

PUBLIC POLICY: WIOA 23-001
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

I. SUBJECT

Public Policy to define the development of activities related to the Registered Apprenticeship Program as part of On-the-Job Training (OJT).

II. BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) establishes Registered Apprenticeship Programs (RAP) as an effective approach to meeting the workforce investment needs of employers in the Local Area, while simultaneously building and defining career pathways for individuals. This policy defines the vision of the Guaynabo-Toa Baja Local Board regarding Registered Apprenticeship (RA). The expansion of RA represents a proven and reliable method for skill and competency development.

The purpose of this Public Policy is to ensure that participants in apprenticeship programs can attain competitive skills for a specific occupation and, as a result of this training, obtain or retain employment, increase their earnings, and obtain a nationally recognized credential issued by the U.S. Department of federal. Furthermore, it aims to drive the development of a high-quality workforce that can access better job opportunities, thereby meeting the labor demand in our area, stimulating the economy, and fostering economic development in our communities.

Through this policy, the Local Board supports and promotes the expansion of learning opportunities in the Guaynabo-Toa Baja Local Area (LWDA-GTB) for both businesses and individuals. To this end, the Local Board enacts the following public policy to establish the corresponding criteria for the implementation of Registered Apprenticeship Programs in the LWDA-GTB.

III. LEGAL BASIS

- Workforce Innovation and Opportunity Act (WIOA) of 2014;

- TEGL 13-16: Guidance on Registered Apprenticeship Provisions and Opportunities in the Workforce Innovation and Opportunity Act (WIOA) Change 1: Registered Apprenticeship Provisions and Opportunities under WIOA;
- TEN 31-16: Framework on Registered Apprenticeship for High School Students (DOL-FLSA)
- Policy No. DDEC-WIOA-04-2022 - Public Policy and Requirements for On-the-Job Training Activities;
- Final WIOA Regulations, 20 CFR § 680.740-750, 20 CFR § 680.470; 29 CFR Part 29 - Registered Apprenticeship Programs (85 FR 14294) - Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations 20 CFR, Subpart C-Individual Training Accounts, 20 CFR §§ 680.310-680.330;
- National Apprenticeship Act of 1937 (50 Stat. 664; 29 U.S.C. 50); www.Apprenticeship.gov (Employer: Tools: Occupation Finder);
- Uniform Guidance, 2 CFR Chapter I, Chapter 11, Part 200 et al - Section 200.

IV. DEFINITIONS

Apprentice. A worker at least 16 years of age, except when a higher minimum age is established by law, who is employed to learn an occupation as an "apprentice" within a Registered Apprenticeship program.

Registered Apprenticeship (RA). It is a structured training model leading to a credential that provides a unique combination of On-the-Job Learning (OJL) with Related Instruction hours and a wage increase during or upon completion of the training. The OJL is conducted under the mentorship of a journey worker or experienced worker. In most Registered Apprenticeship programs, the worker earns income from the first day of training.

Related Instruction hours refer to the theoretical part of the program, typically conducted in classroom-style training sessions, which can take place before or during on-the-job training. Graduates of Registered Apprenticeship programs receive nationally recognized credentials and may apply for further postsecondary education.

Certificate of Completion. The credential awarded to an Apprentice upon completion of the required hours for a specific occupation in a Registered Apprenticeship program. This credential

is issued by the U.S. Department of Labor, or an entity accredited by it. Additionally, the credential is nationally recognized, certifying the worker's professional mastery.

Related Instruction (RI). The theoretical instruction or training that complements the technical knowledge of the On-the-Job Learning (OJL) component of the Registered Apprenticeship (RA) program. Classroom-style training helps refine the technical and academic skills applied to the job. Related instruction is provided by training centers, technical schools, community colleges, and/or universities, or other institutions employing technology-based and distance learning approaches. It can also be provided by internal employer resources qualified in the subjects required by the program.

Sponsor. Any employer, association, committee, or organization that operates a Registered Apprenticeship program and assumes full responsibility for its administration and operation. In turn, sponsors recruit apprentices, oversee the development of training, and provide the setting to carry out On-the-Job Learning (OJL) and/or technical instruction. A sponsor can be a company or consortium of companies, a workforce intermediary such as an industry association or labor management organization, technical/community colleges, community organizations, among others.

V. PUBLIC POLICY

Registered Apprenticeship is a training model that combines classroom instruction and job-based learning where the worker achieves a high degree of competence or skill, along with a credential recognized by a specific industry. Registered Apprenticeship is also a model that provides an effective way for employers to hire, train, and retain highly skilled workers. It allows employers to develop and apply industry standards for training programs, thereby increasing productivity and workforce quality.

Apprenticeships combine rigorous and high-quality education with on-the-job training and other services that:

- Provide specific industry-driven knowledge and are provided by mentors to generate talent that meets the specific needs of businesses.
- Enable employers to secure a skilled workforce.
- Are aligned with the skill needs of employers in high-demand sectors such as construction, healthcare, information technology, manufacturing, and financial services, among others.

