

Apprenticeship Final Rule Fact Sheet

On October 29, 2008, the U.S. Department of Labor published in the Federal Register a final rule to modernize the National Apprenticeship System. This rule takes effect on December 29, 2008, and provides State Apprenticeship Agencies (SAAs) with up to an additional two years from the effective date to implement necessary changes.

The revised regulations, which incorporate many of the recommendations of the Secretary's Advisory Committee on Apprenticeship (ACA), emphasize the need for a flexible National Apprenticeship System by including options for both program sponsors and apprentices that address the needs of the nation's regional economies and provide for the development of a skilled, competitive workforce.

For more than 70 years, the National Apprenticeship System has provided training to rigorous industry standards in a variety of fields. While registered apprenticeship remains a unique, on-the-job training option that benefits apprentices and employers alike, its future growth and continued success require that it adapt and reflect changes in the American workplace.

For apprentices and program sponsors, the regulations:

- **Incorporate technology-based learning** – By including the use of electronic media in the definition of Related Technical Instruction (RTI), the final rule fully supports technology-based and distance learning.
- **Provide additional pathways to certification** – The final rule specifies that program sponsors may offer three different ways for apprentices to complete a registered apprenticeship program:
 - Traditional, time-based approach, which requires the apprentice to complete a specific number of on-the-job (OJT) and RTI hours;
 - Competency-based approach, which requires the apprentice to demonstrate competency in the defined subject areas and requires OJT and RTI; and
 - Hybrid approach, which requires the apprentice to complete a minimum number of OJT and RTI hours and demonstrate competency in the defined subject areas.



- **Introduce interim credentials** – The final rule provides registration agencies with the option to issue official interim credentials, which offer incentives for apprentices to complete their programs and continue their career preparation. Issued as certificates, such credentials will enable apprentices to demonstrate to employers their proficiency in particular required skills and competencies. Interim credentials will be issued only for recognized components of an apprentice’s occupation.
- **Improve program registration and review process** – Changes to the regulations establish 90-day timeframes for registration agencies to process sponsor requests for registering and modifying program standards and 45-day timeframes for sponsors to notify registration agencies regarding other employment and apprenticeship agreement changes.
- **Update the reciprocal registration provision** – Previously, apprentices in building and construction programs could work as registered apprentices only in those states where their programs were registered, because the states were not required to accord reciprocal registration or approval to out-of-state building and construction programs. The updated regulations remove this exemption and provide for reciprocal approval, for Federal purposes, of apprentices, apprenticeship programs, and standards that are registered in other states for all industries and occupations. Additionally, to ensure that out-of-state programs do not gain an undue advantage over reciprocal state programs when bidding on a contract, the final rule requires apprenticeship program sponsors seeking reciprocal approval to meet the wage and hour provisions and apprentice ratio standards of the reciprocal state.
- **Introduce provisional registration** – The regulations call for newly registered programs to receive provisional approval for one year to enhance program quality. After one year, programs meeting the regulatory standards may either be permanently approved or have their provisional registration extended through the end of the first training cycle.

For State Apprenticeship Agencies (SAAs), the regulations:

- **Increase linkages with the workforce investment system** – The revised regulations require SAAs requesting DOL recognition to demonstrate linkages and coordination with the state’s economic development strategies and public workforce investment system.



- **Redefine the roles and responsibilities of SAAs and State Apprenticeship Councils (SACs)** – In an effort to establish a clear path of accountability between DOL and the state agency that oversees apprenticeship, the regulations grant registration agency recognition solely to SAAs. SACs will continue to be required for advisory or regulatory purposes.
- **Establish a process for continued recognition** – The revised regulations require SAAs to reapply for DOL recognition within two years of the effective date and to reapply every five years thereafter for continued recognition. This change will improve state conformity with Federal requirements and establish consistency across administration and management of the National Registered Apprenticeship system.
- **Increase flexibility for location of an SAA** – The revised regulations give states the flexibility to determine the location of the apprenticeship agency within the state government organizational structure and no longer require that an SAA be housed in a state Department of Labor.

For the U.S. Department of Labor, the regulations:

- **Enhance program accountability** – The updated regulations include a new section on performance standards that support DOL’s efforts to demonstrate results and increase program quality. Programs with completion rates below the national average will be provided with technical assistance targeted to improve their performance and improve overall program quality. In addition to completion rates, the revised regulations emphasize the existing practice of using quality assurance assessments and Equal Employment Opportunity Compliance Reviews to evaluate program performance for quality and compliance with program requirements.
- **Ensure national conformity with federal apprenticeship legislation and regulations** – The updated regulations require that recognized states provide the Office of Apprenticeship (OA) with the opportunity to review all potential changes to the state’s apprenticeship law so that OA can safeguard conformity with 29 C.F.R. part 29. Such a review process affords an opportunity for an SAA and OA to identify and resolve issues that could potentially affect a state’s recognition status before proposals take effect and must be undone to preserve recognition.



Background

In developing the rule, the Department's Employment and Training Administration (ETA) and OA consulted extensively with the Secretary of Labor's Advisory Committee on Apprenticeship (ACA). From September 2005 to May 2006, the ACA's Work Group on Regulations and Competency-Based Training Certification drafted recommendations. In June 2006, the ACA unanimously adopted the recommendations, which became the starting point for ETA's proposed rule.

On December 13, 2007, ETA published a Notice of Proposed Rulemaking (NPRM), soliciting comments from the public on the proposed changes to the existing regulations. The NPRM generated 2,660 responses. DOL carefully considered the suggestions and concerns of commenters and, in many instances, modified the proposed rule to reflect their input.