$30,849,146	$3,420	0.0%	$3,238	0.0%

Enterprises with receipts of $35,000,000 to $39,999,999	224	0.1%	20,018	$7,096	$31,680,293	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	327	0.1%	37,186	$12,327	$37,696,094	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 31, the first-year and annualized costs for sponsors in the professional, scientific and technical services industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the professional, scientific and technical services industry (23.4 percent). The first-year costs are estimated to be 5.9 percent of the average receipts per firm and the annualized costs are estimated to be 5.5 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 31: Professional, Scientific and Technical Services Industry									
Small Business Size Standard: $9.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	188,173	23.4%	186,477	$10,990	$58,404	$3,420	5.9%	$3,238	5.5%
Enterprises with receipts of $100,000 to $499,999	351,252	43.6%	699,310	$101,497	$288,958	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	109,203	13.6%	522,342	$91,230	$835,416	$3,420	0.4%	$3,238	0.4%

Enterprises with receipts of $1,000,000 to $2,499,999	89,925	11.2%	852,984	$164,634	$1,830,797	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	33,619	4.2%	622,519	$136,728	$4,066,997	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	11,965	1.5%	366,420	$84,405	$7,054,313	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	6,097	0.8%	256,793	$60,418	$9,909,398	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	6,150	0.8%	348,201	$84,884	$13,802,321	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	3,200	0.4%	251,912	$60,785	$18,995,362	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	1,894	0.2%	177,413	$45,631	$24,092,221	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000	1,339	0.2%	151,640	$38,655	$28,868,541	$3,420	0.0%	$3,238	0.0%

to $29,999,999									
Enterprises with receipts of $30,000,000 to $34,999,999	930	0.1%	123,198	$31,108	$33,449,165	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	707	0.1%	100,554	$26,979	$38,160,528	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	964	0.1%	161,031	$42,285	$43,864,307	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 32, the first-year and annualized costs for sponsors in the management of companies and enterprises industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, but those firms do not constitute a substantial number of small entities in the management of companies and enterprises industry (6.2 percent). The first-year costs are estimated to be 9.9 percent of the average receipts per firm and the annualized costs are estimated to be 9.4 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 32: Management of Companies and Enterprises Industry									
Small Business Size Standard: $38.5 million – $45.5 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**

Enterprises with receipts below $100,000	1,043	6.2%	11,909	$36	$34,371	$3,420	9.9%	$3,238	9.4%
Enterprises with receipts of $100,000 to $499,999	1,228	7.3%	3,920	$303	$246,410	$3,420	1.4%	$3,238	1.3%
Enterprises with receipts of $500,000 to $999,999	760	4.5%	4,442	$361	$475,175	$3,420	0.7%	$3,238	0.7%
Enterprises with receipts of $1,000,000 to $2,499,999	1,684	10.0%	16,525	$1,052	$624,520	$3,420	0.5%	$3,238	0.5%
Enterprises with receipts of $2,500,000 to $4,999,999	1,985	11.8%	28,340	$1,554	$782,756	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $5,000,000 to $7,499,999	1,518	9.0%	25,723	$1,715	$1,129,906	$3,420	0.3%	$3,238	0.3%
Enterprises with receipts of $7,500,000 to $9,999,999	1,183	7.0%	26,067	$1,642	$1,388,403	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $10,000,000 to $14,999,999	1,912	11.3%	44,624	$3,345	$1,749,307	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $15,000,000 to $19,999,999	1,380	8.2%	40,956	$3,206	$2,323,136	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $20,000,000 to $24,999,999	1,047	6.2%	34,086	$2,481	$2,369,790	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $25,000,000 to $29,999,999	859	5.1%	34,479	$2,911	$3,388,883	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $30,000,000 to $34,999,999	732	4.3%	25,244	$2,153	$2,940,632	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $35,000,000 to $39,999,999	651	3.9%	26,284	$2,258	$3,468,771	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $40,000,000 to $49,999,999	905	5.4%	42,674	$3,667	$4,051,611	$3,420	0.1%	$3,238	0.1%

As shown in Exhibit 33, the first-year and annualized costs for sponsors in the educational services industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the educational services industry (24.3 percent). The first-year costs are estimated to be 6.1 percent of the average receipts per firm and the annualized costs are estimated to be 5.7 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 33: Educational Services Industry
Small Business Size Standard: $9.0 million – $47.0 million

	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	22,439	24.3%	42,944	$1,267	$56,457	$3,420	6.1%	$3,238	5.7%
Enterprises with receipts of $100,000 to $499,999	37,156	40.3%	197,950	$10,926	$294,070	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	11,425	12.4%	139,745	$9,464	$828,359	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	9,837	10.7%	237,256	$18,178	$1,847,893	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	4,948	5.4%	227,231	$20,288	$4,100,203	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	2,051	2.2%	142,147	$14,300	$6,972,405	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	1,085	1.2%	99,135	$10,572	$9,743,335	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of	1,217	1.3%	149,025	$16,368	$13,449,575	$3,420	0.0%	$3,238	0.0%

$10,000,000 to $14,999,999									
Enterprises with receipts of $15,000,000 to $19,999,999	788	0.9%	130,304	$14,960	$18,984,389	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	405	0.4%	83,052	$9,610	$23,727,832	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	266	0.3%	72,713	$7,656	$28,783,311	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	193	0.2%	53,118	$6,371	$33,011,190	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	157	0.2%	49,519	$5,840	$37,197,306	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	230	0.2%	84,073	$10,197	$44,336,758	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 34, the first-year and annualized costs for sponsors in the administrative and support and waste management and remediation services industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the administrative and

support and waste management and remediation services industry (25.0 percent). The first-year costs are estimated to be 6.1 percent of the average receipts per firm and the annualized costs are estimated to be 5.7 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 34: Administrative and Support and Waste Management and Remediation Services Industry									
Small Business Size Standard: $8.5 million – $47.0 million									
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	85,880	25.0%	107,151	$4,839	$56,346	$3,420	6.1%	$3,238	5.7%
Enterprises with receipts of $100,000 to $499,999	140,272	40.8%	443,046	$41,086	$292,902	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	47,560	13.8%	386,597	$39,517	$830,890	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	38,169	11.1%	676,072	$69,641	$1,824,533	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	15,414	4.5%	605,633	$62,122	$4,030,215	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000	5,678	1.7%	384,948	$38,991	$6,867,032	$3,420	0.0%	$3,238	0.0%

to $7,499,999									
Enterprises with receipts of $7,500,000 to $9,999,999	2,981	0.9%	297,553	$28,484	$9,555,055	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	3,105	0.9%	424,995	$39,926	$12,858,530	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,631	0.5%	293,567	$28,445	$17,440,217	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	1,054	0.3%	231,213	$22,606	$21,448,275	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	707	0.2%	207,995	$18,415	$26,046,902	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	542	0.2%	174,505	$15,781	$29,116,928	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	438	0.1%	163,589	$14,122	$32,242,332	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts	611	0.2%	262,706	$23,392	$38,285,580	$3,420	0.0%	$3,238	0.0%

of $40,000,000 to $49,999,999									

As shown in Exhibit 35, the first-year and annualized costs for sponsors in the health care and social assistance industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the health care and social assistance industry (16.3 percent). The first-year costs are estimated to be 5.9 percent of the average receipts per firm and the annualized costs are estimated to be 5.6 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 35: Health Care and Social Assistance Industry									
Small Business Size Standard: $9.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	105,782	16.3%	144,258	$6,090	$57,567	$3,420	5.9%	$3,238	5.6%
Enterprises with receipts of $100,000 to $499,999	247,273	38.0%	919,768	$78,811	$318,721	$3,420	1.1%	$3,238	1.0%
Enterprises with receipts of $500,000 to $999,999	130,435	20.0%	1,066,795	$109,442	$839,054	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	102,005	15.7%	1,733,292	$183,696	$1,800,855	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts	32,793	5.0%	1,269,403	$133,245	$4,063,217	$3,420	0.1%	$3,238	0.1%

of $2,500,000 to $4,999,999									
Enterprises with receipts of $5,000,000 to $7,499,999	11,292	1.7%	768,478	$80,149	$7,097,889	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	6,073	0.9%	587,923	$60,599	$9,978,460	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	6,282	1.0%	843,098	$87,833	$13,981,751	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	3,193	0.5%	582,465	$62,505	$19,575,723	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	1,945	0.3%	432,978	$48,856	$25,118,522	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	1,297	0.2%	333,840	$39,440	$30,408,549	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	939	0.1%	287,523	$33,961	$36,166,881	$3,420	0.0%	$3,238	0.0%

Enterprises with receipts of $35,000,000 to $39,999,999	672	0.1%	251,011	$27,909	$41,531,881	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	903	0.1%	357,594	$44,398	$49,167,765	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 36, the first-year and annualized costs for sponsors in the arts, entertainment, and recreation industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the arts, entertainment, and recreation industry (23.2 percent). The first-year costs are estimated to be 6.0 percent of the average receipts per firm and the annualized costs are estimated to be 5.7 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 36: Arts, Entertainment, and Recreation Industry									
Small Business Size Standard: $9.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	29,950	23.2%	38,970	$1,710	$57,104	$3,420	6.0%	$3,238	5.7%
Enterprises with receipts of $100,000 to $499,999	54,053	41.8%	191,639	$15,997	$295,945	$3,420	1.2%	$3,238	1.1%
Enterprises with receipts of $500,000 to $999,999	18,957	14.7%	170,222	$15,699	$828,112	$3,420	0.4%	$3,238	0.4%

Enterprises with receipts of $1,000,000 to $2,499,999	15,336	11.9%	289,189	$27,685	$1,805,199	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	5,663	4.4%	216,533	$22,802	$4,026,410	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	1,969	1.5%	125,098	$13,719	$6,967,317	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	1,046	0.8%	91,555	$10,126	$9,680,550	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	933	0.7%	107,964	$12,372	$13,260,079	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	475	0.4%	74,342	$8,606	$18,118,161	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	241	0.2%	44,304	$5,431	$22,537,025	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	204	0.2%	53,147	$5,416	$26,546,971	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	145	0.1%	32,692	$4,323	$29,810,687	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	100	0.1%	27,043	$3,904	$39,044,753	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	152	0.1%	50,619	$6,146	$40,431,359	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 37, the first-year and annualized costs for sponsors in the accommodation and food services industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, but those firms do not constitute a substantial number of small entities in the accommodation and food services industry (12.3 percent). The first-year costs are estimated to be 5.7 percent of the average receipts per firm and the annualized costs are estimated to be 5.4 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 37: Accommodation and Food Services Industry									
Small Business Size Standard: $9.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	66,229	12.3%	115,964	$3,963	$59,844	$3,420	5.7%	$3,238	5.4%
Enterprises with receipts of $100,000 to $499,999	217,687	40.5%	1,118,632	$70,085	$321,951	$3,420	1.1%	$3,238	1.0%
Enterprises with receipts of $500,000 to $999,999	114,796	21.3%	1,443,882	$96,296	$838,842	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	98,061	18.2%	2,532,598	$175,384	$1,788,516	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of	26,006	4.8%	1,340,484	$102,232	$3,931,078	$3,420	0.1%	$3,238	0.1%

$2,500,000 to $4,999,999									
Enterprises with receipts of $5,000,000 to $7,499,999	6,495	1.2%	562,320	$44,428	$6,840,405	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	2,683	0.5%	320,216	$25,941	$9,668,815	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	2,640	0.5%	437,032	$35,100	$13,295,412	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,288	0.2%	316,081	$23,908	$18,562,454	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	720	0.1%	218,303	$16,968	$23,566,876	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	485	0.1%	174,495	$13,587	$28,015,312	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	335	0.1%	142,671	$11,147	$33,273,680	$3,420	0.0%	$3,238	0.0%

Enterprises with receipts of $35,000,000 to $39,999,999	279	0.1%	136,491	$10,468	$37,521,086	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	372	0.1%	216,049	$16,974	$45,628,797	$3,420	0.0%	$3,238	0.0%

As shown in Exhibit 38, the first-year and annualized costs for sponsors in the other services industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the other services industry (24.6 percent). The first-year costs are estimated to be 5.7 percent of the average receipts per firm and the annualized costs are estimated to be 5.4 percent of the average receipts per firm for firms with revenue below $100,000.

Exhibit 38: Other Services Industry									
Small Business Size Standard: $8.0 million – $47.0 million									
	Number of Firms	**Number of Firms as Percent of Small Firms in Industry**	**Total Number of Employees**	**Annual Receipts ($ million)**	**Average Receipts per Firm ($)**	**First-Year Cost per Firm with 7% Discounting**	**First-Year Cost per Firm as Percent of Receipts**	**Annualized Cost per Firm with 7% Discounting**	**Annualized Cost per Firm as Percent of Receipts**
Enterprises with receipts below $100,000	170,736	24.6%	255,297	$10,216	$59,834	$3,420	5.7%	$3,238	5.4%
Enterprises with receipts of $100,000 to $499,999	317,048	45.7%	1,077,568	$93,232	$294,062	$3,420	1.2%	$3,238	1.1%

Enterprises with receipts of $500,000 to $999,999	102,517	14.8%	754,571	$84,777	$826,958	$3,420	0.4%	$3,238	0.4%
Enterprises with receipts of $1,000,000 to $2,499,999	68,210	9.8%	955,461	$121,839	$1,786,227	$3,420	0.2%	$3,238	0.2%
Enterprises with receipts of $2,500,000 to $4,999,999	20,419	2.9%	564,101	$81,799	$4,006,027	$3,420	0.1%	$3,238	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	6,414	0.9%	280,574	$44,403	$6,922,817	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	2,783	0.4%	161,164	$27,025	$9,710,570	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	2,571	0.4%	195,893	$34,100	$13,263,323	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,264	0.2%	119,626	$22,846	$18,074,474	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $20,000,000	692	0.1%	72,568	$15,534	$22,448,389	$3,420	0.0%	$3,238	0.0%

to $24,999,999									
Enterprises with receipts of $25,000,000 to $29,999,999	506	0.1%	63,532	$13,471	$26,622,602	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	325	0.0%	42,921	$9,987	$30,729,615	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	292	0.0%	37,383	$10,032	$34,357,693	$3,420	0.0%	$3,238	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	326	0.0%	49,042	$12,512	$38,381,273	$3,420	0.0%	$3,238	0.0%

b. Registered CTE apprenticeship program sponsors.

The Department used the same steps as in the analysis of registered apprenticeship programs to estimate the cost of the proposed rule per registered CTE apprenticeship program sponsor as a percentage of annual receipts. The Department divided the estimated first-year cost and the annualized cost per registered CTE apprenticeship program sponsors (discounted at a 7-percent rate) by the average annual receipts per firm in the educational services industry (NAICS 61) to determine whether the proposed rule would have a significant economic impact on registered CTE apprenticeship program sponsors in each size category.[247] Then, the Department divided the number of firms in each size category by the total number of small firms in the educational services industry to determine whether the proposed rule would have a significant economic impact on a substantial number of small entities.[248] For registered CTE apprenticeship program sponsors, the first-year cost or annualized cost per sponsor would have a significant economic impact on a substantial number of small entities. As shown in Exhibit 39, the first-year and annualized costs for sponsors in the educational services industry are estimated to have a significant economic impact (3 percent or more) on small entities with receipts under $100,000, and those firms constitute a substantial number of small entities in the educational services industry (24.3 percent). The first-year costs are estimated to be 6.2 percent of the average receipts per firm and the annualized costs are estimated to be 4.2 percent of the average receipts per firm for firms with revenue below $100,000. It should be noted, however, that participation in CTE is voluntary; therefore, only small entities that choose to continue to participate would experience an economic impact—significant or otherwise.

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[247] For purposes of this analysis, the Department used a 3-percent threshold for "significant economic impact." The Department has used a 3-percent threshold in prior rulemakings. *Ibid*.

[248] For purposes of this analysis, the Department used a 15-percent threshold for "substantial number of small entities." The Department has used a 15-percent threshold in prior rulemakings. *Ibid*.

Exhibit 39: Educational Services Industry									
Small Business Size Standard: $8.0 million – $47.0 million									
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts ($ million)	Average Receipts per Firm ($)	First-Year Cost per Firm with 7% Discounting	First-Year Cost per Firm as Percent of Receipts	Annualized Cost per Firm with 7% Discounting	Annualized Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	22,439	24.3%	42,944	$1,267	$56,457	$3,476	6.2%	$2,398	4.2%
Enterprises with receipts of $100,000 to $499,999	37,156	40.3%	197,950	$10,926	$294,070	$3,476	1.2%	$2,398	0.8%
Enterprises with receipts of $500,000 to $999,999	11,425	12.4%	139,745	$9,464	$828,359	$3,476	0.4%	$2,398	0.3%
Enterprises with receipts of $1,000,000 to $2,499,999	9,837	10.7%	237,256	$18,178	$1,847,893	$3,476	0.2%	$2,398	0.1%
Enterprises with receipts of $2,500,000 to $4,999,999	4,948	5.4%	227,231	$20,288	$4,100,203	$3,476	0.1%	$2,398	0.1%
Enterprises with receipts of $5,000,000 to $7,499,999	2,051	2.2%	142,147	$14,300	$6,972,405	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	1,085	1.2%	99,135	$10,572	$9,743,335	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	1,217	1.3%	149,025	$16,368	$13,449,575	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	788	0.9%	130,304	$14,960	$18,984,389	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	405	0.4%	83,052	$9,610	$23,727,832	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	266	0.3%	72,713	$7,656	$28,783,311	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	193	0.2%	53,118	$6,371	$33,011,190	$3,476	0.0%	$2,398	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	157	0.2%	49,519	$5,840	$37,197,306	$3,476	0.0%	$2,398	0.0%

Enterprises with receipts of $40,000,000 to $49,999,999	230	0.2%	84,073	$10,197	$44,336,758	$3,476	0.0%	$2,398	0.0%

6. Relevant Federal rules duplicating, overlapping, or conflicting with the proposed rule.

The Department is not aware of any relevant Federal rules that may duplicate, overlap, or conflict with the proposed rule.

7. Alternatives to the proposed rule.

The RFA directs agencies to assess the impacts that various regulatory alternatives would have on small entities and to consider ways to minimize those impacts. Accordingly, the Department considered two regulatory alternatives. Under the first alternative, end-point assessments (proposed § 29.16) would not be required under the proposed rule. Under the second alternative, program reviews (proposed § 29.19) would only be conducted for cause.

For the first alternative the Department considered removing the requirement for end-point assessments from the proposed rule. To estimate the reduction in costs under this alternative, the Department subtracted the estimated costs of end-point assessments from the total costs estimated of the proposed rule. Exhibit 40 shows the estimated cost per sponsor for each year of the analysis period. The first-year cost per sponsor is estimated at $737 at a discount rate of 7 percent. The annualized cost per sponsor is estimated at $468 at a discount rate of 7 percent.

The Department decided not to pursue this alternative because end-point assessments are a key method for sponsors to assess the skills and knowledge acquired by the apprentice and to ensure the quality of registered apprenticeship programs.

Exhibit 40: Alternative 1 – Estimated Cost per Registered Apprenticeship Program Sponsors ($ millions unless otherwise noted)												
Year	**Rule Familiarization**	**On-the-Job Training Documentation**	**Wage Analysis and Career Development Profile**	**Data Collection and Reporting**	**Program Registration**	**Program Standards Adoption Agreement**	**End-Point Assessments**	**Recordkeeping**	**Program Reviews**	**Total Cost**	**Number of Registered Apprenticeship Program Sponsors**	**Cost per Sponsors ($)**
1	$10.92	$0.00	$0.05	$2.94	$0.28	$0.22	$0.00	$5.57	$0.89	$20.89	26,492	$788
2	$1.17	$0.00	$0.05	$3.07	$0.29	$0.22	$0.00	$5.77	$0.92	$11.50	27,434	$419
3	$1.20	$0.00	$0.05	$3.20	$0.30	$0.22	$0.00	$5.97	$0.96	$11.89	28,376	$419
4	$1.23	$0.00	$0.05	$3.33	$0.31	$0.22	$0.00	$6.17	$0.99	$12.29	29,318	$419
5	$1.26	$0.00	$0.05	$3.46	$0.32	$0.22	$0.00	$6.37	$1.02	$12.69	30,260	$419
6	$1.29	$0.00	$0.05	$3.59	$0.32	$0.22	$0.00	$6.56	$1.05	$13.08	31,202	$419
7	$1.32	$0.00	$0.05	$3.72	$0.33	$0.22	$0.00	$6.76	$1.08	$13.48	32,144	$419
8	$1.35	$0.00	$0.05	$3.85	$0.34	$0.22	$0.00	$6.96	$1.11	$13.88	33,086	$419
9	$1.38	$0.00	$0.05	$3.98	$0.35	$0.22	$0.00	$7.16	$1.15	$14.27	34,028	$419
10	$1.41	$0.00	$0.05	$4.10	$0.35	$0.22	$0.00	$7.36	$1.18	$14.67	34,970	$420
First-year cost ($), 7% discount rate												$737
Annualized cost ($), 7% discount rate, 10 years												$468

For the second alternative, the Department considered conducting program reviews only for cause, rather than for all sponsors every 5 years. To estimate the reduction in costs under this alternative, the Department adjusted the calculations described in the subject-by-subject analysis for program reviews (proposed § 29.19). The Department estimated that instead of all sponsors undergoing a program review every 5 years, only 320 sponsors would receive program reviews in each year. The Department maintained the assumption that 20 percent of those program reviews would find noncompliance and require a subsequent compliance action plan. The Department maintained the cost estimates for all other provisions. Exhibit 41 shows the estimated cost per sponsor for each year of the analysis period. The first-year cost per sponsor is estimated at $3,164 at a discount rate of 7 percent. The annualized cost per sponsor is estimated at $3,174 at a discount rate of 7 percent.

The Department decided not to pursue this alternative because conducting program reviews only for cause would miss a large number of programs that may need reviews. The Department seeks public comment on recommendations for additional lower cost alternatives that would still allow the Department to meet the goals of the proposed rule. To ensure high-quality registered apprenticeship programs, and that all programs abide by the regulatory requirements of registered apprenticeship, the Department believes that all registered apprenticeship programs should be reviewed over a 5-year period as specified in the proposed rule. This 5-year period ensures that the Department has the resources available to conduct reviews and that the review is not overly burdensome on programs undergoing the review. The Department seeks public comment on other alternatives to the proposed rule that would mitigate impacts on small businesses while maintaining the goals of the revisions to registered apprenticeship requirements and creation of registered CTE apprenticeship.

Exhibit 41: Alternative 2 – Estimated Cost per Registered Apprenticeship Program Sponsors ($ millions unless otherwise noted)												
Year	**Rule Familiarization**	**On-the-Job Training Documentation**	**Wage Analysis and Career Development Profile**	**Data Collection and Reporting**	**Program Registration**	**Program Standards Adoption Agreement**	**End-Point Assessments**	**Recordkeeping**	**Program Reviews**	**Total Cost**	**Number of Registered Apprenticeship Program Sponsors**	**Cost per Sponsors ($)**
1	$10.92	$0.00	$0.05	$2.94	$0.28	$0.22	$69.65	$5.57	$0.05	$89.69	26,492	$3,386
2	$1.17	$0.00	$0.05	$3.07	$0.29	$0.22	$73.00	$5.77	$0.05	$83.63	27,434	$3,048
3	$1.20	$0.00	$0.05	$3.20	$0.30	$0.22	$76.35	$5.97	$0.05	$87.34	28,376	$3,078
4	$1.23	$0.00	$0.05	$3.33	$0.31	$0.22	$79.70	$6.17	$0.05	$91.06	29,318	$3,106
5	$1.26	$0.00	$0.05	$3.46	$0.32	$0.22	$83.05	$6.37	$0.05	$94.78	30,260	$3,132
6	$1.29	$0.00	$0.05	$3.59	$0.32	$0.22	$86.41	$6.56	$0.05	$98.49	31,202	$3,157
7	$1.32	$0.00	$0.05	$3.72	$0.33	$0.22	$89.76	$6.76	$0.05	$102.21	32,144	$3,180
8	$1.35	$0.00	$0.05	$3.85	$0.34	$0.22	$93.11	$6.96	$0.05	$105.93	33,086	$3,202
9	$1.38	$0.00	$0.05	$3.98	$0.35	$0.22	$96.46	$7.16	$0.05	$109.64	34,028	$3,222
10	$1.41	$0.00	$0.05	$4.10	$0.35	$0.22	$99.81	$7.36	$0.05	$113.36	34,970	$3,242
First-year cost ($), 7% discount rate												$3,164
Annualized cost ($), 7% discount rate, 10 years												$3,174

C. Paperwork Reduction Act

The purposes of the Paperwork Reduction Act (PRA), 44 U.S.C. 3501 et seq., includes minimizing the paperwork burden on affected entities. The PRA requires certain actions before an agency can adopt or revise a collection of information, including publishing for public comment a summary of the collection of information and a brief description of the need for and proposed use of the information.

