Report to OMB Regarding U.S. Department of Labor's Use of Fiscal Year 2025 Registered Apprenticeship Funding

Executive Summary

On March 14, 2025, the President signed the Full-Year Continuing Appropriations and Extensions Act of 2025 (H.R. 1968). Under Section 1101 of H.R. 1968 (P.L. 119-4), the Act funds most programs and activities at the FY 2024 levels and specifically appropriates "$285,000,000 to expand opportunities through apprenticeships only registered under the National Apprenticeship Act and as referred to in section 3(7)(B) of the WIOA, to be available to the Secretary to carry out activities through grants, cooperative agreements, contracts and other arrangements, with States and other appropriate entities, including equity intermediaries and business and labor industry partner intermediaries, which shall be available for the period July 1, 2024 through June 30, 2025".

The Act directs the Department of Labor (DOL) to submit a detailed spend plan to the Office of Management and Budget (OMB) before obligating funds for the Registered Apprenticeship program. Amounts apportioned are available for obligation consistent with the latest agreed-upon spending plan for Fiscal Year 2025 between DOL and OMB. Such spending plan submitted by DOL shall include specific information on current and anticipated grants and contracts and a detailed description of how such spending plan aligns with Administration priorities. Any revisions or additions to such spending plan shall be proposed to OMB in writing no later than five business days before the anticipated obligation of funds based on such revisions or additions. If OMB agrees to such revision or addition, OMB will notify DOL in writing, and the latest agreed-upon spend plan shall comprise such revision or addition.

DOL is committed to a transparent process for awarding its grants, contracts, and cooperative agreements. This report provides an overview of DOL's investment plan for the $285 million appropriated for Registered Apprenticeship expansion in FY 2025. DOL is committed to working with OMB to further develop and refine this spend plan to support implementation of the President's Executive Orders, other administrative priorities, and the FY 2026 budget.

2025 Apprenticeship Investment Plan

In FY 2025, DOL will prioritize a series of coordinated strategies to support implementation of several Presidential Executive Orders related to expanding Registered Apprenticeship – *Preparing Americans for High-Paying Skilled Trades jobs of the Future*, *Advancing Artificial Intelligence Education for American Youth*, *and* *Restoring America's Maritime Dominance* - including achievement of the President's goal to reach and surpass 1 million new active apprentices. To meet this goal, OA will prioritize the country's reindustrialization needs through quality Registered Apprenticeship programs that equip American apprentices with the skills they need to fulfill growing demand, especially in specific, targeted industries and occupations including in Artificial Intelligence, maritime industries, advanced manufacturing, and other strategic sectors identified by the Administration. Additionally, OA will continue to leverage IT and automation to increase efficiency to expand new programs and Registered Apprenticeship slots and deliver efficient and quality services to employers, apprentices, state, and industry stakeholders to support the expansion of Registered Apprenticeship.

DOL plans to allocate FY 2025 Training and Employment Services (TES) funding in "expanding opportunities relating to Registered Apprenticeship programs registered only under the National Apprenticeship Act" as provided in the Full-Year Continuing Appropriations and Extensions Act of 2025. The plan dedicates most of the funding towards formula grants to states and cooperative agreements to support pay-for-performance (PFP) models targeting opportunities with a high potential for rapid growth in the number of apprentices, while supporting a consolidated ecosystem of industry intermediary contracts in priority sectors. It also provides support for national activities, tools and assistance that support employers and states, technology, and marketing and promotion of Registered Apprenticeship.

The Department's proposed FY 2025 apprenticeship spend plan lays the foundation for implementation of the Administration's proposed Making America Skilled Again starting in FY 2026 to optimize taxpayer investments in workforce development to provide high-quality job training programs, expand Registered Apprenticeships, and connect businesses with skilled workers to meet their workforce needs, while simultaneously delivering on meeting the President's goal to reach and surpass 1 million new active apprentices.

I. State Registered Apprenticeship Expansion - SAEF Round 4 ($50-85M)

State Apprenticeship Expansion Formula (SAEF) Grants ($50-85M)
In FY 2025, DOL will award the next round of state grants through performance-based formula funding to states to fuel state leadership in expansion of Registered Apprenticeship. To incentivize growth of the system and quality Registered Apprenticeship programs, all states will be eligible to apply for funds based on a growth rate formula of active/new apprentices in the state, based on data reported in RAPIDS for the prior year. SAEF4 funding will focus on key requirements identified below and is intended to amplify and implement related activities supported with SAEF3 funding that support the state-wide expansion of Registered Apprenticeship.

