

*As Amended by Senate Committee*

(Corrected)

{As Amended by House Committee of the Whole}

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**As Amended by House Committee**

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*Session of 2023*

**HOUSE BILL No. 2292**

By Committee on Commerce, Labor and Economic Development

2-3

1 AN ACT concerning economic development; **enacting the Kansas**  
2 **apprenticeship act**; establishing a tax credit **{program}** and grant  
3 incentive ~~program~~ **{programs}** for apprenticeships **{for Kansas**  
4 **businesses, nonprofit organizations, healthcare organizations and**  
5 **teacher apprentices for school districts}**; ~~enacting the Kansas~~  
6 ~~apprenticeship tax credit act~~ **creating the Kansas nonprofit**  
7 **apprenticeship grant program fund {and the Kansas educator**  
8 **registered apprenticeship grant program fund}**.  
9

10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. Sections 1 through ~~3-4~~ **6**, and amendments thereto, shall be  
12 known and may be cited as the Kansas apprenticeship ~~tax credit~~ act.

13 Sec. 2. For purposes of sections 1 through ~~3-4~~ **6**, and amendments  
14 thereto:

15 (a) **"Act" means the Kansas apprenticeship act.**

16 (b) **"Apprentice"** means a person who is a Kansas resident at least 16  
17 years of age, except where an older minimum age standard is otherwise  
18 fixed by law, and is employed **in Kansas** to learn an apprenticeable  
19 occupation as defined in 29 C.F.R. § 29.4. "Apprenticeship" includes a  
20 person who is compensated by a registered apprenticeship sponsor or a  
21 registered apprenticeship intermediary but whose apprenticeable work  
22 occurs under the supervision of an eligible employer.

23 (b)(c) **"Apprenticeship agreement"** means a written agreement,  
24 meeting the requirements of 29 C.F.R. § 29.2, between an apprentice and  
25 either the apprentice's registered program sponsor or an apprenticeship  
26 intermediary acting as an agent for the program sponsor, that contains the  
27 terms and conditions of the employment and training of the apprentice.

28 (e)(d) **"Apprenticeship program"** means a plan containing all terms  
29 and conditions for the qualification, recruitment, selection, employment  
30 and training of apprentices, as required under 29 C.F.R. § 29.4 and 29 CFR  
31 § 30, including such matters as the requirement for a written

1 apprenticeship agreement.

2 ~~(d)~~(e) "Eligible employer" means a business with a physical location  
3 in Kansas, authorized to conduct business in Kansas and subject to the  
4 Kansas income tax act that employs or supervises the work of an  
5 apprentice pursuant to a registered apprenticeship agreement and in  
6 accordance with a registered apprenticeship program. **"Eligible  
7 employer" may include, but not be limited to, a for-profit eligible  
8 healthcare employer.**

9 (f) **"Eligible nonprofit employer" means an organization that is  
10 exempt from federal income taxation pursuant to section 501(c)(3) of  
11 the federal internal revenue code, with a physical location in Kansas  
12 and registered, if required by law, with the secretary of state that  
13 employs or supervises the work of an apprentice pursuant to a  
14 registered apprenticeship agreement and in accordance with a  
15 registered apprenticeship program. "Eligible nonprofit employer"  
16 may include, but not be limited to, a nonprofit eligible healthcare  
17 employer.**

18 (g) **"Eligible healthcare employer" means a hospital, long-term  
19 care facility or federally qualified healthcare center with a physical  
20 location in Kansas that is engaged in providing healthcare to Kansas  
21 residents and that employs or supervises the work of an apprentice  
22 pursuant to a registered apprenticeship agreement and in accordance  
23 with a registered apprenticeship program.**

24 ~~(e)~~(h) "Intermediary" means any person, association, business,  
25 committee or organization acting as an agent for the program sponsor,  
26 pursuant to a registered apprenticeship plan, who has registered with the  
27 secretary.

28 ~~(f)~~(i) "Registered apprenticeship agreement" means an apprenticeship  
29 agreement that has been accepted and recorded by the office of  
30 apprenticeship of the employment and training administration of the  
31 United States department of labor or the secretary as evidence of the  
32 apprentice's participation in a particular registered apprenticeship program.

