Youth apprenticeship (YA) programs are an important component of a fully developed career preparation ecosystem. High-quality YA programs allow learners to explore career pathways and develop skills that are relevant to industry needs to improve the overall health of the local economy. State investment in growing YA and work-based learning (WBL) programs is a critical component of preparing learners to gain in-demand skills and credentials and enter the labor market prepared for the world of work. With support from the Partnership to Advance Youth Apprenticeship (PAYA), Advance CTE evaluated the landscape of state YA funding models, seeking to equip states to adopt funding strategies that enable these programs to be fully embedded in states’ career preparation ecosystems. To this end, this brief defines YA and presents an overview of the current funding models states are using to support YA programs.

While there is no single, legal definition, YA programs generally meet the same four criteria as a registered apprenticeship program. These criteria are:

1. Paid, on-the-job learning under the supervision of skilled employees;

2. Related classroom-based instruction;

3. Ongoing assessment against skills standards; and

4. The earning of postsecondary credit and a portable, industry-recognized credential by the culmination of the program.¹

CRITERIA FOR A HIGH-QUALITY YOUTH APPRENTICESHIP PROGRAM

- Paid, on-the-job learning under the supervision of skilled employees
- Related classroom-based instruction
- Ongoing assessment against skills standards
- Learners earn postsecondary credit and a portable, industry-recognized credential¹
As the name suggests, YA programs are designed for participants who start the program as high school (secondary) learners. Due to their design, YA programs require multiple agencies, institutions and stakeholders to implement. State and local education agencies (LEAs) are important partners, but employers and industry-led coalition groups are at the forefront of program implementation.2

In the past 10 years, participation in YA has grown, outpacing growth in youth employment. Research shows that the average exit wage of $30 per hour for young people completing apprenticeships is much higher than the median wage among all young people, which suggests that YA facilitates movement into well-paying jobs. In addition to wage benefits, YA programs offer an opportunity to build a more inclusive economy by creating affordable, reliable and equitable career pathways that lead learners from high school to good jobs and postsecondary credentials. One longitudinal study published by The Brookings Institution found that early career exploration and skill development through participation in YA programs have a positive effect on wages and job quality.3 However, the data demonstrates that learners participating in apprenticeships are more likely to be White than learners of color (63 percent vs. 35 percent) and more likely to be male, suggesting equitable access is still a challenge, particularly for learners of color.4

**Job quality**, as measured by wages, benefits, hours and employee satisfaction among young adults from low-income backgrounds, is higher for learners who participated in YA programs. Learners who had earlier experiences in the job market (teens ages 16–18) have higher wages at age 23 than those who did not have similar work experience. Participating in cooperative education, internship, apprenticeship or mentorship programs in high school is connected to higher subsequent job quality. Obtaining educational credentials and training are the strongest predictors of high job quality. Additionally, the job quality scores for learners participating in relationship-focused Career Technical Education (CTE) programs include a net of other positive factors such as improved cognitive test scores and later work experience. These positive effects persist 10 years after high school.5

**Demonstrating High Return on Investment: Apprenticeship Carolina in South Carolina**

Apprenticeship Carolina, a division of the SC Technical College System responsible for the coordination of YA programs throughout the state,6 found that for every $1 contributed to support apprenticeship opportunities, employers see a gain of $1.26 over five years and $2.15 over seven years.7 While this analysis was conducted on the state’s registered apprenticeship programs, the net benefit increases make this type of program worth exploring.
INVESTMENT IN YA PROGRAMS

In recent years, the U.S. Department of Labor has begun to invest in YA programs. Specifically, the U.S. Department of Labor awards grants to educational entities (including traditional, alternative and non-traditional schools; programs that serve out-of-school youth; school boards; workforce boards; employers; workforce partners; and other apprenticeship intermediaries) to establish new or expand existing YA programs. The most recent Youth Apprenticeship Readiness Grants were announced in June 2020. The Employment and Training Administration announced that grants totaling more than $42 million were being awarded to 14 organizations to increase the participation of youth, ages 16–24, in new or existing registered apprenticeship programs, with the average award amount being $3 million. 

