

ANALYSIS

Item 54: Bureau of Labor and Industries Registered Apprenticeship Programs

Analyst: Ben Ruef

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Labor Employment and Training Administration in the amount of \$6,882,371 to support the development of registered apprenticeship programs, increase Federal Funds expenditure limitation by \$882,371, and authorize the establishment of six limited-duration positions (3.00 FTE).

Analysis: The purpose of the State Apprenticeship Expansion Formula (SAEF2) grant program is to provide federal funding to aid states in strengthening the Registered Apprenticeship system. Its primary objective is to enhance the efficacy of this system as a pivotal approach to workforce development and post-secondary education, with the overarching aim of fostering adaptability within the workforce. The grant award has both a formula and discretionary component.

If awarded, The Bureau of Labor and Industries (BOLI) will receive \$882,371 in base formula funding and up to \$6 million in discretionary funding. The \$882,371 in formula funding will be used to support six (3.00 FTE) limited-duration positions. These positions will facilitate the creation of training materials and support outreach efforts to enhance registered apprenticeship programs; manage the SAEF2 grant projects, including monitoring activities and participating in grant evaluations; aid in modernizing state apprenticeship laws in line with federal regulations; and provide management and fiscal support for the program.

The discretionary funding of up to \$6 million will be passed through to the Higher Education Coordinating Commission (HECC) to support partnerships with organizations like Teachers Standards and Practices Commission, Worksystems Inc., Clackamas Workforce Partnership, and Results for America. Funding will also be used to establish competitive SAEF2 grants for registered apprenticeship programs in key occupations and sectors such as education, healthcare, childcare, manufacturing, and emerging industries. HECC can use up to 10% of the funding for grant administration. It is not yet known if HECC will require any additional positions for this work.

BOLI provided notice of intent to apply on February 25, 2024, and the grant application was due on April 4, 2024. If funding is awarded, BOLI and HECC will request an increase in expenditure limitation, as needed. Additional positions for HECC may be required. No matching funds are required.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board approve submission of the grant application, increase Federal Funds expenditure limitation for the Bureau of Labor and Industries by \$882,371, and authorize the establishment of six limited-duration positions (3.00 FTE) to support registered apprenticeship programs.

Request: Retroactive authorization for the Bureau of Labor and Industries (BOLI) to apply for a U.S. Department of Labor (USDOL), State Apprenticeship Expansion Formula (SAEF) grant, which includes base formula funding of \$882,371 and a competitive award of up to \$6,000,000; increase Federal Funds expenditure limitation by \$882,371; and establish six limited duration positions (3.00 FTE).

Recommendation: Approve the request.

Discussion: The BOLI Apprenticeship and Training Division (ATD) seeks to pursue a SAEF grant funding opportunity to build stronger partnerships with state and local workforce and education systems. On February 21, 2024, USDOL announced round two of the SAEF grant (SAEF2) funding opportunity, which includes base formula funding of \$882,371 and a competitive award of up to \$6 million; neither of which require state match or cost sharing. The formula portion of the SAEF2 grant spans from July 1, 2024, to June 30, 2025. If awarded, the competitive portion extends through June 30, 2027. BOLI may reapply for base formula funding for three additional years, with a final project end date of June 30, 2028. BOLI submitted the SAEF2 grant application on April 4, 2024, and anticipates an award by summer 2024.

In its application, BOLI proposed using the base formula funding to enhance staff capacity to meet the growing demands of Oregon's workforce innovation, Good Job's Initiative, and the expansion of the Registered Apprenticeship System, including advancement and development of new and existing Pre-Apprenticeship Programs, Youth Apprenticeship Programs, and Career Technical Education (CTE) Apprenticeships. Additionally, BOLI will consider ways to support the development of registered apprenticeship programs to support the training needs and diversification of workforce in the creation of jobs required to implement President Biden's Investing in America agenda. This includes working with employers to increase their awareness of registered apprenticeship opportunities and identifying opportunities to join existing registered apprenticeship programs or start new programs.

BOLI proposed using the competitive funding portion of the SAEF2 grant to target the shortages of highly qualified teachers, healthcare professionals, and cybersecurity jobs in rural counties. If awarded, BOLI would distribute funds to the Higher Education Coordinating Commission, Teachers Standards and Practices Commission, Worksystems Inc., Clackamas Workforce Partnership, and other partner organizations to expand registered apprenticeship programs.