33 ~~(g)~~(j) "Registered apprenticeship program" means an apprenticeship  
34 program that has been accepted and recorded by the office of  
35 apprenticeship of the employment and training administration of the  
36 United States department of labor or has been registered or approved by  
37 the secretary as meeting the basic standards and requirements of the  
38 United States department of labor for approval of such program.

39 ~~(h)~~(k) "Secretary" means the secretary of commerce or the secretary's  
40 designee, including the director of the office of registered apprenticeship  
41 or any successor, designated by the secretary of commerce to administer  
42 the provisions of this act.

43 ~~(i)~~(l) "Sponsor" means any person, association, business, committee

1 or organization operating a registered apprenticeship program in whose  
2 name the program is registered or approved and who has registered with  
3 the secretary.

4 Sec. 3. (a) (1) For tax years commencing after December 31, 2022,  
5 and ending before January 1, 2026, a credit shall be allowed against the  
6 income tax liability imposed upon an eligible employer pursuant to the  
7 Kansas income tax act that employs an apprentice pursuant to a registered  
8 apprenticeship agreement and in accordance with a registered  
9 apprenticeship plan for at least ~~seven consecutive months during the~~  
10 ~~calendar year preceding the taxable year for which the credit is claimed~~ **all**  
11 **or a portion of the probationary period, as defined for that**  
12 **apprenticeship in the registered apprenticeship program standards,**  
13 **work process schedule otherwise known as appendix A or as**  
14 **designated by the secretary, and so employs the apprentice at the time**  
15 **such probationary period is completed. The tax credit shall be claimed**  
16 **by such eligible employer for the taxable year in which the apprentice**  
17 **completed the probationary period while employed by such eligible**  
18 **employer or the taxable year next succeeding the calendar year in**  
19 **which the apprentice completed the probationary period while**  
20 **employed by such eligible employer, as determined by the secretary**  
21 **and set forth in the agreement with the secretary pursuant to**  
22 **subsection (d). Subsequent credits may be claimed for up to three**  
23 **successive calendar years, or portions thereof, next succeeding the**  
24 **date on which the probationary period of the apprentice was met, by**  
25 **any eligible employer who subsequently employs such apprentice in all**  
26 **or a portion of such year. Such credit shall be claimed by the eligible**  
27 **employer for the taxable year in which the apprentice was employed**  
28 **or the taxable year next succeeding the calendar year in which the**  
29 **apprentice was employed as determined by the secretary and set forth**  
30 **in the agreement with the secretary as provided by subsection (d).** The  
31 amount of the credit shall be up to \$2,500, as determined pursuant to  
32 paragraph (2), for each apprentice so employed and may be awarded for up  
33 to 20 apprentices employed in each taxable year per eligible employer. The  
34 credit shall not be awarded for employment of the same apprentice more  
35 than four times.

36 (2) The secretary of revenue, in consultation with the secretary, shall  
37 establish a scale reflecting ranges of wages and other expenditures an  
38 eligible employer has invested in an apprentice and a corresponding tax  
39 credit amount and shall award the tax credit in accordance with the scale.  
40 The credit shall be approved and issued pursuant to subsection (d).

41 (b) For tax years commencing after December 31, 2025, a credit shall  
42 be allowed against the income tax liability imposed upon an eligible  
43 employer pursuant to the Kansas income tax act that employs an

1 apprentice pursuant to a registered apprenticeship agreement and in  
2 accordance with a registered apprenticeship plan for a continuous period  
3 of time constituting at least 25% of the apprenticeship time period required  
4 by the registered apprenticeship program. The credit shall be taken in the  
5 tax year **next** succeeding the calendar year in which the employment  
6 requirement to claim the credit is met. The credit may subsequently be  
7 taken in successive tax years based on up to a cumulative total of four  
8 successive calendar years of employment for an individual apprentice. The  
9 amount of the credit shall be up to \$2,750 for each apprentice employed,  
10 not to exceed 20 such credits for apprenticeships in any taxable year per  
11 eligible employer. The secretary may authorize a credit for employment of  
12 less than a full calendar year pursuant to rules and regulations adopted by  
13 the secretary of commerce. The credit shall be approved and issued  
14 pursuant to subsection (d).

