



# State Approaches to Effective Registered Apprenticeship Expansion Grant Fund Implementation

Lessons from the Field



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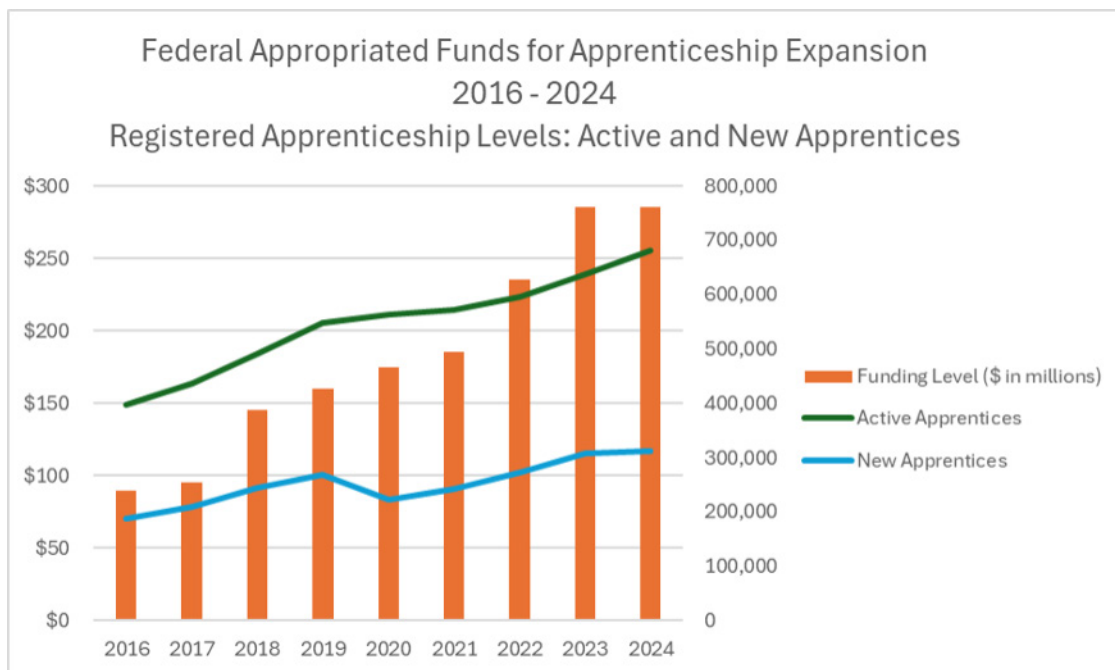
## Introduction

Since 2016, the U.S. Department of Labor (DOL) has significantly increased its investment in Registered Apprenticeship (RA) as a proven strategy for building a skilled workforce and expanding economic opportunity. A key component of the federal investment in scaling RA adoption nationwide has been implementation of apprenticeship expansion grants to state agencies.

This report explores how states have implemented these grants, implementation challenges, and promising practices they have utilized to meet RA expansion objectives. Drawing on RA grant program data, interviews with state RA expansion grant recipients, and state-level documentation, the report highlights key lessons that can inform future efforts to fund RA program expansion and new Registered Apprentice growth. By examining both common themes and innovative approaches, this report offers practical insights for policymakers, practitioners, and stakeholders working to advance apprenticeship opportunities and outcomes nationwide.

## Federal Investments in State Programming to Increase RA Adoption

DOL made its first investment of congressionally appropriated funds to support RA expansion through grant program development in FY2016. The American Apprenticeship Initiative (AAI) launched in October 2015 (FY16), providing \$175 million in five year-grants to 46 organizations nationwide with a goal of registering at least 34,000 new apprentices in high-growth industries by 2020. The AAI grant program was a significant expansion of federal support for RA beyond DOL's traditional role of new program registration and oversight. Prior to 2016, DOL's role was primarily regulatory—administering the National Apprenticeship Act of 1937 (also known as the Fitzgerald Act). The result has been a steady increase in the number of active and new Registered Apprentices.



Source: Congressional Research Service analysis of specified laws. Each of these laws provided appropriations to DOL for the specified fiscal year. [https://www.congress.gov/crs\\_external\\_products/R/PDF/R45171/R45171.8.pdf](https://www.congress.gov/crs_external_products/R/PDF/R45171/R45171.8.pdf)

Source: U.S. Department of Labor, "Apprentices by State," <https://www.apprenticeship.gov/data-and-statistics/apprentices-by-state-dashboard> which includes data through December 18, 2024.



