**PURPOSE:** To provide the staff of the Office of Apprenticeship (OA) and State Apprenticeship Agency (SAA) staff, Registered Program Sponsors, and other Registered Apprenticeship Partners information that clarifies what entities may serve as a Sponsor of a Registered Apprenticeship program.

**BACKGROUND:** The U.S. Department of Labor’s (USDOL) Employment and Training Administration OA issued a final rule updating Title 29 Code of Federal Regulations (CFR) § 29, on October 29, 2008. The rule became effective on December 29, 2008.

The revised rule defines an apprenticeship Sponsor as “any person, association, committee, or organization operating an apprenticeship program and in whose name the program is (or is to be) registered or approved.” Sponsorship requires that the program comply with the applicable provisions of Title 29 CFR §§ 29 and 30, which may be achieved through partnerships between Sponsors and employers who are actively training apprentices.

Entities such as employers, industry associations, and joint labor-management organizations have traditionally served as apprenticeship Sponsors; however, there is additional flexibility under the regulations for a wider range of organizations to serve as Sponsors. For example, workforce intermediaries such as Institutions of Higher Education as defined in Sections 101 and 102 of the Higher Education Act (Institutions of Higher Education) (e.g., Community Colleges and 4-year Colleges), community-based organizations (CBOs), and community service organizations could also serve as apprenticeship Sponsors.

With the renewed interest in and focus on apprenticeship today, new organizations and entities are seeking clarification regarding their ability to serve as Sponsors. In determining whether an organization is eligible to serve as a Sponsor, OA will first look to the regulatory requirements. In addition, OA will look for the Registered Apprenticeship Program put forward by the Sponsor to be high quality and employer-driven.

**Workforce Intermediaries as Apprenticeship Sponsors**

A workforce intermediary is an organization that can help broker local, regional, and national workforce solutions by, among other things, helping job seekers find jobs and employers find workers; convening employers and community partners to determine workforce trends; and assisting in blending customized services and seed funding to grow the demand for new apprenticeship programs. Examples of workforce intermediaries include industry associations, Institutions of Higher Education, CBOs, and community service organizations. Industry Workforce Intermediaries usually specialize in a specific sector, but some may possess expertise that cuts across more than one market.
A workforce intermediary may serve as a Sponsor of a Registered Apprenticeship program if they provide appropriate evidence of partnering with employers. (See attached Appendix E, Sample Employer Acceptance Agreement). The following are examples of workforce intermediaries that could serve as Sponsors:

- Institutions of Higher Education, such as Community Colleges and 4-year Colleges (refer to Section 101 and 102 of the Higher Education Act for a full definition);
- CBOs; and
- Community Service Organizations.

Please note that under current OA policy, a leasing or staffing company “cannot” be a Sponsor of a Registered Apprenticeship program, nor can leased employees participate in Registered Apprenticeships. (See Bulletin 2010-17).

**Role of Workforce Intermediaries Serving as Apprenticeship Sponsors**

A workforce intermediary serving as a Registered Apprenticeship Sponsor must abide by the apprenticeship regulations and work with USDOL or the designated SAA, where applicable, to develop Standards and administer the program. In addition, Sponsors must ensure that employers fully understand their obligations for participation in a Registered Apprenticeship program.

In accordance with the provisions of Title 29 CFR § 29, a workforce intermediary serving as an apprenticeship Sponsor will: 1) identify the apprenticeable occupations and provide evidence of employer participation in the Registered Apprenticeship program (See attached Appendix E, Sample Employer Acceptance Agreement); 2) identify appropriate related instruction (RI) providers (which may be the employer, Sponsor, or other education provider); 3) work with OA to develop Standards for the Registered Apprenticeship program; 4) provide appropriate employer support; 5) provide appropriate levels of pre-apprenticeship training and supportive services (where applicable); 6) in accordance with Title 29 CFR § 30.3 include in its apprenticeship program Standards the equal opportunity pledge prescribed in § 30.3(b); 7) pursuant to 29 CFR § 30.4 develop and adopt a written affirmative action plan to reflect the Sponsor’s commitment to equal opportunity in recruitment (unless exempt under § 30.3 (e) or (f)); and 8) develop and adopt a selection procedure for apprentices as required by § 30.5 (unless exempt under § 30.3 (e) or (f)).

If the workforce intermediary Sponsor is also the provider of the RI, the Sponsor must fulfill the requirements of 29 CFR § 29.5(b)(4), which includes having apprenticeship instructors who meet the State Department of Education’s requirements for a vocational-technical instructor in the State of registration or are subject matter experts, and who have training in teaching techniques and adult learning styles.