15 (c) (1) An eligible employer may be allowed a credit as provided by  
16 paragraph (2) that shall be in addition to a credit allowed for an apprentice  
17 pursuant to subsection (b) if the apprentice:

18 (A) Is enrolled in a secondary or postsecondary career and technical  
19 education program;

20 (B) is under 18 years of age at the time the credit is claimed;

21 (C) has been employed by the eligible employer for at least 90 days;  
22 and

23 (D) is participating in:

24 (i) An apprenticeship program registered with the secretary and  
25 funded through the Carl D. Perkins career and technical education act of  
26 2006, public law 109-270, as revised by the strengthening career and  
27 technical education for the 21<sup>st</sup> century act, public law 115-224;

28 (ii) an adult basic education and literacy program funded under title II  
29 of the workforce innovation and opportunity act, public law 113-128; or

30 (iii) a public workforce program funded under title I and title III of  
31 the workforce innovation and opportunity act, public law 113-128.

32 (2) Each such credit shall not exceed \$500. **The tax credit shall be**  
33 **claimed in the taxable year next succeeding the calendar year in which**  
34 **the requirements to claim the credit are met.** An eligible employer shall  
35 not claim more than 10 credits under this subsection in a tax year. The  
36 credit shall be approved and issued pursuant to subsection (d).

37 (d) (1) Tax credits pursuant to subsections (a), (b) and (c) shall not be  
38 refundable or transferable. The credits may be claimed on a pro-rata basis  
39 by the owners of eligible employers that are entities taxed under  
40 subchapter S or K of the federal internal revenue code, limited liability  
41 companies or professional corporations authorized to do business in this  
42 state. ~~An eligible employer shall claim a credit for a tax year based on~~  
43 ~~employment of apprentices occurring in the preceding calendar year. The~~

1 **aggregate amount of all tax credits for all eligible employers issued**  
2 **pursuant to this section shall not exceed \$7,500,000 each taxable year.**  
3 ~~The cumulative~~ **aggregate** amount of all tax credits for all eligible  
4 employers issued pursuant to this section **in addition to all grants**  
5 **awarded pursuant to section 4, and amendments thereto**, shall not  
6 exceed ~~\$7,500,000~~ **\$10,000,000** each taxable year.

7 (2) To be eligible for a tax credit under this section, the eligible  
8 employer shall enter into an agreement regarding the employment of  
9 apprentices with the secretary on such terms and conditions as the  
10 secretary may require. The agreement shall set forth the amount per credit  
11 or amount of cumulative credits an employer may earn based on specified  
12 conditions or attainment of specified employment or training goals and  
13 any other conditions for such credits consistent with the purposes of this  
14 act. If applicable, the agreement shall set forth the relevant provisions of  
15 the scale provided by subsection (a)(2). The agreement shall also require  
16 that the eligible employer provide such information as required by the  
17 secretary or the secretary of revenue for purposes of substantiating  
18 eligibility for the tax credit, the development and expansion of  
19 apprenticeships in this state and the report required by subsection (g). Such  
20 agreements shall be made by the secretary with the goal of developing and  
21 expanding apprenticeships in this state. The secretary shall advise the  
22 secretary of revenue of the potential tax credits available to the eligible  
23 employer. The secretary shall consult with the secretary of revenue, the  
24 Kansas postsecondary technical education authority and educational  
25 institutions, technical schools, secondary schools, business or industry  
26 associations and other appropriate entities to coordinate implementation,  
27 administration and development of apprenticeship programs in this state,  
28 including through the use of tax credits as provided by this section.

29 (3) If an agreement as required by paragraph (2) is approved by the  
30 secretary, the eligible employer shall submit such information in the  
31 manner and form as required by the secretary and the secretary of revenue  
32 to demonstrate eligibility for the credit each tax year a credit is claimed.  
33 No tax credit shall be awarded by the secretary of revenue unless the  
34 secretary of commerce has certified the eligible employer to the secretary  
35 of revenue as having met the requirements for such credit pursuant to this  
36 section and in compliance with all federal and state requirements for the  
37 registered apprenticeship program and registered apprenticeship  
38 agreement. To receive a credit, the eligible employer shall also meet the  
39 requirements of any rules and regulations of the secretary of revenue or the  
40 secretary of commerce.

