

**At a Glance**

**H.R. 8294, National Apprenticeship Act of 2020**

As ordered reported by the House Committee on Education and Labor on September 24, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	*	*	*
Revenues	<b>0</b>	<b>0</b>	<b>0</b>
Increase or Decrease (-) in the Deficit	*	*	*
<b>Spending Subject to Appropriation (Outlays)</b>	<b>54</b>	<b>3,072</b>	<b>3,877</b>

Statutory pay-as-you-go procedures apply?	<b>Yes</b>	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	<b>No</b>	Contains intergovernmental mandate?	<b>No</b>
		Contains private-sector mandate?	<b>No</b>

\* = between -\$500,000 and \$500,000.

**The bill would**

- Authorize appropriations for the Department of Labor (DOL) to fund apprenticeship programs
- Direct DOL to conduct studies and issue guidance on apprenticeship standards of practice

**Estimated budgetary effects would primarily stem from**

- Spending of specified authorizations of appropriations for apprenticeship programs through DOL

**Detailed estimate begins on the next page.**



## Bill Summary

H.R. 8294 would authorize the Department of Labor (DOL) to award grants to eligible entities for apprenticeship programs. The bill would codify the structure and responsibilities of the Office of Apprenticeship and the National Advisory Committee on Apprenticeship within DOL and authorize appropriations for those activities. Standards for registered apprenticeship programs would be set in statute. The bill also would direct DOL to hire an independent research entity to evaluate apprenticeship programs. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 8294 would cost \$3.1 billion over the 2021-2025 period.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 8294 is shown in Table 1. The costs of the legislation fall within budget function 500 (education, employment, training, and social services).

**Table 1.**  
**Estimated Increases in Spending Subject to Appropriation Under H.R. 8294**

	By Fiscal Year, Millions of Dollars					2021-2025
	2021	2022	2023	2024	2025	
Administrative Activities						
Authorization	135	157	179	201	223	895
Estimated Outlays	14	103	140	168	192	617
Apprenticeship Grants						
Authorization	400	500	600	700	800	3,000
Estimated Outlays	40	480	580	630	725	2,455
Total Changes						
Authorization	535	657	779	901	1,023	3,895
Estimated Outlays	54	583	720	798	917	3,072

CBO estimates that enacting H.R. 8294 would have an insignificant effect on direct spending.

## Basis of Estimate

For this estimate, CBO assumes that H.R. 8294 will be enacted early in fiscal year 2021 and that authorized amounts will be appropriated over the 2021-2025 period. Estimated outlays are based on spending patterns for similar programs.

### Spending Subject to Appropriation

H.R. 8294 would authorize appropriations of \$3.9 billion over the 2021-2025 period. CBO estimates that spending would total \$3.1 billion over that period.

**Administrative Activities.** Title I would codify DOL as the administrator of a national apprenticeship system and direct the agency to collect data and evaluate programs. The bill



would authorize appropriations totaling \$895 million over the 2021-2025 period for those purposes. CBO estimates that outlays would total \$617 million over the same period and \$260 million after 2025. The bill also would direct DOL to contract with an independent entity to evaluate the efficacy of apprenticeship programs, at a cost that CBO estimates would be insignificant over the 2021- 2025 period.

**Apprenticeship Grants.** H.R. 8294 would authorize appropriations totaling \$3 billion for DOL to award grants to eligible entities to create and promote apprenticeships. CBO estimates that the resulting outlays would total \$2.5 billion over the 2021-2025 period and \$0.5 billion after 2025.

### **Direct Spending**

Enacting H.R. 8294 would have insignificant effects on direct spending for the Department of Veterans Affairs and the Department of Labor.

**Department of Veterans Affairs.** H.R. 8294 would require state agencies to use money authorized under the bill to support the enrollment of people who are eligible for education benefits administered by the Department of Veterans Affairs. The costs of those benefits are paid from mandatory appropriations. CBO expects that some people who are eligible for those benefits would newly use them for apprenticeship programs and that others, who otherwise would have used their benefits to enroll in postsecondary education programs (which typically would be more costly), would instead use them for apprenticeship programs. CBO estimates that the net changes in outlays under H.R. 8294 would not significantly affect direct spending over the 2021-2030 period.

**Department of Labor.** Under current law, DOL spends a portion of funds collected through H-1B visa fees on job training and certain demonstration projects. The bill would state that those funds are to be spent on registered apprenticeship programs instead. CBO estimates that the resulting change in outlays over the 2021-2030 period would be insignificant.

### **Pay-As-You-Go Considerations**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. As discussed above under the heading “Direct Spending” those effects would be insignificant.

**Increase in Long-Term Deficits:** None.

**Mandates:** None.



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