As part of its continuing effort to reduce paperwork and respondent burden, the Department conducts a preclearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and continuing collections of information in accordance with the PRA. *See* 44 U.S.C. 3506(C)(2)(A). Furthermore, the PRA requires all Federal agencies to analyze proposed regulations for potential time burdens on the regulated community created by provisions in the proposed regulations that require any party to obtain, maintain, retain, report, or disclose information. The ICRs also must be submitted to OMB for approval. Such submissions often accompany a proposed rulemaking that seeks to modify an existing IC, introduce new ICs, or both.

A Federal agency may not conduct or sponsor a collection of information unless it is approved by OMB under the PRA and displays a currently valid OMB control number. The public also is not required to respond to a collection of information unless it displays a currently valid OMB control number. In addition, notwithstanding any other provisions of law, no person will be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. *See* 44 U.S.C. 3512.

In this NPRM, the Department is proposing several new ICs that will impact existing, and potentially new, registered apprenticeship stakeholders, including those stakeholders involved in program registration (i.e., program sponsors, participating

employers, Registration Agencies, and apprentices), the occupational suitability process (e.g., potential program sponsors, industry groups, and trade associations), National Apprenticeship System governance (e.g., SAAs and State employees), and the proposed CTE apprenticeship model (potential registered CTE apprenticeship program sponsors and apprentices, State and Local Educational Agencies, institutions of higher education, and other education and workforce development representatives). Concurrent with the publication of this proposed rule, the Department has submitted ICRs to OMB to request approval for the ICs related to this proposal—one for revisions to the existing, approved ICR for OA's current activities overseeing the National Apprenticeship System (current OMB 1205-0223, form 671), and three new ICRs to reflect the new IC elements in this proposed rule. These ICRs align with the four areas below:

(1) Labor Standards and Equal Employment Opportunity for Registered Apprenticeship Programs Registration and Reporting Requirements – Revisions and additions to current Form 671

(2) Information Collection on Suitability of Occupations for Registered Apprenticeship Programs and National Occupational Standard– New

(3) SAA Governance (State Apprenticeship Plan) – New

(4) CTE Apprenticeship – New

Desired Focus of Comments

The Department is soliciting comments concerning the proposed IC related to the below ICRs. The Department is particularly interested in comments that:

- Evaluate whether the collection of information is necessary for the proper performance of the functions of the Agency, including whether the information has practical utility;

- Evaluate the accuracy of the Department's estimate of the burden related to the IC, including the validity of the methodology and assumptions used in the estimate;
- Suggest methods to enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the IC on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of IT (e.g., permitting electronic submission of responses).

Please see additional information regarding each ICR for context on comments.

The ICs associated with this proposal are summarized as follows:

1. **Labor standards and Equal Employment Opportunity for Registered Apprenticeship Programs – Registration and Reporting Requirements.**

Agency: DOL-ETA.

Title of Collection: Labor Standards and Equal Employment Opportunity for Registered Apprenticeship Programs – Registration and Reporting Requirements.

Type of Review: New.

OMB Control Number: 1205-0NEW.

Description: The Department is taking this opportunity to make changes to the forms in OMB Control Number 1205-1223 (current form 671) used in the registration and reporting process for registered apprenticeship programs and other activities related to the Department's oversight of the National Apprenticeship System. This collection will eventually be included in OMB Control Number 1205-1223 and reflected in a new, updated form 671; however, the Department is not submitting this ICR under that control number because the reginfo.gov database (OMB's system for processing requests) allows only one ICR per control number to be pending at OMB during any given period.

Because the Department's current ICR for form 671 (current OMB Control Number 1205-0223) is set to expire in June 2024, and will require a request for renewal, the Department is requesting approval for a new ICR to avoid having two pending ICRs at OMB related to the same IC. Once all outstanding actions are complete, the Department intends to submit a nonmaterial change request to merge the collections so that all the new requirements related to this proposal are added to OMB Control Number 1205-0223.

The proposed changes are intended to increase the quality and uniformity of data related to apprenticeship that are ultimately reported to OA, provide clearer and more usable tools for registered apprenticeship program sponsors, and cover the new or updated apprenticeship labor standards in this proposal that are designed on the basis of protecting and safeguarding the welfare of apprentices. This ICR encompasses the information required from program sponsors to meet the program registration, operation, recordkeeping, and reporting requirements for registered apprenticeship programs. The ICR also covers the information apprentices provide to sponsors (which in turn provide apprentice information to OA via the RAPIDS system, which is populated in part by the data from current form 671 that sponsors submit, either by paper or electronically). The Department proposes to further update ETA form 671, part I by adding part IA to incorporate the newly proposed Group Program Participating Employer Tear-off, a Program Standards Adoption Agreement, a Registered Apprenticeship Individual Record Layout schema to operate a case management system and for SAAs to accurately report data to the Department, additional proposed elements for the complaints process. The Department is also incorporating the IC elements related to National Program Standards for Apprenticeship and National Guidelines for Apprenticeship Standards, tools that were first introduced via DOL Circulars issued by OA (2022-01[249] for National Program

[249] DOL, Circular 2022-01, "Updated Guidance – Minimum National Program Standards for Registered Apprenticeship Programs," 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-01.pdf*.

Standards for Apprenticeship, 2022-02[250] for National Guidelines for Apprenticeship Standards) and are now proposed for incorporation into the part 29 regulations for registered apprenticeship.

Affected Public: State, Local, and Tribal Governments; Private Sector; Individuals or Households.

Obligation to Respond: Required to Obtain or Retain Benefits.

Estimated Total Annual Respondents: 1,508,012 (reflecting FY 2022 data in the supporting statement for sponsors, employers, apprentices, and SAAs

Estimated Total Annual Responses: 1,893,367 (reflecting FY 2022 data in the supporting statement for sponsors, employers, apprentices, and SAAs

Estimated Total Annual Burden Hours: 1,313,437

Estimated Total Annual Burden Costs: $44,755,449

Estimated Total Annual Other Burden Costs: N/A

Regulations Sections: §§ 29.2, 29.8 through 29.11, 29.13 through 29.16, 29.17, 29.18, 29.19, 29.23, 29.25, 29.28, 30.3 through 30.10, 30.12, 30.14

The Department invites the public to provide comments on this proposed update to the existing form 671 and the additional elements related to registered apprenticeship program registration and operation. In particular, the Department is interested in comments about the current form 671, its clarity and ease of use, and the existing registration and reporting requirements for registered apprenticeship programs, and whether the proposed updates to this form are necessary, whether the new IC elements will have practical utility for the Department's oversight of the National Apprenticeship System, and any other feedback or suggestions related to form 671 and the registration and reporting requirements for registered apprenticeship programs. The Department is

[250] DOL, Circular 2022-02, "Guidance – National Guidelines for Apprenticeship Standards," Feb. 16, 2022, *https://www.apprenticeship.gov/sites/default/files/bulletins/Circular-2022-02.pdf.*

also interested in its proposed introduction of the RAIR Layout, which would provide a schematic for the development of a case management system, such as RAPIDS to collect the information required in the proposed rule, as well as a schema for SAAs that do not utilize RAPIDS to use when updating their case management systems to align with the NPRM. In addition, the Department is interested in comments about the accuracy of its burden estimates related to this proposal, and whether any potentially impacted stakeholders would be unduly burdened by the proposed changes to form 671 and registration and reporting requirements for registered apprenticeship programs.

2. **Occupational suitability and National Occupational Standards.**

Agency: DOL-ETA.

Title of Collection: Occupational Suitability.

Type of Review: New.

OMB Control Number: 1205-0NEW.

Description: This IC is new and encompasses the information exchange related to applications regarding an occupation's suitability for registered apprenticeship training under the newly proposed process in § 29.7. This IC also encompasses the exchange of information related to the development and National Occupational Standards for Apprenticeship (including establishing and updating such Standards) under the proposed process at § 29.13. The Department expects that both of these processes will involve the exchange of information between industry stakeholders (including industry groups, leaders, and representatives, trade associations, and labor organizations) and the Administrator (the Department official responsible for making determinations on occupational suitability and overseeing the process of establishing National Occupational Standards for Apprenticeship).

Information exchanged under this collection is necessary to determine if an occupation meets the criteria for occupational suitability at proposed § 29.7, including the

critical element of industry-vetting that underpins occupational suitability for registered apprenticeship. In addition, it is necessary to collect information from industry and the public related to the development of a set of nationally applicable standards of apprenticeship for an occupation (National Occupational Standards for Apprenticeship) to ensure these standards are applicable and usable for quality registered apprenticeship programs on a nationwide basis. The information under this collection is also necessary to give other stakeholders and the public the opportunity to provide feedback on a sponsor's submission for either occupational suitability or a set of National Occupational Standards for Apprenticeship.

Affected Public: Private Sector; Individuals or Households.

Obligation to Respond: Required to Obtain or Retain Benefits.

Estimated Total Annual Respondents: 45 (reflective of respondents submitting suitability requests and submitting responses on a estimated average of 15 new occupations per year and 220 revised occupations per year, including National Occupational Standards)

Estimated Total Annual Responses: 2,365 (based on an estimated 10 responses per occupation or National Occupational Standard)

Estimated Total Annual Burden Hours: 2,646

Estimated Total Annual Burden Costs: $79,854

Estimated Total Annual Other Burden Costs: N/A

Regulations Sections: §§ 29.7, 29.13.

The Department is interested in comments from the public on all elements of the ICs related to the proposed processes for making determinations regarding occupational suitability for registered apprenticeship training and for National Occupational Standards for Apprenticeship development. In particular, the Department is interested in hearing from existing stakeholders regarding the existing process for making occupational

suitability determinations, whether the responsibility to make such determinations should rest with the Administrator or should remain the purview of both OA and SAAs, and what types of information would best inform the suitability determination process. In addition, the Department is interested in comments from industry representatives, particularly those from industries new to registered apprenticeship that may have a vested interest in the development of National Occupational Standards for Apprenticeship for their industry, regarding the process for developing National Occupational Standards, what types of information would best inform such development, and other feedback or suggestions on how to accelerate registered apprenticeship expansion into new industries through frameworks, tools, and other resources.

3. **State Apprenticeship Agency governance and planning.**

Agency: DOL-ETA.

Title of Collection: State Apprenticeship Agency Governance and Planning.

Type of Review: New.

OMB Control Number: 1205-0NEW.

Description: This new IC reflects the Department's proposal to update and refine the process for recognizing SAAs, and the information contained in the collection is required for any State seeking initial or continued recognition as an SAA State. The Department's proposal includes a requirement for State Apprenticeship Plans that SAAs must develop, and submit to OA for approval, in order to obtain or maintain recognition as an SAA, and this IC contains all the required information and documentation needed for a satisfactory State Apprenticeship Plan. The IC also reflects the subsequent documentation required if an SAA's State Apprenticeship Plan needs revisions (i.e., the corrective action plan introduced in the section-by-section discussion of this NPRM), as well as any documentation related to the withdrawal or derecognition of an SAA. Of the 57 States as defined in proposed 29 CFR 29.2, there are currently 31 States with SAAs

recognized to registered programs for Federal purposes. These jurisdictions, should they seek to continue recognition for Federal purposes, will submit an initial plan during 2026 (first year that plans are required). After which, States are required to submit a renewal every 4 years. SAAs may submit updates should they need to modify their plan under proposed 29 CFR 29.27. No other submissions are required unless a State without a recognized SAA seeks recognition for Federal purposes.

The information requested in this IC is required to facilitate the Department's examination of a State agency's fitness to serve in the role of an SAA, including meeting the requirements and responsibilities outlined in proposed § 29.26 and the other SAA-related requirements found in proposed §§ 29.27 and 29.29, as applicable. The Department has determined that its proposal for revamping the SAA Governance framework will increase its ability to monitor and verify States' operational and strategic capacity to serve in the important role of an SAA within the National Apprenticeship System, including assessing whether State laws conform to the minimum standards in the parts 29 and 30 regulations, and whether States have a detailed, actionable plan for advancing DEIA and EEO outcomes for the registered apprenticeship programs in their State. The information will be collected via an online form and by email, and the Department is committed to providing substantial technical assistance to any SAAs recognized at the time of this proposed rule's effective date, if finalized, as well as any new States seeking recognition from the Federal government as an SAA State.

Affected Public: State, Local, and Tribal Governments.

Obligation to Respond: Required to Obtain or Retain Benefits.

Estimated Total Respondents in 2026: 31 SAAs

Estimated Total Responses in 2026: 31 SAAs

Estimated Total Burden Hours in 2026: 86 hours

Estimated Total Burden Costs in 2026: $197,948

Estimated Total Annual Other Burden Costs: N/A

The Department invites comments from the public, including State or SAA representatives, State and local elected officials, and sponsors and apprentices in SAA States, regarding the proposed updates to the SAA Governance framework and the Department's IC plans related to such framework. In particular, the Department is interested in comments or feedback regarding the increased burden, if any, this revamped approach to SAA Governance may introduce, and whether the benefits of the proposal (as articulated above in the section-by-section discussion) justify any increased burden. The Department is also interested in receiving comments on the practical and strategic benefits of the State planning process (such as that used for the WIOA model) and whether this is appropriate or useful for the National Apprenticeship System.

4. **Registered Career and technical education apprenticeship.**

Agency: DOL-ETA.

Title of Collection: Career and Technical Education Apprenticeship.

Type of Review: New.

OMB Control Number: 1205-0NEW.

Description: This IC is new and encompasses the information exchange related to registered CTE apprenticeship program sponsors—primarily LEAs, institutions of higher education, or their designated intermediaries—and CTE apprentice information under the Department's proposed registered CTE apprenticeship model at proposed 29 CFR part 29, subpart B (proposed § 29.24). This IC also encompasses the exchange of information related to the development of industry skills frameworks (including establishing and updating such Frameworks) under proposed § 29.24, wherein the Department would work with the public and industry representatives to develop nationally applicable frameworks to guide the on-the-job training and CTE apprenticeship-related instruction of CTE apprentices in subject industry for proposed registered CTE apprenticeships.

This ICR will cover sponsors' submission of information for registered CTE apprenticeship program registration, operation, recordkeeping, and reporting requirements (as proposed in § 29.24), including CTE program standards, a CTE apprenticeship agreement, an employer adoption agreement (where applicable under proposed § 29.24), a complaints form, and a voluntary attestation of disability. The ICR also covers the information CTE apprentices provide to sponsors, as populated through a CTE apprenticeship agreement, and sponsors' subsequent provision of apprentice information, to the extent feasible, to a Registration Agency via the RAPIDS or State sponsored case management system (in accordance with FERPA and relevant State laws for sharing information on students in secondary education). This ICR is similar to the current IC practices under subpart A but tailored to meet the requirements under subpart B. OA does not currently collect this information, and doing so will require the development of an applicable form. The ICR will also involve the exchange of information between industry stakeholders (including industry groups, leaders, and representatives, trade associations, labor organizations, and local advisory councils) and the Administrator (the Department official responsible for overseeing the process of developing and establishing industry skills frameworks). Information exchanged under this collection is necessary to collect information from industry and the public related to the development of nationally applicable and locally tailored industry skills frameworks that provide the basis for the paid on-the-job component of a registered CTE apprenticeship.

Affected Public: State, Local, and Tribal Governments; Private Sector; Individuals or Households.

Obligation to Respond: Required to Obtain or Retain Benefits.

Estimated Total Annual Respondents: 4,451 (all 2025 registered CTE apprenticeship program sponsors [137], participating employers [210], CTE apprentices [3210], and SAAs [1]) 8 industry leaders for ISF)

Estimated Total Annual Responses: 4,451 (all 2025 registered CTE apprenticeship program sponsors [137], participating employers [210], CTE apprentices [3210], and SAAs [1]) 8 industry skills framework submissions, 80 industry skills framework responses by industry leaders)

Estimated Total Annual Burden Hours: 5,141

Estimated Total Annual Burden Costs: $225,031

Estimated Total Annual Other Burden Costs: N/A

Regulations Sections: § 29.24.

The Department invites the public to provide comments on this proposed IC for registered CTE apprenticeship program registration and industry skills frameworks. In particular, the Department is interested in comments about the ability for registered CTE apprenticeship program sponsors or their designated intermediaries to provide valid and timely information to meet applicable reporting requirements, such as the submission of standards for program registration. The Department is interested in comments about the potential barriers to reporting CTE apprentice information to a Registration Agency and the types of mechanisms that can facilitate sponsors' or States' ability to report CTE apprentice information. In addition, the Department is interested in comments about the accuracy of its burden estimates related to this proposal, and whether any potentially impacted stakeholders would be unduly burdened by the new registration and reporting requirements for registered CTE apprenticeship programs. In addition, the Department is interested in comments from industry representatives, particularly those from industries that can provide a broad base of skills and competencies in the development of industry skills frameworks for their industry, regarding the process for developing industry skills

frameworks and what types of information would best inform such development. The Department is also interested in hearing from the CTE stakeholder community on the applicability and alignment of industry skills frameworks with CTE programs within State-identified Career Clusters.

D. Executive Order 13132 (Federalism)

The Department has reviewed this proposed rule in accordance with E.O. 13132 and found that, if finalized as proposed, it will have federalism implications because it will have substantial direct effects on States, their registration of programs for Federal purposes, and the relationship between the Federal Government and the States. Due to the nature of OA's role overseeing the National Apprenticeship System per its statutory mandate to protect the welfare of apprentices nationwide, OA's enforcement of the parts 29 and 30 regulations, as well as OA's development and promulgation of updates to such regulations, may have such federalism implications if States are required to make any changes or adjustments to apprenticeship policy, State apprenticeship laws, or any procedures related to their respective roles in this Federally administered apprenticeship system. OA regularly consults and collaborates with State partners and organizations, including when developing and promulgating proposed updates to part 29 or part 30 impacting the National Apprenticeship System (as described below). The Department and OA will continue consulting and collaborating with State partners, which the Department views as central to OA's role in promoting and maintaining quality registered apprenticeship programs. The Department invites comments from the public on the federalism implications of this proposed rule and is interested in comments from State partners regarding the quality and effectiveness of the Department's ongoing consultations and collaborations and any recommendations for improvement.

In particular, the proposed rule, if finalized, may affect internal State

organizational structures and processes with regard to new and ongoing SAA recognition, strategic planning for the expansion of registered apprenticeship, determining occupations' suitability for registered apprenticeship training, and developing processes for reciprocal approval of programs registered in other States. The Department is proposing updates to the part 29 regulations concerning National Apprenticeship System governance (with the most significant changes to the relationship between the Federal government and the States contained within proposed subpart C) based on analysis of the functioning and efficacy of the current system, consultations with State partners including representatives from SAAs and State partners from OA States (i.e., States without an SAA recognized by the Department), and recommendations from existing registered apprenticeship stakeholders, advisory bodies (such as the ACA), and other workforce development and education system partners.

Stakeholders, including State and local officials and other National Apprenticeship System partners, have been a vital source of both feedback regarding the efficacy of the current system and suggestions and advice (based on their experiences and regional perspectives registering, overseeing, participating, or analyzing registered apprenticeship programs) regarding ways to improve the system, including recommended adjustments to its governing regulations. In the past 2 years, as an essential part of its planning for the development and promulgation of this NPRM, the Department has been engaged with stakeholders more specifically on the topic of updating the regulatory framework (including whether updates were necessary, and what issues should be prioritized in updating the regulations) and has participated in or organized several forums for soliciting feedback and advice from State partners and other apprenticeship stakeholders on this topic. For example, the Department solicited

and considered advice from the most recent term of the ACA,[251] and held listening sessions and otherwise consulted with State partners specifically related to systemwide governance and the relationship between OA and the States (including officials from the National Association of State and Territorial Apprenticeship Directors (NASTAD), the organization representing apprenticeship officials from the District of Columbia, 28 States operating SAAs, and two Territories).

The ACA, which includes representation from NASTAD, offered specific suggestions on matters relating to SAA governance and the role of States in the expansion and modernization of registered apprenticeship that are relevant to this Federalism analysis. These suggestions included aligning registered apprenticeship policies and procedures among SAA and OA States to promote cohesiveness and uniformity within the National Apprenticeship System, standardizing the process for making determinations on occupations' suitability for registered apprenticeship training, and enhancing data collection and reporting requirements to develop a national repository of high-quality apprenticeship data. The Department agrees with many of the ACA's observations and recommendations and has incorporated these recommendations throughout the proposed rule.

In addition to consulting during with the ACA during its most recent term, the Department organized forums to intentionally engage with State partners, such as SAAs and NASTAD, on the effectiveness of the National Apprenticeship System and its existing regulations, the Department's plans to pursue updates to the regulations, and State partners' concerns, issues, or recommendations related to system governance. In March and May 2023, OA held listening sessions to discuss and obtain feedback from these important State partners. To guide the discussions and generate feedback on

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[251] ACA, "Interim Report to the Secretary of Labor," May 16, 2022, *https://www.apprenticeship.gov/sites/default/files/aca-interim-report-may-2022.pdf*.

topics related to the Department's developing plans for updating the part 29 regulations, the Department circulated guiding questions to stakeholders invited to participate in the listening sessions. These questions asked about ways to modernize the National Apprenticeship System, the characteristics of high-quality registered apprenticeship programs, and strategies to improve equitable access to registered apprenticeship programs and promote the expansion of registered apprenticeship into new and emerging industries.

During the listening sessions with State partners, several issues emerged related to the relationship between the Federal Government (for registered apprenticeship, OA) and the States (SAAs and other State partners). For example, State partners brought a meaningful perspective on the forthcoming Federal funding for registered apprenticeship programs and the need to safeguard quality throughout all registered apprenticeship programs with new potential stakeholders coming into the system. Some State partners stressed the need to maintain quality as registered apprenticeship expands and new industries and occupations enter the system, including through strong quality standards. Other State partners discussed ways that some existing registered apprenticeship programs fall short of quality standards, including through consistently low completion rates, lack of adequate representation of the diverse populations in the community, and the failure to provide tools or training necessary for apprentices' success in an occupation upon completing a program. In the Department's view, this proposed rule is responsive to the discussion on maintaining quality as the National Apprenticeship System expands. This proposal strengthens the labor standards for registered apprenticeship programs at proposed § 29.8, including through proposed provisions to improve assessment of an apprentices' progress toward proficiency in an occupation. In response to stakeholders' (including State partners) concerns about promoting equitable access to registered apprenticeship programs and addressing

barriers to entry, the Department's strengthened labor standards include a new proposed requirement that apprentices must not be charged any unreasonable or unnecessary costs, expenses, or fees to participate in a program, and that apprentices must be made aware of all costs, expenses, or fees related to participation in a program. In the Department's view, these and other strengthened labor standards will promote and maintain program quality as the National Apprenticeship System expands and incorporates new stakeholders, occupations, and industries.

The proposal would also expand the collection of apprenticeship data (at proposed § 29.25) to include elements like interim, secondary, or postsecondary credentials provided in registered apprenticeship programs, additional information regarding apprentices' progress through a program, and information about employers, workforce systems, and other partners associated with a program and its ability to place apprentices on a pathway to quality, sustainable careers. The proposal's enhanced data collection measures also align with feedback from State partners, which discussed the importance of measuring more than just apprentices' entry into and exit from a registered apprenticeship program for assessing program quality.