In applying for these funds, states will be required to commit to several requirements that support the state-wide expansion of quality Registered Apprenticeship programs. States will also be encouraged to leverage other DOL-funded national Registered Apprenticeship expansion efforts – including state-led cooperative agreements, industry intermediaries, national marketing campaign, and tools and systems – to increase the impact of SAEF4 funding and state-wide expansion efforts. SAEF4 will not include an opportunity for states to apply for competitive funding, as it has in previous rounds. To date, DOL has awarded competitive funding through SAEF to 25 states based on their ability to incorporate innovative strategies that expand Registered Apprenticeship. Given the amount of existing funding to states, currently DOL does not intend to award additional competitive funds to states under SAEF.

Performance-based formula funding under SAEF4 would provide direct funding to support the President's goal to reach and surpass 1 million new active apprentices by providing consistent funding to states to support and expand the National Apprenticeship System while simultaneously incentivizing states to focus on growth of the system by removing barriers that currently limit employer participation in Registered Apprenticeships, increasing transparency around the registration process, and setting ambitious goals for growth.

If DOL does not make available up to $85 million in funds (as identified in the range above), any balance of funds from the range provided will be reallocated to support awards made under II: Registered Apprenticeship Employer and Industry Expansion Through PFP models and Intermediary Contracts.

II. Registered Apprenticeship Employer and Industry Expansion through PFP Models and Intermediary Contracts ($160-165M)

Pay-for-Performance Models ($145M)
To reach and surpass one million active apprentices, DOL will dedicate a substantial portion of the FY 25 funding to establish pay-for-performance incentive models targeting opportunities for rapid growth in the number of active apprentices. DOL will fund two types of Registered Apprenticeship PFP models: (1) two to three industry-specific PFP models, each serving a specific priority industry sector where Registered Apprenticeship has an existing presence and can be rapidly taken to scale through incentive payments to Registered Apprenticeship sponsors within the sector, such as Tech, Healthcare, and other priority sector(s); and (2) one non-sector specific PFP model to incentivize specific activities that will fuel rapid expansion in the number of active apprentices. For example, this PFP model could support an incentive fund that provided sponsors with approved National Program Standards a set amount for each new apprentice signed on to those standards. It could be used to incentivize existing apprenticeship sponsors to significantly increase their number of active apprentices by providing existing sponsors a set amount for every ten new active apprentices they sign on above their baseline number of apprentices.

The PFP models will be awarded competitively as cooperative agreements of up to four years through a single Funding Opportunity Announcement. Nearly all of the funding will be dedicated to incentive payments to Registered Apprenticeship sponsors that qualify for payments under the applicable PFP model and achieve the desired outcomes, verified through the RAPIDS. As cooperative agreements, DOL will have the ability to work with the awardee throughout implementation of the project and adapt the structure of the incentive payments when appropriate.

Industry Intermediary Contracts ($15-20M)
Over the last 10 years, DOL has made significant investments to expand Registered Apprenticeship, including investing in industry intermediaries as a strategy to expand Registered Apprenticeships in key sectors, many of which have seen significant growth in coordination with these investments. DOL will evolve and consolidate the current Registered Apprenticeship industry intermediary model to provide broad-based support several in-demand and critical

sectors where Registered Apprenticeship has not been scaled traditionally and employers and potential sponsors need a high-level of support to develop, expand, adopt, and/or hire apprentices. This will be achieved through fewer contracts than DOL has recently funded. The industry intermediary contracts would be awarded competitive as contracts through a Request for Proposals for one year with options for DOL discretion to exercise future years of funding. Additionally, DOL will consider a six-month bridge contract for three current Registered Apprenticeship intermediary contracts ending in September 2025 to reduce a gap in services to stakeholders while DOL develops and issues an RFP for the new intermediary contracts and FOA for intermediary PFP models.

III. RA Employer Expansion Efforts – ($15 Million)

DOL will continue to provide support for specialized outreach and engagement activities with industry to increase awareness and demand for Registered Apprenticeship. Strategies include a National Registered Apprenticeship advertising campaign targeting employers and young adults, support for National Apprenticeship Week 2026, digital content on Apprenticeship.gov, and the Registered Apprenticeship Academy. DOL intends to:

(1) Launch a bold, multi-platform media National Registered Apprenticeship Public Awareness Campaign. The Campaign will serve as a catalyst to correct common misconceptions, increase transparency, inspire employers and young adults, and raise awareness by bringing opportunity directly to everyday Americans. Through showcasing the successes and value of Registered Apprenticeship as a workforce solution and career pathway into high growth and high wage occupations, the Campaign will invoke a creative strategy by integrating compelling storytelling, high-impact visuals, and audience-specific messaging to drive national attention and measurable growth.

(2) Support for specialized outreach and engagement activities with industry to increase awareness and demand for Registered Apprenticeship. Strategies will include National Apprenticeship Week, in addition to other targeted outreach in coordination with DOL's Office of Public Affairs.

