



STATEMENT OF BASIS, PURPOSE, SPECIFIC STATUTORY AUTHORITY, AND FINDINGS

State Apprenticeship Agency Rules, 7 CCR 1108-1 (2023), as adopted May 10, 2023

I. BASIS: The Director (“Director”) of the State Apprenticeship Agency (“SAA”) has authority to adopt rules and regulations on registered apprenticeship, under the authority listed in Part II, which is incorporated into Part I as well.

II. SPECIFIC STATUTORY AUTHORITY: The Director is authorized to adopt rules and regulations to enforce, execute, apply, and interpret Article 15.7 of Title 8, C.R.S. (2022) by C.R.S. §§ 8-15.7-102 and -108. These rules are intended to be consistent with the requirements of Colorado’s Administrative Procedures Act, C.R.S. §§ 24-4-101, et seq.

III. FINDINGS, JUSTIFICATIONS, AND REASONS FOR ADOPTION. Pursuant to C.R.S. § 24-4-103(4)(b), the Director finds as follows: (A) demonstrated need exists for these rules, as detailed in the findings in Part IV, which are incorporated into this finding as well; (B) proper statutory authority exists for the rules, as detailed in the list of statutory authority in Part II, which is incorporated into this finding as well; (C) to the extent practicable, the rules are clearly stated so that their meaning will be understood by any party required to comply; (D) the rules do not conflict with other provisions of law; and (E) any duplicating or overlapping has been minimized and is explained by the SAA.

IV. SPECIFIC FINDINGS FOR ADOPTION. The Director’s specific findings for adoption (the “Findings”) are as follows.

(A) Broad Purpose of Rules

C.R.S. Title 8, Article 15.7 (§ 8-15.7-101 to -108), establishes the State Apprenticeship Agency (“SAA”) within the Colorado Department of Labor and Employment (“CDLE”), the Director of which is responsible for promulgating rules as necessary to implement Article 15.7, including rules affecting the registration, performance, and legal compliance of apprenticeship programs (§ 8-15.7-102 (4)); and the eligibility requirements for registered apprenticeship programs, the requirements to be a sponsor, the conditions and proceedings for curing noncompliance, and grievance procedures for complaints (§ 8-15.7-108(1)(a)-(d)).

The SAA is a type 1 entity, as defined in C.R.S. § 24-1-105, and exercises its powers and performs its duties and functions under the Department. The SAA shall accept applications for the registration of apprenticeship programs statutorily by July 1, 2023.

In order for the SAA to begin registering apprenticeship programs that are federally recognized by the national apprenticeship system, the SAA must be authorized by the U.S. Department of Labor’s Office of Apprenticeship (“OA”) as a SAA that meets the requirements of regulations promulgated by the Secretary of Labor under the National Apprenticeship Act, 29 U.S.C. 50, specifically § 29 C.F.R. 29.13. These rules pertain to those statutory provisions contained in Article 15.7 of Title 8 and detail how the SAA will operate in conformity with the regulations promulgated by the Secretary of Labor under the National Apprenticeship Act, 29 U.S.C. 50.

These rules are needed imminently for the OA to accord recognition to the SAA and to establish the SAA’s authority to register apprenticeship programs by the statutory effective date. The promulgation of these Rules does not preclude any later implementation and/or rulemaking as to the SAA’s authority under the Administrative Procedure Act, C.R.S. § 24-4-103.

(B) Rules 1.1-1.3: Authority, Purpose, and Definitions

Rules 1.1 and 1.2 detail the statutory authority of the Director to promulgate rules and the relationship of these Rules to relevant statutes. Rule 1.3 defines key terms used in this proposed rule. Most definitions are from the

federal regulations that govern the national registered apprenticeship system (§ 29 C.F.R. 29.2). Some definitions that are specific to Colorado are from C.R.S. § 8-15.7-101. In response to comments on the proposed Rules, the term “probationary employment” was removed from Rules 1.3, 1.5, and 1.7 and replaced with “probationary period” to minimize confusion. The probationary period of a registered apprenticeship refers to a period of time during which either the apprentice or the sponsor may cancel the apprenticeship agreement at-will, without stated cause, without an adverse impact on the sponsor’s completion rate. This is distinct from any probationary status related to employment that may be established by the employer.

(C) Rule 1.4: Duties of the Colorado State Apprenticeship Agency and the State Apprenticeship Council

This rule lists the SAA’s duties and clarifies the responsibilities of the SAA relative to the State Apprenticeship Council (“SAC”).

(D) Rule 1.5: Standards, Criteria, and Requirements for Apprenticeship Program Registration and/or Approval

This rule establishes the requirements and procedures to register an apprenticeship program with the SAA, the criteria for apprenticeable occupations, the standards for registered apprenticeship in the state, and the performance standards for registered apprenticeship programs.

(E) Rule 1.6: The Colorado SAA State Plan for Equal Opportunity in Apprenticeship

This section of the rule contains the state’s plan for equal opportunity in apprenticeship. Each SAA is required to have a State Plan for Equal Opportunity in Apprenticeship that conforms with § 29 C.F.R. 30.

The plan promotes equal opportunity for apprentices and applicants for apprenticeship in registered apprenticeship programs by prohibiting discrimination based on the following protected bases: race, color, religion, national origin, sex, sexual orientation, age (40 or older), genetic information, disability, creed, gender identity, gender expression, ancestry, pregnancy or childbirth (or related conditions), and any other basis protected by federal, state, or local law. The plan also prescribes affirmative action efforts sponsors must take to ensure equal opportunity for apprentices and applicants for registered apprenticeship. The plan sets forth the equal opportunity obligations of sponsors, the contents of affirmative action programs, procedures for the filing and processing of complaints, and enforcement procedures. The plan also establishes procedures for deregistration of an apprenticeship program in the event of noncompliance with the plan.

In addition to federal regulations governing equal opportunity in apprenticeship, the plan includes the relationship to relevant state laws, including the Colorado Anti-Discrimination Act (C.R.S. § 24-34-402 to -402.5).

(F) Rule 1.7: Apprenticeship Agreement Contents and Approval Process

This rule defines the requirements for individual agreements with apprentices and lists the components of the agreement.

(G) Rule 1.8: Policies Related to Reciprocal Approval for Federal purposes by the SAA to Apprentices, Apprenticeship Programs and Standards that are Registered in Other States

This rule establishes the criteria for an apprentice or apprenticeship program that is registered with the OA or another SAA to be recognized, or granted reciprocal approval, by Colorado’s SAA.

(H) Rule 1.9: Policies Regulating the Cancellation and/ or Deregistration of Registered Apprenticeship Programs, and for the Temporary Suspension, Cancellation, and/or Deregistration of Apprenticeship Agreements

This rule defines the policies for the cancellation or deregistration of registered apprenticeship programs, and for the temporary suspension, cancellation, or deregistration of individual apprenticeship agreements.

V. **EFFECTIVE DATE.** These rules take effect on June 30, 2023.



Denise Miller
Director
State Apprenticeship Agency
Colorado Department of Labor and Employment

May 10, 2023
Date