Scaling Apprenticeship Through Sector-Based Strategies Key Policy Clarifications Updated June 2020¹

This document provides answers to frequently asked questions regarding key policy guidance for Scaling Apprenticeship Through Sector-Based Strategies (Scaling Apprenticeship) grantees. It should be viewed as a supplement to other technical assistance materials that have been and will be provided to Scaling Apprenticeship grantees. Additional policy clarifications will be disseminated as needed.

If you have further questions after reviewing these policy clarifications, please contact your Federal Project Officer (FPO).

1. Grant Period of Performance

The Period of Performance for Scaling Apprenticeship grants is July 15, 2019 to July 14, 2023. These are the dates stated in the Scaling Apprenticeship grant agreements.

2. Modifications for Adding Employer Partners

DOL encourages Scaling Apprenticeship grantees to increase the number of their employer partnerships in order to expand apprenticeship broadly within an industry sector. As the Funding Opportunity Announcement (FOA) states, grantees' "efforts to promote apprenticeship to a broad network of employers, including small employers, will be foundational to their ability to take apprenticeships to scale, whether through the creation of new apprenticeship programs or the expansion of existing ones." (Section 1.E.2.)

DOL anticipates that there will be a variety of situations in which grantees may add employer partners without submitting a grant modification. Generally speaking, a grant modification may not be needed if a grantee is adding **additional** employer partners in an industry/occupation that is in the original Statement of Work.

However, adding an employer partner may require a modification under certain circumstances, including (but not limited to) the following:

- The grantee is adding an employer partner to **replace** a partner that it originally included in its Statement of Work in order to meet the FOA requirements for a Required Private Sector Partner (see Section III.A.3.a);
- The new employer partner will provide matching funds; and/or

¹ The previous version was dated December 2019. Question 10, "Notice of Proposed Rulemaking for Industry Recognized Apprenticeship Programs," in the previous version has been deleted. Questions 10-24 in this version are new.

• The new employer partner is playing a significant role in meeting the grant's performance outcomes.

Please discuss the addition of new employer partners with your FPO to determine whether a modification is needed.

3. Location of FOA-ETA-18-08 and its Amendments

The SA FOA and its two amendments—Amendment One (issued 8/22/2019) and Amendment Two (issued 9/11/2018)—are located at https://h1bsa.workforcegps.org/resources/2020/01/03/18/22/Foundational_Scaling_Apprenticeship_Grant_Resources.

Of the two amendments, Amendment Two remains relevant to SA grant activities post-award, as it revised the Educational and Instructional Component of the FOA's Training Standards. The amended text of Section I.E.1.b) 3) is as follows (**the new language that DOL added to the original FOA language via the amendment is in bold**):

3) Educational and Instructional Component

Apprenticeship programs must provide or arrange for classroom or related instruction that is highquality and adequate to help apprentices achieve their proficiency goals **and earn certifications or equivalent credentials**. As an important indication of quality, programs must **lead to an industryrecognized, nationally portable credential**, **and may also** be designed to ensure that apprentices receive college credit for classroom or related instruction.

4. Definition of a Participant

A participant is any individual who receives an H-1B grant-funded service beyond a determination of eligibility. Additional information specific to Scaling Apprenticeship grants can be found in the Scaling Apprenticeship Performance Handbook, which is available at

https://h1bsa.workforcegps.org/resources/2020/01/03/18/28/Key_Grantee_Performance_Reporting_Resources.

5. Populations Eligible to Be Served

As the FOA indicates, this grant program will train individuals who are "unemployed and seeking entry or reentry into the workforce, underemployed workers, and incumbent workers who need to increase their skills to remain competitive." For definitions of those categories, please see Section III.C.3.a). The purpose here is to clarify two requirements regarding eligible participants.

• As the FOA states, "individuals must be older than 16 years of age and not currently enrolled in school within a local educational agency." Therefore, H-1B participants must be 17 years of age or older and not currently enrolled in secondary schools (such as high school).