Many State partners and apprenticeship stakeholders discussed the importance of standardization and uniformity throughout the National Apprenticeship System. In the listening sessions, State partners also discussed the value and effectiveness of existing tools to clarify and facilitate administrative responsibilities (e.g., recordkeeping, data reporting, and the RAPIDS system) and the potential value of robust tools to inform, facilitate, and accelerate the development of new registered apprenticeship programs (e.g., Standard Builder, National Program Standards for Apprenticeship, and National Guidelines for Apprenticeship Standards). The Department considered this input in developing the proposed rule, and the NPRM includes several provisions intended to promote uniformity and standardization

throughout the National Apprenticeship System. For example, the NPRM would formalize the processes for development and intended uses of National Occupational Standards for Apprenticeship, National Program Standards for Apprenticeship, and National Guidelines for Apprenticeship Standards. The Department will continue working with industry to refine and develop these templates for new occupations and industries, and expects that new programs will use such tools to more easily develop new registered apprenticeship programs in in-demand occupations.

The Department's proposal would also increase standardization throughout the system with respect to program registration, recordkeeping and reporting requirements, and SAA recognition processes to promote consistent performance accountability among registered apprenticeship programs operating in all States. A key reform in this proposal is the clarification of SAA roles and responsibilities at proposed § 29.26 and the State Apprenticeship Plan process outlined at proposed § 29.27. The Department expects that its proposed reforms to the SAA governance framework, including establishing clearer roles for SAAs and consultative bodies such as State Apprenticeship Councils, aligning State policies via the required submission and approval of a State Apprenticeship Plan, and standardizing data collection processes, will promote uniformity and standardization throughout the National Apprenticeship System to the benefit of existing programs and any new stakeholders entering the system going forward. The updated SAA recognition and reporting requirements represent the most direct Federalism implication within this proposal, and the Department invites comments from all registered apprenticeship stakeholders and State partners regarding the benefits, feasibility, potential challenges, and any undue burdens that may arise related to the Department's proposal to reform SAA recognition and systemwide governance.

Some State partners suggested that the Department should avoid adding to or

changing the regulations at all because some existing or potential stakeholders have expressed that the current regulation, the part 30 regulations and associated EEO responsibilities for States and programs, and overall administrative requirements within the system were too long, complicated, or burdensome. Other State partners specifically pointed to EEO requirements, or efforts to improve DEIA outcomes throughout the system, as a source of discomfort among some stakeholders. The Department did not ultimately accept these recommendations in this proposed update to the part 29 regulations because, in the Department's view, the existing regulations need to be strengthened and modernized to reflect the realities and needs of stakeholders in the modern National Apprenticeship System. Further, in the Department's view, the EEO requirements and intentional DEIA focus of the part 30 regulations are important aspects of its goal to improve inclusivity and equity in the National Apprenticeship System.

In addition to soliciting and considering recommendations from the ACA and the facilitation of formal listening sessions, OA has maintained (and will continue to maintain) an open line of communication with SAA leadership that has created a consistent feedback loop on matters related to registered apprenticeship. OA staff at the national and regional levels regularly consult with SAAs, and as stated earlier, OA views the provision of technical assistance as central to its responsibility to oversee the National Apprenticeship System. OA will continue to provide such technical assistance and plans to develop robust tools to assist SAAs and all National Apprenticeship System stakeholders with understanding and complying with this proposed rule, including assistance related to the development of a State Apprenticeship Plan, continuous improvement of the labor standards tools and templates for both existing and new programs' compliance with the strengthened labor standards in this proposed rule, and resources to support States' and programs' responsibilities and goals related

to improved DEIA outcomes and equitable access for apprentices.

E. Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. 1532, requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a proposed rule that may result in $100 million or more in expenditures (adjusted annually for inflation) in any 1 year by State, local, and Tribal governments, in the aggregate, or by the private sector.

This proposed rule, if finalized, does not exceed the $100-million expenditure in any 1 year when adjusted for inflation, and this rulemaking does not contain such a mandate. The requirements of title II of UMRA, therefore, do not apply, and the Department has not prepared a statement under the Act.

F. Executive Order 13175 (Indian Tribal Governments)

The Department has reviewed this proposed rule in accordance with E.O. 13175 and has determined that it does not have Tribal implications. The proposed rule does not have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

G. Internet Address of NPRM Summary (5 U.S.C. 553(b)(4))

The Department has developed a summary of the proposed rule in plain language in accordance with 5 U.S.C. 553(b)(4) and it is publicly available at https://www.regulations.gov.

List of Subjects

29 CFR Part 29

Apprenticeship agreements and complaints, Apprenticeship programs, Program standards, Registration and deregistration, Sponsor eligibility, State Apprenticeship Agency recognition and derecognition, Suitability for registered apprenticeship criteria.

29 CFR Part 30

Administrative practice and procedure, Apprenticeship, Employment, Equal employment opportunity, Reporting and recordkeeping requirements, Training.

For the reasons stated in the preamble, the Employment and Training Administration proposes to amend 29 CFR parts 29 and 30 as follows:1. Revise part 29 to read as follows:

PART 29—LABOR STANDARDS FOR THE REGISTRATION OF APPRENTICESHIP PROGRAMS

Sec.
29.1 Purpose and scope.
29.2 Definitions.
29.3 Office of Apprenticeship.
29.4 Relation to other laws and agreements.
29.5 Severability.
29.6 Transition provisions.

Subpart A—Standards for Registered Apprenticeship Programs

Sec.
29.7 Occupations suitable for registered apprenticeship programs.
29.8 Standards of apprenticeship.
29.9 Apprenticeship agreements.
29.10 Program registration.
29.11 Program standards adoption agreement.
29.12 Qualifications of apprentice trainers and providers of related instruction.
29.13 Development of National Occupational Standards for Apprenticeship.
29.14 National Program Standards for Apprenticeship.
29.15 National Guidelines for Apprenticeship Standards.
29.16 End-point assessment and Certificate of Completion.
29.17 Complaints.
29.18 Recordkeeping by registered programs.
29.19 Program reviews.
29.20 Deregistration of a registered program.
29.21 Hearings on deregistration.
29.22 Reinstatement of program registration.
29.23 Exemptions.

Subpart B—Career and Technical Education Apprenticeship

Sec.
29.24 Registration of career and technical education apprenticeship programs.

Subpart C—Administration and Coordination of the National Apprenticeship System

Sec.
29.25 Collection of data and quality metrics concerning apprenticeship.
29.26 Roles and responsibilities of State Apprenticeship Agencies.
29.27 Recognition of State Apprenticeship Agencies.
29.28 Reporting requirements for State Apprenticeship Agencies.
29.29 Denial of a State Apprenticeship Plan for recognition as a State Apprenticeship Agency and derecognition of existing State Apprenticeship Agencies.
29.30 Apprenticeship requirements in other laws.

Authority: 29 U.S.C. 50; 40 U.S.C. 3145; 5 U.S.C. 301; 5 U.S.C. App. P. 534.

§ 29.1 Purpose and scope.

The purpose of this part is to set forth labor standards to safeguard the welfare of apprentices, promote the formulation of quality registered apprenticeship programs across a wide range of industries, bring employers, labor, education partners, and other intermediaries together for the formulation of such programs, ensuring equitable apprenticeship opportunities for underserved communities, and to extend the application of Federal standards of apprenticeship by prescribing policies and procedures concerning the registration, for Federal purposes, of registered apprenticeship programs with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA). These labor standards, policies, and procedures cover the registration, cancellation, and deregistration of registered apprenticeship programs and of apprenticeship agreements; the registration of career and technical education (CTE) apprenticeship programs; the collection of apprenticeship-related data from programs; the recognition of a State government agency as an authorized agency for registering apprenticeship programs for certain Federal purposes; the oversight and accountability of registered apprenticeship programs; and matters relating thereto.

§ 29.2 Definitions.

For purposes of this part and part 30 of this title:

Administrator means the Administrator of OA, or any person specifically designated by the Administrator or serving in the capacity of the Administrator.

Annual completion rate means the percentage of apprentices during a fiscal year who received a Certificate of Completion divided by the total number of exiters during the fiscal year.

Apprentice means a worker at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, who is participating in a registered apprenticeship program under subpart A of this part covered by the requirements of this part and part 30 of this title.

Apprenticeship agreement means a written agreement executed between an apprentice and either a program sponsor or participating employer at the beginning of the apprenticeship that satisfies the requirements herein at § 29.9, and that describes the terms and conditions of the employment and training of the apprentice, as well as any subsequent contractual provisions or agreements executed between the apprentice and either a program sponsor or a participating employer during the remainder of the apprenticeship term.

Apprenticeship committee (committee) means those persons designated by the sponsor to administer the program. A committee may be either joint or non-joint, as follows:

(1) A joint committee is composed of an equal number of representatives of the employer(s) and of the employees represented by a bona fide collective bargaining agent(s).

(2) A non-joint committee, which may also be known as a unilateral committee or group non-joint committee (which may include employees), has employer representatives but does not have a bona fide collective bargaining agent as a participant.

Cancellation means the termination of the apprenticeship agreement by either the apprentice or sponsor.

Career and technical education (CTE) means, as defined in sec. 3(5) of the Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act (20 U.S.C 2302(5)) (Perkins), organized educational activities that—

(1) Offer a sequence of courses that—

(i) Provide individuals with rigorous academic content and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions, which may include high-skill, high-wage, or in-demand industry sectors or occupations, which shall be, at the secondary level, aligned with the challenging State academic standards adopted by a State under sec. 1111(b)(1) of the Elementary and Secondary Education Act of 1965;

(ii) Provide technical skill proficiency or a recognized postsecondary credential, which may include an industry-recognized credential, a certificate, or an associate degree; and

(iii) May include prerequisite courses (other than a remedial course) that meet the requirements of this paragraph;

(2) Include competency-based, work-based, or other applied learning that support the development of academic knowledge, higher order reasoning and problem-solving skills, work attitudes, employability skills, technical skills, and occupation-specific skills, and knowledge of all aspects of an industry, including entrepreneurship, of an individual;

(3) To the extent practicable, coordinate between secondary and postsecondary education programs through CTE programs, which may include coordination through articulation agreements, early college high school programs, dual or concurrent enrollment program opportunities, or other credit transfer agreements that provide postsecondary credit or advanced standing; and

(4) May include career exploration at the high school level or as early as the middle grades (as such term is defined in sec. 8101 of the Elementary and Secondary Education Act of 1965).

Career pathway means a combination of rigorous and high-quality education, training, and other services that:

(1) Aligns with the skill needs of industries in the economy of the State or regional economy involved;

(2) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeship programs registered under subpart A of this part;

(3) Includes counseling to support an individual in achieving the individual's education and career goals;

(4) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;

(5) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

(6) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and

(7) Helps an individual enter or advance within a specific occupation or occupational cluster.

Certificate of Completion means documentation that a Registration Agency has determined that an individual has successfully completed a registered apprenticeship program. Such documentation may be in a secure digital format, in addition to or instead of a physical format.

Certificate of completion of registered CTE apprenticeship means documentation that a Registration Agency has determined that an individual has successfully completed a registered CTE apprenticeship program. Such documentation may be in a secure digital format, in addition to or instead of a physical format.

Certificate of Participation means documentation that an apprentice has participated or is participating in a registered apprenticeship program. Such documentation may be in a secure digital format, in addition to or instead of a physical format.

Certificate of Recognition means documentation that the Administrator has recognized National Guidelines for Apprenticeship Standards for adoption or adaptation by a sponsor and the standards are eligible for local registration by a Registration Agency. Such documentation may be in a secure digital format, in addition to or instead of a physical format.

Certificate of Registration means documentation that a Registration Agency has registered an apprenticeship program. Such documentation may be in a secure digital format, in addition to or instead of a physical format.

Cohort completion rate means the percentage of an apprenticeship cohort who receive a Certificate of Completion within 1 year of the projected completion date. An apprenticeship cohort is the group of individual apprentices registered to a specific program during a given fiscal year. In calculating a registered apprenticeship program's

cohort completion rate, a Registration Agency must disregard any cancellations of apprenticeship agreements by either the apprentice or the program sponsor that occurred during the probationary period for apprentices established in the program's standards of apprenticeship.

Collective bargaining agreement means a written agreement negotiated between an employer (or a group of employers) and the bargaining representative(s) of a labor union to which employees of the employer(s) belong that addresses such topics as wages, hours, workplace health and safety, employee benefits, and other terms and conditions of employment.

Competency means the attainment of knowledge, skills, abilities, and techniques, as specified in a work process schedule approved under § 29.7 and demonstrated by an appropriate on-the-job, industry-based proficiency measurement.

Corrective action plan is a plan developed by a State Apprenticeship Agency (SAA) in consultation with OA that identifies actionable steps that a State must take to address unresolved findings of noncompliance with this part or part 30 of this title. A corrective action plan must list specific milestones for key corrective actions and detail subsequent action to be taken by the Department in the event of inaction by the State.

Credential rate means the percentage of an apprenticeship cohort who receive an interim credential, as defined in this section, prior to their completion of a registered apprenticeship program. In calculating a registered apprenticeship program's credential rate, a Registration Agency must disregard any cancellations of apprenticeship agreements by either the apprentice or the program sponsor that occurred during the probationary period for apprentices established in the program's standards of apprenticeship.

CTE apprentice means a participant at least 16 years of age, except where a higher minimum age standard is otherwise required by Federal, State, or local law, in a

registered CTE apprenticeship program covered by the requirements of subpart B of this part and part 30 of this title. A CTE apprentice is not an apprentice for purposes of §§ 4.6(p), 5.2, 5.5(a)(4), and 570.50(b) of this title.

CTE apprenticeship agreement means a written agreement that complies with the requirements in § 29.24, and that contains the terms and conditions of the employment and training of the CTE apprentice.

CTE apprenticeship-related instruction means an organized and systematic form of instruction designed to provide the CTE apprentice with the knowledge of the theoretical and technical subjects related to the industry skills framework. CTE apprenticeship-related instruction must involve the curriculum that is approved as part of a State-approved CTE program and may include any additional coursework prescribed by the sponsor. Such instruction may be given in a classroom, through electronic media, or through other forms of study approved by the State CTE Agency and Registration Agency.

Day means a calendar day.

Department means the U.S. Department of Labor.

Direct threat means a significant risk of substantial harm to the health or safety of the individual or others that cannot be eliminated or reduced by reasonable accommodation. The determination that an individual poses a "direct threat" must be based on an individualized assessment of the individual's present ability to safely perform the essential functions of the job. This assessment must be based on a reasonable medical judgment that relies on the most current medical knowledge, the best available objective evidence, or both. In determining whether an individual would pose a direct threat, the factors to be considered include:

(1) The duration of the risk;

(2) The nature and severity of the potential harm;

(3) The likelihood that the potential harm will occur; and

(4) The imminence of the potential harm.

Disability means, with respect to an individual:

(1) A physical or mental impairment that substantially limits one or more major life activities of such individual;

(2) A record of such an impairment; or

(3) Being regarded as having such an impairment.

EEO means equal employment opportunity.

Electronic media means media that utilize electronics or electromechanical energy for the end user (audience) to access the content.

Employer means any person or organization that employs workers, and, when used in reference to employing apprentices under subparts A, B, and C of this part, means any person or organization that employs an apprentice during the on-the-job training component of an apprenticeship program pursuant to a program sponsor's approved set of standards of apprenticeship and the apprenticeship agreement.

Ethnicity, for purposes of recordkeeping and affirmative action, has the same meaning as under the Office of Management and Budget's Standards for the Classification of Federal Data on Race and Ethnicity, or any successor standards. Ethnicity thus refers to the following designations:

(1) Hispanic or Latino—A person of Cuban, Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race.

(2) Not Hispanic or Latino.

Exit is when an apprentice has ended their participation in a registered apprenticeship program based on a completion, transfer, or cancellation.

Federal purposes includes any Federal contract, grant, agreement, or arrangement dealing with registered apprenticeship; and any Federal financial or other assistance,

benefit, privilege, contribution, allowance, exemption, preference, or right pertaining to registered apprenticeship.

Fiscal year means the accounting period of OA. It begins on October 1 and ends on September 30 of the next calendar year.

Genetic information means:

(1) Information about—

(i) An individual's genetic tests;

(ii) The genetic tests of that individual's family members;

(iii) The manifestation of disease or disorder in family members of the individual (family medical history);

(iv) An individual's request for, or receipt of, genetic services, or the participation in clinical research that includes genetic services by the individual or a family member of the individual; or

(v) The genetic information of a fetus carried by an individual or by a pregnant woman who is a family member of the individual and the genetic information of any embryo legally held by the individual or family member using an assisted reproductive technology.

(2) Genetic information does not include information about the sex or age of the individual, the sex or age of family members, or information about the race or ethnicity of the individual or family members that is not derived from a genetic test.

Group program means an apprenticeship program established and registered by a sponsoring organization in which one or more employers have agreed to participate, usually pursuant to a collective bargaining agreement or a program standards adoption agreement.

Industry skills framework means an on-the-job training outline of nationally applicable, high-quality standards of registered CTE apprenticeship validated by industry

and detailing the required skills and competencies to be attained through a CTE apprentice's participation in a registered CTE apprenticeship program.

Institution of higher education (IHE) has the meaning given the term in sec. 101(a) of the Higher Education Act of 1965.

Interim credential means a recognized postsecondary credential issued in connection with participation in a registered apprenticeship program. The interim credential may signify that an apprentice has successfully attained competency milestones within an occupation deemed suitable for registered apprenticeship training, usually as a part of a career pathway, sequence, or progression towards the attainment of more advanced competencies and credentials in that occupation.

Intermediary means an entity that assists in the provision, coordination, or support of a registered apprenticeship program.

Journeyworker means an experienced worker who has attained proficiency in the skills and competencies required in an industry or occupation.

Local educational agency (LEA) has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

Local registration means registration of an apprenticeship program for Federal purposes by a Registration Agency within a particular State.

Major life activities include, but are not limited to: Caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, sitting, reaching, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, interacting with others, and working. A major life activity also includes the operation of a major bodily function, including but not limited to: functions of the immune system, special sense organs and skin; normal cell growth; and digestive, genitourinary, bowel, bladder, neurological, brain, respiratory, circulatory, cardiovascular, endocrine, hemic, lymphatic, musculoskeletal, and reproductive

functions. The operation of a major bodily function includes the operation of an individual organ within a body system.

National Apprenticeship System means the coordinated efforts of OA, of SAAs recognized by OA, of registered apprenticeship programs and registered CTE apprenticeship programs that have been approved by Registration Agencies, and of employers, labor unions, business organizations, trade and industry groups, educational institutions, intermediaries, pre-apprenticeship programs, and other stakeholders across the United States in implementing the minimum labor standards and EEO requirements for apprenticeship of this part and part 30 of this title.

National Guidelines for Apprenticeship Standards means a template of apprenticeship program standards developed by a labor union, trade or industry association, or other organization with national scope and industry expertise that are recognized by OA for the purposes of being adapted by affiliated sponsors for local or national registration.

National Occupational Standards for Apprenticeship means a universally available template of nationally applicable, high-quality standards of apprenticeship (and related work process schedules) developed by industry stakeholders convened by OA and approved by the Administrator for occupations considered suitable for registered apprenticeship training.

National Program Standards for Apprenticeship means a set of standards of apprenticeship developed and adopted by a program sponsor that are registered on a nationwide basis by OA and are entitled to reciprocity of registration.

Non-compete provision means a term in the apprenticeship agreement or other agreement between an employer or sponsor and an apprentice that prohibits the apprentice from seeking or accepting employment with another employer during the registered apprenticeship program or registered CTE apprenticeship program.

Office of Apprenticeship (OA) means the office within the Department's Employment and Training Administration that has been designated by the Secretary to administer the National Apprenticeship System or its successor organization.

On-the-job training means an organized and systematic form of training conducted at a workplace or job site that is designed to provide the apprentice with the hands-on knowledge, skills, techniques, and competencies that are necessary to achieve proficiency in an occupation.

Participating employer means an employer that employs at least one apprentice and that either:

(1) Participates in a registered apprenticeship program sponsored by a joint labor-management apprenticeship and training program established pursuant to a collective bargaining agreement, and under which the employer has adopted the sponsor's standards of apprenticeship and serves as the employer of record for at least one apprentice enrolled in the sponsor's program; or

(2) Is a party to a written program standards adoption agreement with a registered apprenticeship program sponsor that is concluded outside of a collective bargaining process, and under which the employer has adopted the sponsor's standards of apprenticeship and serves as the employer of record for apprentices enrolled in the sponsor's program.

Physical or mental impairment means:

(1) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more body systems, such as neurological, musculoskeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genitourinary, immune, circulatory, hemic, lymphatic, skin, and endocrine; or

(2) Any mental or psychological disorder, such as intellectual disability (formerly termed "mental retardation"), organic brain syndrome, emotional or mental illness, and specific learning disabilities.

Pre-apprenticeship program means a structured education and workplace training program that maintains a documented partnership with at least one registered apprenticeship program, is designed to support access and equitable participation in apprenticeship programs by providing individuals who do not currently possess the minimum qualifications for admission into a registered apprenticeship program or registered CTE apprenticeship with the foundational knowledge and skills needed to gain acceptance into, and succeed in, a registered program, and provides participants with a hands-on introduction to the competencies and techniques used in one or more occupations that are suitable for registered apprenticeship training, with access to educational and career counseling and other supportive services, and may include opportunities to earn industry-recognized credentials.

Proficiency means, for purposes of subpart A of this part, the demonstrated, measurable attainment by an apprentice of each of the relevant job skills and competencies that are necessary to perform successfully at the journeyworker level in a given occupation.

Program review means an administrative review of a registered apprenticeship program that is conducted by a Registration Agency to assess the program's compliance with the requirements of this part and of part 30 of this title.

Program standards adoption agreement means a written agreement executed outside of a collective bargaining process in which a participating employer agrees to adopt and utilize a set of apprenticeship program standards for the employment and training of apprentices that were developed by a program sponsor and registered by a Registration Agency.

Provisional registration means the initial provisional approval of programs that meet the required standards for program registration, after which the program approval may be made permanent, continued as provisional, or deregistered following a program review by the Registration Agency, as provided for in this part.

Qualified applicant or qualified apprentice, for purposes of part 30, is an individual who, with or without reasonable accommodation, can perform the essential functions of the registered apprenticeship program for which the individual applied or is enrolled.

Race, for purposes of recordkeeping and affirmative action, has the same meaning as under the Office of Management and Budget's Standards for the Classification of Federal Data on Race and Ethnicity, or any successor standards. Race thus refers to the following designations:

(1) White—A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

(2) Black or African American—A person having origins in any of the black racial groups of Africa.

(3) Native Hawaiian or Other Pacific Islander—A person having origins in any of the peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

(4) Asian—A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian Subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

(5) American Indian or Alaska Native—A person having origins in any of the original peoples of North and South America (including Central America), and who maintains Tribal affiliation or community attachment.

Reasonable accommodation—(1) The term reasonable accommodation means:

(i) Modifications or adjustments to a job application process that enable a qualified applicant with a disability to be considered for the position such qualified applicant desires;

(ii) Modifications or adjustments to the work environment, or to the manner or circumstances under which the position held or desired is customarily performed, that enable a qualified individual with a disability to perform the essential functions of that position; or

(iii) Modifications or adjustments that enable a sponsor's apprentice with a disability to enjoy equal benefits and privileges of apprenticeship as are enjoyed by the sponsor's other similarly situated apprentices without disabilities.

(2) *Reasonable accommodation* may include but is not limited to:

(i) Making existing facilities used by apprentices readily accessible to and usable by individuals with disabilities; and

(ii) Job restructuring; part-time or modified work schedules; reassignment to a vacant position; acquisition or modifications of equipment or devices; appropriate adjustment or modifications of examinations, training materials, or policies; the provision of qualified readers or interpreters; and other similar accommodations for individuals with disabilities.

(3) To determine the appropriate reasonable accommodation, it may be necessary for the sponsor to initiate an informal, interactive process with the qualified individual in need of the accommodation. This process should identify the precise limitations resulting from the disability and potential reasonable accommodations that could overcome those limitations.

Reciprocity of registration means the provision of local registration status by an SAA in that State for an apprenticeship program registered by another Registration Agency.

Recognized postsecondary credential means a credential consisting of an industry-recognized certificate or certification, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.

Registered apprenticeship program means a structured apprenticeship program registered by a Registration Agency under subpart A of this part that comprises a paid, supervised on-the-job training component and a related instruction component conveying relevant theoretical and technical knowledge, and may include a program that is eligible for student assistance under title IV of the Higher Education Act of 1965, as amended.