(3) Award the option period of the Registered Apprenticeship Academy (RAA) contract, which plays a pivotal role in providing compliance assistance, training, and resources to States and RA sponsors to expand and strengthen RA programs nationwide in alignment with the National Apprenticeship Act. OA provided this training to support SAAs that routinely have high turnover rates in staffing and with limited capacity and funding to continually train their own staff. The RAA contact has not only ensured SAA staff are adequately prepared to work with employers to register programs, provide assistance in enrolling and retaining apprentices, and ensuring alignment, but has also result in a cost saving for the Federal Government and States as a result of a more efficient training strategy.

(4) Support implementation of the Secretary's Advisory Committee on Apprenticeship (ACA) to support, identify, advise, and provide recommendations that advances the goals for registered apprenticeship expansion.

IV. Developing, Expanding and Creating Efficiencies for Growing the National Apprenticeship System: Systems, Tools, and Activities that are Cost-effective and Reduce Burden for Employers, Sponsors, States and the Federal Government – ($20M)

DOL is committed to streamlining the registration process, removing unnecessary regulatory burdens, and developing and modernizing national tools, systems and resources that increase access for and reduce timeline to registering programs and new occupations, all of which will help expand Registered Apprenticeships to new and existing industry sectors and encourage more employers to offer apprenticeship opportunities.

Efforts include consolidating IT systems to reduce burden and costs on RA stakeholders and the Federal Government, as well as identify opportunities and tools to streamline the registration process to make it easier to register new programs and occupations, enroll apprentices, improve access to and customer experience with Registered Apprenticeship information, content and tools, and continue to delivery effective and efficient technical assistance to Registered Apprenticeship stakeholders though a variety of platforms, including the RAA.

Further, due to increased demand and need for providing assistance to states, industry, program sponsors, and other partners across the apprenticeship ecosystem, DOL proposes funding activities national activities and support that to help these stakeholders to navigate new opportunities to grow Registered Apprenticeship opportunities. Providing these efforts at a national scale helps to increase efficiencies and more strategically support Registered Apprenticeship expansion efforts across the National Apprenticeship System
The following fundings vehicle will allow DOL to meet the objects stated above:

(1) Registered Apprenticeship Technology Enhancement (estimated $10M).
Key activities include:

1. IT system enhancements and consolidation
    - i. Support both the enhancement and consolidation of OA's core IT systems and platform: Registered Apprenticeship Partners Information Database System (RAPIDS) and Salesforce (SF) to support the Department's ability to create new programs, occupations, register, track, and manage registered apprenticeship programs and apprentices. These systems are critical for tracking the number of active apprentices, scaling apprenticeship programs to reach 1 million apprentices, need for continuous improvement to customer service and customer experience. Additionally, DOL will make modifications to these systems to align with implementation of the Final Rule.
    - ii. Advanced Tool and Analytics:
        1. Supports ongoing development and enhancement of DOL's Enterprise Data Platform (EDP) that provides EDP that provides advanced analytics of RAPID data. This system will be enhanced to further refine RAPIDS analytics, as well as integrate Registered Apprenticeship grant performance data, to transparency and public dissemination of this data.
        2. Maintain continuous O*NET operations, as it provides comprehensive, up-to-date occupational information for Registered Apprenticeship, providing critical occupational data for work process schedules that outline skill and knowledge

expectations for apprentices on the job as part of the program registration process.

3. Expansion/enhancement of existing tools, including Standards Builder and Apprenticeship Occupation Request (AOR) tool, to improve as well as expand for use by SAAs, and the development of new tools, including a reciprocity tool. These national tools will support efforts to streamline and reduce review timelines for new programs and occupation requests, as well as increase the transparency and account ability.

iii. Departmental IT Shared Services Cost, including but not limited to: IT cybersecurity, cloud and storage, system licenses and Tools for multiple systems/platform for internal staff and external stakeholders, web pages, etc.

2. Support Apprenticeship.gov, which serves as a major access point for employers, career seekers, and educators to engage with OA directly. Employers use the Apprenticeship.gov to Express Interest in starting or joining a RAP. Employers can access the Standards Builder application via Apprenticeship.gov, enabling organizations to create and register RAPs. The site directly supports RAP growth by:
   i. Connecting employers with intermediaries and experienced partners to simplify registration,
   ii. Promoting registered programs through the Apprenticeship Partner, Job and Occupation Finders to attract candidates,
   iii. Providing information on available grants and tax incentives to employers, who are often concerned about the resources needed to start/manage a RAP, and
   iv. Offering occupational frameworks to streamline program development and registration.

(2) National Activities and System Supports. ($10M). Key activities include:

1. Provide project management support for Registered Apprenticeship cooperative agreements, including documenting and disseminating promising practices for PFP and other incentive models to rapidly expand Registered Apprenticeship.
2. Provide technical assistance to support states and partners in implementing the Final Rule.
3. Provide technical and administrative support to bolster Registered Apprenticeship program and grant monitoring, compliance, and program assessment to reduce risks and maximize opportunities.
4. Ongoing evaluation of program quality and research to support the development of next generation best practices.