INTRODUCTION TO APPRENTICESHIP FUNDING

Navigating the landscape of funding sources for apprenticeship programs can be complex. While funding is available, few sources are apprenticeship-specific and offer guaranteed, recurring funding cycles. This document provides an overview of prominent funding sources and how they can support various components of apprenticeship program development and implementation.

USES OF APPRENTICESHIP FUNDING

Although Registered Apprenticeship Programs (RAPs) are often discussed in terms of planning, implementation, and expansion, this guidance document is organized by funding use rather than by phase. Apprenticeship program development is not linear, and similar costs may occur across multiple phases.

Available funding sources are generally intended to support one or more of three core areas: operating expenses, Related and Supplemental Instruction (RSI) classroom hours, and On-the-Job Training (OJT). Funding for these core areas is usually operationalized in the following ways:

- **Operating expenses** cover costs associated with designing, starting, administering, recruiting, hiring, staffing, providing training materials, and related administrative costs.
- **RSI** covers or reimburses the Local Educational Agency (LEA) for the training provided during the classroom instruction component of the RAP.
- **OJT** covers the time apprentices spend engaged in work-based learning with their employers. External funding to support this component is limited, as employers are expected to pay apprentices' wages during OJT.

PROMINENT AND RECURRING SOURCES OF APPRENTICESHIP FUNDING

The funding sources listed below are prominent, recurring State of California funding streams commonly used to support RAPs. Timelines, amounts, and requirements for these funding sources may change over time, and each funding source has its own rules and requirements for how it can be applied and whether it may be used with other funding. For the most up-to-date information on requirements, please review the funding website.

Apprenticeship Innovation Funding (AIF)

AIF is California's performance-based funding model designed to expand high-impact, non-traditional RAPs outside of the building and fire trades. Funded by the California State General Fund dollars and administered by California's Division of Apprenticeship Standards (DAS), AIF Support (AIF-S) supports the operational, administrative, and apprentice support functions needed to run and sustain programs, and AIF Training (AIF-T) can be utilized for classroom instruction expenses. To be eligible for AIF, apprenticeship programs must be registered with DAS.

California Apprenticeship Initiative (CAI)

The CAI New and Innovative Pre-Apprenticeship and Apprenticeship Grant Program is funded by Proposition 98 and administered by the California Community Colleges Chancellor's Office (Chancellor's Office). The appropriations are made to the Chancellor's Office and then disbursed to high school districts, County Offices of Education, and California community college districts that serve as LEAs. The program supports the expansion and scaling of innovative, registered earn-and-learn pathways across K–12 and California community colleges and may be used to cover operational expenses.

Full-Time Equivalent Student (FTES)

FTES supports instructional costs for RSI delivered by California community colleges. Attendance of apprentices enrolled in any for-credit class offered by a California community college, as part of a state-approved RAP, can be reimbursed at the per-credit FTES funding rate through the community college apportionment system. FTES funding may be utilized for classroom instruction expenses.

RSI Reimbursement Program (RSI)

The RSI Reimbursement Program is appropriated annually in the State Budget Act from Proposition 98 funds. The appropriations are made to the Chancellor's Office and then disbursed to high school districts, County Offices of Education, and California community college districts that contract with RAP sponsors. This funding mechanism reimburses educational providers for the classroom instruction component of DAS-approved RAPs at a designated hourly rate.

Employment Training Panel (ETP)

California's ETP administers a performance-based funding program that supports workforce training aligned to employer needs. ETP reimburses training costs for participants who successfully complete training and are retained in quality jobs for at least 90 days at or above the required wage threshold. ETP may be utilized for eligible classroom instruction expenses and limited OJT support. To be eligible for apprenticeship-specific ETP funding, apprenticeship programs must be registered with the DAS.

California Adult Education Program (CAEP)

CAEP funding supports adult learners through workforce preparation, basic skills development, and career pathway programs. CAEP is administered by the Chancellor's Office and the California Department of Education and delivered through the regional consortia of California community colleges, K-12 districts, and County Offices of Education. Funds may be used to support non-credit pre-apprenticeship classroom instruction for eligible participants.