Registered CTE apprenticeship program means a structured, integrated educational and career training program that admits students who have signed a CTE apprenticeship agreement (or that a student's parent or guardian has signed if the student is a minor) that is approved by the Registration Agency under subpart B of this part. Such a program integrates paid, on-the-job training in an industry or occupation suitable for registered CTE apprenticeship training with CTE apprenticeship-related instruction in subjects offered by an education institution that is a Perkins-eligible recipient, and also provides successful program completers with a certificate of completion of registered CTE apprenticeship, credit hours towards a postsecondary degree program, and as applicable a high school diploma or equivalency, and advanced standing in a registered apprenticeship program under subpart A.

Registration Agency means a governmental agency, which may be either OA or an SAA recognized by OA, that has responsibility for registering and overseeing apprenticeship programs and apprentices; providing technical assistance; and conducting program reviews for compliance with this part and part 30 of this title.

Related instruction means an organized and systematic form of instruction designed to provide the apprentice with the knowledge of the theoretical and technical subjects related to the apprentice's occupation. Such instruction may be given in a

classroom, through occupational or industrial courses, or by correspondence courses of equivalent value, electronic media, or other forms of self-study approved by the Registration Agency.

Secretary means the U.S. Secretary of Labor or any official of the Department designated by the Secretary.

Selection procedure means any measure, combination of measures, or procedure used as a basis for any decision in apprenticeship. Selection procedures include the full range of assessment techniques, including: traditional paper and pencil tests; performance tests; training programs; probationary periods; physical, educational, and work experience requirements; informal or casual interviews; and unscored application forms.

Sponsor means any person, employer, association, committee, intermediary, or organization that operates and administers an apprenticeship program in whose name that program is registered by a Registration Agency.

Standards of apprenticeship means an organized, written plan embodying the terms and conditions of employment, training, and supervision of one or more apprentices in a registered apprenticeship program.

State means any of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or outlying area of the United States as defined in the Workforce Innovation and Opportunity Act (WIOA), Pub. L. 113-128, 128 Stat. 1425 (2014), sec. 3.

State Apprenticeship Agency (SAA) means an agency of a State government that has responsibility and accountability for registered apprenticeship programs within the State. Only a State government agency may seek recognition by OA as an agency that has been properly constituted under an applicable State legal authority and is authorized by OA to register and oversee apprenticeship programs and agreements for Federal purposes.

State Apprenticeship Council is an entity established to assist the SAA. A State Apprenticeship Council is ineligible for recognition as the State's Registration Agency and may only operate in an advisory capacity. The State Apprenticeship Council provides nonbinding advice and guidance to the SAA on the operation of the State's system of registered apprenticeship.

State Apprenticeship Plan means a strategic and operational plan that is a State's application for recognition as an SAA and 4-year strategy for the State's system of registered apprenticeship.

State CTE Agency means a State board designated or created consistent with State law as the sole State government agency responsible for the administration of CTE in the State or for the supervision of the administration of CTE in the State pursuant to 20 U.S.C. 2302(18), or another State government agency delegated the authority by such State board to administer Perkins.

Supportive services means services such as transportation, childcare, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate and succeed in registered apprenticeship and CTE apprenticeship.

Technical assistance means guidance and support provided by Registration Agency staff in the development, revision, amendment, or processing of a potential or current program sponsor's standards of apprenticeship or apprenticeship agreements, or advice or consultation with a program sponsor to further compliance with this part or with guidance from OA to an SAA on how to satisfy the requirements of this part and part 30 of this title.

Transfer means a shift of apprenticeship registration from one program to another or from one employer within a program to another employer within that same program, where there is agreement between the apprentice and the affected apprenticeship committee or program sponsors.

Underserved communities means persons from historically marginalized communities or populations, including geographic communities, that have been adversely affected by persistent discrimination, inequality, or poverty, including but not limited to: women; persons of color (including Black, Latino, Indigenous and Native American persons, and Asian Americans, Native Hawaiians, and Pacific Islanders); individuals with disabilities; persons adhering to particular religious beliefs or practices; veterans and military spouses; lesbian, gay, bisexual, transgender, queer, gender nonconforming, and nonbinary persons; and individuals with barriers to employment, as defined in WIOA sec. 3(24).

Undue hardship—(1) *In general.* Undue hardship means, with respect to the provision of an accommodation, significant difficulty or expense incurred by a sponsor, when considered in light of the factors set forth in paragraph (2) of this definition.

(2) *Factors to be considered.* In determining whether an accommodation would impose an undue hardship on a sponsor, factors to be considered include:

(i) The nature and net cost of the accommodation needed under this part, taking into consideration the availability of tax credits and deductions, outside funding, or both;

(ii) The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation, the number of persons employed at such facility, and the effect on expenses and resources;

(iii) The overall financial resources of the sponsor, the overall size of the registered apprenticeship program with respect to the number of apprentices, and the number, type, and location of its facilities;

(iv) The type of operation or operations of the sponsor, including the composition, structure, and functions of the workforce of such entity, and the geographic separateness and administrative or fiscal relationship of the facility or facilities in question to the sponsor; and

(v) The impact of the accommodation upon the operation of the facility, including the impact on the ability of other apprentices to perform their duties and the impact on the facility's ability to conduct business.

Work process schedule means a training plan for the on-the-job component of a registered apprenticeship program that outlines a sequence of measurable competency benchmarks for the job-related skills whose cumulative acquisition by an apprentice over the course of the apprenticeship term leads to the attainment of occupational proficiency.

§ 29.3 Office of Apprenticeship.

The Secretary will establish and maintain an Office of Apprenticeship (or any successor office or agency so designated by the Secretary) within the Department to facilitate the administration and coordination of the National Apprenticeship System, including:

(a) Formulate and update regulations, subregulatory guidance, policies, and procedures in connection with the implementation of the National Apprenticeship Act of 1937 (29 U.S.C. 50);

(b) Register and provide oversight of apprenticeship programs and standards that satisfy the requirements of this part and of part 30 of this title;

(c) Promote the development of industry-validated standards, including the determination of occupations suitable for registered apprenticeship, the development and adoption of National Occupational Standards for Apprenticeship, as well as industry skills frameworks;

(d) Recognize and oversee SAAs established under applicable State laws and regulations that satisfy the requirements of this part and of part 30 of this title;

(e) Maintain, utilize, and make publicly available National Apprenticeship System data pertaining to apprentices and apprenticeship programs that are registered by either OA or by SAAs and satisfy the requirements of this part and of part 30 of this title;

(f) Promote diversity, equity, inclusion, and accessibility in apprenticeship, including for those from underserved communities, and, consistent with part 30 of this title, enforce equal opportunity standards for apprentices and applicants;

(g) Provide technical assistance to apprenticeship program sponsors, SAAs, and other key stakeholders in the development of apprenticeship program standards and the operation of apprenticeship programs to satisfy the requirements of this part and of part 30 of this title;

(h) Engage in discussions with stakeholders, including multilateral institutions, businesses, and nongovernmental organizations in order to promote and facilitate the development and expansion of apprenticeships in the United States; and develop partnerships with apprenticeship stakeholders that can facilitate and accelerate the expansion of quality apprenticeship programs across the National Apprenticeship System in accordance with the requirements of this part and of part 30 of this title; and

(i) Conduct other activities that support the National Apprenticeship System.

§ 29.4 Relation to other laws and agreements.

(a) *Relation to other laws.* No provision in this part will supersede or invalidate any other Federal, State, or local law establishing minimum labor standards of apprenticeship that are higher or more protective of apprentices than those established in this part.

(b) *Relation to other agreements.* No provision in this part or in any apprenticeship agreement will invalidate any apprenticeship provision in any collective bargaining agreement between employers and employees establishing minimum labor standards applicable to a registered apprenticeship program that are higher or more protective of apprentices than those established in this part.

§ 29.5 Severability.

Should a court of competent jurisdiction hold any portion of any provision(s) of this part to be invalid, the provision will be construed so as to continue to give the maximum effect to the provision permitted by law, unless such holding is one of total invalidity or unenforceability, in which event the provision or subprovision will be severable from this part and will not affect the remainder thereof.

§ 29.6 Transition provisions.

(a) With respect to suitability of occupations for registered apprenticeship:

(1) Section 29.7 is in effect for occupations not previously determined suitable for registered apprenticeship by the Administrator 90 days following the effective date of this rule.

(2) Section 29.7 is in effect for occupations not previously determined suitable for registered apprenticeship by an SAA upon the effective date of this rule.

(3) Occupations recognized by OA as apprenticeable under former § 29.4 (Criteria for apprenticeable occupations) as of the day before the effective date of this rule will be subject to the 5-year review of all occupations pursuant to § 29.7(h).

(b) Programs not previously registered by OA as of the day before the effective date of this rule must seek registration based on the requirements of subpart A of this part when an electronic submission process is available to sponsors. Programs registered prior to the development of an electronic submission process must meet all new requirements before converting to permanent registration status.

(c) Programs registered by OA prior to the effective date of this rule must comply with the requirements of subpart A of this part no later than 2 years after the effective date of this rule.

(d) SAAs recognized by the Administrator as of the effective date of this rule will continue to be recognized until December 31, 2026.

(1) SAAs must ensure any programs registered prior to the approval of the State Apprenticeship Plan are registered consistent with the approved State Apprenticeship Plan, within 2 years of the approval date of the State Apprenticeship Plan. Programs registered after the effective date of this rule should be registered provisionally and remain in provisional status until the State Apprenticeship Plan is approved and the program is compliant with its requirements.

(2) SAA-specific occupations must be determined suitable for registered apprenticeship by the Administrator under § 29.7 within 4 years of the effective date of this rule in order for registered apprenticeship programs registered by the SAA to continue being registered for Federal purposes.

(e) SAAs not previously recognized by the Administrator as of the effective date of this rule must seek recognition under the procedures of § 29.27 upon the effective date of this rule.

Subpart A—Standards for Registered Apprenticeship Programs

§ 29.7 Occupations suitable for registered apprenticeship.

(a) Only the Administrator can determine whether an occupation is suitable for registered apprenticeship. Occupations determined suitable for registered apprenticeship will be eligible for local registration for Federal purposes by a Registration Agency.

(b) The following minimum requirements must be met for the Administrator to determine that an occupation is suitable:

(1) The occupation under consideration is commonly recognized or accepted throughout a particular industry or sector as a standalone, distinct occupation;

(2) The occupation leads to a sustainable career;

(3) A structured on-the-job apprenticeship training program will enable an apprentice to be able to acquire the knowledge, skills, techniques, and competencies necessary to become proficient in the occupation; and

(4) The completion of at least 2,000 hours of on-the-job training and not less than a minimum average of 144 hours of off-the-job related instruction for every 2,000 hours of on-the-job training in order to obtain proficiency in the occupation.

(c) A current or potential program sponsor, SAA, or other entity seeking a new determination from the Administrator as to whether an occupation is suitable for registered apprenticeship must submit electronically the following information to the Administrator:

(1) Documentation sufficient to show that each of the requirements at paragraphs (b)(1) through (4) of this section are met;

(2) A work process schedule and an explanation of how the skills, techniques, and competencies detailed in the work process schedule will lead to proficiency in the occupation through a structured on-the-job apprenticeship training program;

(3) Documentation of the industry standard for the minimum number of hours of on-the-job training needed in order to obtain proficiency in the occupation under consideration. The minimum number of hours must involve the completion of at least 2,000 hours of on-the-job training;

(4) A related instruction outline and an explanation based on industry standards describing the proposed curriculum and the number of hours of such instruction, which cannot be less than an average of 144 hours in duration for every 2,000 hours of on-the-job training provided; and

(5) Documentation of any interim credentials, recognized postsecondary credentials, or occupational licenses related to the occupation and whether they are

optional or may be required to be obtained during an apprenticeship program in the occupation.

(d) The Administrator will solicit public comment to assess whether the submission described in paragraph (c) of this section constitutes an occupation suitable for registered apprenticeship. Such solicitations will be made available for public comment for at least 30 days. A determination regarding the occupation will be made within 90 days after a complete application is received, though the Administrator may extend this period by providing notice to the applicant. The Administrator may also consider data or request additional information from the applicant, at the Administrator's discretion. The Administrator will maintain an up-to-date publicly available list of all suitability determinations.

(e) An occupation will not be approved as suitable for registered apprenticeship training in instances where the Administrator determines that:

(1) The application is incomplete;

(2) Any of the requirements set forth at paragraphs (b)(1) through (4) of this section are not met;

(3) The proposed scope of the apprenticeship training is confined to a narrowly specialized subset of skills and competencies within an existing occupation that are not readily transferable between employers in the sector; or

(4) The occupation includes or replicates a significant proportion of the work processes that are covered by another occupation that OA previously approved as suitable for registered apprenticeship training, but does not lead to a more advanced occupation.

(f) In instances where the Administrator determines, pursuant to paragraph (c) of this section, that the occupation under consideration is not one that is suitable for registered apprenticeship training, the Administrator will provide to the applicant a written explanation for the unfavorable decision.

(g) A current sponsor or potential sponsor, SAA, or other entity must submit proposed adjustments to the existing scope, minimum duration, or work processes of an occupation previously deemed suitable for registered apprenticeship training by the Administrator. Such adjustments may be accepted by the Administrator provided that they satisfy the requirements established in this section.

(h) The Administrator will, consistent with the process described in paragraph (d) of this section, periodically review the continued suitability, relevance, and applicability of the work process schedule and related instruction outline associated with an occupation previously approved as suitable for registered apprenticeship training. Based on its review the Administrator will determine whether the occupation remains suitable for registered apprenticeship or requires adjustments to the previously approved work process schedule and related instruction outline. Such a review will occur at least every 5 years. If revisions to work process schedules or related instruction outlines are made during this process, existing programs must update their work process schedules or related instruction outlines to align with the changes before the start of the next training cycle.

§ 29.8 Standards of apprenticeship.

(a) Each registered apprenticeship program must have a written set of standards of apprenticeship that will govern the conduct and operation of that program; such standards must include the following provisions:

(1) The minimum eligibility requirements for entry into the registered apprenticeship program, including a minimum starting age for an apprentice of not less than 16 years except where a higher minimum age requirement is otherwise required by Federal, State, or local law;

(2) The sponsor's procedures for the selection of apprentices, which must comply with the requirements for the selection of apprentices set forth in part 30 of this title;

(3) The sponsor's relevant recruitment area for the selection of apprentices;

(4) The term of the apprenticeship program, which must be sufficient for an apprentice to attain proficiency in all of the knowledge, skills, techniques, and competencies that are relevant to the covered occupation(s). The sponsor must include:

(i) A term of paid on-the-job training that reflects the customary industry standard for acquiring technical proficiency in the occupation, which in no instance can be less than 2,000 hours in duration; and

(ii) A number of hours of related instruction that reflects the customary industry standard, but is not less than a minimum average of 144 hours of related instruction for every 2,000 hours of on-the-job training.

(5) The registered apprenticeship program's covered occupation(s), work process schedule(s), and related instruction outline(s);

(6) The related instruction provider(s) and the instructional methods used to deliver the related instruction;

(7) Documentation that the qualifications and experience of the trainers and instructors that provide on-the-job training and related instruction to apprentices satisfy the requirements described in § 29.12;

(8) A description of:

(i) Any interim credential issued to an apprentice by the program during the term of the apprenticeship;

(ii) Any industry-portable occupational qualification, license, degree, or certification that the apprentice will receive, or will be eligible to receive, upon the successful completion of the registered apprenticeship program; and

(iii) Any postsecondary credit that an apprentice may receive, or may be eligible to receive, upon their successful completion of the related instruction and on-the-job training components of the registered apprenticeship program.

(9) A statement as to whether time the apprentice spends in the related instruction component of the apprenticeship training will be counted as hours worked, and if so, what the wage rate and fringe benefits will be for those hours;

(10) The process for regularly assessing and providing feedback to the apprentice regarding the apprentice's acquisition of job-related knowledge, skills, and competencies during the on-the-job training component of the registered apprenticeship program. In those instances where an apprentice attains such occupational skills and competencies at an accelerated pace, the program may grant advanced standing to such an individual pursuant to paragraph (a)(20) of this section;

(11) The end-point assessment process for certifying the apprentice's successful attainment of all of the knowledge, skills, and competencies necessary for proficiency in the occupation at the conclusion of the term of the registered apprenticeship program;

(12) A probationary period that is reasonable in relation to the program's full apprenticeship term and that must be credited toward the completion of the registered apprenticeship program. However, in no event will the duration of the probationary period exceed 25 percent of the total length of the program, or 1 year, whichever is shorter;

(13) A statement that the registered apprenticeship program will be conducted in accordance with all applicable Federal, State, or local laws;

(14) A statement acknowledging that apprentices will be entitled to the same worker allowances, rights, and protections that are afforded by applicable Federal, State, or local laws to similarly situated, non-apprentice employees, including but not limited to: family and medical leave, workers' compensation, and health and retirement plan benefits;

(15) An attestation by the sponsor, supported by any available documentation, that the program will provide adequate, safe, and accessible facilities and equipment for

the training and supervision of apprentices that are compliant with all applicable Federal, State, and local disability, occupational safety, and occupational health laws;

(16) An attestation by the sponsor that the program will provide adequate, industry-recognized safety training for apprentices in both their on-the-job training and related instruction;

(17) The wage(s) and fringe benefits that the apprentice will receive from the employer sponsoring or participating in the registered apprenticeship program, which must meet the following requirements:

(i) The entry wage is not less than the minimum wage prescribed by the Fair Labor Standards Act, where applicable, unless a higher wage is required by other applicable Federal law, State or local law, or by the terms of an applicable collective bargaining agreement;

(ii) A graduated schedule of increasing wages, from the entry wage to the journeyworker wage, that:

(A) Reflects the progressive and measurable acquisition of relevant occupational skills and competencies by the apprentice, except where a different graduated schedule of increasing wages is required by other applicable Federal, State, or local laws (including those governing the payment of prevailing wages), or by the terms of an applicable collective bargaining agreement;

(B) Includes at least one incremental wage step increase during the first 2,000 hours of the registered apprenticeship program, with additional wage step increments scheduled at reasonable intervals for program terms of longer duration designed to support apprentices' progression and success throughout their apprenticeship, except where a different schedule of incremental wage step increases is required by the terms of an applicable collective bargaining agreement; and

(C) The final wage in the program must be at least 75 percent of the journeyworker wage paid by the employer for that occupation, except where the graduated schedule of increasing wages is required by other applicable Federal, State, or local laws or by the terms of an applicable collective bargaining agreement.

(18) The approximate amount of any unreimbursed costs, expenses, or fees that the apprentice may incur during the registered apprenticeship program. Any such costs, expenses, or fees charged by the sponsor:

(i) Must be necessary and reasonable;

(ii) Must not impose substantial or inequitable financial barriers to program enrollment or to completion of the program; and

(iii) Must comply with all applicable Federal, State, and local wage laws and regulations, including but not limited to the Fair Labor Standards Act, the Davis-Bacon and related Acts, and the McNamara-O'Hara Service Contract Act, and the implementing regulations for such laws.

(19) The program's specific numeric ratio of apprentices to journeyworkers.

(i) The ratio must be consistent with the proper safety, health, supervision, and training of the apprentice.

(ii) A sponsor must use a ratio that is:

(A) Consistent with the provisions of any applicable collective bargaining agreements, as well as any applicable Federal and State laws governing such ratios; and

(B) Specific and clearly described as to its application to a particular workforce, workplace, worksite, job site, department, or plant.

(20) The process by which the sponsor will reduce the usual term of on-the-job training or related instruction as a result of an apprentice's prior learning, training, or acquired experience, or as a result of accelerated progress in the attainment of

occupational competencies that is made by an apprentice during their participation in the registered apprenticeship program. Such process must:

(i) Involve a fair, transparent, and equitable process for objectively identifying, assessing, and documenting an apprentice's prior learning, training, or acquired experience, as well as for measuring any accelerated progress in the attainment of occupational competencies in the sponsor's registered apprenticeship program; and

(ii) Result in advanced standing or credit and an increased wage for an apprentice that is commensurate with any progression granted by the sponsor.

(21) If applicable, a provision for the transfer of apprentices between registered apprenticeship programs involving the same occupation. The transfer must be agreed to by the apprentice and the affected program sponsors or apprenticeship committees, and must meet the following requirements:

(i) Both the transferring apprentice and the program to which the apprentice is transferring must be provided a documentation of the apprentice's accrued related instruction and on-the-job training from the originating program sponsor or committee;

(ii) The transfer must be to the same occupation; and

(iii) A new apprenticeship agreement between the apprentice and the incoming program sponsor or committee must be executed after the transfer is executed.

(22) A requirement that the program sponsor and any participating employers create and maintain all records concerning apprenticeship that are detailed at section § 29.18;

(23) The sponsor's Equal Opportunity Pledge, pursuant to § 30.3(c) of this title, as well as an attestation that the program will be operated in accordance with the provisions of part 30 of this title and, where applicable, an approved State EEO plan;

(24) An attestation that the program sponsor (as well as any participating employers in the sponsor's program) will implement effective measures to promote and

maintain a safe and inclusive workplace environment that is free from all forms of violence, harassment, intimidation, and retaliation against apprentices;

(25) For apprenticeship programs that were registered on or after September 22, 2020, an attestation that the program sponsor will provide each of the written assurances required under section 2(b)(1) of the Support for Veterans in Effective Apprenticeships Act of 2019 (Pub. L. 116-134, 134 Stat. 277, 29 U.S.C. 50c); and

(26) Contact information (name, address, telephone number, and email address) for the appropriate individual with authority under the program to receive, process, and make disposition of complaints.

(b) In instances where a registered apprenticeship program provides training to apprentices who are employed by participating employers in a group program (pursuant to a collective bargaining agreement, or to a program standards adoption agreement described in § 29.11), the sponsor will be responsible for:

(1) Obtaining an attestation that the participating employer agrees to abide by the requirements contained in this part and in part 30 of this title prior to the admission of the participating employer to the program;

(2) Obtaining a disclosure in writing of all instances where a Federal, State, or local government agency has issued a final agency determination that the participating employer (or any of its officers or employees) has violated any applicable laws pertaining to occupational safety and health, labor standards (including wage and hour requirements), financial mismanagement or abuse, EEO, protections for employees against harassment or assault, or other applicable laws governing workplace practices or conduct, prior to the admission of the participating employer to the program; such disclosure must include a description of the violation, as well as the actions taken by the employer to remedy the violation; and

(3) Actively monitoring each participating employer after their admission to the group program to assess whether such an employer is adhering to both the minimum standards of apprenticeship outlined in this section and the applicable regulatory requirements for registered apprenticeship programs set forth in this part and in part 30 of this title.

§ 29.9 Apprenticeship agreements.

(a) All apprenticeship programs registered by a Registration Agency must develop and establish a written apprenticeship agreement that contains the terms and conditions of the employment and training of the apprentice. Such agreement must be signed prior to the start of an apprenticeship term by:

(1) The apprentice;

(2) The apprentice's parent or legal guardian, if the apprentice is under 18 years of age;

(3) The program sponsor; and

(4) Any participating employers in the program that have adopted the sponsor's standards of apprenticeship through a program standards adoption agreement.

(b) Prior to signing the apprenticeship agreement, an apprentice who has been admitted to the apprenticeship program must be furnished by the program sponsor with a copy of both the proposed apprenticeship agreement and the program's standards of apprenticeship, and must also be provided with a reasonable opportunity to inspect and review the content of those documents. After the apprenticeship agreement has been signed by the apprentice, the sponsor, and any other relevant parties, the sponsor must transmit or deliver to the apprentice a copy of the executed apprenticeship agreement and the program's standards of apprenticeship not later than the starting date of the apprenticeship.