## DOL State Grant Programs

DOL has invested a significant share of the congressionally appropriated funds to expand RA through development of grant programs, including grant programs specifically for state agencies:

- AAI grants (2015, FY16)
- State Apprenticeship Expansion (SAE) grants (2016, FY17)
- State Apprenticeship Expansion, Equity, and Innovation (SAEEI) grants (2021, FY22)

Beginning in 2023, DOL created the State Apprenticeship Expansion Formula (SAEF) grants, formula-based and competitive grants awarded through multiple rounds in 2023, 2024, and 2025. Combined, DOL has invested \$188 million through SAEF funds since 2023.

### Exhibit 1: DOL State Apprenticeship Expansion Formula (SAEF) Grant Funding

Year	Round	Total State Recipients	Total Funding
2023	SAEF Round 1	45	\$65,000,000.00
2024	SAEF Round 2	46	\$39,000,000.00
2025	SAEF Round 3	50	\$84,000,000.00
			<b>\$188,000,000.00</b>

State agencies have, in turn, utilized funding through these federal grant programs to meet federal priorities for RA expansion and a range of state-led RA initiatives. These initiatives have primarily focused on increasing the number of new Registered Apprentices, expanding the number of new RA programs, extending RA program development into new industries and occupations, and growing employer participation. Following are examples of how states have used this funding.

#### EXAMPLE #1

#### MARYLAND—PROVIDING PER-APPRENTICE FUNDING

Some state DOL grant recipients are using a portion of their federal funds to increase the number of new apprentices in their state by providing incentive funding directly to RA program sponsors and/or employers for each new apprentice registered—e.g. \$1,500 for each apprentice formally registered through the DOL Registered Apprenticeship Partners Information Data System (RAPIDS). Successful implementation of this type of program requires clearly delineated program eligibility and process guidelines as well as outlined responsibilities for the state’s apprenticeship staff, RA program sponsors, and employers.



While individual employers may sponsor their own RA program, and in this scenario would be eligible to receive direct per-apprentice incentive payments, it can be time and labor intensive to collect and verify data, make payments, and ensure compliance across a large set of employers for a relatively small number of apprentices. Administering incentives to the sponsor of a large, group-sponsored RA program who can then, in turn, distribute payments to individual participating employers is more efficient. These group RA program sponsors already submit timely data to the state's DOL Office of Apprenticeship (OA) and State Apprenticeship Agency (SAA) system, so incorporating grant-related data adds minimal administrative burden. In contrast, many employers may only have one or two apprentices and often lack dedicated apprenticeship staff. For these employers, the paperwork burden required to access relatively small incentives may outweigh the benefits of using a direct payment program at all. Furthermore, managing grant funding distribution through direct incentive payments at the sponsor level with a larger number of apprentices reduces the administrative workload for apprenticeship staff compared to processing multiple payments for individual employers with fewer apprentices.



## STATE SPOTLIGHT: MARYLAND

### Incentivizing Sponsors, Employers to Increase Participation

[Maryland](#)'s approach to RA incentives has evolved from providing incentives directly to employers to providing incentives to large, group RA sponsors in order to streamline services and improve program participation and efficiency.

Using funds from their 2019 \$2,854,797 DOL ASE grant, Maryland established its [Related Instruction Reimbursement Fund](#) (RIRF) program. This program reimbursed employers for costs associated with required Related Instruction (RI). In 2020, the State received a \$6,012,924 award through the DOL SAE competitive grant program. Maryland continued providing employer incentives, although this time through a new apprentice wage reimbursement program directly to employers through the Employer Incentive Plan (EIP). Under this plan, 50%-75% of apprentice wages (up to 30 hours/week), depending on employer size, could be reimbursed. While the EIP launched in August 2021 with \$3.2 million allocated, it concluded after one year due to administrative burdens for both employers and apprenticeship staff.

Recognizing the challenges of administering employee incentives, in 2022, the State took a new approach to investing its DOL grant funds. The State replaced the EIP with the [Sponsor Apprenticeship Incentive Reimbursement](#) (SAIR) program, reallocating the EIP funding along with other, underused SAE sub-grantee funds. The SAIR program was an immediate success. Under the SAIR program, RA sponsors were incentivized to register more new apprentices by offering up to \$2,500 in direct reimbursement for each new apprentice. Group RA sponsors which provided RI to participating employers (e.g., labor unions, community or technical colleges) could use the funds to defray their own program RI costs or pass the reimbursement to the apprentice's employer for their RI expenses. At the end of the SAE 2020 grant in June 2024, SAIR disbursed approximately \$4 million, supporting 56 sponsors who registered nearly 2,000 apprentices.

This model streamlines administration and leverages the organizational capacity of RA sponsors to drive apprenticeship expansion.

