News Release

U.S. DEPARTMENT OF LABOR ISSUES INDUSTRY-RECOGNIZED APPRENTICESHIP PROGRAM FINAL RULE

WASHINGTON, DC – The U.S. Department of Labor today published a final rule that will help expand apprenticeships in the United States by establishing a system for advancing the development of high-quality, Industry-Recognized Apprenticeship Programs (IRAPs).

IRAPs are high-quality apprenticeship programs, recognized as such by a third-party entity under standards established by the department in the new rule. Through these programs, individuals will be able to obtain workplace-relevant training and progressively advancing skills that result in an industry-recognized credential, all while getting paid for their work. An IRAP is developed or operated by entities such as trade and industry groups, corporations, non-profit organizations, educational institutions, unions, and joint labor-management organizations.

"Apprenticeships are widely recognized to be a highly effective job-training approach for American workers and for employers seeking the skilled workforce needed in today's changing workplace," Secretary of Labor Eugene Scalia said. "This new rule offers employers, community colleges, and others a flexible, innovative way to quickly expand apprenticeship in telecommunications, health care, cybersecurity, and other sectors where apprenticeships currently are not widely available."

Third-party entities interested in evaluating and recognizing high-quality IRAPs consistent with the department's standards should follow the process outlined in the final rule to become Standards Recognition Entities (SREs).

As described in the final rule, many different types of entities may become recognized SREs, including trade groups, companies, educational institutions, state and local governments, non-profits, unions, joint labor-management organizations, and certification and accreditation bodies for a profession or industry. The rule also outlines the responsibilities and requirements for SREs, as well as the department's standards that programs must meet to obtain and maintain IRAP status and sets forth how the administrator will oversee SREs.

Once recognized by the department, SREs will work with employers and other entities to establish, recognize, and monitor high-quality IRAPs that provide apprentices with industry-recognized credentials.

IRAPs will serve as a complement to the successful registered apprenticeship program that has been in place for over 80 years. The industry-led, market-driven SRE approach outlined in the final rule will give employers and other stakeholders additional flexibility necessary to expand the apprenticeship model into new industries and to address the diverse workforce needs of different industries and occupations. The rule prohibits SREs from recognizing IRAPs in the construction sector, which has the greatest existing utilization of registered apprenticeship programs.

Background

On June 15, 2017, President Trump signed the Executive Order on Expanding Apprenticeships in America, which directed the Secretary of Labor to consider proposing regulations that promote the development of apprenticeship programs by third parties.

The executive order also directed the Secretary of Labor to establish a Task Force on Apprenticeship Expansion that included representatives of business, labor, educational institutions, trade associations, and public officials and to seek their recommendations on how to best expand the apprenticeship model in America. The Secretary did so, and on May 10, 2018, the task force transmitted its final report to the President, including recommendations noting that the establishment of IRAPs would provide industry organizations and employers more tools to create high-quality apprenticeship programs.

On June 25, 2019, the department issued a Notice of Proposed Rulemaking (NPRM) in the Federal Register (84 FR 29970) to amend 29 CFR part 29 (labor standards for the registration of apprenticeship programs) by establishing the IRAP program. The NPRM's 60-day comment period ended August 26, 2019. The department received 326,798 comments, the most comments the Employment and Training Administration has ever received on a rule. The comments may be viewed at http://www.regulations.gov by entering docket number ETA-2019-0005.

Today's final rule reflects key recommendations contained in the task force's final report and includes careful consideration of the comments received in response to the NPRM. The final rule adopts significant changes to the NPRM that increase the department's role in program oversight, clarify and strengthen the requirements to become an SRE and the standards for high-quality programs seeking IRAP recognition, and increase SRE and IRAP program transparency.

The final rule will be effective on May 11, 2020, and the department will begin accepting SRE applications through an online portal on that date. Before the rule goes into effect, entities will be able to consult with and receive technical assistance from the department

about preparing their applications and can begin putting an application together so it is ready to submit as soon the rule is effective.

For more information, please visit <u>www.apprenticeship.gov</u>.

The Employment and Training Administration administers federal job training and dislocated worker programs, federal grants to states for public employment service programs, and unemployment insurance benefits. These services are primarily provided through state and local workforce development systems.

The mission of the U.S. Department of Labor is to foster, promote and develop the welfare of the wage earners, job seekers and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

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