(c) At a minimum, the apprenticeship agreement must contain the following:

(1) Contact information and identifying information for the apprentice, including the apprentice's date of birth and, on a voluntary basis, their Social Security number;

(2) Contact information for the Registration Agency, program sponsor, and participating employer(s);

(3) An identification of the occupation in which the apprentice is to be trained, as well as copies of the associated work process schedule and related instruction outline;

(4) The incorporation, either directly or by reference, of the program's standards of apprenticeship;

(5) A description of the respective roles, duties, and responsibilities of the apprentice, the program sponsor, and the participating employer, if applicable, during the registered apprenticeship program. With respect to sponsors and participating employers, these responsibilities must include providing information to apprentices regarding their rights and protections under Federal, State, and local laws, including their right to file complaints with the applicable Registration Agency and the process for doing so;

(6) The term of the registered apprenticeship program, including the beginning date and expected duration of the registered apprenticeship program, the beginning date of the on-the-job training, and the duration of the probationary period for the apprenticeship program;

(7) A detailed statement of the entry wage, subsequent graduated scale of increasing wages to be paid to the apprentice over the term of the apprenticeship, the journeyworker wage, and any fringe benefits;

(8) A disclosure of the expected minimum number of hours that are allocated by the program to the on-the-job training component during the apprenticeship term, and to the related instruction component of the apprenticeship during that term;

(9) A description of the methods used during the course of the apprenticeship to measure progress on competency attainment and the program's end-point assessment;

(10) A description of any supportive services that may be available to the apprentice including childcare, transportation, equipment, tools, or any other supportive service provided by the sponsor or a partnering organization to address potential barriers to participation or completion;

(11) The nature and amount of any unreimbursed costs, expenses, or fees that the apprentice may incur during their participation in the registered apprenticeship program;

(12) A description of any recognized postsecondary credits, credentials, and occupational qualifications that the apprentice will receive or be eligible to receive upon successful program completion, as well as a description of any additional conditions or requirements that the apprentice must fulfill to satisfy any applicable Federal, State, or local qualification and licensure requirements to engage in the occupation;

(13) A statement by the parties to the agreement that they will adhere to the applicable requirements of part 30 of this title and, where applicable, an approved State EEO plan;

(14) A statement addressing:

(i) Whether the apprentice is paid wages and fringe benefits during the related instruction component of the program;

(ii) If wages are paid for related instruction, what the wage rate is; and

(iii) Whether the related instruction is provided during work hours.

(15) Contact information (name, address, phone, and email if appropriate) of the appropriate authority designated under the program to receive, process, and make disposition of controversies or disputes arising out of the apprenticeship agreement when the controversies or disputes cannot be addressed locally or resolved in accordance with the established procedure or applicable collective bargaining provisions; and

(16) A description of the processes and procedures for granting advanced standing or credit consistent with the requirements of § 29.8(a)(20).

(d) A registered apprenticeship program sponsor, or a participating employer in the sponsor's program, cannot include in the apprenticeship agreement or otherwise impose on apprentices a non-compete provision or other provision restricting the apprentice's ability to compete directly with the program sponsor or participating employer or to seek or accept employment with another employer prior to the completion of the registered apprenticeship program.

(e) A registered apprenticeship program sponsor, or a participating employer in the sponsor's program, cannot include in the apprenticeship agreement or otherwise impose on apprentices a non-disclosure provision that prevents the worker from working in the same field after the conclusion of the worker's employment with the employer, or that restricts an apprentice's ability to file a complaint with a Registration Agency or other governmental body concerning possible violations of this part or of part 30 of this title. Subject to these restrictions, a sponsor or participating employer may include a non-disclosure provision that relates to the protection of the sponsor's or participating employer's confidential business information or trade secrets.

(f) The program sponsor must submit a completed copy of the executed apprenticeship agreement for each apprentice registered, to the program's Registration Agency within 30 days of execution.

(g) The apprenticeship agreement may be cancelled during the probationary period specified in the agreement by either party without cause.

(h) After the probationary period of the apprenticeship concludes, the apprenticeship agreement:

(1) May be cancelled at the request of the apprentice at any time; or

(2) May be suspended or cancelled by the program sponsor only for good cause. When cancelling an agreement, the sponsor must provide written notice to the apprentice

explaining the cause for the cancellation and must provide written notice to the Registration Agency of the cancellation.

§ 29.10 Program registration.

(a) To apply for registration, a prospective program sponsor must submit electronically to a Registration Agency an application that includes:

(1) A work process schedule and related instruction outline that is consistent with an occupation deemed suitable for registered apprenticeship by the Administrator;

(2) Standards of apprenticeship for the proposed program;

(3) The apprenticeship agreement for the apprenticeship program;

(4) A written plan for the equitable recruitment and retention of apprentices, including those from underserved communities;

(5) Information showing that the prospective program sponsor possesses and can maintain the financial capacity and other resources necessary to operate the proposed program;

(6) A disclosure in writing of all instances where a Federal, State, or local government agency has issued a final agency determination that the prospective sponsor (or any of its officers or employees) has violated any applicable laws pertaining to occupational safety and health, labor standards (including wage and hour requirements), financial mismanagement or abuse, EEO, protections for employees against harassment or assault, or other applicable laws governing workplace practices or conduct. Such disclosure must include a description of the violation, as well as the actions taken by the prospective sponsor to remedy the violation;

(7) Union participation provisions, if applicable:

(i) In instances where an apprenticeship program is proposed for registration by a sponsor, employer, or employers' association and the standards of apprenticeship, collective bargaining agreement, or other instrument provides for participation by a labor

union in any manner in the operation of the substantive matters of the apprenticeship program (and where such participation is exercised), written acknowledgement of union agreement or lack of objection to the registration is required.

(ii) Where no such participation is evidenced and practiced, the sponsor, employer, or employers' association must simultaneously furnish to an existing union, which is the collective bargaining agent of the employees to be trained, a copy of its application for registration and of the apprenticeship program. The Registration Agency must provide for receipt of union comments, if any, within 45 days before final action on the application for registration or approval.

(8) A description of how the sponsor will implement, upon registration, the affirmative steps to provide EEO in apprenticeship required by § 30.3(b) of this title. This description must, at a minimum:

(i) Identify the individual or individuals who will be responsible and accountable for overseeing the sponsor's commitment to equal opportunity in registered apprenticeship;

(ii) Identify the publications or other documents where the sponsor's EEO pledge will be published and the physical or digital locations where the sponsor's EEO pledge will be posted;

(iii) Describe the planned schedule for orientation and information sessions for individuals connected with the administration or operation of the apprenticeship program, including all apprentices and journeyworkers who regularly work with apprentices, to inform and remind such individuals of the sponsor's EEO policy with regard to apprenticeship;

(iv) Provide a list of current recruitment sources that will generate referrals from all demographic groups within the relevant recruitment area, including the identity of a

contact person, mailing address, telephone number, and email address for each recruitment source;

(v) Describe the sponsor's procedures to ensure that its apprentices are not harassed or otherwise subjected to discrimination because of their race, color, religion, national origin, sex, sexual orientation, age (40 or older), genetic information, or disability and to ensure that its apprenticeship program is free from intimidation and retaliation. This description must specifically include:

(A) The planned schedule and content source for the required anti-harassment training to all individuals connected with the administration or operation of the apprenticeship program; and

(B) The sponsor's procedures for handling and resolving complaints about harassment and intimidation.

(b) A complete electronic application for registration that includes all of the requirements of paragraph (a) of this section will be reviewed within 90 calendar days by the Registration Agency, which will approve the application if:

(1) The occupation covered by the proposed program has been determined by the Administrator to be suitable for registered apprenticeship training pursuant to § 29.7. The Administrator may, in their sole discretion, determine that a work process schedule and related instruction outline submitted for registration substantially differs from those previously approved as suitable for registered apprenticeship such that the application for registration must first undergo a suitability determination pursuant to § 29.7;

(2) The work process schedule proposed for that occupation has been determined to provide training in the specific skills and competencies associated with the approved occupation;

(3) The applicant's work process schedule and related instruction outline would provide an apprentice with a portable set of occupational skills and competencies that are readily transferable between employers within the same industry or sector;

(4) The standards of apprenticeship submitted are consistent with § 29.8;

(5) The apprenticeship agreement adheres to the requirements of § 29.9;

(6) The sponsor possesses the financial capacity and other resources necessary to operate the proposed program;

(7) The Registration Agency finds that any types of misconduct or violations of law acknowledged by the applicant for registration pursuant to paragraph (a)(6) of this section have been satisfactorily addressed and cured by the applicant, and therefore would not pose a significant ongoing risk to the welfare of apprentices who elect to enroll in the program;

(8) If applicable, the union participation requirements of paragraph (a)(7) of this section are satisfied; and

(9) The sponsor's submission is found by the Registration Agency to be satisfactory under paragraphs (a)(4) and (8) of this section.

(c) Applications for new programs that the Registration Agency determines meet the required standards for program registration will be given a Certificate of Registration and provided provisional registration. In instances where a Registration Agency declines to register a program, the Registration Agency will provide a written explanation of the reasons why it determined the application does not meet the requirements of this subpart, and how any deficiencies could be cured, to the applicant. Applicants denied approval may resubmit consistent with the requirements of this subpart.

(d) The Registration Agency must review all provisionally registered programs for compliance with the requirements of this part and of part 30 of this title within 2 years

of the program's registration date or at the end of the first training cycle, whichever is sooner. At that time:

(1) A program that is in compliance with the requirements of this part and part 30 of this title:

(i) Will be made permanent if the program's first full training cycle has been completed; or

(ii) Will, if the program's first full training cycle has not been completed, continue to be provisionally registered through the program's first full training cycle, upon which they will receive a subsequent program review.

(2) A program that is not in compliance with this part and part 30 of this title during the provisional registration period will be subject to the deregistration procedures at § 29.20.

(3) After a program receives permanent registration, subsequent program reviews are conducted by the Registration Agency as provided in § 29.19.

(e) If a registered apprenticeship program does not have at least one apprentice enrolled and participating in the apprenticeship program, and registered with the Registration Agency, the Registration Agency may initiate deregistration proceedings as described in § 29.20. This does not apply during the following periods of time, which may not exceed 1 year:

(1) Between the date when a program is registered and the date of registration for its first apprentice(s); or

(2) Between the date that a program graduates an apprentice and the date of registration for the next apprentice(s) in the program.

(f) Any sponsor proposals for modification(s) or change(s) to standards of apprenticeship or certified National Guidelines for Apprenticeship Standards for a registered program must be submitted to the Registration Agency. The Registration

Agency must make a determination on whether such submissions are consistent with the requirements of this part and part 30 of this title and, if so, will approve such submissions within 90 calendar days from the date of receipt of a complete submission. If approved, the modification(s) or change(s) will be recorded and acknowledged within calendar 90 days of approval as an amendment to such program. If not approved, the sponsor must be notified of the disapproval and the reasons therefore and provided the appropriate technical assistance.

§ 29.11 Program standards adoption agreement.

(a) *Program standards adoption agreements between sponsors and participating employers.* The terms and conditions of a program standards adoption agreement must include a provision that the participating employer will:

(1) Adopt and comply with the sponsor's registered standards of apprenticeship;

(2) Comply with all other applicable requirements in this part; and

(3) Cooperate with, and provide assistance to, the program sponsor to meet the program sponsor's obligations under this part and part 30 of this title, including by providing any apprenticeship-related data and records necessary to assess compliance with these regulatory provisions.

(b) *Transmission of the adoption agreement to the Registration Agency.* Each executed program standards adoption agreement must be transmitted to the Registration Agency by the program sponsor within 30 days of the execution of the agreement.

(c) *Suspension or cancellation of adoption agreement.* A program standards adoption agreement:

(1) May be cancelled by the participating employer upon providing 30 days' written notice to the sponsor; or

(2) Must be suspended or cancelled by the program sponsor if the program sponsor determines that the participating employer failed to satisfy the program standards adoption agreement's provisions of this section.

(i) The program sponsor must provide written notice of any suspension or cancellation to the participating employer, all apprentices affected by the suspension or cancellation, and to the applicable Registration Agency. The notice must explain the reason for the suspension or cancellation.

(ii) If the suspension or cancellation results in an interruption or cessation of training for apprentices, the program sponsor must make reasonable efforts to place such individuals with another of the sponsor's participating employers or a different registered apprenticeship program in the same occupation.

(iii) In instances where a program sponsor fails to suspend or cancel a program standards adoption agreement as required by paragraph (c)(2) of this section, the Registration Agency may initiate deregistration proceedings against the sponsor pursuant to § 29.20.

§ 29.12 Qualifications of apprentice trainers and providers of related instruction.

(a) Registered apprenticeship program sponsors and participating employers must ensure that any journeyworkers providing on-the-job training to apprentices possess, at a minimum, the following qualifications:

(1) A mastery of the relevant skills, techniques, and competencies of the occupation;

(2) Up-to-date knowledge of the latest advances in technical knowledge and skills necessary to maintain proficiency and expertise in the occupation;

(3) Ability to effectively communicate and demonstrate the range of specialized practical knowledge, work processes, skills, and techniques necessary to acquire full proficiency in the occupation;

(4) Ability to apply industry-recognized methods for objectively and fairly evaluating and monitoring the progress of the apprentice during the apprenticeship term, including the ability to assess the attainment of competencies of apprentices acquired during their on-the-job training;

(5) Ability to relate the conceptual and theoretical knowledge acquired by apprentices in their related instruction to the successful performance of job-related tasks that are ordinarily performed by workers in the covered occupation; and

(b) Registered apprenticeship program sponsors and participating employers must further ensure that the trainer establishes a safe and inclusive training environment that promotes the effective development of apprentices from all backgrounds; in addition, the trainer must also have completed all of the required anti-harassment training required under part 30 of this title and must not have a record of substantiated noncompliance with EEO requirements.

(c) Registered apprenticeship program sponsors must ensure that providers of related instruction possess, at a minimum, the following qualifications:

(1) Serve as a faculty member or instructor at an accredited postsecondary institution, or meet the State's certification requirements for a vocational-technical instructor in the State in which the apprenticeship program is registered; or be a subject-matter expert, which is an individual, such as a journeyworker, who is recognized within an industry as having expertise in a specific occupation; and

(2) Have received previous training in teaching techniques and adaptable learning styles.

§ 29.13 Development of National Occupational Standards for Apprenticeship.

(a) *In general*. To facilitate the growth of high-quality registered apprenticeship programs, the Administrator will oversee the development of and updates to industry-

validated, portable, and rigorous National Occupational Standards for Apprenticeship suitable for adoption by program sponsors.

(b) *Development and approval*. Each set of new or updated National Occupational Standards for Apprenticeship and related work process schedules will be reviewed and approved by the Administrator to ensure that each of the proposed National Occupational Standards satisfies the following criteria:

(1) The associated occupation has been determined suitable for registered apprenticeship training by the Administrator pursuant to § 29.7;

(2) The proposed work process schedule framework associated with the occupation under consideration has been documented as nationally applicable;

(3) The proposed standards include a nationally applicable curriculum framework for the provision of related instruction; and

(4) The proposed standards describe the nationally applicable methods for conducting ongoing evaluations of apprentices to assess the successful attainment of the skills and competencies required under the framework, including the development of nationally applicable end-point assessments.

(c) *Approval.* The Administrator will solicit public comment to assist in evaluating that the National Occupation Standards for Apprenticeship satisfy the criteria in paragraph (b) of this section. Such solicitations will be made available for public comment for at least 30 days. A determination regarding the National Occupations Standards for Apprenticeship will be made within 90 days of its submission for public comment, though the Administrator may extend this period. The Administrator may also consider data and other relevant information to assist in evaluating whether the requirements in § 29.13(b) are satisfied. The Administrator will maintain an up-to-date publicly available list of all National Occupational Standards for Apprenticeship determinations.

§ 29.14 National Program Standards for Apprenticeship.

(a) *In general.* National Program Standards for Apprenticeship must:

(1) Train apprentices for an occupation that is not ordinarily subject to Federal, State, or local licensing requirements;

(2) Be national or multistate in their design, suitability, and scope; and

(3) Satisfy the applicable requirements of this part and part 30 of this title.

(b) *Scope of registration.* National Program Standards for Apprenticeship that meet the requirements in paragraph (a) of this section will be approved and registered on a nationwide basis for Federal purposes by the Administrator. In instances where the Administrator declines to register a proposed set of National Program Standards for Apprenticeship, the Administrator will provide a written explanation of the reasons for the unfavorable determination.

(c) *Reciprocity of registration.* SAAs must accord reciprocal approval and registration to National Program Standards for Apprenticeship approved under this section.

(d) *Alignment with National Occupational Standards for Apprenticeship.* For those occupations where National Occupational Standards for Apprenticeship currently exist, a program sponsor seeking registration of its National Program Standards for Apprenticeship must use such National Occupational Standards. Sponsors are allowed to modify the National Occupational Standards for Apprenticeship to meet their needs provided that the Administrator determines that the submission substantially aligns with the National Occupational Standards.

§ 29.15 National Guidelines for Apprenticeship Standards.

(a) *In general.* National Guidelines for Apprenticeship Standards must:

(1) Be national in their applicability and scope with respect to the covered occupation;

(2) Be suitable for either adoption or adaptation by State or local affiliates of the program sponsor, and

(3) Satisfy the applicable requirements of this part and of part 30 of this title.

(b) *Recognition of National Guidelines for Apprenticeship Standards.* National Guidelines for Apprenticeship Standards that meet the requirements in paragraph (a) of this section will be recognized by the Administrator, which will issue a Certificate of Recognition to the submitting organization. If the Administrator determines the National Guidelines for Apprenticeship Standards do not satisfy the requirements in paragraph (a) of this section, the Administrator will provide a written explanation of the reasons for the unfavorable determination.

(c) *Local registration required.* National Guidelines for Apprenticeship Standards recognized under this section may be used as the basis for standards of apprenticeship submitted by a State or local affiliate of the organization receiving recognition to the applicable State Registration Agency for approval and registration of the individual program in a given State.

(d) *Resubmission of National Guidelines for Apprenticeship Standards.* National Guidelines for Apprenticeship Standards recognized by the Administrator must be resubmitted for approval by the Administrator:

(1) When the standards have been amended consistent with § 29.8(b); and

(2) Every 5 years, beginning on the date of the most recent approval by the Administrator.

(e) *Alignment with National Occupational Standards for Apprenticeship.* For those occupations where National Occupational Standards for Apprenticeship currently exist, a program sponsor seeking certification of its National Guidelines for Apprenticeship Standards must use such National Occupational Standards. Sponsors are allowed to modify the National Occupational Standards for Apprenticeship to meet their

needs provided that the Administrator determines that the submission substantially aligns with the National Occupational Standards.

§ 29.16 End-point assessment and Certificate of Completion.

(a) Prior to an apprentice's completion of the registered apprenticeship program, the program sponsor must arrange for an end-point assessment to objectively measure the apprentice's acquisition of the relevant knowledge, skills, and competencies necessary to demonstrate proficiency in the occupation covered by the program.

(b) An apprentice who is not successful in completing the end-point assessment must be offered at least one additional opportunity to complete the assessment at the apprentice's request.

(c) The sponsor must inform all apprentices of their right to request a reasonable accommodation prior to the administration of the assessment.

(d) Each apprentice whom the sponsor determines has successfully met the on-the-job training and related instruction requirements of a registered apprenticeship program and completes the end-point assessment will be awarded a Certificate of Completion by the appropriate Registration Agency.

§ 29.17 Complaints.

(a) This section is not applicable to any complaint concerning discrimination or other EEO matters; all such complaints must be submitted, processed, and resolved in accordance with applicable provisions in part 30 of this title, or applicable provisions of a State EEO plan adopted pursuant to part 30 of this title and approved by the Department.

(b) Except for matters described in paragraph (a) of this section and matters covered by a collective bargaining agreement, a complainant or their authorized representative may submit a complaint regarding any dispute arising under an apprenticeship agreement or alleging a violation of this part to the sponsor or to the Registration Agency that registered the apprenticeship program for review.

(c) A complaint must be filed with the Registration Agency within 300 calendar days after the conclusion of the events that gave rise to the dispute or the alleged violation of this part. However, for good cause shown, the Registration Agency may extend the filing time.

(d) All complaints must be submitted in writing by the complainant or their authorized representative, and must describe the dispute, including all relevant facts and documents. Each written complaint must contain the following information:

(1) A means of contacting the complainant or the authorized representative;

(2) The identity of the individual or entity that is alleged to be responsible for the conduct giving rise to the complaint; and

(3) A short description of the events, facts, or circumstances giving rise to the complaint, including a discussion of when the events giving rise to the complaint took place.

(e) Requirements of the Registration Agency with respect to complaints are as follows:

(1) The investigation of a complaint filed under this part will be undertaken by the Registration Agency and will proceed as expeditiously as possible. In conducting complaint investigations, the Registration Agency must:

(i) Provide written notice to the complainant and the authorized representative, if any, acknowledging receipt of the complaint;

(ii) Initiate an investigation upon receiving a complete complaint;

(iii) Complete a thorough investigation of the allegations of the complaint and develop a complete case record that must contain, but is not limited to, the name, address, and telephone number of each person interviewed, the interview statements, copies, transcripts, or summaries (where appropriate) of pertinent documents, and a narrative

report of the investigation with references to exhibits and other evidence that relate to the alleged violations; and

(iv) Provide written notification of the Registration Agency's findings to both the respondent and the complainant.

(2) The Registration Agency will protect the identity of the complainant to the extent practicable.

(3) The Registration Agency will review all complaints. Where a report of findings from a complaint investigation indicates a violation of the requirements of this part or the apprenticeship agreement, the Registration Agency will attempt to resolve the violation as expeditiously as possible.

(f) Nothing in this section precludes an apprentice from pursuing any other remedy authorized under another Federal, State, or local law.

(g) An SAA may adopt a complaint investigation procedure differing in detail from that given in this section, provided that such a procedure has previously been reviewed and approved, pursuant to § 29.27, by the Administrator.

(h) A participant in a registered apprenticeship program may not be intimidated, threatened, coerced, retaliated against, or discriminated against because the individual has:

(1) Filed a complaint alleging a violation of this part or an apprenticeship agreement;

(2) Opposed a practice prohibited by the provisions of this part or an apprenticeship agreement;

(3) Furnished information to, or assisted or participated in any manner in, any investigation, compliance review, proceeding, or hearing under this part; or

(4) Otherwise exercised any rights and privileges under the provisions of this part or an apprenticeship agreement.

(i) Any sponsor that permits such retaliation under paragraph (h) of this section in its registered apprenticeship program, including by participating employers, and fails to take appropriate steps to remedy such activity will be subject to deregistration under § 29.20(a) and other appropriate remedies.

§ 29.18 Recordkeeping by registered programs.

(a) *General obligation.* The program sponsor, and any participating employer, is responsible for maintaining any records that the Registration Agency considers necessary to determine whether the sponsor has complied or is complying with the requirements of this part and any applicable Federal or State laws. Such records include, but are not limited to, records relating to:

(1) Employment decisions, such as the hiring or placement, promotion, demotion, transfer, layoff, termination, right of return from layoff, and rehiring of apprentices;

(2) Information related to the operation of the registered apprenticeship program, including but not limited to:

(i) Information related to the qualification, recruitment, employment, and training of apprentices, such as the apprenticeship program standards, apprenticeship agreements, completion records, cancellation and suspension records, and compliance review files;

(ii) Records pertaining to each apprentice's performance and progress in both the on-the-job training and related instruction components of the registered apprenticeship program, and records related to the apprentice end-point assessments;

(iii) If applicable, any records pertaining to an apprentice's attainment of an interim credential, postsecondary academic credit, or any other interim milestones attained during the course of an apprentice's participation in the program;

(iv) For each apprentice, the number of hours of on-the-job training, the number of hours of related instruction, the total number of hours worked, and the wages and fringe benefits paid for all hours;

(v) Any records, including personnel records, applicable to non-EEO complaints filed with the Registration Agency pursuant to § 29.17;

(vi) All records related to the safety record of the sponsor and all participating employers in the sponsor's program, where applicable, including records relating to any safety and health training provided to apprentices, incident logs required to be maintained under applicable Federal or State occupational safety and health laws, as well as current worker's compensation documentation;

(vii) Any records required to be maintained by a program sponsor under part 30 of this title;

(viii) Any records required to be maintained under title 38, United States Code, in order for veterans and other individuals eligible for educational assistance under such title to use such assistance for enrollment in registered apprenticeship programs; and

(ix) Any records demonstrating program compliance with registered apprenticeship requirements to meet Federal purposes as defined in this part.

(b) *Maintenance of records.* The records required by this part and any other information relevant to compliance with these regulations by a program sponsor (and any participating employer) must be maintained for 5 years from the date of the making of the record or the personnel action involved, whichever occurs later. Failure to preserve complete and accurate records as required by paragraph (a) of this section constitutes noncompliance with this part.