• Individuals who are incarcerated may not receive grant-funded services. All individuals served through the H-1B Scaling Apprenticeship program must meet the definitions of participants eligible to receive training—specifically, unemployed, incumbent, or underemployed workers. The FOA defines an unemployed worker as "an individual who is without a job, is seeking employment, and is available to work." See Section III.C.3.a). Incarcerated individuals are not available to work; therefore, they are not eligible participants for the Scaling Apprenticeship program.

6. Co-enrolling Scaling Apprenticeship Participants

A. Co-enrolling with H-1B-Funded Programs

The intent of co-enrollment is to meet the training and employment needs of program participants and provide as many participants as possible with comprehensive services that may not otherwise be available or allowable under an individual grant or funding source. Therefore, it is not acceptable to leverage resources that would result in co-enrollment in other H-1B-funded programs that are providing the same or similar services. Specifically, grantees should not co-enroll participants in more than one H-1B job training program grant (enrollment in both an H-1B Scaling Apprenticeship program and an H-1B American Apprenticeship Initiative program, for example) as a strategy to facilitate the attainment of grantee service levels and performance outcomes across multiple H-1B job training programs.

B. Co-enrolling with non-H-1B-Funded Programs

The Employment and Training Administration (ETA) encourages apprenticeship training program grantees to maximize the use of their resources and minimize the duplication of efforts through partnership building, system alignment, and leveraging of other federal and non-federal funding sources. As programs braid funds together to increase impact, they have the opportunity to show integration in the form of participant co-enrollment, provided this co-enrollment aligns with eligibility criteria and allowable activities for each grant and meets the criteria below.

For Scaling Apprenticeship activities, leveraging resources may include co-enrolling participants in programs such as:

- the Workforce Innovation and Opportunity Act (WIOA);
- appropriated apprenticeship funds, such as State Apprenticeship Expansion (SAE) grants, Apprenticeship State Expansion (ASE) grants, and AACC Expanding Community College Apprenticeships (ECCA) activities as they are used to expand Registered Apprenticeships;
- other federally funded programs; and
- non-federal programs.

Grantees may co-enroll Scaling Apprenticeship participants in non-H-1B grant programs only if they satisfy each of the following conditions:

- Participants are **determined eligible** for each grant as the program's eligibility policy aligns with the Funding Opportunity Announcement (FOA) and the grantee's Statement of Work. Every program has very specific and distinct eligibility requirements.
- Participants are enrolled in allowable, **non-duplicated** grant activities, as the program's activities pertain to each grant program.
- The grantee **adheres to cost allocation**, if appropriate.
- The grantee reports on leveraged resources (both federal and non-federal funded) on the ETA-9130 financial report form and quarterly narrative reports (QNR), as appropriate for both grants.
- Fiscal and Performance Reporting policy and practice are in keeping with the Uniform Guidance (appropriate cost allocation, etc.), and Program Office reporting guidelines for the grant, contract, or cooperative agreement.
- The grantee reports on performance outcomes in accordance with the performance reporting requirements for each co-enrolled program, as appropriate.
 - Grantees can report on all outcomes and other deliverables that result from activities and services funded with both leveraged resources and grant funds in the Quarterly Performance Report (QPR) and QNRs for each co-enrolled grant program. For example, for an H-1B Scaling Apprenticeship grant, the grantee may report any outcomes achieved as a result of leveraged DOL funds supporting AACC ECCA grants, the H-1B Scaling Apprenticeship grant funds, or a combination of both.

Guidance related to co-enrollment does not prevent grantees from leveraging tools, materials, curriculum or other resources that other DOL-funded training grant programs, including other H-1B-funded grant programs, developed, provided these activities do not result in co-enrollment.

7. Intellectual Property Rights

Scaling Apprenticeship grantees will need to make work created with the support of the grant available and public under a Creative Commons Attribution 4.0 (CC BY) license. Work that grantees must license under the CC BY includes both new content created with the grant funds and modifications made to pre-existing, grantee-owned content using grant funds.