In this regard, the Registered Apprenticeship program effectively meets the needs of employers and workers and is highly active in traditional industries such as construction and manufacturing. Being a proven model to help connect workers with employers, it is rapidly advancing in high-demand sectors such as healthcare, energy, communications, information technology, and national security.

There are five (5) elements that make up a Registered Apprenticeship program:

1. **Employer involvement:** Employers are the foundation of the Registered Apprenticeship program and must serve as providers of On-the-Job Training (OJT/OJL).
2. **On-the-Job Learning:** Each Registered Apprenticeship program includes OJT hours, for a minimum of one year or 2,000 hours.
3. **Related Instruction:** Each Registered Apprenticeship program includes an academic component (in-person or distance learning) with a minimum of 144 hours for each year of OJT.
4. **Wage increase:** Each Registered Apprenticeship program must have at least one incremental wage increase commensurate with an increase in acquired skills.
5. **Occupational credential:** The Certificate of Completion of Registered Apprenticeship is a nationally recognized post-secondary credential that belongs to the apprentice upon completing all program hours. It is also recognized by WIOA programs. It is issued by the DOL's Office of Apprenticeship, or an entity certified by it.

VI. USE OF FUNDS

The Policy for Registered Apprenticeship Programs of the LWDB-GTB allows the use of WIOA funds from Individual Training Accounts (ITA), On-the-Job Training (OJT), referred to in this policy as On-the-Job Learning (OJL), or a combination of both to fund training through apprenticeship programs, as established by 20 CFR § 680.750.

1. **Individual Training Accounts:** These can be used to finance the Related Instruction component of the Registered Apprenticeship (RA) for eligible apprentices. ITAs can also finance the learning if the sponsor is part of the State Eligible Training Provider List (ETPL).

The maximum individual amount available to subsidize the training of an eligible participant for an RA program is \$10,000.00 per program.

2. **On-the-Job Learning (OJL/OJT):** In certain circumstances, WIOA funds may reimburse up to 75% of apprentices' wages (this percentage may be higher if an approved waiver from the DOL for Puerto Rico is in place). Participants may be placed in OJT positions with one or more employers duly registered in the RA program. In certain circumstances, the Local Board may determine that a contract with a training provider is the most appropriate way to train a group of new apprentices in in-demand occupations or within the same industrial sector.

Apprentices can be either newly recruited individuals or incumbent workers at the time of participating in an RA. On-the-job learning (training) must comply with the requirements of 20 CFR § 680.700 for new hires and 20 CFR § 680.780 and § 680.790 for incumbent workers.

3. **Customized Training:** Sponsors and apprentices in the RA program may receive support through customized training agreements. In most cases, customized training is part of the Related Instruction component.
4. **Training for Incumbent Workers:** Funds for incumbent worker training from adult or dislocated worker programs can be used to provide training to a group of apprentices.
5. **Occupational Skills Training for Youth:** In the Title I Youth Program, pre-apprenticeships are considered a type of work experience for youth aged 16 to 24. The work experience program element also emphasizes training aligned with in-demand industry sectors and occupations, which is a key component of RA programs.
6. **Supportive Services:** WIOA funds can support a variety of supportive services for apprentices, including annual fees, registration fees, books, supplies, childcare, transportation, tools, and uniforms.

VII. MINIMUM HOURS

The reimbursement of wages to the employer will be established depending on the current public policy of the LWDA-GTB at the time of hiring or evaluation and approval of the proposal by the Local Workforce Development Board. It is established that the minimum hours will be two thousand (2,000) for a minimum of one year. These hours are determined by the National Apprenticeship Office and cannot be changed. However, it is required that within the practice hours there be a minimum of one hundred forty-four (144) related instruction hours for each year of on-the-job learning.

Regarding occupations, there are numerous ones in sectors such as manufacturing, healthcare, hospitality, services, construction, and others; that can meet the needs of employers in these industries and provide employees with solid training that opens new doors in the job market.

However, it should be noted that not all occupations qualify; approximately 1,400 have been approved by the USDOL National Apprenticeship Office. To check authorized occupations, please visit www.apprenticeship.gov.

VIII. ELEGIBILITY REQUIREMENTS

ELEGIBILITY AND REFERRAL OF CANDIDATES

- Candidates must be 16 years of age or older, unless the occupation is classified as high-risk, in which case they must be over 18 years old, or the age required by the employer.
- Candidates can be referred by the Local Area or by the Employer or Sponsor after assessing the minimum requirements of the RA.
 - o If the referral comes from the employer or sponsor, it must be referred to the Local Area for the proper eligibility process.
- Candidates selected to participate in the apprenticeship program must meet the eligibility requirements of the Adult, Dislocated Worker, or Youth (Out-of-School) programs and the priority policy for training services under WIOA. The candidate must complete a skills and qualifications assessment process, as well as the development of an Individual Employment Plan or Individual Service Strategy.
- Program sponsors may also identify additional minimum qualifications and credentials to admit candidates to their programs, such as education or physical ability to perform the essential functions of the occupation.
- In the case of Incumbent Workers, they must meet the criteria established in the Incumbent Worker Training Policy of the LWDA-GTB.