(c) *Access to records.* The program sponsor (and any participating employer) must allow the Registration Agency access to the records described in paragraph (a) of this section upon request for the purpose of conducting program reviews and investigating complaints arising under this part; such program reviews and investigations may involve the inspecting and copying of books, accounts, records (including electronic records), and any other material the Registration Agency deems relevant to the review or investigation

and pertinent to compliance with this part. Upon request, the program sponsor (and any participating employer) must provide the Registration Agency information about all format(s), including specific electronic formats, in which its records and other information are available. Information obtained in this manner will be used only in connection with the administration of this part or other applicable laws.

(d) *Format of records and other information.* Forms, records, and any other documents used and maintained by the program sponsor (and any participating employer) in the administration of this part may exist in paper or electronic form or a combination thereof. Regardless of the medium, these records must be available and accessible as required under paragraph (c) of this section for oversight and compliance purposes.

§ 29.19 Program reviews.

(a) After an apprenticeship program has received permanent registration status as described in § 29.10, the Registration Agency must conduct periodic reviews of the apprenticeship program (which may include any participating employers in the sponsor's program) not less frequently than every 5 years, except as described in paragraph (b) of this section.

(b) The Registration Agency must conduct reviews of a program in instances where the Registration Agency receives credible information or allegations that the program is not being operated in accordance with either its program standards or the requirements set forth in this part or in part 30 of this title, or at the request of the Administrator.

(c) In conducting program reviews, Registration Agencies may consider all information and data that is relevant to any actual or potential areas of noncompliance. As part of a review of data, the Registration Agency must review the program's performance under § 29.25(b).

(d) Sponsors and participating employers are required to cooperate with requests for interviews or documentation from the Registration Agency. Sponsors and participating employers must not impede a Registration Agency's ability to interview prospective, current, or former apprentices.

(e) Upon completion of a program review, the Registration Agency must present a written Notice of Program Review Findings to the sponsor using the contact information listed in the registered standards. If the program review indicates a failure to comply with this part or with part 30 of this title, the required notice will include:

(1) The deficiency or deficiencies identified;

(2) How to cure or remedy the deficiency or deficiencies;

(3) A requirement that the sponsor must develop and submit a compliance action plan pursuant to paragraph (f) of this section; and

(4) A statement that the administrative actions described in § 29.20 may be undertaken if compliance is not achieved within the required timeframe.

(f)(1) When a sponsor receives a Notice of Program Review Findings that indicates a failure to comply with this part, the sponsor must, within 45 calendar days of notification, either develop and submit for approval by the Registration Agency a compliance action plan that meets the requirements of paragraph (f)(2) of this section or submit a written rebuttal to the Findings. Registration Agencies may extend this deadline one time by up to 45 calendar days for good cause upon request of the sponsor.

(2) If the Registration Agency upholds the findings after considering the sponsor's rebuttal, the Registration Agency must provide the sponsor written notice of its determination, including the reasons for the determination. Upon receipt, the sponsor must develop, and submit to the Registration Agency for approval, a compliance action plan within 45 calendar days of receiving the final notice. The compliance action plan must include, at a minimum, the following provisions:

(i) A specific commitment, in writing, to correct or remediate identified deficiency(ies) and area(s) of noncompliance;

(ii) The precise actions to be taken for each deficiency identified;

(iii) The time period within which each cited deficiency will be remedied and any corrective program changes implemented; and

(iv) The name of the individual(s) responsible for correcting each deficiency identified.

(g) The Registration Agency will evaluate the sponsor's compliance action plan. The Registration Agency will elect one of the following of three responses to the compliance action plan and will notify the sponsor in writing accordingly.

(1) The Registration Agency may approve the compliance action plan, determine that the Program is now in compliance, and terminate the program review process.

(2) The Registration Agency may approve the compliance action plan but continue the program review process until the compliance action plan is appropriately implemented.

(3) The Registration Agency may reject the compliance action plan and either work with the sponsor to revise the compliance action plan or initiate deregistration under § 29.20.

§ 29.20 Deregistration of a registered program.

(a) *In general.* Where the Registration Agency, as a result of a program review or complaint investigation, or on any other basis, determines that the sponsor, or any participating employer in the sponsor's program, is not operating the registered apprenticeship program in accordance with this part, the Registration Agency must notify the program sponsor in writing of the specific violation(s) identified and may proceed with any or a combination of the following:

(1) Offer the sponsor or participating employer technical assistance to promote compliance with this part;

(2) Require the sponsor to submit a compliance action plan pursuant to § 29.19(f);

(3) Suspend the sponsor's right to register new apprentices for a specified time period; or

(4) Deregister the program pursuant to paragraph (b) of this section.

(b) *Deregistration by the Registration Agency for cause*. The Registration Agency may deregister an apprenticeship program when the apprenticeship program is not being operated in accordance with the requirements of this part or of part 30 of this title, and the program either has failed to correct specific violations identified by the Registration Agency or has failed to submit or implement an approved compliance action plan within the timeframes established in this part. The Registration Agency will send a Notice of Deregistration to the sponsor that includes the reasons for deregistration and the right to request a hearing before the Office of Administrative Law Judges (OALJ) or request review by the Administrator in accordance with this section.

(c) *Voluntary deregistration at the request of the sponsor*. The Registration Agency will deregister an apprenticeship program, and provide written confirmation to the sponsor of such deregistration, after the Registration Agency has received a written request for deregistration from the program sponsor that includes:

(1) The effective date of the requested deregistration; and

(2) A statement that within 15 calendar days of the date of the written request the sponsor will notify all apprentices:

(i) That sponsor has requested that their program be deregistered and the effective date;

(ii) That deregistration automatically deprives the apprentice of individual registration;

(iii) That the deregistration of the program removes the apprentice from coverage for Federal purposes; and

(iv) That the apprentice will be referred to the Registration Agency for information about potential transfer to other registered apprenticeship programs.

(d) *Review of deregistration by the Administrator, Office of Apprenticeship*.

(1) If a former sponsor wishes to request review by the Administrator, the former sponsor must do so by submitting an electronic request for review in writing within 30 calendar days from the date of the Notice of Deregistration. The request for review must include any additional relevant facts or documents that exist as of the date of the request. Statements concerning interviews, meetings, and conferences must include the time, date, place, and persons present.

(2) If the Registration Agency that issued the Notice of Deregistration is an SAA, the former sponsor must simultaneously furnish a copy of the request for review and all supporting facts and documentation to the Administrator. The SAA must transmit to the Administrator within 15 calendar days of receiving the request for review copies of records containing all pertinent facts concerning the deficiencies identified, including the Notice of Deregistration, and copies of all relevant documents and records that were before the SAA at the time of its decision. The Administrator may request additional information from the former sponsor, the SAA, or both.

(3) If the Registration Agency that issued the Notice of Deregistration is OA, OA will compile from within its own files records of all pertinent facts concerning the deficiencies identified, including the Notice of Deregistration and any new information provided by the former sponsor. The Administrator may request additional information from the sponsor.

(4) After reviewing a request for review, the Administrator will issue a final decision that includes the reasons for the decision as quickly as practicable after receipt of all information.

(5) Except as provided in paragraph (d)(6) of this section, the sponsor may request a hearing before the Department's OALJ within 15 calendar days of receipt of the Administrator's final decision. If a hearing is not requested within 15 calendar days, the Administrator's decision is the final determination of the Department and no appeal to OALJ will be considered.

(6) Where the basis for deregistration is a failure to respond to multiple attempts by the Registration Agency to contact the sponsor or failure to register at least one apprentice, the Administrator's decision is the final determination of the Department and the sponsor cannot request a hearing with OALJ.

(e) *Requests for hearings*.

(1) A request for a hearing must be sent to OALJ within 15 calendar days of receiving a Notice of Deregistration from OA or receiving the Administrator's final decision. Where an SAA is the Registration Agency, a sponsor must request Review of Deregistration by the Administrator and receive the Administrator's final decision before requesting a hearing with OALJ.

(2) A copy of the request for a hearing must be simultaneously sent to the Administrator and the Associate Solicitor for Employment and Training Legal Services, Office of the Solicitor, U.S. Department of Labor. The Administrator will promptly provide the OALJ with the administrative file containing all documents relied on by the Administrator.

(3) Hearings requested under paragraph (e)(1) of this section must be conducted as set forth in § 29.21.

§ 29.21 Hearings on deregistration.

(a) The procedures contained in part 18 of this title will apply to the disposition of the request for hearing except that:

(1) The Administrative Law Judge will receive, and make part of the record, documentary evidence offered by any party and accepted at the hearing. Copies thereof will be made available by the party submitting the documentary evidence to any party to the hearing upon request.

(2) Technical rules of evidence will not apply to hearings conducted pursuant to this part, but rules or principles designed to assure production of the most credible evidence available and to subject testimony to test by cross-examination will be applied, where reasonably necessary, by the Administrative Law Judge conducting the hearing. The Administrative Law Judge may exclude irrelevant, immaterial, or unduly repetitious evidence.

(3) The request for a hearing will not be considered to be a complaint to which an answer is required.

(4) The Administrative Law Judge may authorize discovery and the filing of pre-hearing motions, and so limit them to the types and quantities that in the Administrative Law Judge's discretion will contribute to a fair hearing without unduly burdening the parties.

(b) The Administrative Law Judge must issue a written decision within 90 calendar days of the close of the hearing record. The Administrative Law Judge must uphold the Administrator's decision unless it is shown by the sponsor to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law. The Administrative Law Judge's decision constitutes final agency action unless, within 15 calendar days from receipt of the decision, a party dissatisfied with the decision files a petition for review with the Administrative Review Board (ARB) in accordance with part

26 of this title, specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged is deemed to have been waived. A copy of the petition for review must be served on the opposing party at the same time in accordance with part 26 of this title. Thereafter, the decision of the Administrative Law Judge remains final agency action unless the ARB, within 30 calendar days of the filing of the petition for review, notifies the parties that it has accepted the case for review. The ARB may set a briefing schedule or decide the matter on the record. The ARB must issue a decision in any case it accepts for review within 180 calendar days of the close of the record. If a decision is not so issued, the Administrative Law Judge's decision constitutes final agency action.

§ 29.22 Reinstatement of program registration.

Any apprenticeship program deregistered under § 29.20 may be reinstated at any time upon presentation of adequate evidence to the Registration Agency that the apprenticeship program is operating in accordance with this part and part 30 of this title.

§ 29.23 Exemptions.

Requests for exemption from any provision of this subpart must be made in writing to the Administrator and must contain a statement of reasons supporting the request. The Administrator may only grant exemptions for good cause and may not grant exemptions with respect to requirements set forth outside of this subpart, including requirements set forth in other applicable Federal, State, or local laws.

Subpart B—Career and Technical Education Apprenticeship

§ 29.24 Registration of career and technical education apprenticeship programs.

(a) *Required coordination.*

(1) *Coordination activities.* The Registration Agency and the State CTE Agency must coordinate on the overall administration of registered CTE apprenticeship programs

in each State, including the process of program approvals, program reviews, data collection, technical assistance, and compliance activities to ensure that both parties work cooperatively to support LEAs, IHEs, and their intermediaries in the coordination of registered CTE apprenticeship programs while ensuring that programs meet the requirements of this part. Nothing in this subpart alters the existing authorities of the State CTE Agency for implementation and oversight of Perkins, which is not governed by these regulations, and the Registration Agency for oversight of any registered apprenticeship program.

(2) *Written agreement.* The State CTE Agency and Registration Agency must enter into a written agreement for the Statewide coordination and operation of registered CTE apprenticeship programs in the State. The written agreement must describe the roles and responsibilities of each agency. In order for an SAA to establish registered CTE apprenticeship programs in its State, it must include such a written agreement as part of the State Apprenticeship Plan it submits to OA for approval.

(b) *Approval of industry skills frameworks*.

(1) To facilitate the design and implementation of registered CTE apprenticeship programs, the Administrator will oversee the development of and updates to industry-validated, portable, and rigorous industry skills frameworks, which will be used by States and sponsors. Each set of new or updated industry skills frameworks must be reviewed by the Administrator, and will be approved as suitable for use in registered CTE apprenticeship programs if the industry skills framework:

(i) Provides a structure for developing the professional behaviors, workplace competencies, and theoretical knowledge required by an industry;

(ii) Describes skills and competencies that have been validated by the industry under consideration as nationally applicable and widely recognized across the industry;

(iii) Describes skills and competencies that are specified in an on-the-job training outline and obtained through the attainment of at least 900 hours of on-the-job training;

(iv) Aligns with a CTE program as approved by a State CTE Agency; and

(v) Details industry-validated methods for ongoing evaluations to assess the attainment of competency benchmarks by a CTE apprentice.

(2) The Administrator will solicit public comment to assist in evaluating an industry skills framework's suitability for registered CTE apprenticeship in paragraph (b)(1) of this section. Such solicitations will be made available for public comment for at least 30 days. A determination regarding the industry skills framework will be made within 90 days of its submission for public comment, though the Administrator may extend this period. The Administrator may also consider data and other relevant information to assist in evaluating an industry skills framework's suitability for registered CTE apprenticeship. The Administrator will maintain an up-to-date public list of all industry skills frameworks and decisions.

(c) *Standards of registered CTE apprenticeship*. Each registered CTE apprenticeship program must have a written set of standards of registered CTE apprenticeship that will govern the conduct and operation of that program; such standards must include the following provisions:

(1) An on-the-job training outline that aligns with an approved industry skills framework;

(2) A description of the CTE apprenticeship-related instruction provided, including the approved CTE program associated with the registered CTE apprenticeship program. This description must include a statement as to whether time the apprentice spends in the CTE apprenticeship-related instruction component of the apprenticeship training will be counted as hours worked, and if so, what the wage rate and fringe benefits will be for those hours. The CTE apprenticeship-related instruction must also:

(i) Be a minimum of 540 hours in duration;

(ii) Result in the awarding of at least 12 postsecondary credit hours; and

(iii) Lead to proficiency in the skills and competencies described in the industry skills framework.

(3) A description of recognized postsecondary credit hours and credentials that are awarded, including any associate or baccalaureate degree associated with the program, and the name of the entity(ies) issuing the credential(s) or certificate(s);

(4) A description of how completion of the program will result in CTE apprentices' selection into an apprenticeship program registered under subpart A of this part (including any advanced standing granted), enrollment in a postsecondary educational program, or employment;

(5) A description of the employment in which CTE apprentices will be employed in on-the-job training. The on-the-job training must:

(i) Be a minimum of 900 hours in duration; and

(ii) Lead to proficiency in the skills and competencies described in the industry skills framework;

(6) The wage(s) that the CTE apprentice will receive from the employer participating in the registered CTE apprenticeship program, which must meet the following requirements:

(i) The CTE apprentice is paid a progressively increasing schedule of wages that is consistent with the industry skills and competencies required; and

(ii) The entry wage is not less than the minimum wage prescribed by the Fair Labor Standards Act, where applicable, unless a higher wage is required by other applicable Federal law, State or local law, or respective regulations, or by the terms of an applicable collective bargaining agreement.

(7) The program's specific numeric ratio of CTE apprentices to journeyworkers.

(i) The ratio must be consistent with the proper safety, health, supervision, and training of the CTE apprentice.

(ii) A sponsor must use a ratio that is:

(A) Consistent with the provisions of any applicable collective bargaining agreements, as well as any applicable Federal and State laws governing such ratios; and

(B) Specific and clearly described as to its application to a particular workforce, workplace, worksite, job site, department, or plant.

(8) A probationary period that may not exceed 30 days;

(9) An attestation by the sponsor, supported by any available documentation, that the program will provide adequate, safe, and accessible facilities and equipment for the training and supervision of CTE apprentices that are compliant with all applicable Federal, State, and local disability, occupational safety, and occupational health laws;

(10) An attestation by the sponsor that the program will provide adequate, industry-recognized safety training for CTE apprentices on the job and in CTE apprenticeship-related instruction;

(11) The minimum qualifications, if any, required by a sponsor and its participating employers for persons entering the registered CTE apprenticeship program;

(12) The sponsor's procedures for the selection of CTE apprentices, which must comply with the requirements for the selection of apprentices set forth in part 30 of this title;

(13) A list of supportive services that may be available to the CTE apprentice during their registered CTE apprenticeship program, including whether the services are provided by the sponsor or partner organization;

(14) The process by which the sponsor will reduce the usual term of on-the-job training or CTE apprenticeship-related instruction as a result of a registered CTE apprentice's prior learning, training, or acquired experience, or as a result of accelerated

progress in the attainment of occupational competencies that is made by an apprentice during their participation in the registered CTE apprenticeship program. Such process must:

(i) Involve a fair, transparent, and equitable process for objectively identifying, assessing, and documenting a registered CTE apprentice's prior learning, training, or acquired experience, as well as for measuring any accelerated progress in the attainment of occupational competencies in the sponsor's registered CTE apprenticeship program; and

(ii) Result in advanced standing or credit and an increased wage for a CTE apprentice that is commensurate with any progression granted by the sponsor.

(15) Documentation that the qualifications and experience of the trainers and instructors that provide on-the-job training and CTE apprenticeship-related instruction to CTE apprentices satisfy the requirements of § 29.12;

(16) The identity of the Registration Agency and the State CTE Agency;

(17) The sponsor's equal opportunity pledge, pursuant to § 30.3(c) of this title, as well as an attestation that the program will be operated in accordance with the provisions of part 30 of this title, and, where applicable, an approved State EEO plan; and

(18) Contact information (name, address, telephone number, and email address) for the appropriate individual with authority under the program to receive, process, and make disposition of complaints.

(d) *Registered CTE apprenticeship program sponsors*.

(1) *Eligible registered CTE apprenticeship program sponsors*. The following organizations and entities are eligible to serve as a sponsor of a registered CTE apprenticeship program:

(i) An LEA that is an eligible recipient as defined under Perkins;

(ii) An institution of higher education that is an eligible institution as defined under Perkins;

(iii) A State CTE Agency or other State government agency that shares responsibility for CTE in the State; and

(iv) An intermediary organization designated by the State CTE Agency, State Educational Agency, LEA, or IHE, pursuant to an agreement, that has expertise in organizing and coordinating registered CTE apprenticeship programs or registered apprenticeship programs, including:

(A) The local affiliate of a labor organization (such as a joint apprenticeship and training committee);

(B) An employer;

(C) The local affiliate of a trade or industry organization;

(D) A local workforce development board;

(E) An IHE;

(F) An LEA; and

(H) Any other public, private, or not-for-profit entity that has experience coordinating Perkins funding.

(2) *Sponsor program registration*. To apply for registration, a prospective program sponsor must submit electronically to a Registration Agency an application that includes:

(i) An on-the-job training outline that aligns with an associated industry skills framework;

(ii) A CTE apprenticeship-related instruction outline;

(iii) Standards of registered CTE apprenticeship for the proposed program;

(iv) The CTE apprenticeship agreement for the registered CTE apprenticeship program;

(v) A written plan that includes the following:

(A) A description of how the program will ensure the students who are selected to participate in the registered CTE apprenticeship program reflect a diverse and inclusive cross-section of the current student body enrollment of the participating secondary or postsecondary school(s) consistent with the requirements of part 30 of this title;

(B) A description of how the CTE program's training and curriculum align with an approved industry skills framework;

(C) A description of the secondary credits or recognized postsecondary credit hours and credentials the program may provide, including how the program confers such credits and credentials, and its usefulness for CTE apprentices' entry into employment, a registered apprenticeship program under subpart A, or a postsecondary educational program;

(D) A description from the sponsor of how they will ensure each employer has an established record of maintaining a safe and inclusive workplace that is free from discrimination, violence, harassment, intimidation, and retaliation against employees;

(E) A description of how the CTE apprentices participating in the program will have access to a broad range of career services and supportive services that enable participation in, and successful completion of, the registered CTE apprenticeship program;

(F) A description of the routine monitoring and oversight conducted by the sponsor of all aspects of the registered CTE apprenticeship program; and

(G) A description of how the sponsor will implement, upon registration, the affirmative steps to provide EEO in apprenticeship required by § 30.3(b) of this title. This description must at a minimum:

(*1*) Identify the individual or individuals who will be responsible and accountable for overseeing the sponsor's commitment to equal opportunity in registered CTE apprenticeship;

(*2*) Identify the publications or other documents where the sponsor's equal opportunity pledge will be published and the physical or digital locations where the sponsor's equal opportunity pledge will be posted;

(*3*) Describe the planned schedule for orientation and information sessions for individuals connected with the administration or operation of the registered CTE apprenticeship program, including all CTE apprentices and journeyworkers who regularly work with CTE apprentices, to inform and remind such individuals of the sponsor's EEO policy with regard to registered CTE apprenticeship;

(*4*) Provide a list of current recruitment sources that will generate referrals from all demographic groups within the relevant recruitment area, including the identity of a contact person, mailing address, telephone number, and email address for each recruitment source; and

(*5*) Describe the sponsor's procedures to ensure that its CTE apprentices are not harassed or otherwise subjected to discrimination because of their race, color, religion, national origin, sex, sexual orientation, age (40 or older), genetic information, or disability and to ensure that its apprenticeship program is free from intimidation and retaliation. This description must specifically include:

(*i*) The planned schedule and content source for the required anti-harassment training to all individuals connected with the administration or operation of the registered CTE apprenticeship program; and

(*ii*) The sponsor's procedures for handling and resolving complaints about harassment and intimidation.

(vi) An assurance that the specific commitments, roles, and responsibilities assumed by employers, secondary schools, LEAs, postsecondary educational institutions, intermediaries, and others with respect to the operation of the registered CTE apprenticeship program are formalized through memoranda of understanding or other written agreements; and

(vii) An assurance that, consistent with § 29.18, the sponsor will maintain any required records that the Registration Agency considers necessary to determine whether the sponsor has complied or is complying with the requirements of this part and any applicable Federal or State laws.

(3) *Additional responsibilities for intermediaries serving as a sponsor*. If an intermediary is the sponsor pursuant to an agreement with the State CTE Agency, State Educational Agency, LEA, or IHE, the intermediary must ensure compliance with this subpart and coordinate with the relevant LEAs, secondary school(s), postsecondary educational institutions, community colleges, or CTE providers to ensure all requirements above, as well as any additional requirements established by the State CTE Agency, State Educational Agency, LEA or IHE, are met.

(4) *Sponsor standards adoption agreements*.

(i) *Terms and conditions of adoption agreement.* The registered CTE apprenticeship program sponsor must ensure that the terms and conditions of a sponsor standards adoption agreement include a provision that each participating employer will:

(A) Adopt and comply with the sponsor's standards of registered CTE apprenticeship;

(B) Comply with all other applicable requirements of this part; and

(C) Cooperate with, and provide assistance to, the program sponsor to meet the sponsor's obligations under this part and part 30 of this title, including by providing any

apprenticeship-related data and records necessary to assess compliance with these regulatory provisions.

(ii) *Transmission of adoption agreement to Registration Agency.* Each executed sponsor standards adoption agreement must be transmitted to the Registration Agency by the program sponsor within 30 days of the execution of the agreement.

(iii) *Suspension or cancellation of adoption agreement.*

(A) A sponsor standards adoption agreement:

(*1*) May be canceled by the participating employer upon providing 30 days' written notice to the sponsor; and

(*2*) Must be suspended or cancelled by the program sponsor if the program sponsor determines that the participating employer failed to satisfy the sponsor standards adoption agreement's provisions of this section.

(B) The program sponsor must provide written notice of any suspension or cancellation to the participating employer, all CTE apprentices affected by the suspension or cancellation, and the applicable Registration Agency. The notice must explain the reason for the suspension or cancellation.

(C) If the suspension or cancellation results in an interruption or cessation of training for CTE apprentices, the program sponsor must make reasonable efforts to place such individuals with another of the sponsor's participating employers.

(D) In instances where a program sponsor fails to suspend or cancel a sponsor standards adoption agreement as required by paragraph (d)(4)(iii)(A)(*2*) of this section, the Registration Agency may initiate deregistration proceedings against the program pursuant to § 29.20.

(e) *CTE apprenticeship agreement*.