For additional information on grant requirements regarding open licensing and intellectual property, please view the following guidance at <u>https://grantsapplicationandmanagement.workforcegps.org/-/media/Communities/grantsapplicationandmanagement/Files/CCBY-open-licensing-IP-2018,-d-,12,-d-,06,-d-,---CC-BY-One-Pager.ashx?la=en.</u>

8. Selective Service Registration Requirements

H-1B Scaling Apprenticeship grants are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act (ACWIA) of 1998. ACWIA does not require that a determination of Selective Service registration be made prior to enrollment or in determining eligibility to participate in a Scaling Apprenticeship grant program. While grantees may be checking Selective Service registration for other reasons, such as co-enrollment in Workforce Innovation and Opportunity Act (WIOA)-funded programs, Scaling Apprenticeship does not require grantees to check if participants are registered for Selective Service.

9. Incentive Payments to Collect Employment Outcomes

Grantees may use up to 1.5 percent of grant funds for the provision of gift cards or other payments to participants for providing information on their employment status after they leave the program, for the purposes of reporting these employment and retention outcomes to DOL/ETA. These incentive payments must be tied to the goals of the grant. Grantees must have policies and procedures in place governing the awarding of incentive payment and the incentives provided under the grant must comply with these organizational policies. The use of grant funds for incentive payments other than to collect participant information on employment status after they leave the program is not allowed.

10. Use of Grant Funds for Paid Release Time for Educational and Instructional Training

The following provision applies only to participants who are hired by an employer and enrolled in an apprenticeship program. For small employers (those with 50 or fewer employees), Scaling Apprenticeship grant funds may be used to subsidize up to 50 percent of the costs of the apprentice's salary while the apprentice is on paid release time to participate in the educational and instructional training component of the apprenticeship program (which is also referred to as Related Technical Instruction, Related Instruction, or "classroom" training). In addition, the costs related to paid release time for apprentices at employers of any size are allowable as part of match.

Note that DOL encourages grantees to use match and/or any additional, leveraged resources beyond the required match to cover the costs of grant activities related to the educational and instructional training component of the apprenticeship program.

11. Matching Funds

In accordance with Section III.B.1 of the FOA, all grantees are required to provide and expend matching funds. Such funds may be in the form of cash, in-kind contributions, or third-party contributions, and must be equal to 35 percent of the total federal share of costs. Any resources contributed to the project in addition to cost sharing or matching funds will be considered leveraged resources. See Section IV.B.2 of the FOA for more information on leveraged resources. Here are key requirements with respect to match:

• What Qualifies as Match

Activities must be allowable grant-funded activities to be eligible as match. See Section I.E. Program Activities/Allowable Activities. Among other allowable activities that can be used for match, grantees may choose to count, <u>as matching funds</u>, both on-the-job training (OJT) costs and Paid Release Time for educational and instructional training – from any size employer. See Sections I.E.1.a and IV.E.4 of the FOA for additional information, as well as FAQ #10 above.

• Amount of Match

The committed amount of match for each employer partner may vary, so long as the total amount of match for the project equals 35 percent of the Federal share of costs.

In addition, the grantee's required match amount at the end of its period of performance will be based on its total expenditures. If the grantee did not expend its total grant amount, the required match will be based on the amount that it expended during its period of performance.

• Matching Funds Must Be Expended

All matching funds or contributions must be expended on allowable grant activities and in accordance with the cost principles outlined in the Uniform Guidance at 2 CFR 200. 2 CFR 2900.8 requires that match is recognized at the time in which the funds are expended. In other words, DOL recognizes proposed matching funds (revenue or contribution) when the grantee expends them on grant activities, and values the funds at the amount expended (not received).

• Fulfilling the Match Requirement

DOL expects grantees to fulfill the match amount specified on the SF-424 during the grant period of performance. If a grantee does not meet the match amount specified or if a portion of the matching funds are found to be unallowable costs, the amount of DOL grant funds may be decreased on a dollar-for-dollar basis. If this occurs, the grantee may be required to repay funds to DOL.