41 (e) The participation of an employee with an apprenticeship program  
42 under this ~~section~~ **act** and registration with the secretary shall not  
43 constitute union affiliation, unless the employee expressly elects to

1 affiliate with a union.

2 (f) The secretary of commerce or the secretary of revenue may adopt  
3 rules and regulations as necessary to establish standards for participation  
4 and eligibility and to implement and administer this ~~section~~ **act**.

5 (g) The secretary shall provide an annual report before January 31 of  
6 each year to the house of representatives standing committee on  
7 commerce, labor and economic development and the senate standing  
8 committee on commerce to account for the effectiveness of the  
9 apprenticeship program under this ~~section~~ **act**. The report shall include  
10 information regarding the number and type of eligible employers, **eligible**  
11 **nonprofit employers and eligible healthcare employers** the number and  
12 type of apprenticeships incentivized, the ~~amount~~ **cumulative** amount of tax credits  
13 **and grants** issued and the ~~amount~~ **amounts** issued per industry and per  
14 eligible employer, **eligible nonprofit employers and eligible healthcare**  
15 **employers** results of the program including information on the  
16 employment of individuals following participation in an apprenticeship  
17 program, the extent and nature of coordination and efforts with other  
18 entities to develop apprenticeship programs, the effect of such efforts and  
19 the tax credits **and grants** on apprenticeship program development and  
20 such other information as requested by the respective committees.

21 **Sec. 4. (a) There is hereby established the Kansas nonprofit**  
22 **apprenticeship grant program. The secretary is authorized to develop**  
23 **and administer the program to award grants to eligible nonprofit**  
24 **employers and eligible nonprofit healthcare employers that employ an**  
25 **apprentice pursuant to a registered apprenticeship agreement and in**  
26 **accordance with a registered apprenticeship plan for the purpose of**  
27 **covering administrative costs of registered apprenticeship programs,**  
28 **including program development costs, costs of meeting reporting**  
29 **obligations and other administrative costs. To be eligible for such**  
30 **grants, an eligible nonprofit employer or eligible nonprofit healthcare**  
31 **employer shall enter into an agreement with the secretary to employ**  
32 **an apprentice for at least the same period of time as provided under**  
33 **section 3(a)(1) or (b), and amendments thereto, as applicable at the**  
34 **time the apprentice is employed, for an eligible employer to receive a**  
35 **tax credit. As provided for eligible employers by section 3(b), and**  
36 **amendments thereto, the secretary may authorize employment of an**  
37 **apprentice for less than a full year.**

38 (b) Grants shall be awarded by the secretary in an amount of up  
39 to \$2,750 per apprenticeship per taxable year, as determined by the  
40 secretary and set forth in the agreement pursuant to subsection (d),  
41 not to exceed four successive years. Grants shall be limited to not  
42 more than 20 per eligible nonprofit employer or per eligible nonprofit  
43 healthcare employer per taxable year.

1 (c) The secretary shall develop application procedures, forms and  
2 grant award terms, conditions and criteria in accordance with the  
3 purposes of the grant program. The secretary shall consult with  
4 appropriate state agencies, institutions, nonprofit organizations and  
5 associations, private healthcare associations, nonprofit Kansas  
6 healthcare providers and other appropriate entities in developing the  
7 grant program and grant award criteria and priorities. Grants shall  
8 be awarded pursuant to an agreement with the eligible nonprofit  
9 employer or eligible nonprofit healthcare employer upon such terms  
10 and conditions as the secretary may require consistent with the  
11 purposes of the program. Such terms and conditions may include  
12 program development, employment or training goals in addition to  
13 specified employment requirements with respect to an apprentice or  
14 apprentices.

15 (d) There is hereby established in the state treasury the Kansas  
16 nonprofit apprenticeship grant program fund to be administered by  
17 the secretary of commerce. All moneys credited to such fund shall be  
18 used to provide grants for the administration of apprenticeship  
19 programs by eligible nonprofit employers and eligible nonprofit  
20 healthcare employers in the state of Kansas as provided by this section  
21 and the administration of such fund. All expenditures from such fund  
22 shall be made in accordance with the provisions of appropriation acts  
23 and upon warrants of the director of accounts and reports issued  
24 pursuant to vouchers approved by the secretary of commerce or the  
25 secretary's designee.