(1) All CTE apprenticeship programs registered by a Registration Agency must develop and establish a written CTE apprenticeship agreement that contains the terms and

conditions of the employment, education, and training of the CTE apprentice. Such agreement must be signed prior to the start of the registered CTE apprenticeship term by:

(i) The CTE apprentice;

(ii) The CTE apprentice's parent or legal guardian, if the CTE apprentice is under 18 years of age;

(iii) The program sponsor;

(iv) The secondary or postsecondary institution in which the CTE apprentice is enrolled as a student; and

(v) Any participating employers in the program that have adopted the sponsor's standards adoption agreement.

(2) A copy of the signed CTE apprenticeship agreement and the program's standards of registered CTE apprenticeship must be given to the CTE apprentice, and their parent or legal guardian if applicable, prior to the start date of the registered CTE apprenticeship term.

(3) At a minimum, the CTE apprenticeship agreement must contain the following:

(i) Contact information and identifying information for the CTE apprentice, including the apprentice's date of birth and, on a voluntary basis, their Social Security number;

(ii) Contact information for the Registration Agency, program sponsor, and participating employer(s);

(iii) An identification of the job or occupation the CTE apprentice will be employed in, as well as copies of the associated industry skills framework and CTE apprenticeship-related instruction outline;

(iv) The incorporation, either directly or by reference, of the program's standards of CTE apprenticeship;

(v) A description of the respective roles, duties, and responsibilities of the CTE apprentice, the program sponsor, and the participating employer, during the registered CTE apprenticeship program. With respect to sponsors and participating employers, these responsibilities must include providing information to CTE apprentices regarding their rights and protections under Federal, State, and local laws, including their right to file complaints with the applicable Registration Agency and the process for doing so;

(vi) The term of the registered CTE apprenticeship, including the beginning date and expected duration of the registered CTE apprenticeship program, the beginning date of the on-the-job training, and a probationary period that does not exceed 30 days;

(vii) A detailed statement of the entry wage and the subsequent graduated scale of increasing wages to be paid to the CTE apprentice over the registered CTE apprenticeship term;

(viii) A disclosure of the expected minimum number of hours allocated by the program to the on-the-job training component during the registered CTE apprenticeship term, and to the CTE apprenticeship-related instruction component of the registered CTE apprenticeship program during that term;

(ix) A description of the methods used during the course of the registered CTE apprenticeship program to measure progress on competency attainment;

(x) A description of any supportive services that may be available to the CTE apprentice including, childcare, transportation, equipment, tools, or any other supportive service provided by the sponsor or a partnering organization to address potential barriers to participation or completion;

(xi) The nature and amount of any unreimbursed costs, expenses, or fees that the CTE apprentice may incur during their participation in the program;

(xii) A description of any secondary or postsecondary credits or credentials that the CTE apprentice will receive upon successful program completion;

(xiii) A statement by the parties to the agreement that they will adhere to the requirements of part 30 of this title;

(xiv) A statement addressing:

(A) Whether the CTE apprentice is paid wages and fringe benefits during the CTE apprenticeship-related instruction component of the program;

(B) If wages are paid for CTE apprenticeship-related instruction, what the wage rate is; and

(C) Whether the CTE apprenticeship-related instruction is provided during work hours.

(xv) Contact information (name, address, phone, and email if appropriate) of the appropriate authority designated under the program to receive, process, and make disposition of controversies or disputes arising out of the CTE apprenticeship agreement when the controversies or disputes cannot be addressed locally or resolved in accordance with the established procedure or applicable collective bargaining provisions; and

(xvi) The consent of the CTE apprentice, or their parent or guardian, if the CTE apprentice is under 18 and not in attendance at a postsecondary institution, permitting the secondary or postsecondary institution in which the CTE apprentice is enrolled as a student to disclose individual apprentice level information to the program sponsor, to the entity designating any intermediary organization as a sponsor, to participating employers, to the Registration Agency and the Department, if OA is not the Registration Agency, and to any other institution involved in administering the registered CTE apprenticeship program, as required under subpart B of this part.

(4) A registered CTE apprenticeship program sponsor, or a participating employer in the sponsor's program, cannot include in the CTE apprenticeship agreement or otherwise impose on CTE apprentices a non-compete provision or other provision that restricts an apprentice's labor market mobility, including a provision restricting the

apprentice's ability to seek or accept employment with another employer prior to the completion of the registered CTE apprenticeship program.

(5) A registered CTE apprenticeship program sponsor, or a participating employer in the sponsor's program, cannot include in the CTE apprenticeship agreement or otherwise impose on CTE apprentices a non-disclosure provision that prevents the worker from working in the same field after the conclusion of the worker's employment with the employer, or that restricts an apprentice's ability to file a complaint with a Registration Agency or other governmental body concerning possible violations of this part or of part 30 of this title. Subject to these restrictions, a sponsor or participating employer may include a non-disclosure provision that relates to the protection of the sponsor's or participating employer's confidential commercial information or trade secrets.

(6) The program sponsor must submit a completed copy of the executed CTE apprenticeship agreement for each CTE apprentice registered to the program's Registration Agency within 30 days of execution.

(f) *Certificate of completion of registered CTE apprenticeship*. CTE apprentices who are enrolled in the registered CTE apprenticeship program and who are successful in meeting the CTE apprenticeship-related instruction and the on-the-job training outlined in the industry skills framework will receive a certificate of completion of registered CTE apprenticeship from the Registration Agency.

(g) *Administrative requirements of the Registration Agency.*

(1) *CTE apprenticeship program registration*. The Registration Agency will evaluate the written application submitted by a CTE apprenticeship program sponsor.

(i) The Registration Agency must review an application submitted by a sponsor consistent with paragraph (d)(2) of this section and provide a determination on whether

the program is eligible for program registration within 90 days of receipt of a complete application.

(ii) The Registration Agency will inform applicants in writing of all decisions regarding program registration.

(iii) If the Registration Agency denies the application, it must explain in writing the reasons for the denial.

(2) *Technical assistance and other support*. The Registration Agency is responsible for providing outreach, technical assistance, and any other services to potential sponsors, participating employers, and other potential partners to support the adoption of registered CTE apprenticeship as well as to ensure compliance with the requirements of this subpart.

(3) *Complaints*. The complaint investigation and anti-retaliation provisions in § 29.17 apply to this subpart, except that a Registration Agency may refer complaints under this subsection to the State CTE Agency as appropriate.

(4) *Program reviews*.

(i) For program reviews under this subpart, the process described in § 29.19 applies.

(ii) Program reviews should be done in coordination with the relevant State CTE Agency pursuant to the written agreement described in paragraph (a)(2) of this section.

(iii) The result of any program review conducted under paragraph (g)(4) of this section will not impact an entity's eligibility for funding under the Perkins program.

(5) *Deregistration of a CTE apprenticeship program*. The deregistration process described in § 29.20 will apply to this subpart.

(6) *Hearings on deregistration*. The hearing process described in § 29.21 will apply to this subpart.

(7) *Reinstatement of program registration*. The reinstatement process described in § 29.22 will apply to this subpart.

(8) *Recognition of Registration Agencies for CTE apprenticeship*.

(i) OA may serve as the Registration Agency within States where the Administrator has not recognized an SAA to register CTE apprenticeship programs, provided a written agreement has been signed between OA and the State's respective State CTE Agency as described in paragraph (a)(2) of this section.

(ii) SAAs recognized or seeking recognition as a Registration Agency under subpart C of this part will be recognized to register CTE apprenticeship programs provided the following criteria are met:

(A) The State's proposed or current apprenticeship laws for CTE apprenticeship meet or exceed the requirements for protecting the safety and welfare of CTE apprentices set forth in this subpart;

(B) A written agreement has been signed between the SAA and the State CTE Agency as described in paragraph (a)(2) of this section;

(C) The State has submitted its relevant apprenticeship laws and CTE engagement strategies as described in its State Apprenticeship Plan submission or a modification as described in subpart C of this part; and

(D) The Administrator has approved the State Apprenticeship Plan for both recognition as an SAA, and for recognition to register CTE apprenticeship programs.

(9) *Collection of data and quality metrics concerning CTE apprenticeship*.

(i) *CTE apprentice information.*

(A) Within 30 calendar days of the start of a CTE apprentice's term, the program sponsor must submit to its Registration Agency in a format prescribed by the Administrator:

(*1*) Individual apprentice record level information in accordance with any applicable Federal laws, rules and regulations (which includes sec. 444 of the General Education Provisions Act, as amended, commonly known as the Family Educational Rights and Privacy Act (FERPA)), including demographic information, education level, and veteran status;

(*2*) The industry skills framework and occupation, if applicable, in which the CTE apprentice is to be trained;

(*3*) The beginning date and term (duration) of the registered CTE apprenticeship program and the graduated schedule of wages; and

(*4*) Any additional CTE apprentice-related information that the Administrator considers appropriate or necessary for the efficient operation of the National Apprenticeship System.

(B) At the end of each academic semester, the program sponsor must report a change in a CTE apprentice's status, including additional receipt of services and attainment of outcomes, to its Registration Agency in a manner prescribed by the Administrator regarding the following apprentice outcomes and services:

(*1*) Change in registered CTE apprenticeship status (completion or cancellation);

(*2*) Credentials attained during participation;

(*3*) Change in employment or education status after participation;

(*4*) Wage progression during participation;

(*5*) Supportive services provided; and

(*6*) Any additional outcomes or services information that the Administrator considers appropriate or necessary for the efficient operation of the National Apprenticeship System.

(ii) *Program sponsor information and quality metrics.*

(A) Within 30 days of the change in status and no less than on an annual basis, for each registered CTE apprenticeship program and industry skills framework in which CTE apprentices are being trained, a program sponsor must report to the Registration Agency, in a manner prescribed by the Administrator, the following information:

(*1*) Up-to-date contact information for each employer participating in the registered CTE apprenticeship program and, if applicable, the collective bargaining signatories;

(*2*) Up-to-date copies of any agreements the sponsor has with each employer participating in the registered CTE apprenticeship program and with each CTE apprentice;

(*3*) Information about which employers participating in the registered CTE apprenticeship program have canceled their participation in a program;

(*4*) Up-to-date information about the program's coordination with credentialing agencies;

(*5*) Up-to-date contact information for those individual(s) designated and authorized under the registered CTE apprenticeship program to receive, process, and make disposition of complaints filed by CTE apprentices under both this part and part 30 of this title;

(*6*) All unreimbursed costs to the CTE apprentice; and

(*7*) Any additional sponsor- or program-level information that the Administrator considers appropriate or necessary for the efficient operation of the National Apprenticeship System.

(B) On an annual basis, for each registered CTE apprenticeship program and industry skills framework, the following quality metrics will be calculated by the Registration Agency, in a format prescribed by the Administrator:

(*1*) The total number of new and active CTE apprentices annually training in the sponsor's program under a CTE apprenticeship agreement;

(*2*) The total number of CTE apprentices who successfully completed the sponsor's program annually;

(*3*) The annual completion rate for CTE apprentices;

(*4*) The cohort completion rate for registered CTE apprentices, which must be calculated by comparing the number of apprentices in a designated apprenticeship cohort who successfully completed the sponsor's requirements and attained a certificate of completion of registered CTE apprenticeship with the number of apprentices in that cohort who initially began training in the program;

(*5*) The placement rate of exiters in registered apprenticeship programs under subpart A of this part, postsecondary educational programs, or employment, at the time of program completion;

(*6*) The percentage of exiters that receive at least one recognized postsecondary credential at time of exit;

(*7*) Wage at exit; and

(*8*) Any additional sponsor- or program-level information that the Administrator considers appropriate or necessary for the efficient operation of the National Apprenticeship System.

(iii) *Information and reports to be made publicly available by the Registration Agency.*

(A) The Administrator will make on an annual basis general information relating to registered CTE apprenticeship programs along with the information described in paragraph (g)(9)(ii) of this section publicly available. Upon request of the sponsor, the Administrator may decide not to make the information described in paragraph (g)(9)(ii) of this section publicly available for good cause.

(B) Unless otherwise prohibited by Federal law, the Administrator will make publicly available a national summary report of CTE apprentices and their outcomes, disaggregated by race, ethnicity, sex, disability status, and other categories determined by the Administrator.

(C) In addition to the metrics in paragraph (g)(9)(iii)(B) of this section, the Registration Agency must use supplemental sources, such as wage records and surveys, to calculate at a national or State level at least the following additional metrics:

(*1*) The placement and retention rate in postsecondary educational programs, registered apprenticeship programs, or employment, calculated 6 and 12 months after program completion;

(*2*) The annualized average and median earnings of a registered CTE apprenticeship program's former apprentices, calculated over the 6-month period after registered apprenticeship completion; and

(*3*) The percentage of all completers of a registered CTE apprenticeship program who, at 1 year after program completion, are earning an income that allows them to support themselves and their families, or have been placed in a postsecondary educational program or career pathway program.

(D) The Administrator may also conduct evaluations and longitudinal studies to assess the impact and improve the effectiveness of registered CTE apprenticeship programs.

(E) The Registration Agency may decide to withhold from publication certain information contained in paragraphs (g)(9)(iii)(A), (B), and (C) of this section for good cause.

(iv) *Reporting.* Sponsors must report the information described in paragraphs (g)(9)(i) and (ii) of this section in a manner prescribed by the Registration Agency.

(v) *Reporting requirements for State Apprenticeship Agencies.*

(A) SAAs with an approved State Apprenticeship Plan to serve as a Registration Agency for CTE apprenticeship are required to collect the information from sponsors described in paragraphs (g)(9)(i) and (ii) of this section.

(B) No less frequently than on a quarterly basis, SAAs must report the information collected from sponsors discussed in paragraphs (g)(9)(i) and (ii)(A) of this section.

(C) On an annual basis, the SAA will report the information collected under paragraph (g)(9)(ii)(B) of this section to the Administrator.

(D) The Administrator will make the information collected from paragraph (g)(9)(iii) of this section publicly available.

(E) SAAs may meet these requirements by either:

(*1*) Utilizing a Department-provided case management system; or

(*2*) Maintaining a State system that is capable of reporting individual apprentice record level information to OA in a manner prescribed by the Administrator, and that meets minimum security requirements as prescribed by the Administrator.

(10) *Exemptions.* Requests for exemption from any provision of this subpart must be made in writing to the Administrator and must contain a statement of reasons.

Subpart C—Administration and Coordination of the National Apprenticeship System

§ 29.25 Collection of data and quality metrics concerning apprenticeship.

(a) *Apprentice information*.

(1) Within 30 calendar days of the start of an apprentice's participation in a registered apprenticeship program, the program sponsor must submit to its Registration Agency, in a format prescribed by the Administrator, the following information:

(i) Individual apprentice level information that includes demographic information, education level, and veteran status;

(ii) Receipt of pre-apprenticeship services prior to participation in apprenticeship, if applicable;

(iii) The occupation in which the apprentice is to be trained;

(iv) The date the individual became an apprentice;

(v) The beginning date and term (duration) of the apprenticeship, the date of the beginning of on-the-job training, the full graduated schedule of wages including the journeyworker wage, and the approximate time to be spent in each work process in the occupation; and

(vi) Any additional apprentice-related information required by the Administrator.

(2) Within 30 calendar days of a change in an apprentice's status, the program sponsor must submit the following information to its Registration Agency:

(i) Change in apprenticeship status (completion, transfer, suspension, or cancellation);

(ii) Interim credentials attained;

(iii) Employment status;

(iv) Wage progression;

(v) Supportive services provided; and

(vi) Any additional apprentice outcomes or services information required by the Administrator.

(b) *Program sponsor information and quality metrics*.

(1) Within 30 days of the change in status, for each registered apprenticeship program and occupation, a program sponsor must report to the Registration Agency, in a manner prescribed by the Administrator, the following information:

(i) Up-to-date contact information for the program sponsor (including headquarters);

(ii) Up-to-date contact information for each participating employer in the program and, if applicable, the collective bargaining signatories;

(iii) An up-to-date copy of the program standards adoption agreement with the sponsor for each participating employer;

(iv) Information about which participating employers have canceled their participation in a program;

(v) Up-to-date information about the program's coordination with credentialing agencies;

(vi) Up-to-date contact information for those individual(s) designated and authorized under the registered apprenticeship program to receive, process, and make disposition of complaints filed by apprentices under both this part and part 30 of this title;

(vii) All unreimbursed costs to the apprentice; and

(viii) Any additional sponsor or program level information required by the Administrator.

(2) On an annual basis, for each registered apprenticeship program and occupation, in a format prescribed by the Administrator, the following quality metrics will be calculated:

(i) The total number of apprentices served annually in the sponsor's program under an apprenticeship agreement;

(ii) The total number of apprentices who successfully completed the sponsor's program annually;

(iii) The annual completion rate for apprentices.

(iv) The cohort completion rate for apprentices, which must be calculated by comparing the number of apprentices in a designated apprenticeship cohort who

successfully completed the sponsor's requirements and attained a Certificate of Completion with the number of apprentices in that cohort who initially began training in the program;

(v) The median length of time for program completion;

(vi) The employment retention rate at the time of exit;

(vii) The percentage of exiters that receive at least one interim credential at time of exit;

(viii) The percentage of exiters that enter postsecondary education or a career pathway program at time of exit;

(ix) Apprentice wage at time of exit;

(x) Information and data relating to any pre-apprenticeship programs with which the sponsor has established a documented partnership; and

(xi) Any additional sponsor or program level information required by the Administrator.

(c) *Information and reports to be made publicly available by the Registration Agency*.

(1) The Registration Agency will make publicly available on an annual basis general information relating to registered apprenticeship programs along with the information described in paragraph (b)(2) of this section.

(2) The Registration Agency will make publicly available an annual State or national summary report of apprentices and their outcomes, disaggregated by race, ethnicity, sex, disability status, and other categories determined by the Administrator.

(3) In addition to the metrics in paragraph (c)(2) of this section, the Registration Agency must use supplemental sources, such as wage records and surveys, to calculate at a national or State level, at least the following additional metrics:

(i) The post-apprenticeship employment retention rate, calculated 6 and 12 months after program exit;

(ii) The annualized average and median earnings of a registered apprenticeship program's former apprentices, calculated over the 6-month period after program completion;

(iii) The percentage of all completers of a registered apprenticeship program who, at 1 year after program completion, are earning an income that allows them to support themselves and their families, have been placed in a postsecondary educational program, or a career pathway program; and

(iv) Registration Agency metrics including median time for registration, number of programs approved and denied registration, and post-registration customer satisfaction ratings of sponsors for technical assistance and other services provided in relation to registration activities from the Registration Agency.

(4) The Administrator may also conduct evaluations and longitudinal studies to assess the impact and improve the effectiveness of registered apprenticeship programs.

(5) The Registration Agency may decide to withhold from publication certain information contained in paragraphs (c)(1), (2), and (3) of this section for good cause.

§ 29.26 Roles and responsibilities of State Apprenticeship Agencies.

(a) *In general.* An SAA, recognized by the Administrator pursuant to § 29.27(c), is authorized to undertake, for Federal purposes, the following actions regarding registered apprenticeship programs within that State:

(1) Implementing apprenticeship-related laws and policies, provided that the Administrator has previously approved such laws pursuant to § 29.27(c)(1) or § 29.27(c)(2);

(2) Reviewing, approving, disapproving, and amending standards of apprenticeship submitted by potential or existing program sponsors, and registering

apprenticeship programs within 90 days of a complete submission for Federal purposes in that State;

(3) Prescribing the content of apprenticeship agreements, and registering apprentices who have signed valid apprenticeship agreements with registered apprenticeship program sponsors and participating employers;

(4) Providing technical assistance to registered apprenticeship program sponsors, participating employers, registered apprentices, intermediaries, and other apprenticeship stakeholders;

(5) Collecting and reporting to OA any apprenticeship-related data from program sponsors, participating employers, and individual apprentices described in §§ 29.25 and 29.28;

(6) Conducting program reviews of approved registered apprenticeship programs;

(7) Establishing policies and procedures to promote EEO for apprentices and applicants for apprenticeship in registered apprenticeship programs consistent with the requirements in part 30 of this title;

(8) Establishing the basic standards, criteria, and requirements for program registration, and providing for the suspension or deregistration of programs;

(9) Establishing a process for the registration, suspension, or cancellation of apprenticeship agreements;

(10) Investigating complaints filed under this part or part 30 of this title; and

(11) Functioning as a Registration Agency for registered CTE apprenticeship programs pursuant to § 29.24.

(b) *Nondelegable duties of State Apprenticeship Agencies.* In order for a State to be eligible to obtain or maintain full or provisional recognition status as described in § 29.27(c), a State cannot delegate, assign, devolve, or relinquish any of the functions that are the responsibility of the SAA under paragraph (a) of this section, including any

matters relating to the intake, evaluation, approval, registration, monitoring, oversight, suspension, or deregistration of apprenticeship programs and standards of apprenticeship within that State, to any external third-party entity, including a State Apprenticeship Council established pursuant to paragraph (c) of this section.

(c) *Requirement to establish State Apprenticeship Councils.* An SAA is required under this rule to establish and maintain a State Apprenticeship Council, which must operate under the direction of the SAA. The State Apprenticeship Council may provide the SAA with written, nonbinding advice, recommendations, research, and reports concerning apprenticeship-related matters, and on the submission of the State Apprenticeship Plan.

(1) *Composition*. Members of the State Apprenticeship Council must be individuals who are familiar with occupations suitable for registered apprenticeship, apprenticeship programs, and opportunities across a wide range of industries and sectors. A State Apprenticeship Council must be fairly balanced and inclusive of underserved communities, with an equal number of—

(i) Employers or representatives of employer organizations, including from sectors and occupations where apprenticeship is not currently widespread;

(ii) Representatives of labor organizations or joint labor-management organizations, including from non-traditional apprenticeship industries or occupations; and

(iii) Other members representing the general public, which must at least include:

(A) One representative who represents the State's workforce development system; and

(B) One representative of a secondary or postsecondary education system who is familiar with registered apprenticeship.

(2) *Limitations on State Apprenticeship Councils.* A State Apprenticeship Council is ineligible for recognition as an SAA under this part and is prohibited under this part from assuming or discharging the functions described in paragraph (a) of this section.

(d) *Reciprocity of registration.* An SAA must establish a process for providing approval to apprentices, apprenticeship programs, and standards of apprenticeship that are registered in other States by OA or by an SAA for Federal purposes. Such a process must provide a timely response to a request for reciprocity no later than 45 days after receipt of a program sponsor's application for reciprocity. The reciprocity process established by an SAA must:

(1) Ensure that the program sponsor meets the statutory and regulatory wage and hour requirements and apprentice-to-journeyworker ratios of the State in which reciprocal approval is sought;

(2) Ensure that the program and individual apprentices who will work in the State are properly registered with the SAA; and

(3) Ensure that the program sponsor develop standards that prepare apprentices to meet or exceed the minimum requirements of State or local occupation licensure, if applicable.

§ 29.27 Recognition of State Apprenticeship Agencies.

(a) *Application for recognition as a State Apprenticeship Agency*. To obtain recognition or seek renewal of recognition as an SAA for Federal purposes, a State governmental entity must submit a State Apprenticeship Plan addressing the requirements described in paragraph (b) of this section.

(1) *Timing*. States seeking to obtain or renew recognition as an SAA must submit a State Apprenticeship Plan beginning December 31, 2026. Recognition, either full or provisional, will be granted for a period of 4 years from the date of the Administrator's approval.

(i) State Apprenticeship Plans must be submitted to the Administrator at least 120 days prior to the date when an SAA is seeking recognition.

(ii) State governmental entities recognized by the Administrator as an SAA prior to the effective date of this rule must submit a State Apprenticeship Plan described in paragraph (b) of this section no later than September 1, 2026, to be considered for recognition after December 31, 2026. The period of recognition for this submission is for the time period covering January 1, 2027, through June 30, 2030.

(iii) Subsequent State Apprenticeship Plan submissions are for 4-year periods beginning July 1, 2030.

(iv) State Apprenticeship Plans submitted and approved outside of the time periods described in paragraphs (a)(1)(ii) and (iii) of this section must still submit a State Apprenticeship Plan to the Administrator consistent with the timing described in either paragraph (a)(1)(ii) or (iii) of this section.

(2) *Modifications to approved State Apprenticeship Plans*.

(i) An approved State Apprenticeship Plan requires modification and resubmission:

(A) When changes in Federal or State law or policy substantially affect the roles and responsibilities of the SAA described in § 29.26;

(B) When proposed State laws may affect an SAA's compliance with the requirements of paragraph (b) of this section;

(C) When there are significant changes in the strategies, goals, and priorities upon which the State Apprenticeship Plan is based; and

(D) When there are significant changes in the statewide vision, strategies, policies, operational procedures, or organizational structure of the SAA.