While federal investments are critical, additional resources are necessary to support high-quality and equitable YA across the country. To understand the extent to which states are currently providing dedicated funding to secondary YA programs, Advance CTE fielded a survey with State Career Technical Education (CTE) Directors. Of the 46 states responding to the survey, just eight (17 percent) reported having dedicated funding for YA programs. However, other states have made previous, sizable investments in establishing or expanding YA programs. In this brief, dedicated funding refers to funding that has been specifically allocated for YA programs as of FY 2021–22.

Our survey also captured data on whether states were providing dedicated funding for work-based learning programs (WBL). The U.S. Department of Labor differentiates WBL, or internships, from YA in a few key ways:

- **Length of Time:** Internships are usually short-term (one to three months), but apprenticeships are longer term (one to three years).
- **Structure:** Apprenticeships include a structured training plan, focusing on mastering specific skills an employer needs to fill an occupation within their organization. Internships may not be structured and often focus on entry-level general work experience.
• **Mentorship:** Apprentices receive individualized training with an experienced mentor who walks them through their entire process. Internships do not always include mentorship.

• **Pay:** Apprenticeships are paid experiences that often lead to full-time employment. Internships are often unpaid and may not lead to a full-time job.

• **Credential:** Apprenticeships lead to an industry-recognized credential. Internships typically do not lead to a credential.

• **College Credit:** Internship and apprenticeship experiences may both lead to college credit, although some apprenticeship programs will lead to a debt-free college degree.

Of the 46 states responding to the survey, 17 states (approximately 37 percent) reported having dedicated state funding for secondary WBL programs. Five states reported having dedicated funding for both secondary YA and WBL programs. It is important to note that several states use WBL as the umbrella term, with YA being one recognized type of WBL. As such, funding for these programs can overlap, especially since there is no official, federally provided definition of YA. For example, states may use the funding for dual enrollment to cover the cost of transporting learners to YA program instruction sites, or YA might be an approved form of WBL and funded through the Strengthening Career and Technical Education for the 21st Century Act (Perkins V).

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**Dollars and Cents of YA Programs**

The primary costs associated with implementing YA programs include the cost of curriculum development, professional development for instructors, funding for additional positions for program coordinators, marketing materials and activities to promote the program, wraparound services such as transportation for learners to the service sites and learners’ wages. Many local providers make decisions about how to ensure that non-covered education costs related to YA are not a barrier for participants. In some cases, employers agree to cover these costs as part of the apprenticeship benefit. In other cases, consortia pay fees to a fiduciary partner that covers the costs, or the local stakeholders write grants to secure funding for these and other costs of the apprenticeship program. Some states authorize reimbursement to employers for the increases to their liability insurance premium when hiring a minor, and others offer tax credits to offset the costs incurred from training an apprentice.
### How are states currently funding YA programs?

States can administer dedicated funding for YA programs through various grants, through distribution models such as formula-based or performance-based funding, and as line items in state budgets. The most common funding models identified for YA and WBL programs were competitive grants and formula distributions.

<table>
<thead>
<tr>
<th>FUNDING MODEL</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLOCK GRANTS</td>
<td>A grant with a fixed amount awarded to provide services.</td>
</tr>
<tr>
<td>COMPETITIVE GRANTS</td>
<td>A grant that is awarded based on the review of a proposal through a selection process facilitated by the grantor.</td>
</tr>
<tr>
<td>FORMULA DISTRIBUTION</td>
<td>Grants that are distributed at the state level and require a non-competitive application to determine the level of award that the grantee will receive. The grant amount is determined through a preset formula.</td>
</tr>
<tr>
<td>LINE ITEM APPROPRIATION</td>
<td>Funding that is included as an item in a legislative budget. It may be a recurring or a one-time investment.</td>
</tr>
<tr>
<td>PERFORMANCE-BASED FUNDING</td>
<td>A system based on allocating a portion of a state’s education budget according to specific performance measures such as course completion, credit attainment and/or degree completion, instead of allocating funding based entirely on enrollment.</td>
</tr>
<tr>
<td>ALLOCATION TO INTERMEDIARIES</td>
<td>Funding awarded by the state to postsecondary or secondary institutions that contract with intermediaries to act as liaisons and coordinate program activities and relevant stakeholders.</td>
</tr>
</tbody>
</table>
Timing of requesting proposals for and disbursement of competitive grant funding is determined by each state. In Wisconsin, additional application requirements for YA grants include a maximum cost per learner, intent to match awarded funds, a minimum number of learners the program will engage, and program management plans that include outcome evaluations. States also may opt to use this model to direct the growth and development of specific labor sectors. For example, Oregon awards its competitive Workforce Ready Grants to non-profit and public workforce service providers and non-profit community-based organizations that coordinate YA programs in the health-care, manufacturing and technology industry sectors.