26 (e) Subject to appropriation acts, on July 1, 2023, and each July 1  
27 thereafter, the director of accounts and reports shall transfer  
28 \$2,500,000 from the state general fund to the Kansas nonprofit  
29 apprenticeship grant program fund. ~~Any unexpended unencumbered~~  
30 ~~balance in such fund at the close~~ *end* of a fiscal year shall remain  
31 credited to the fund for use in the succeeding fiscal year, except that  
32 *such unencumbered balance at the end of the fiscal year to remain*  
33 *credited to the fund for use in the succeeding fiscal year shall not exceed*  
34 *\$2,500,000. On June 30, 2024, and each June 30 thereafter, the director*  
35 *of accounts and reports shall transfer the amount, if any, of*  
36 *unencumbered moneys in the fund in excess of \$2,500,000 to the state*  
37 *general fund. The amount of all tax credits issued to all eligible*  
38 *employers pursuant to section 3, and amendments thereto, in addition*  
39 *to the amount of all grants issued pursuant to this section, shall not*  
40 *exceed a total aggregate amount of \$10,000,000 in each taxable year,*  
41 *as provided by section 3(d)(1), and amendments thereto.*

42 {Sec. 5. For purposes of sections 5 and 6, and amendments  
43 thereto: }

1       {(a) "Applicant school" means a school district organized and  
2 operating under the laws of this state, acting independently or as part  
3 of a consortia with other school districts.

4       (b) "Candidate" means a paraeducator or other person employed  
5 by a school district who seeks to become a licensed teacher and who  
6 currently does not possess such a license.

7       (c) "Education apprentice" means a person who is a Kansas  
8 resident at least 16 years of age, except where an older minimum age  
9 standard is otherwise fixed by law, is a candidate, has been selected to  
10 participate in a registered education apprenticeship program by an  
11 applicant school receiving a grant from the Kansas educator  
12 registered apprenticeship grant program and is employed to learn the  
13 apprenticeable occupation, as defined in 29 C.F.R. § 29.4, of  
14 teaching.

15       (d) "Eligible related training instruction provider" means an  
16 institution of higher education that provides a teacher preparation  
17 program and is:

18       (1) A state educational institution under the control and  
19 supervision of the board of regents;

20       (2) a municipal university;

21       (3) any not-for-profit institution of postsecondary education with  
22 its main campus or principal place of operation in Kansas, is operated  
23 independently and not controlled or administered by any state agency  
24 or subdivision of the state, maintains open enrollment and is  
25 accredited by a nationally recognized accrediting agency for higher  
26 education in the United States; or

27       (4) a not-for-profit independent institution of higher education  
28 which is accredited by an institutional accrediting agency recognized  
29 by the United States department of education, is operated  
30 independently and not controlled or administered by the state or any  
31 agency or subdivision thereof, maintains open enrollment, offers  
32 online education, offers exclusively competency-based education  
33 programs and has been granted accreditation for its teacher licensure  
34 programs by the council for the accreditation of educator preparation  
35 and the association for advancing quality in educator preparation.

36       (e) "Registered education apprenticeship program" means an  
37 apprenticeship program, as defined in section 1, and amendments  
38 thereto, that is a registered apprenticeship program, as defined in  
39 section 1, and amendments thereto, for the profession of teaching that  
40 provides candidates combined classroom and on the job training  
41 under the direct supervision of a licensed professional teacher and has  
42 been approved by the commissioner of education and the secretary of  
43 commerce, or the secretary's designee.

1       **Sec. 6. (a) There is hereby established the Kansas educator**  
2 **registered apprenticeship grant program. The commissioner of**  
3 **education, state board of education and the secretary of commerce, or**  
4 **the secretary's designee, shall coordinate to develop the program,**  
5 **obtain such necessary approval and registration of education**  
6 **apprenticeship programs as provided by federal and state law and**  
7 **administer the grant program.**

8       **(b) The Kansas educator registered apprenticeship program shall**  
9 **be established to award grants to applicant schools for the purpose of**  
10 **increasing the number of qualified, credentialed teachers in the state**  
11 **of Kansas. The program shall seek to identify a diverse group of**  
12 **candidates to participate in a registered education apprenticeship**  
13 **program or programs and obtain a bachelor's degree in education,**  
14 **secure licensure and engage in the profession of teaching in Kansas.**  
15 **Grants shall be awarded by the board of education or commissioner of**  
16 **education upon approval of the registered education apprenticeship**  
17 **program by the secretary of commerce, or the secretary's designee, as**  
18 **compliant with all applicable federal and state law.**