(ii) Modifications may be requested by the SAA for any other reason at any time during the 4-year period of the plan, including:

(A) When the SAA is seeking to change its plan status from provisional to full approval;

(B) When the SAA seeks recognition as a Registration Agency for the purposes of subpart B of this part; or

(C) For any other reason at the discretion of the SAA.

(iii) Modifications to an approved State Apprenticeship Plan must be submitted to the Administrator at least 120 days prior to the requested effective date of the modification.

(iv) Modified State Apprenticeship Plans remain approved until the end of the original cycle of the Plan.

(b) *State Apprenticeship Plan contents*. The State Apprenticeship Plan described in paragraph (a) of this section must include the following:

(1) *Apprenticeship laws.* The State's proposed or current apprenticeship laws, which must include provisions that:

(i) Allow registration for Federal purposes for only those occupations that have been determined suitable for registered apprenticeship pursuant to § 29.7;

(ii) Meet or exceed the requirements for protecting the safety and welfare of apprentices set forth at the following regulatory provisions:

(A) The standards of apprenticeship enumerated at section § 29.8;

(B) The apprenticeship agreement elements identified in § 29.9;

(C) The program registration requirements of § 29.10;

(D) The program standards adoption agreement requirements of § 29.11;

(E) The qualifications of apprentice trainers and providers of related instruction requirements of § 29.12;

(F) The end-point assessment and certification of program completion requirements of § 29.16;

(G) The complaints requirements of § 29.17;

(H) The recordkeeping requirements of § 29.18;

(I) The procedural requirements of §§ 29.19 through 29.22;

(J) The SAA requirements of § 29.26;

(K) The reporting requirements for SAAs of § 29.28; and

(L) The EEO requirements at part 30 of this title.

(2) *Strategic planning elements*:

(i) *Goals for expansion.* A narrative summary of the State's strategic vision and strategy for expanding registered apprenticeship programs, promoting program quality, and for meeting the skilled workforce needs of employers through apprenticeship, including both existing and emerging high-growth industries and occupations as identified by the State. The narrative must include any goals or metrics the State will use to achieve its vision.

(ii) *Promoting registered apprenticeship programs for underserved communities*. A narrative description that addresses the State's strategic plan for increasing access to and support within registered apprenticeship for individuals from underserved communities, which must include:

(A) The current apprentice participants in the State by race, ethnicity, sex, disability status, and veteran status;

(B) The goals and milestones the State will utilize to track progress towards the strategic plan.

(iii) *Aligning education and workforce development activities*. The State must provide a narrative of the strategic alignment of workforce development activities in the State with the SAA, including—

(A) A description of any coordination or leveraging of State planning and registered apprenticeship programs under WIOA and any milestones the State will use to track progress;

(B) A description of any efforts or processes the SAA has developed with the State Workforce Agency to enhance or increase the leveraging of registered apprenticeship programs on the State list of eligible providers of training services under section 122(d) of WIOA;

(C) An assessment of how registered apprenticeship programs in the State meet employers' workforce needs as identified by the State workforce development board or State Workforce Agency;

(D) A description of current activities to coordinate with the State's education system, including institutions of higher education, LEAs, State CTE and Educational Agencies, and other educational entities that support CTE programs and career pathways;

(E) A description of current activities and goals in coordinating with economic development entities in the State; and

(F) A description of the State's strategy for engaging and leveraging intermediaries as defined in § 29.2.

(G) A description of any efforts to align and leverage apprenticeship-related data with education system and workforce development system data.

(3) *Operational planning elements.* States must submit the following information to OA:

(i) *State EEO plan.* In conformity with part 30 of this title, provide a plan that describes how the SAA will promote EEO for apprentices and applicants for apprenticeship in registered apprenticeship programs.

(ii) *Technical assistance*. Describe the State's technical assistance strategies for the period covered in the State Apprenticeship Plan.

(iii) *Data reporting*. Describe the process for meeting quarterly and annual reporting requirements at §§ 29.25 and 29.28, including a description of how the SAA will collect and report apprentice and sponsor records to the Department.

(iv) *Program reviews*. Describe the SAA's plan for conducting program reviews for the period covered in the State Apprenticeship Plan.

(v) *Registration standards*. Describe how the SAA plans to operationalize its policy regarding: establishing the basic standards, criteria, and requirements for program registration; and providing for the temporary suspension, cancellation, or deregistration of programs.

(vi) *Reciprocity*. Describe how the State will operationalize its policy for providing reciprocity for registered apprenticeship programs in accordance with § 29.26(d).

(vii) *State Apprenticeship Council*. Describe how the State Apprenticeship Council is structured consistent with the requirement of § 29.26(b) and (c).

(4) *Assurances.* The State must provide the following assurances and any applicable statutory or regulatory citations:

(i) That the State will provide a process for local registration of National Guidelines for Apprenticeship Standards recognized by the Administrator pursuant to § 29.15.

(ii) That the State has sufficient resources to carry out the functions of an SAA, including outreach and education; registration of programs and apprentices; provision of technical assistance, and monitoring of programs as required to fulfill the requirements of this part.

(iii) That the State will make available on a publicly available website a description of any laws (including regulations), policies, and operational procedures relating to the process of reviewing, registering, and assessing registered apprenticeship

programs under the State's apprenticeship system, including those that impose requirements in addition to this rule, as well as any approved State Apprenticeship Plans.

(iv) That the State requires a written assurance from any sponsors registered by the State that they are complying with the requirements of the Support for Veterans in Effective Apprenticeships Act of 2019 (Pub. L. 116-134, 134 Stat. 277, 29 U.S.C. 50c).

(5) *Optional recognition of an SAA for registered CTE apprenticeship.* An SAA seeking recognition to serve as a Registration Agency for registered CTE apprenticeship must submit the following elements:

(i) The State's proposed or current registered CTE apprenticeship laws as described in § 29.24(g)(8).

(ii) A written agreement between the State entity seeking recognition and the State's CTE Agency as described in § 29.24(a)(2).

(iii) A narrative summary of the State's strategic vision and strategy for expanding registered CTE apprenticeship programs under subpart B of this part.

(c) *State apprenticeship recognition designations*. After review of the State Apprenticeship Plan described in paragraph (a) of this section, OA will convey, in writing from the Administrator, one of three designations for Federal purposes:

(1) Full recognition if the Administrator has determined:

(i) The State's apprenticeship laws meet or exceed the minimum standards as described in paragraph (b)(1) of this section.

(ii) The State's Plan includes all strategic planning elements that are complete and responsive to the requirements in paragraph (b)(2) of this section.

(iii) The State's Plan includes all operational elements that are complete and responsive to the requirements in paragraph (b)(3) of this section.

(iv) The State's Plan includes all of the assurances as required in paragraph (b)(4) of this section.

(2) Provisional recognition if the Administrator has determined that the State's apprenticeship laws meet or exceed the minimum standards described in paragraph (b)(1) of this section and that the State's Plan includes all of the assurances described in paragraph (b)(4) of this section, but further determines that:

(i) The strategic planning elements described in paragraph (b)(2) of this section or the operational elements described in paragraph (b)(3) of this section are either incomplete or nonresponsive; and

(ii) Any deficiencies identified in paragraph (c)(2)(i) of this section are resolvable with technical assistance provided by OA and a corrective action plan is submitted by the State and approved by the Administrator. A State may be provisionally recognized for no more than one full planning cycle.

(3) Denial of recognition if the Administrator determines:

(i) That the State's apprenticeship laws do not meet the minimum standards described in paragraph (b)(1) of this section; or

(ii) That the SAA is unable to be fully approved within one full planning cycle after having been provisionally recognized, as described in paragraph (c)(2) of this section.

(iii) The process and procedures for such denial of recognition are described in § 29.29.

(d) *Retention of registration authority of the Office of Apprenticeship*. Notwithstanding any approval of a State Apprenticeship Plan providing recognition to an SAA under this section, the Administrator will retain the authority to register apprenticeship programs and apprentices on both a local and nationwide basis for Federal purposes in any State when the Administrator determines that a sponsor seeking registration has satisfied the requirements for registration described in this part and where such action would further the interests of the National Apprenticeship System.

(e) *Periodic reviews*. OA will monitor and review the compliance of an SAA to ensure that it is operating consistent with its approved State Apprenticeship Plan, in instances where the Administrator determines that such a review is warranted.

(f) *Derecognition of State Apprenticeship Agency's full or provisional recognition status*. The Administrator may derecognize an SAA with full or provisional recognition when the Administrator determines that the SAA is not operating consistent with its approved State Apprenticeship Plan. The processes and procedures for such derecognition are described in § 29.29.

(g) *Suspension of provisionally approved State Apprenticeship Agency.* The Administrator may suspend the authority of a provisionally approved SAA to register new apprenticeship programs for failure to submit, and receive OA's approval of, a corrective action plan as required in paragraph (c)(2) of this section. The Administrator will provide written notice to the provisionally approved SAA of the suspension, which will take effect 30 calendar days after the date of the written notice. The suspension will end upon the State's submission of a corrective action plan.

(h) *Limitation of State activities without recognition.* If OA denies a State Apprenticeship Plan pursuant to paragraph (c)(3) of this section, or derecognizes an SAA pursuant to paragraph (f) of this section, the State must not conduct the activities specified in § 29.26(a) until OA conveys full recognition, as described in paragraph (c)(1) of this section, or provisional recognition, as described in paragraph (c)(2) of this section.

§ 29.28 Reporting requirements for State Apprenticeship Agencies.

(a) SAAs are required to collect the information from sponsors described in § 29.25(a) and (b).

(b) On at least a quarterly basis, SAAs must report the information collected from sponsors described in paragraphs (a) and (b)(1) of § 29.25 to OA.

(c) On an annual basis, the SAA will report the information collected under§ 29.25(b)(2) to the Administrator.

(d) The Administrator will make the information described in paragraph (c) of this section publicly available.

(e) SAAs may meet the requirements in paragraphs (a) through (c) of this section by either:

(1) Utilizing a Department-provided case management system; or

(2) Maintaining a State system that is capable of reporting individual apprentice record level information to OA in a manner prescribed by the Administrator, and that meets minimum security requirements prescribed by the Administrator.

§ 29.29 Denial of a State Apprenticeship Plan for recognition as a State Apprenticeship Agency and derecognition of existing State Apprenticeship Agencies.

(a) *Process and procedures*.

(1) If the Administrator denies a State Apprenticeship Plan pursuant to § 29.27(c)(3) or derecognizes an SAA pursuant to § 29.27(f), the Administrator will issue a written notice that includes:

(i) The reason(s) for the denial or derecognition;

(ii) The needed remedial measure(s); and

(iii) The timeframe for addressing those measures, which will be no longer than 12 months from the date of the written notice.

(2) If the State has failed to take adequate remedial measures in the timeframe provided in the written notice, the Administrator may issue a final determination that will include the reason(s) for the denial or derecognition and state in the final determination that the State may request a hearing with OALJ within 30 calendar days of the date of the final determination.

(3) Requests for a hearing must be sent to OALJ within 30 calendar days from the date of a final determination from the Administrator. A copy of the request for a hearing must be simultaneously sent to the Administrator, who must transmit it to the Associate Solicitor for Employment and Training Legal Services, Office of the Solicitor, U.S. Department of Labor. The Administrator will promptly provide OALJ with the administrative file containing all documents relied on by the Administrator or designee to deregister the program or to issue the Administrator's final determination.

(4) The procedures contained in part 18 of this title will apply to the disposition of the request for review except that:

(i) The Administrative Law Judge will receive, and make part of the record, documentary evidence offered by any party and accepted at the hearing. Copies thereof will be made available by the party submitting the documentary evidence to any party to the hearing upon request.

(ii) Technical rules of evidence will not apply to hearings conducted under this part, but rules or principles designed to assure the production of the most credible evidence available and to subject testimony to test by cross-examination will be applied, where reasonably necessary, by the Administrative Law Judge conducting the hearing. The Administrative Law Judge may exclude irrelevant, immaterial, or unduly repetitious evidence.

(iii) The request for a hearing will not be considered to be a complaint to which an answer is required.

(iv) The Administrative Law Judge may authorize discovery and the filing of pre-hearing motions, and so limit them to the types and quantities in the Administrative Law Judge's discretion will contribute to a fair hearing without unduly burdening the parties.

(5) The Administrative Law Judge must issue a written decision within 90 calendar days of the close of the hearing record. The Administrative Law Judge must

uphold the Administrator's decision unless it is shown by the sponsor to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law. The Administrative Law Judge's decision constitutes final agency action of the Department unless, within 15 calendar days from receipt of the decision, a party dissatisfied with the decision files a petition for review with the ARB in accordance with part 26 of this title, specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged is deemed to have been waived. A copy of the petition for review must be served on OA at the same time in accordance with part 26 of this title. Thereafter, the decision of the Administrative Law Judge remains final agency action unless the ARB, within 30 calendar days of the filing of the petition for review, notifies the parties that it has accepted the case for review. The ARB may set a briefing schedule or decide the matter on the record. The ARB must issue a decision in any case it accepts for review within 180 calendars of the close of the record. If a decision is not so issued, the Administrative Law Judge's decision constitutes final agency action.

(6) An SAA may request voluntary withdrawal from its recognition status for Federal purposes at any time. The Administrator will derecognize the SAA after the State sends a formal notice of withdrawal to the Administrator.

(b) *Administrator actions after derecognition*. When an existing SAA has been denied recognition pursuant to § 29.27(c)(3), has been derecognized by OA pursuant to § 29.27(f), or when an SAA voluntary withdraws from recognition as described in paragraph (a)(6) of this section, the Administrator must:

(1) Notify the sponsors in the State of the derecognition and effect public notice of such derecognition.

(2) Notify the sponsors that, 45 calendar days after the date of the determination to derecognize the SAA, the Department will cease to recognize, for Federal purposes,

each apprenticeship program previously registered with the SAA, unless within that time, the sponsor submits an application for registration with OA, pursuant to the following:

(i) Within 90 days of receiving the application for registration, the Office of the Apprenticeship will review the application to determine if it meets the requirements for registration described in § 29.10(a).

(ii) OA will approve an application for registration in accordance with the procedures and requirements described in § 29.10(b).

(iii) OA will deny an application for registration if the application does not meet the requirements in § 29.10(b). The procedures described in § 29.10(c) apply to any applications for registration that are declined.

(c) *State obligations after derecognition*. Where an existing SAA has been denied recognition, has been derecognized by OA, or has voluntarily withdrawn from recognition, the State must:

(1) Provide all apprenticeship program standards, apprenticeship agreements, completion records, cancellation and suspension records, EEO compliance review files, and any other documents relating to the State's registered apprenticeship programs, to the Department;

(2) Within 15 calendar days of receiving a final determination, unless the State requests a hearing as described in paragraph (a)(3) of this section, advise all sponsors that any benefits of registration for Federal purposes are no longer available to the apprentices in its apprenticeship program as of 45 calendar days after the date of the Administrator's final determination. The communication from the State must direct that all apprentices are referred to OA for information about potential transfer to other registered apprenticeship programs; and

(3) Cooperate fully with the Administrator during a transition period.

§ 29.30 Apprenticeship requirements in other laws.

The Administrator or recognized SAA may provide a Certificate of Participation to employers and government agencies to demonstrate a program sponsor's or participating employer's compliance with any Federal purpose or State benefit associated with a program's or apprentice's participation in a registered apprenticeship program. Disclosure of information in accordance with this section must comply with applicable Federal or State information and privacy laws.

PART 30—EQUAL EMPLOYMENT OPPORTUNITY IN APPRENTICESHIP

2. The authority citation for part 30 continues to read as follows:

Authority**:** Sec. 1, 50 Stat. 664, as amended (29 U.S.C. 50; 40 U.S.C. 276c; 5 U.S.C. 301); Reorganization Plan No. 14 of 1950, 64 Stat. 1267, 3 CFR 1949–53 Comp. p. 1007.

3. Revise § 30.2 to read as follows:

§ 30.2 Definitions.

The definitions in § 29.2 also apply to this part.

4. Amend § 30.3 by revising paragraph (b)(2)(i) to read as follows:

§ 30.3 Equal opportunity standards applicable to all sponsors.

* * * * *

(b) * * *

(2) * * *

(i) Publish its equal opportunity pledge—set forth in paragraph (c) of this section—in the standards of apprenticeship required under part 29 of this title, and in appropriate publications, such as apprentice and employee handbooks, policy manuals, newsletters, or other documents disseminated by the sponsor or that otherwise describe the nature of the sponsorship;

* * * * *

5. Amend § 30.5 by revising paragraphs (b)(2) and (c)(6) to read as follows:

§ 30.5 Utilization analysis for race, sex, and ethnicity.

* * * * *

(b) * * *

(2) *Schedule of analyses.* Each sponsor is required to conduct an apprenticeship program workforce analysis at each program review, and again if and when 3 years have passed without a program review. This updated workforce analysis should be compared to the utilization goal established at the sponsor's most recent program review to determine if the sponsor is underutilized, according to the process in paragraph (d) of this section.

* * * * *

(c) * * *

(6) Sponsors, working with the Registration Agency, will conduct availability analyses at each program review.

* * * * *

6. Amend § 30.7 by revising paragraph (d)(2)(ii) to read as follows:

§ 30.7 Utilization goals for individuals with disabilities.

* * * * *

(d) * * *

(2) * * *

(ii) *Schedule of evaluation.* The sponsor must conduct its apprentice workforce analysis at each program review, and again if and when 3 years have passed without a program review. This updated workforce analysis, grouped according to major occupation group, should then be compared to the utilization goal established under paragraph (a) of this section.

* * * * *

7. Amend § 30.10 by revising paragraph (a) to read as follows:

§ 30.10 Selection of apprentices.

(a) A sponsor's procedures for selection of apprentices must be included in the written plan for standards of apprenticeship submitted to and approved by the Registration Agency, as required under part 29 of this title.

* * * * *

8. Amend § 30.12 by revising paragraphs (a)(3) and (f) to read as follows:

§ 30.12 Recordkeeping.

(a) * * *

(3) Information relative to the operation of the apprenticeship program, including but not limited to job assignments in all components of the occupation as required under part 29 of this title, promotion, demotion, transfer, layoff, termination, rates of pay, other forms of compensation, conditions of work, hours of work, hours of training provided, and any other personnel records relevant to EEO complaints filed with the Registration Agency under § 30.14 or with other enforcement agencies;

* * * * *

(f) *Access to records.* Each sponsor must permit access during normal business hours to its places of business for the purpose of conducting on-site program reviews and complaint investigations and inspecting and copying such books, accounts, and records, including electronic records, and any other material the Registration Agency deems relevant to the matter under investigation and pertinent to compliance with this part. The sponsor must also provide the Registration Agency access to these materials, including electronic records, off site for purposes of conducting program reviews and complaint investigations. Upon request, the sponsor must provide the Registration Agency information about all format(s), including specific electronic formats, in which its records

and other information are available. Information obtained in this manner will be used only in connection with the administration of this part or other applicable EEO laws.

9. Amend § 30.13 by revising the section heading, paragraph (a), the introductory text of paragraph (b) and paragraph (c) to read as follows:

§ 30.13 Program reviews.

(a) *Conduct of program reviews.* The Registration Agency will regularly conduct program reviews to determine if the sponsor maintains compliance with the EEO requirements contained in this part, and will also conduct such reviews when circumstances so warrant. A program review under this part may consist of, but is not limited to, comprehensive analyses and evaluations of each aspect of the apprenticeship program through off-site reviews, such as desk audits of records submitted to the Registration Agency, and on-site reviews conducted at the sponsor's establishment that may involve examination of records required under this part; inspection and copying of documents related to recordkeeping requirements of this part; and interviews with employees, apprentices, journeyworkers, supervisors, managers, and hiring officials.

(b) *Notification of program review findings.* Within 45 days of completing a program review, the Registration Agency must present a written Notice of Program Review Findings to the sponsor's contact person through registered or certified mail, with return receipt requested. If the program review indicates a failure to comply with this part, the Registration Agency will so inform the sponsor in the Notice and will set forth in the Notice the following:

* * * * *

(c) *Compliance.* (1) When a sponsor receives a Notice of Program Review Findings that indicates a failure to comply with this part, the sponsor must, within 45 days of notification, either implement a compliance action plan and notify the Registration Agency of that plan or submit a written rebuttal to the Findings.

* * * * *

10. Amend § 30.14 by revising paragraphs (c)(1)(iv) and (v) and adding paragraph (vi) to read as follows:

§ 30.14 Complaints.

* * * * *

(c) * * *

(1) * * *

(iv) Complete a thorough investigation of the allegations of the complaint and develop a complete case record that must contain, but is not limited to, the name, address, and telephone number of each person interviewed, the interview statements, copies, transcripts, or summaries (where appropriate) of pertinent documents, and a narrative report of the investigation with references to exhibits and other evidence that relate to the alleged violations;

(v) Provide written notification of the Registration Agency's findings to both the respondent and the complainant; and

(vi) Protect the identity of the complainant to the extent practicable.

* * * * *

11. Amend § 30.15 by revising the introductory text and paragraph (b) to read as follows:

§ 30.15 Enforcement actions.

Where the Registration Agency, as a result of a program review, complaint investigation, or other reason, determines that the sponsor is not operating its apprenticeship program in accordance with this part, the Registration Agency must notify the sponsor in writing of the specific violation(s) identified and may:

* * * * *

(b) Suspend the sponsor's right to register new apprentices if the sponsor fails to implement a compliance action plan to correct the specific violation(s) identified within 45 days from the date the sponsor is so notified of the violation(s), or, if the sponsor submits a written response to the findings of noncompliance, fails to implement a compliance action plan within 45 days of receiving the Registration Agency's notice upholding its initial noncompliance findings. If the sponsor has not implemented a compliance action plan within 45 days of notification of suspension, the Registration Agency may institute proceedings to deregister the program in accordance with the deregistration proceedings set forth in part 29 of this title.

* * * * *

12. Amend § 30.17 by revising paragraph (a)(3) to read as follows:

§ 30.17 Intimidation and retaliation prohibited.

(a) * * *

(3) Furnished information to, or assisted or participated in any manner, in any investigation, program review, proceeding, or hearing under this part or any Federal or State equal opportunity law; or

* * * * *

13. Amend § 30.18 by revising paragraphs (a)(1), (3), and (4), (b), (c)(1) and (3), and (d) to read as follows:

§ 30.18 State Apprenticeship Agencies.

(a) *State EEO plan.* (1) Within 1 year of January 18, 2017, unless an extension for good cause is sought and granted by the Administrator, an SAA that seeks to obtain or maintain recognition under part 29 of this title must submit to OA a State EEO plan that:

* * * * *

(3) If the State does not submit a revised State EEO plan that addresses identified nonconformities within 90 days from the date that OA provides the SAA with written

notification of the areas of nonconformity, OA will begin the process set forth in part 29 of this title to rescind recognition of the SAA.

(4) An SAA that seeks to obtain or maintain recognition must obtain the Administrator's written concurrence in any proposed State EEO plan, as well as any subsequent modification to that plan, as provided in part 29 of this title.

(b) *Recordkeeping requirements.* A recognized SAA must keep all records pertaining to program reviews, complaint investigations, and any other records pertinent to a determination of compliance with this part. These records must be maintained for 5 years from the date of their creation.

(c) *Retention of authority.* As provided in part 29 of this title, OA retains the full authority to:

(1) Conduct program reviews of all registered apprenticeship programs;

* * * * *

(3) Deregister for Federal purposes an apprenticeship program registered with a recognized SAA as provided in part 29 of this title; and

* * * * *

(d) *Derecognition.* A recognized SAA that fails to comply with the requirements of this section will be subject to derecognition proceedings, as provided in part 29 of this title.

14. Add § 30.20 to read as follows:

§ 30.20 Severability.

Should a court of competent jurisdiction hold any portion of any provision(s) of this part to be invalid, the provision will be construed so as to continue to give the maximum effect to the provision permitted by law, unless such holding is one of total invalidity or unenforceability, in which event the provision or subprovision will be severable from this part and will not affect the remainder thereof.

Brent Parton,

Principal Deputy Assistant Secretary for Employment and Training, Labor.

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