To administer the requirements under the base formula portion of the SAEF2 grant, BOLI requests an increase in Federal Funds expenditure limitation of \$882,371 and six limited duration positions (3.00 FTE). These positions include one Compliance and Regulatory Manager 2, one Project Manager 2, one Operations and Policy Analyst 2, two Learning and Development Specialists 2, and one Accountant 1. BOLI is requesting the position authority in advance of the SAEF2 base formula funding award to facilitate the

timely recruitment of the six new positions to complete the formula award requirements by June 30, 2025. The positions will remain vacant until the formula portion of the grant is awarded.

BOLI may submit a subsequent request to increase Federal Funds expenditure limitation in an amount equal to the SAEF2 competitive portion, if awarded.

Legal Reference: Increase the Federal Funds expenditure limitation established by chapter 471, section 4, Oregon Laws 2023, for the Bureau of Labor and Industries by \$882,371 for the 2023-25 biennium.



4/29/2024

The Honorable Senator Rob Wagner, President of the Senate
The Honorable Representative Julie Fahey, Speaker of the House
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear President Wagner and Speaker Fahey:

Nature of the Request

The Bureau of Labor and Industries, through its Apprenticeship and Training Division (ATD), seeks to pursue federal grant funding. This opportunity, which was announced on February 21, 2024, via Funding Opportunity Announcement FOA-ETA-24-03 from the U.S. Department of Labor's Employment and Training Administration, offers State Apprenticeship Expansion Formula (SAEF) base funding of \$882,371 alongside a competitive award ranging from \$1 million to \$6 million. Neither award has any match requirements. Applications were due by April 4, 2024. The grant period spans from July 1, 2024, to June 30, 2025, for the formula portion, and extends to June 30, 2027, for the competitive portion if awarded. The Bureau has the option to reapply for base formula funding for three additional years, with a final project end date of June 30, 2028.

Agency Action

The Bureau of Labor and Industries plans to use these funds to build stronger partnerships with State and local workforce and education systems. Additionally, the Bureau will consider ways to support the development of registered apprenticeship programs to support the training needs and diversification of workforce in the creation of jobs required to implement President Biden's Investing in America Agenda. This can include working with employers to increase their awareness of Registered Apprenticeship opportunities in the state and identifying opportunities for them to join existing Registered Apprenticeship programs or start new ones.

The grant will also allow the Bureau to expand its apprenticeship staff to support federal and state-mandated activities. This included training for both BOLI staff and other state and local workforce board staff, as well as program sponsors on the Oregon Registered Apprenticeship system.

The competitive award proposal involved passing through funds to the Higher Education Coordinating Commission (HECC). These funds would primarily support partnerships with organizations like Teachers Standards and Practices Commission (TSPC), Worksystems Inc., Clackamas Workforce Partnership, and Results for America in Washington DC. There were also



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plans to use the funds for competitive projects aimed at key occupations and sectors, with the goal of expanding registered apprenticeship programs.

An application for this grant was submitted by the Bureau on April 4, 2024.

Action Requested

The Bureau of Labor and Industries, through its Apprenticeship and Training Division, respectfully requests retroactive approval to submit an application for the U.S. Department of Labor's Employment and Training Administration, State Apprenticeship Expansion Formula (SAEF) grant.

In addition, The Bureau requests position authority for six limited-duration positions (6 pos., 3 FTE for remainder of 23-25 biennium) to administer the SAEF grant, **contingent upon** receiving the formula portion of the award. These positions include:

- Compliance and Regulatory Manager 2
- Project Manager 2
- Operations and Policy Analyst 2
- Two (2) Learning and Development Specialists 2
- Accountant 1

Also contingent upon receiving the formula portion award, The Bureau requests a federal funds limitation of \$882,371.00, which reflects the SAEF2 formula portion of the grant.

The Bureau will submit a separate request for an additional expenditure limitation if awarded the competitive portion of the SAEF grant.

Legislation Affected

Not applicable.

Respectfully,

Christina Stephenson
Commissioner, Oregon Bureau of Labor and Industries