Workforce Innovation and Opportunity Act (WIOA)

This federal workforce funding, administered by the State of California, supports eligible apprentices by covering training costs and providing allowable supportive services that promote participation and successful completion of workforce programs. WIOA serves adults, dislocated workers, and youth (ages 14–24) authorized to work in the U.S., with priority given to individuals who are low-income or have employment barriers. K–12 adult schools, California community colleges, and other training providers are eligible to participate if their programs are approved and listed on the state's Eligible Training Provider List (ETPL). For clarity, the ETPL is distinct from the ETP described above. WIOA funding can be braided with other funding sources to support any component.

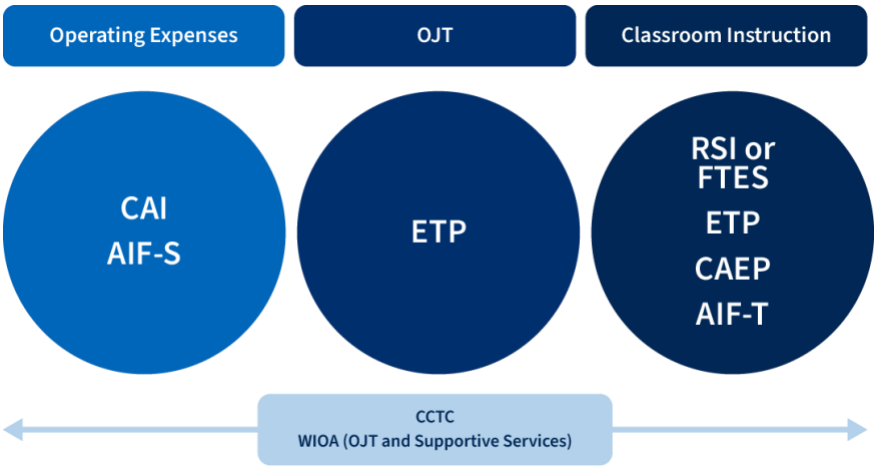
California Competes Tax Credit (CCTC)

CCTC is an income tax credit administered by the Governor's Office of Business and Economic Development (GO-Biz). It is available to eligible employers to offset qualified business costs associated with workforce participation and training infrastructure in California. Eligible employers must meet state-defined criteria related to job creation, investment, and overall economic impact. Participation in RAPs may strengthen an application by demonstrating a commitment to employee training and workforce development, both of which are considered in the state's evaluation process. This is an employer tax incentive and does not serve as a direct funding source for educational institutions.

SEQUENCING FUNDING SOURCES

When considering apprenticeship funding, it is critical to ensure that all funding allocations are carefully coordinated to prevent duplication and maintain compliance with funding source requirements. The graphic below groups these identified funding sources by their application to specific components of RAPs. They cannot be indiscriminately braided, so a more precise operational approach is sequencing. Certain identified mechanisms cannot be utilized concurrently with other restricted sources to fund the same operational hour or student unit. Programs can strategically sequence funding across the different needs over time, transitioning from one source to another as the program evolves.

This approach helps programs maximize resources while staying compliant with funding rules. Depicted along the length of the graph are flexible funding sources that can be continuously braided alongside sequenced allocations to fill institutional gaps, provided the allocations align with specific program compliance guidelines and avoid duplicating benefits.



ADDITIONAL RESOURCES

The funding outlined in this document is not the only support available for RAPs in California. For information on additional funding opportunities, use the **Grow Apprenticeship California Funding Matrix,** which helps practitioners navigate federal and state funding opportunities for apprenticeship programs. It provides a summary of available funds, including key details such as purpose, eligibility, and application requirements.

Additional information related to the funding sources outlined can be found in the resources below:

FTES and RSI Guidance Document

CAI Allowable Expenditures

RSI Reimbursement Program Guidance Document

ETP Program Overview