## Exhibit 2: Results of Maryland's Changing Approach to Leveraging DOL Funding for New Apprentice Registration, Program Development

DOL Funding Source	MD Program	Funding Amt.	# of Employer Awards	# of New Apprentices	% +/- Year over Year New Apprentice Registration
2019 ASE Grant	Related Instruction Reimbursement Fund (RIRF)	\$980,000	71	437	
2020 SAE Grant	Employer Incentive Program (EIP)	\$3,200,000	47	104	-76%
2020 SAE Grant	Sponsor Apprenticeship Incentive Reimbursement (SAIR)	\$4,000,000	56	2,000	+1823%
<b>TOTAL</b>		<b>\$8,180,000</b>	<b>176</b>	<b>2,541</b>	



### STRATEGIC LESSON

Directing funds to group RA program sponsors, who are often larger and more established than individual employers and able to manage a program on behalf of multiple participating employers, simplifies oversight and increases accountability. By channeling apprenticeship incentive funds through sponsors rather than directly to employers, the Maryland SAIR program model effectively leveraged the sponsor's capacity to manage the SAIR funds. It allowed sponsors to expand the number of new apprentices registered by reducing the financial burden of their RI costs. This model can serve as a best practice for state leaders seeking scalable, accountable, and administratively efficient approaches to RA expansion.



### SUSTAINING TIP

The Maryland SAA staff regularly attend RA sponsor meetings with employer partners. This customer-focused approach provides a platform for receiving direct RA stakeholder feedback, exchanging ideas and information, as well as sharing resources and tools. The meetings became an important avenue for informing RA sponsors and employers of current and changing funding opportunities.

## EXAMPLE #2

## MICHIGAN—INTEGRATING RA EXPERTISE IN WORKFORCE SYSTEM

Some state DOL grant recipients have chosen to leverage their federal RA expansion funds with state or other federal grant funding to strategically hire and place RA experts responsible for improving multi-system alignment (e.g., between a state's apprenticeship and workforce system). This approach can effectively scale partnership development across a state to expand RA program sponsors, streamline agency service delivery, and increase the number of Registered Apprentices by expanding the number of active program options.



### STATE SPOTLIGHT: MICHIGAN

#### Embedding Apprenticeship Success Coordinators in the State Workforce System

[Michigan](#) received \$1,159,305.00 in 2023 SAEF1 Round 1 formula funding and braided the federal funding with state Workforce Innovation Opportunity Act (WIOA) funds to place an Apprenticeship Success Coordinator in each of the 16 local Michigan Works! agencies. To expand awareness of the state's apprenticeship opportunities, especially in nontraditional industries, Michigan's Apprenticeship Success Coordinators tailor marketing efforts to the needs of each workforce region. Through close collaboration with employers, they are well-positioned to successfully connect job seekers with RA Programs that align with their skills and needs. The State's investment in embedding RA expertise is producing results. The number of apprentices registered in new, non-traditional apprenticeship occupations has grown from 25% of all apprentices in FY 2023 (1,792 of 7,091 new apprentices) to 31% in FY24 (2689 of 8764 new apprentices).



### STRATEGIC LESSON

Embedding RA expertise in state and local workforce development boards can rapidly expand RA awareness, adoption by employers/sponsors, and registration of new apprentices in industry sectors of critical importance to state and local economies. Michigan's decision to fund expert RA positions at the local level enables local employers to unpack RA within a more familiar context, building trust and participation. Additionally, by having a local, on-call or in-house expert in RA, other workforce system staff (e.g. business service representatives, case managers) know where to turn for assistance to help customers as more seamlessly integrate RA into direct service delivery.



## SUSTAINING TIP

Embedding RA expertise in local workforce areas not only increases RA program awareness and participation by ensuring that employers, job seekers, and community partners have direct access to knowledgeable support, but it also increases the likelihood of a local board utilizing WIOA funds to support RA program employers and apprentices. Providing support to apprentices through WIOA-funded supportive services or individual training accounts (ITAs) to pay for RI, to providing direct wage support for eligible apprentices to employers through On-the-Job Training (OJT) contracts can potentially help a board meet all six WIOA performance metrics. Over time, successful utilization of WIOA funds and WIOA-funded services, paired with embedded RA expertise for employer program development and expansion, increases employer participation, and drives higher enrollment in RA programs, ultimately creating more sustainable pipelines of skilled workers and advancing regional economic growth.