19       **(c) On or before March 1, 2024, the state board of education in**  
20 **coordination with the secretary of commerce shall adopt rules and**  
21 **regulations to implement and administer the Kansas educator**  
22 **registered apprenticeship grant program. Such rules and regulations**  
23 **shall establish:**

24       **(1) Grant application procedure, forms and deadlines for**  
25 **applicant schools;**

26       **(2) the terms, conditions and requirements for an award of a**  
27 **Kansas educator registered apprenticeship program grant. The**  
28 **applicant school's registered education apprenticeship program design**  
29 **shall include the following requirements:**

30       **(A) Applicant schools shall partner with at least one eligible**  
31 **related training instruction provider and identify such provider in**  
32 **their application;**

33       **(B) applicant schools shall identify projected candidates in the**  
34 **manner designated by the secretary of commerce and the state board**  
35 **with appropriate protections for candidate privacy;**

36       **(C) grant funds shall be used for payment of apprentice tuition**  
37 **and fees up to a maximum of \$2,750 per year for four years, or**  
38 **completion of their academic program, whichever comes first; and**

39       **(D) payment of apprentice wages during their demonstration**  
40 **teaching experience;**

41       **(3) prioritization for grant applications from applicant schools**  
42 **partnering with eligible related training instruction providers that**  
43 **permit the apprentice to continue their current employment by**

1 utilizing flexible learning models such as online delivery, competency-  
2 based education or courses offered on nights or weekends; and

3 (4) a method to award grants equitably across the state  
4 geographically.

5 (d) The commissioner of education and the state board of  
6 education, in coordination with the secretary of commerce, or the  
7 secretary's designee, shall, beginning in 2025, annually evaluate the  
8 Kansas educator registered apprenticeship program grant and  
9 prepare and submit a report before January 31, 2026, and before  
10 January 31 of each year thereafter, to the senate standing committee  
11 on education and the standing committee on commerce and to the  
12 house of representatives standing committee on education and the  
13 standing committee on commerce, labor and economic development.

14 (e) Subject to appropriation acts, on July 1, 2023, and each July 1  
15 thereafter, the director of accounts and reports shall transfer  
16 \$3,000,000 from the state general fund to the Kansas educator  
17 registered apprenticeship grant program fund. ~~Any unexpended~~  
18 ~~unencumbered~~ balance in such fund at the ~~close~~ end of a fiscal year  
19 shall remain credited to the fund for use in the succeeding fiscal year,  
20 *except that the amount of such unencumbered balance at the end of the*  
21 *fiscal year to remain credited to the fund for use in the succeeding fiscal*  
22 *year shall not exceed \$3,000,000. On June 30, 2024, and each June 30*  
23 *thereafter, the director of accounts and reports shall transfer the*  
24 *amount, if any, of unencumbered moneys in the fund in excess of*  
25 *\$3,000,000 to the state general fund.*

26 (f) There is hereby created in the state treasury the Kansas  
27 educator registered apprenticeship grant program fund, which shall  
28 be administered by the commissioner of education as directed by the  
29 state board of education. All expenditures from the Kansas educator  
30 registered apprenticeship grant program fund shall be for grants  
31 awarded pursuant to the Kansas educator registered apprenticeship  
32 grant program. All expenditures from the Kansas educator registered  
33 apprenticeship grant program fund shall be made in accordance with  
34 appropriation acts upon warrants of the director of accounts and  
35 reports issued pursuant to vouchers approved by the commissioner of  
36 education, or the commissioner's designee. All moneys received by the  
37 commissioner for the Kansas educator registered apprenticeship grant  
38 program shall be deposited in the state treasury in accordance with  
39 the provisions of K.S.A. 75-4215, and amendments thereto. Upon  
40 receipt of each such remittance, the state treasurer shall deposit the  
41 entire amount in the state treasury to the credit of the Kansas  
42 educator registered apprenticeship grant program fund.}

43 ~~Sec. 4-5.~~ {7.} This act shall take effect and be in force from and after

- 1 its publication in the statute book.