For states that use formula distribution models, factors such as learner enrollment determine program funding. Indiana includes its WBL programs under CTE appropriations in the annual budget. Reimbursement for learners enrolled in WBL programs is $500 per credit, with a maximum of six credits. These credits must satisfy a minimum number of workplace and classroom activity hours.

While not as common, some states indicated that their funding for WBL and YA programs is distributed through an intermediary. North Carolina’s apprenticeship programs are implemented by ApprenticeshipNC, a program housed within the North Carolina Community College System. For FY 2022–24, $11.6 million dollars was allocated from the State Fiscal Recovery Fund to expand apprenticeship programs to learners ages 16–25 to increase the enrollment of learners within under-served populations at state community colleges. This model is primarily driven by industry partnerships, and financial incentives are used to encourage participation. Employers with qualifying apprentices will receive up to $2,000 per apprentice for onboarding and training, plus a 50 percent salary reimbursement on wages up to $15 per hour for non-high school learners and $14 per hour for high school students.

The following case studies provide a deep dive into four states’ funding models for YA programs.
Wisconsin’s YA Program

Wisconsin supports its YA Program through dedicated funding that provides opportunities for high school juniors and seniors to complete both school-based learning and WBL in a specific occupational area. The Wisconsin YA Program is overseen by the Department of Workforce Development (DWD) and offered locally by state-sanctioned YA consortia.

Industry demand shaped the state’s investment in YA. In 1991, the printing industry was the catalyst for the state to establish a career preparation program that would allow learners to develop relevant workforce skills. While single school districts can qualify, typically the consortia are a collaboration of multiple school districts, local workforce groups, local chambers of commerce, and representatives from the state technical colleges. In the 2022–23 program year, 36 consortia are receiving state funding to operate YA programs. The consortium partners are responsible for establishing program boundaries based on participating school districts, determining the program’s governance structure, and recruiting both businesses and learners.17 The YA consortia are also responsible for completing a post-program survey once a learner has exited the program. This survey captures data regarding YA completion rates as well as data on learner placement and professional trajectory following completion of the program.

Wisconsin’s funding for YA programs is provided through a state statute directive. Currently, the DWD receives $6 million per year in state funds, which it disperses through grants to the local consortia. Allowable expenses are set forth in the state directive and grant guidelines. Recipient consortia must submit expenditure reports to receive reimbursements through the state’s online financial system. Allowable expenses include:18

- Recruiting employers to provide on-the-job training and supervision for youth apprentices and providing technical assistance to those employers.
- Recruiting learners to participate in the local YA program and monitoring the progress of youth apprentices participating in the program.
- Coordinating YA training activities within participating school districts and among participating school districts, postsecondary institutions and employers.
- Coordinating academic, vocational and occupational learning; school-based learning and WBL; and secondary and postsecondary education for participants in the local YA program.
- Assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors.
- Any other implementation or coordination activity that the department may direct or permit the local partnership to perform.

As of July 2021, a reimbursement cap of $1,100 per learner was established by the Wisconsin DWD, and the consortium partners are expected to match funding up to 50 percent of their awarded grant amount. While no federal funding goes directly to supporting YA programs in Wisconsin, local consortia are able to use their Perkins V funding toward the funding match. Additional state funding comes from Act 59, which offers technical incentive grants for industry-recognized credentials. These grants allow learners to engage in “earn and learn” pathways through which they gain industry credentials. As employees of partnering businesses, learners enrolled in YA programs must be paid at least minimum wage.19
Utah’s WBL Program

Utah provides dedicated funding for K–12 WBL, where programs prioritize exposing learners to a variety of career exploration opportunities. Utah defines WBL as a coherent sequence of career awareness, career exploration, career preparation, and finally specific career training activities. Each part of this continuum includes identified learner outcomes that are defined by activity frequency and level of personalization. Such outcomes can range from elementary-aged learners building awareness through visiting a career fair to high school juniors and seniors engaging in career training through internships, clinicals, or apprenticeships for specific occupations. Apprenticeships are coordinated with Utah’s Department of Workforce Services.