### Utilizing WIOA funds to support RA programs can help local workforce boards meet all six WIOA performance metrics:



- Employment Rate 2nd Quarter After Exit
- Employment Rate 4th Quarter After Exit
- Median Earnings 2nd Quarter After Exit
- Credential Attainment
- Measurable Skill Gains
- Effectiveness in Serving Employers



## STATE SPOTLIGHT: MAINE

### Using Group Sponsors to Expand RA Programs

#### EXAMPLE #3

#### MAINE—INCREASING GROUP-SPONSORED RA PROGRAMS

Some states have chosen to use their DOL grant funds to create new partnerships focused on increasing the number of RA program sponsors. This approach can help a state not only increase the number of active RA programs hiring apprentices but also increase the range of industries and occupations being served beyond traditional (e.g. skilled trade, construction) occupations.

In rural [Maine](#), many RA programs are single employer programs with a single apprentice. In 2016, Maine had 55 RA programs and 381 active apprentices. In 2018, Maine's small apprenticeship office had a budget of \$200,000.

In 2020, Maine received its first federal grant, a 3-year \$450,000 SAE grant which the SAA leadership used to fund an additional Apprenticeship Technical Representative (ATR) position. This ATR's focus was to help new and existing sponsors grow their programs and better align these programs with the local workforce area's WIOA investments and opportunities. Since then, the State has received three additional grants from DOL for a total of \$7,131,937 in federal funding between 2019 and 2023.



### Exhibit 3: Maine Federal Grant Funding for RA Expansion

Year	DOL Grant Funding Source	Amount
2019	ASE	\$752,812.00
2020	SAE	\$450,000.00
2021	SAEEI	\$5,594,187.00
2023	SAEF Round 1	\$334,938.00
<b>TOTAL</b>		<b>\$7,131,937.00</b>

In addition to expanding staffing, which was critical for a state that is predominantly rural and requires significant travel to support small employers in program development and launch, Maine’s strategy was to focus on building more group, or “intermediary,” RA program sponsors. These sponsors assume program development, registration, administration, and oversight, making it easier for participating employers to focus on hiring and training apprentices. Group sponsors include labor unions, industry associations, chambers of commerce, community colleges and other organizations.

The state’s investment in new ATR positions, industry outreach, group sponsorship development, and workforce system alignment is paying off. In 2018, Maine had a total of 96 RA sponsors. By 2023, Maine had almost that number of sponsors employing one apprentice (97), with a growing number of employers sponsoring more than 50 apprentices (13). In 2023, there were also 25 intermediaries sponsoring 537 Registered Apprentices. This work to expand RA increased the number of active apprentices in the state from 545 in FY18 to 1,378 in FY24, a growth rate of 253%. New apprentices per year also more than doubled during this time (362 in FY18 to 863 in FY24). In addition to growing the number of program sponsors and apprentices, the SAA has worked to expand the number of group sponsors providing RA opportunities in four key sectors for state economic growth: healthcare, construction, manufacturing, and education.



#### STRATEGIC LESSON

By utilizing DOL grant funding to encourage and support development of group sponsored-programs, states can lower the barrier to participation for more employers, especially for small and rural businesses. Funding a long-term ATR position whose role is dedicated to outreach and engagement with industry associations, chambers of commerce, local workforce boards, educational institutions, and community-based organizations can accelerate development of group sponsorship, expanding a state’s RA network and building talent pipelines for critical occupations.



#### SUSTAINING TIP

States should focus on creating robust RA ecosystems, so that partnerships across industry, education, and workforce continue after the end of grant funding. States can use the initial DOL grant proposal process to form a consortium of partners committed to a state vision for RA expansion and ready for implementation upon award. The act of vision setting and extracting commitments from partners to comprehensively address RA expansion can serve a critical purpose beyond a sole federal grant proposal to serve as a launching pad for states’ approach to RA integration across workforce, education and economic development systems.

## Findings and Recommendations for RA Grant Policymakers, Recipients

Maine, Maryland, and Michigan represent three different approaches that state DOL apprenticeship grantees have used to invest taxpayer funds in ways that align with both federal and state priorities. Recognizing that successful expansion requires dedicated human resources for outreach, relationship building, and ongoing program support, all three states invested a portion of federal grant funding to create new RA expansion staff positions. However, each state also used funding in varied ways to accelerate RA program development, expansion and opportunity, benefiting both industry and American workers.

### FOR FEDERAL POLICYMAKERS

There are important take-aways for federal policymakers from these three DOL grant recipients. Specifically, policymakers should consider integrating the following promising practices into future grant program design to accelerate state RA program and apprentice registration:

#### EMPHASIZING GROUP SPONSOR-BASED FUNDING MODELS

Incentivizing states to channel funding through group RA program sponsors rather than directly to individual employers may result in more rapid RA program growth and grant participation. Grant application criteria could require states to describe approaches that leverage intermediary organizations such as industry associations, labor unions, community colleges, and workforce boards to maximize administrative efficiency and program reach. Often these group sponsors, particularly educational institutions and workforce boards, will have access to additional federal and state funding streams they can braid with DOL or federal grant funding to streamline services, reduce duplication, and expand opportunity for customers and key stakeholders (e.g. local businesses, students, job seekers, and incumbent workers).

