



The Council
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Governments



State officials recognize the potential for apprenticeships to aid economic recovery.

In a [2020 proclamation](#), Colorado Governor Jared Polis noted the critical role apprenticeships play in Colorado's economic recovery, offering paid training, skill development, and connection to key industries. State labor officials pointed to a rapidly changing world of work that has accelerated due to the pandemic. They noted apprenticeships allow workers of all ages and backgrounds to gain in-demand skills while earning a paycheck and allow employers to recruit and retain workers with the precise skills they needed to grow businesses in the rapidly changing economy.

HOW STATES CAN UTILIZE AMERICAN RESCUE PLAN FUNDS:

Apprenticeships

Apprenticeships offer a career pathway where employers can develop and prepare their future workforce while individuals gain paid work experience through technical instruction and hands on training.

By investing in apprenticeships now, states can kickstart economic recovery and prepare Americans for a transformed labor market.

Apprenticeships and other work-based learning programs can play a key role in getting people back to work. Apprenticeships can help individuals upgrade their skills, shift career paths to new and emerging industries, and return to work in industries hit hardest by the pandemic.

States can leverage The American Rescue Plan (ARP) Act's State and Local Fiscal Recovery Fund and funds for higher education to invest in apprenticeships.

The ARP allocates \$195.3 billion directly to states and the District of Columbia. Of that amount, \$25.5 billion is equally divided with each state assured a minimum of \$500 million. An additional \$169 billion is allocated based on the state share of unemployed workers over the period October to December 2020. Allowable uses of the funds described in the ARP include activities to respond to the pandemic or its negative economic impacts, such as assistance to small businesses, nonprofits, and impacted industries. These funds can be invested in apprenticeships.

[The ARP](#) also provides \$39.6 billion to colleges and universities and their students, with half of the amount available to defray lost revenue and increased costs from declining enrollment and other pandemic-related impacts.

Governors already have started planning to utilize ARP funds for workforce development needs by investing in apprenticeships. [Connecticut Governor Ned Lamont proposed to the legislature that the state leverage \\$103.2 million of the ARP's State Fiscal Recovery Fund to support a coordinated partnership between state government, educational institutions, businesses, and community partners in providing sector-based training for in-demand industries, youth employment and wrap-around services, services for at-risk and justice-involved youth, and the extension of operating hours and opportunities at 10 Connecticut Technical Education and Career System Schools \(CTECs\). The funding of CTECs would support expanding apprenticeship training programs across the state in areas like electrical, heating/cooling, plumbing, sheet metal, and barbering.](#)

States could potentially access funds in President Biden's proposed American Jobs Plan (AJP) to invest in apprenticeships. The AJP calls on Congress to invest \$48 billion in American workforce development infrastructure and worker protection, including for Registered Apprenticeship¹ (RA) programs and pre-apprenticeships. The AJP would create one-to-two million new RA slots and strengthen pre-apprenticeship programs that help prepare candidates for apprenticeships. [Officials have suggested](#) expanding apprenticeships can help create more cutting-edge jobs and aid the development of emerging industries such as green energy and cybersecurity.

¹ Registered Apprenticeship (RA) is a more than 80-year-old proven training program model registered and validated by the U.S. Department of Labor. Starting with apprenticeships mainly in the manufacturing, construction, and utilities industries, the program eventually expanded to include training for police and firefighters, emergency medical technicians, and health and safety workers. Today, registered apprenticeships are being created in non-traditional sectors such as energy conservation, healthcare, and information technology. ([U.S. Department of Labor, Employment and Training Administration](#))



For More Information

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State leaders can learn how to successfully invest in apprenticeships by looking to other states.

States can invest in apprenticeship expansion grant programs.



In September 2020, **Iowa** Governor Kim Reynolds [announced](#) \$5 million in grants from the state's Coronavirus Relief Fund [part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020] for high schools, nonprofits, and small businesses with less than 50 employees and an additional \$5 million in grants for postsecondary institutions and health care employers. The grants could be used to purchase equipment, tools, simulators, instructional materials, updated curricula, or other items to expand or create RA programs. Applicants for both grant opportunities were required to recruit among individuals who had lost their jobs due to the pandemic, minority or underrepresented communities, veterans, and the disabled.



Last year, the state of **New Jersey** [awarded \\$3 million in grants](#) as part of the New Jersey Apprenticeship Network's Growing Apprenticeship in Nontraditional Sectors (GAINS) program. The funding went to community colleges, universities, technology companies, training centers, and other government agencies to create opportunities in medical occupations, telecommunications, hotel management, and cybersecurity. The program resulted in the hiring of 1,264 new apprentices, each making \$15 an hour or more. In Fiscal Year 2019 and Fiscal Year 2020, GAINS grant-funded programs supported nearly 2,000 apprentices and 137 employer partners.



The state of **Rhode Island** [created a suite of programs](#) designed to expand apprenticeships into new fields. The Governor's Workforce Board began offering grants of up to \$25,000 through the non-trade apprenticeship development program to organizations creating new and innovative apprenticeship models outside the traditional trades. The program resulted in the creation of apprenticeship opportunities for machinists, nurses, community health workers, and land care specialists. The state also offered employers non-trade apprenticeship incentives of \$1,000 per registered non-trade apprentice.

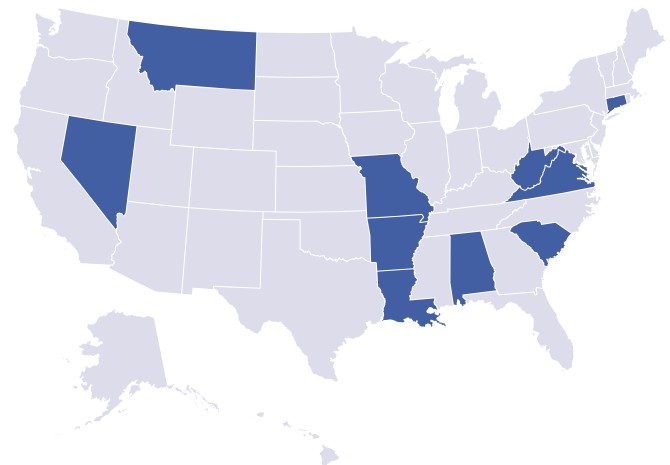
States can serve as model employers.

State governments can build talent for the public sector through civil service apprenticeship. Apprenticeships can help states meet the diverse needs of various agencies, while still meeting statewide employment requirements. [Kentucky](#) is a leading example of public sector apprenticeships.

States can reduce apprenticeship-related startup costs for employers.

Generally, it is employers who pay apprentices' salaries, make experienced team members available to train and mentor apprentices, and help develop training curricula. State and federal grants or subsidies can be used to help with startup costs, registering programs, and partnerships with intermediaries to provide classroom and online instruction.

Ten states (Alabama, Arkansas, Connecticut, Louisiana, Missouri, Montana, Nevada, South Carolina, Virginia, and West Virginia) [offer tax credits](#) to employers for hiring apprentices or creating new programs.



■ States with Apprenticeship Tax Credits

States can provide support to intermediaries.

Such intermediaries include community colleges, [which are called on](#) to deliver industry-approved academic instruction, connect with the local business community, support the interests of equity and inclusion in apprenticeships, co-create apprenticeship curricula, and grant credentials based on competency testing.