Utah provides dedicated funding for its WBL programs through both a formula distribution funding model that considers relative student enrollment as well as funding specifically meant for the CTE Internship class. Funding for this course is allocated to LEAs based on their membership in the course. These funds are a small portion of the regular school funding allocations to district and charter schools.

LEAs are responsible for overseeing WBL programs and must complete an annual funding application to report outcome data and demonstrate that a program is providing experiences that meet the state’s definition of high quality. Utah State Board rule R277–915 provides consistent expectations and standards for WBL, including high-quality indicators such as experience connecting to career pathway coursework, intentional learning outcomes and a reflective digital portfolio.

Utah identifies specific allowable expenses for K–12 WBL, which include:

- Salaries and benefits for WBL staff;
- Transportation and travel costs for WBL activities; and
- Electronic tracking of WBL management information and activities
Michigan's YA Program

Michigan’s YA programs are operated through the Department of Labor and Economic Opportunity (LEO) and the local Michigan Works agencies. Michigan Works is the state’s primary workforce development association that offers training and other support for private and public industry employers to offer the job training component of YA programs.

Michigan funds and sustains its YA programs by braiding both state-level and federal grants.

FEDERAL FUNDING

Michigan is one of 25 states that serve as branches of the U.S. Department of Labor’s (DOL) Offices of Apprenticeship. The state's apprenticeship office is responsible for supporting new and expanding existing apprenticeship programs, which are currently aligned with the registered apprenticeship program structure. In July 2020, Michigan received $4,881,369 from the DOL Youth Apprenticeship Readiness Grant Program to expedite skill and career pathway development for youth enrolled in secondary (primary focus) or postsecondary education through co-enrollment in registered apprenticeship programs.

The Michigan Youth Apprenticeship Readiness Network will accelerate the growth of more than 1,000 apprentices, of whom more than 10 percent will be youths with disabilities. In 2021, LEO granted more than $6 million in federal State Apprenticeship Expansion grants to regional implementation consortia to support 2,303 new registered apprentices.

STATE FUNDING

In FY 2021–22, $8 million was provided to the state MiSTEM Network from the state school aid fund appropriations. This funding was to support the “identification of processes for regional employers and educators to create guided pathways for STEM careers that include internships or externships, apprenticeships, and other experiential engagements for pupils.” For several years, $8 million has been allocated annually to establish, maintain or expand CTE early middle college and CTE dual enrollment programs. These programs allow learners to participate “in a registered apprenticeship, pre-apprenticeship, or apprentice readiness program” among other postsecondary opportunities. The Michigan Department of Education is responsible for determining the funding received by each intermediate district serving as a fiscal agent for these state-approved programs. The intermediate district has reporting requirements to track learner outcomes.

While YA is still relatively nascent in Michigan, career exploration through WBL is one of the four required components of a state-approved CTE program. In Michigan, secondary WBL is defined as “sustained interactions with employers or community professionals in real workplace settings, to the extent practicable, or simulated environments at an educational institution that foster in-depth, first-hand engagement with the tasks required of a given career field, that are aligned to the curriculum, instruction, and CTE Program standards.” The state-developed continuum of WBL experiences ranges from minimal awareness activities such as attending a career fair to completing on-the-job training through registered apprenticeship programs.
Georgia’s WBL and YA Programs

In Georgia, WBL and YA programs are prioritized as long-term strategies for building an inclusive state economy. WBL includes a few different skills-based placement options: employability skill development, cooperative education, internship, and Great Promise Partnership (GPP) or YA. The Georgia Department of Education was authorized to establish YA programs beginning in FY 1996 (Georgia Code Section 20–2–161.2). Working in conjunction with the state Department of Labor and the Technical College System of Georgia, the state Department of Education developed standards and procedures to provide a skilled workforce for highly technical industries.