#### REQUIRING FUNDED WORKFORCE SYSTEM INTEGRATION

Federal apprenticeship expansion grants should mandate integration with state workforce systems, including WIOA-funded programs, going beyond requiring letters of support/commitment to budgeting for workforce system inclusion. This requirement should encourage the use of funds to embed apprenticeship expertise within or across local workforce boards and create formal partnerships between apprenticeship agencies and workforce development boards. Workforce boards have a far greater direct level of interaction with local employers and job seekers, as well as WIOA funding that should be utilized, particularly WIOA Title I Adult, Dislocated Worker, and Youth program funding, to subsidize employers and support apprentices. This system integration can also accelerate boards' ability to meet WIOA performance metrics by placing job seekers into paid RA opportunities for high-growth occupations rather than into short-term training programs that may or may not culminate in paid employment.

## ESTABLISHING PERFORMANCE METRICS FOR NON-TRADITIONAL SECTORS

One critical policy enhancement to current DOL state RA grant program design would be including specific targets for states to expand RA programs beyond traditional skilled trade, construction and manufacturing occupations to meet the immediate and explosive growth in other sectors such as AI, cybersecurity, healthcare, and advanced manufacturing. While the three states highlighted in this report utilized funding to support their own state's unique industry mix, it is imperative to expand RA programming across all nontraditional sectors and occupations nationwide to ensure a robust, future-ready, skilled American workforce. DOL can ensure that happens by requiring that states not just target one or more high-growth, non-traditional sectors critical to economic competitiveness in which to focus RA program expansion but also by mandating that states commit to a data-driven quantitative target, e.g., "x% growth in new program development over x years."

## EXPANDING RURAL AND SMALL BUSINESS ACCESS

Federal grant funding for state RA expansion, including funding formulas, should include provisions that specifically address the unique challenges of rural states and small employers. This could include encouraging states to build in funding for higher per-apprentice direct incentives for sponsors and employers in rural areas and creating dedicated state funding streams for group sponsor development in underserved regions.

### FOR STATES RECEIVING FEDERAL RA GRANT FUNDING

Following are key lessons from these three recipients' implementation strategies for federal grantee recipients to consider when designing their federal RA grant expansion strategies.

## ADMINISTRATIVE EFFICIENCY DRIVES SUCCESS

Shifting from direct employer incentives to a model that provides group sponsor-based funding achieved dramatically better outcomes for the Maryland SAA. Moving from employer-direct payments to sponsor-based incentives resulted in a 1,823% increase in new apprentice registrations while reducing the administrative burden for both employers and the state. This finding suggests that working to invest federal funding through direct incentives to established intermediaries rather than individual employers can create more scalable and sustainable RA expansion models.

## LOCAL EXPERTISE ACCELERATES ADOPTION

Michigan's integration of Apprenticeship Success Coordinators into the state's workforce system supports greater local workforce board utilization of RA and more effective service delivery to both workers and employers by improving alignment between a state's apprenticeship and workforce systems. This approach not only expanded apprenticeship awareness but also increased participation in nontraditional RA occupations from 16.6% to 26.7% of new registrations, showing that local expertise can not only grow RA programs and new apprentice registrations, but help meet state sector priorities by diversifying beyond traditional trades.

## GROUP SPONSORSHIP TO BOOST RURAL, SMALL BUSINESS PARTICIPATION

Maine's focus on developing group sponsors proved particularly effective for expanding RA program adoption particularly among the state's small and rural employers. The state's 693% increase in program sponsors and 1,145% growth in active apprentices demonstrates that dedicating federal grant funding to staff positions focused on intermediary sponsor growth can help overcome barriers that prevent smaller employers from participating in apprenticeship.



## Conclusion

Evidence from Maine, Maryland, and Michigan's implementation of apprenticeship expansion grants demonstrates that federal investments can be both innovative and effective in meeting state needs while driving national awareness and adoption of the model for workforce development. Strategic, well-designed approaches by states can achieve significant scale in apprenticeship program growth. Those promising practices should be widely disseminated among state grant applicants to transfer knowledge and improve the likelihood of grant program success. As federal investment in apprenticeship continues to grow, applying these lessons will be crucial for maximizing the impact of public resources and developing a more skilled, future-ready American workforce.