EMPLOYER ELEGIBILITY

Employers must meet the criteria set forth in the OJT Policy of the LWDA-GTB:

- The employer must be registered with the LWDA-GTB for program/participant registration purposes.

- Positions cannot be filled by WBT if:
 - o Another individual is laid off for the same position or for another substantially equivalent position.
 - o The employer has terminated any regular employee or reduced the workforce with the intention of filling vacancies created with the participants.
 - o The position is created in a promotional line that may in any way infringe upon the promotion opportunities of regular employees of the company.
 - o The position becomes vacant as a result of the previous occupant being on strike or suspended due to a labor dispute.
- Participants in the OJT activity will receive the same benefits and working conditions as a current employee of the company performing similar functions to those performed by the participant (20 CFR § 683.275).
- The training provided will comply with WIOA 181(a)(1)(A) and with wage and labor standards. Worker protection requirements are established in Sections 181(a)(1)(A) and (B), (b)(2), (3), (4), and (5), and 188.
- The employer agrees to cooperate with monitoring efforts as required by WIOA legislation and adhere to all other applicable local, state, and federal laws and regulations.
- The employer is committed to employing or retaining in employment participants who have successfully completed the training.

APPROACH

Registered Apprenticeship Programs (RAPs) have three types of approaches:

- a) **Time-Based** - OJL hours are determined by the National Apprenticeship Office and cannot be changed.
- b) **Competency-Based** - through an assessment, the employer can credit OJL hours to the apprentice. However, the Apprentice must meet the minimum of 1 year of training. Not all occupations are approved under this approach.

- c) **Hybrid** - Occupations with a hybrid approach allow for apprentices in both time-based and competency-based training under the same registered program.

EXIT POINTS FOR A REGISTERED APPRENTICESHIP

1. **Wage Increases:** Apprentices receive progressive wage increases as they enhance their skills and knowledge; this is a core element of all RAs. A wage increase may be an appropriate exit point from WIOA, as it signifies that apprentices have achieved their training goal, improved their skills, and increased their earnings, indicating that support through WIOA may no longer be necessary.
2. **Credential Attainment:** RA programs offer occupational credentials that apprentices can obtain during their program. Attaining a credential is another aspect to consider when determining an appropriate exit point from WIOA, as it marks a significant achievement in the RA program. Obtaining a credential indicates that apprentices have successfully progressed along a career pathway and have enhanced their skills in the occupational field, potentially surpassing the point of needing WIOA support.
3. **Measurable Skill Gains:** As apprentices' skills increase, they should be able to document progress toward such provisional occupational credential or completion certificate awarded at the end of an RA. Documented progress in an RA is defined as:
 - a) Satisfactory progress report towards established goals, such as completing OJT or finishing a year of an apprenticeship program, or similar goals, from an employer or training provider delivering the training;
 - b) Successful completion of an exam required for a particular occupation or progress in acquiring technical or occupational skills as demonstrated by industry-related benchmarks, such as knowledge-based exams.
4. Regardless of the number of participants, OJT is a central component of all RA programs. An OJT contract can be established with employers who have a Registered Apprenticeship Program (RA), but only OJT hours are eligible for salary reimbursement through the program portion.

IX. GENERAL PROVISIONS

Section 683.275 of the final WIOA regulations establishes the wage standards that apply to participants under Title I activities. Accordingly, the applicable standards are:

- a) Individuals participating in any WBT or employed under Title I activities of WIOA shall be compensated at the same rate, including periodic raises, as those in training or employed under similar situations and conditions. Wage compensation shall never be less than that set by the Fair Labor Standards Act or the applicable federal, state, or local minimum wage.
- b) Participants in any WBT or employed under Title I activities of WIOA shall receive fringe benefits and working conditions at the same level and to the same extent as those trained or regular employees performing similar tasks and who have been performing the functions for the same period.
- c) The employer shall comply with the equal opportunity and nondiscrimination provisions of the WIOA laws and regulations.
- d) The recommended reimbursement rate for the employer is based on factors consistent with state and local policies specified in Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 USC 206(a)(1)) or the applicable federal, state, or local minimum wage.


Wages, earnings, and payments to participants in Title I activities of WIOA shall not be considered income for the purpose of eligibility under other federal programs for income quantification and in-kind aid provided by other federal programs based on need, except for purposes of the Social Security Act.

Upon completion of the WBT, the employer must provide an execution report, and in the case of AR, the Puerto Rico Department of Labor and Human Resources will issue a certification for each participant formally declaring that the worker is competent in the occupational skills acquired.

X. EFFECTIVENESS

This Public Policy shall take effect immediately upon its approval.

In Guaynabo, Puerto Rico, this 21st day of August 2023.


/s/ Mr. Oriel Ramirez Rodríguez
Chairman
Local Workforce Development Board
Guaynabo-Toa Baja