As apprenticeship Sponsors, workforce intermediaries provide distinct advantages to growing and diversifying Registered Apprenticeships. Historically, entities such as industry associations have served as Sponsors and have administered apprenticeship programs, developed industry wide curricula, and worked with employer/members and educational entities to implement the apprenticeship program. Similarly, CBOs serving as Sponsors can administer the program and work with employers, educational entities, and the community to implement apprenticeship programs. CBOs are also well-situated to create clear career pathways, particularly from pre-apprenticeship to apprenticeship.

Institutions of Higher Education, such as 4-year Colleges or Community Colleges, acting as Sponsors may offer richer RI opportunities, ensure the ability to earn college credits, and gain
economies of scale by bringing together smaller area firms.

Sponsorship also has the potential side benefits of allowing workforce intermediaries to better manage their placements with local employers and to engage the workforce system on apprenticeship. OA anticipates that workforce intermediaries may need to overcome significant training and capacity issues to make the practice of their participation as apprenticeship Sponsors more widespread. As such, OA staff is available to offer technical assistance to workforce intermediaries and should generally promote the idea of expanding workforce intermediaries as Sponsors to the apprenticeship community.

**Role of Employers Collaborating with Workforce Intermediary Sponsors**

While Sponsors develop Standards and administer the apprenticeship program, employers recruit and hire new workers or select current employees to be apprentices; identify the skills and knowledge that apprentices must learn; provide the on-the-job learning (OJL); pay progressively higher wages as skills increase; and identify an experienced mentor to work with apprentices. In addition, depending on the terms of the Employer Acceptance Agreement, it may be the employer, rather than the workforce intermediary, that registers their program with OA or the relevant SAA.

**Employer Acceptance Agreements**

The relationship between workforce intermediary Sponsors and employers is formalized by having employers sign Employer Acceptance Agreements. By signing on with a workforce intermediary Sponsor, as opposed to sponsoring the program themselves, participating employers have access to several key advantages. For example, workforce intermediaries can create a dedicated talent pipeline for targeted skill needs and simplify the process for establishing an apprenticeship program. These agreements also offer employers access to the broad resources and partners of the workforce intermediaries, including the potential to reach a diverse talent pool of prospective apprentices.

In return, employers signing Employer Acceptance Agreements agree to abide by the Sponsor's approved program Standards, including recruiting and accepting apprentices in accordance with the selection process approved in the Sponsor's apprenticeship Standards. They also agree to provide (OJL, rotate apprentices through various aspects of occupational training, and provide adequate supervision of the apprentice.

OA believes that the specific administrative structure of the Employer Acceptance Agreement should be driven by the employers participating in the Registered Apprenticeship program. For example, Employer Acceptance Agreements can be negotiated with the Sponsor to include appropriate language regarding selection procedures, the specific wage scale to be utilized and reporting duties.

**Examples of Workforce Intermediaries Serving as Sponsors**

Industry associations, such as Technology Association of Iowa (TAI) and CBOs like Year Up, are examples of workforce intermediaries acting as Sponsors.

In these examples, the industry association or CBO worked with OA to develop the Standards of Apprenticeship for a Registered Apprenticeship program.

In the case of TAI, the Standards are approved, but not registered to TAI. Instead, an individual
employer that is a member of TAI who wants to participate in the Registered Apprenticeship program signs an Employer Acceptance Agreement adopting the Standards. Apprentices in the Registered Apprenticeship program sponsored by Year Up have completed Year Up's one-year pre-apprenticeship program, and have transitioned, with appropriate advance credit, into full time employment with one of many local employers partnering with Year Up. Like the individual employer members of TAI, these local employers have agreed to participate in the Registered Apprenticeship program by signing Employer Acceptance Agreements and adopting the Registered Apprenticeship Standards developed by Year Up and OA. As the Sponsor, Year Up provides ongoing case management and support services to participating employers and the apprentices as they complete their apprenticeship.

In the examples listed above, the role of the workforce intermediary Sponsor is to oversee and manage the Registered Apprenticeship Standards and the employers participating in the Registered Apprenticeship program agree to adopt these Standards. The Sponsor approves each such employer, sends the Employer Acceptance Agreements to the OA or SAA for approval and registration, and is responsible for ensuring that the employers participating in the program comply with the terms of the Standards. The workforce intermediary Sponsor markets the Registered Apprenticeship program to their members or community, which benefits participating employers because the Sponsors bear the burden of administering the program. In addition, because the Standards are the same for all participating employers, participating employers can ensure that all apprentices are receiving the same type of OJL and RI. This ensures that the industry has skilled workers that are trained to specified industry standards.

**ACTION:** OA and recognized SAA staff should familiarize themselves with this bulletin and all attachments.

If you have any questions, please contact the Chief, Division of Standards and National Industry Promotion (DSNIP), at 202-693-3813.

**NOTE:** This bulletin is being sent via electronic mail.

Attachment

- [Sample Employer Acceptance Agreement](#)