In Georgia, YA is defined as a category of WBL that integrates school-based learning and a training plan coordinated with business, industry and labor that facilitates the transition from secondary to postsecondary education by providing the apprentice the opportunity to earn a high school diploma, postsecondary credential/diploma and a completer certificate.

The components of Georgia’s YA program include:

- A partnership structure encompassing schools, post-secondary institutions, employers, labor organizations and/or community representatives;
- The resulting award of a portable, industry-recognized skill certificate for participating learners; and
- Integration of WBL and school-based learning.

In FY 2021–22, Georgia dedicated roughly $3 million for its YA programs from state appropriations; of the state’s 181 school systems, 150 received competitive YA grants. The competitive grants are approved when the school system submits its annual funding plan to the office of Career, Technical, and Agricultural Education. Program funding is contingent upon the review of the submitted plans and also considers data from the department’s resource network to confirm that the school system meets the requirements to fund a YA coordinator position. Funding is dispersed directly to the school system to offset the cost of the teacher position.

PAYA

Created by New America, PAYA works to understand the ways that youth apprenticeship programs can be re-thought and developed to meet the needs of learners and employers and then build responding solutions. Advance CTE is one of the members of PAYA, along with CareerWise Colorado, Charleston Regional Youth Apprenticeships at Trident Technical College, Education Strategy Group, JFF, the National Alliance for Partnerships in Equity, the National Fund for Workforce Solutions and the National Governors Association. Over the next few years, PAYA will support the work that cities and states are doing to grow access to high-quality youth apprenticeship opportunities. PAYA is grateful for the support of the Annie E. Casey Foundation, Bill & Melinda Gates Foundation, Bloomberg Philanthropies, Carnegie Corporation of New York, JP Morgan Chase & Co., the Ralph C. Wilson, Jr. Foundation, the Siemens Foundation, the Smidt Foundation and the Walton Family Foundation.
CONCLUSIONS AND CONSIDERATIONS

State investment in YA programs represents a timely and responsive strategy to address local labor force and statewide economic development by connecting learner needs to industry talent needs. Career exploration through YA allows learners to engage in hands-on learning and skill building that prepares them to assume well-paying jobs in growing industries such as health care, information technology and advanced manufacturing. Early training afforded through YA benefits employers by providing them with employees already equipped with the prerequisite knowledge and skills necessary to meet an immediate need.

YA requires a clear alignment across secondary, postsecondary and industry stakeholder groups to ensure that classroom activities and the learner’s job experience reflect current labor practices. Given the complexity of a YA program and the range of public and private stakeholders and system partners involved, YA programs need dedicated and sustainable funding to grow and fully meet learners’ and industry’s needs. Investing in the development of systems that allow for quality assurance, equitable access and success, program coordination, data sharing and stakeholder communication is critical to the successful implementation of YA programs.

Methodology

This brief was developed in partnership with New America’s Partnership to Advance Youth Apprenticeship, a multi-year, collaborative initiative that supports states and cities in their efforts to expand access to high-quality apprenticeship opportunities for high school-age youth.

Advance CTE conducted a 50-state scan of state funding streams explicitly directed to secondary CTE enrollment, programs and administration in FY 2021–22. This brief narrows in on the data describing state funding dedicated to supporting YA or WBL programs. After the scan was complete, interviews were conducted with select State CTE Directors and local administrators to elaborate on the funding model their state is currently using to fund YA/WBL. Using this information, Advance CTE addressed the following research questions:

1. To what extent are states providing dedicated funding for YA programs?
2. How are states currently funding YA programs?
3. What is the benefit of participating in these programs for learners, and what is the return on investment for the state?
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**Wisconsin**

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- John Keckhaver, Youth Apprenticeship Section Chief, Bureau of Apprenticeship Standards, Wisconsin Department of Workforce Development
- Sharon Wendt, Education Director, Wisconsin Department of Public Instruction
STATE FUNDING MODELS TO SUPPORT YOUTH APPRENTICESHIPS

ENDNOTES


2 Ibid.


5 Ibid.