• <u>Reporting Match and Leveraged Resources</u>

To assess the full costs of the project, ETA requires that grantees track and report any nonfederal funds expended (match or leveraged resources) by the grant recipient or subrecipient, for the purposes or activities of the grant, in the quarterly ETA-9130 financial report in the Recipient's Share section. Instructions and the ETA Form 9130 may be found at <u>http://www.doleta.gov/grants/financial reporting.cfm</u>. For sound and consistent reporting and valuation of match and leveraged resources, it is a best practice for the grant recipient to have policies and procedures explaining the process.

During the grant period of performance and close-out, you will need to provide source documentation and accounting records to show what revenue stream or fund source was used to pay for the expenses incurred related to the matching funds. This may be through a chart of accounts and financial statements such as a Revenue and Expense statement or Project Status report.

Sources of Match

Both matching and leveraged resources can come from a variety of sources, including (but not limited to) the:

- private sector (e.g., businesses or industry associations);
- investor community (e.g., angel networks or economic development entities);
 philanthropic community (e.g., foundations);

- non-profit sector (e.g., community organizations, faith-based organizations, or education and training institutions).
- o non-Federal, public sector funds (e.g., from States or local governments)

12. What is the definition of an apprentice for Scaling Apprenticeship grants?

For the purposes of performance reporting under the Scaling Apprenticeship FOA-ETA-18-08, an apprentice is an individual who is hired by an employer into an apprenticeship and enrolled in a related apprenticeship education/training program. Please see the H-1B Performance Reporting Handbook for Scaling Apprenticeship grants for further information on performance reporting.²

13. Do I have to use my Scaling Apprenticeship funds only for Registered Apprenticeship Programs (RAPs)? Can we provide a combination of RAPs and unregistered apprenticeship programs?

There are no requirements that grant funds must solely be used for Registered Apprenticeships. Grantees may provide a combination of RAP and unregistered apprenticeship programs if the grantee proposed the apprenticeship model(s) in their Statement of Work (SOW). Apprenticeship programs created using Scaling Apprenticeship grant funds must include the elements of quality apprenticeships described in the Scaling Apprenticeship Funding Opportunity Announcement (FOA), as amended, and clarified below.

14. If I use my grant funds to create apprenticeships that are not RAPs, what features must they have?

All apprenticeships created under the Scaling Apprenticeship grant program must meet the five hallmarks of quality apprenticeship described in FOA-ETA-18-08, as amended, and further clarified here:³

1. Paid Work-Based Component

Apprenticeship programs must pay apprentices at least the applicable federal, state, or local minimum wage or a federally-approved stipend under federal wage requirements if otherwise applicable, and must describe wage progression requirements. Additionally, programs must address how they will provide apprentices the opportunity to gain upward mobility in the industry.

2. On-the-Job Training and Mentorship

An important aspect of apprenticeship programs is offering apprentices the opportunity to apply what they are learning to their work through well-designed and highly structured work experiences.

² H-1B Grants Performance Reporting Handbook & Workforce Integrated Performance System (WIPS) Reporting Guidance (H-1B Performance Handbook): Performance Reporting Guidance for Scaling Apprenticeship Through Sector-Based Strategies, available at

https://h1bsa.workforcegps.org/resources/2020/01/03/18/28/Key Grantee Performance Reporting Resources.³ The full Funding Opportunity Announcement and amendments are available at

https://h1bsa.workforcegps.org/resources/2020/01/03/18/22/Foundational_Scaling_Apprenticeship_Grant_Resources.

Accordingly, apprenticeship programs must provide structured on-the-job training, and the programs should provide mentors to support apprentices and provide guidance on the profession in which they are training, as well as industry or company culture and industry or workplace policies and procedures.

3. Educational and Instructional Component

Apprenticeship programs must provide or arrange for classroom or related instruction in the profession in which apprentices receive training. This training must be high-quality and adequate to help apprentices achieve their proficiency goals or earn credentials and earn certifications or equivalent credentials. As an important indication of quality, programs must lead to an industry-recognized, nationally portable credential, and may also be designed to ensure that apprentices receive college credit for classroom or related instruction.

4. Industry-Recognized Credentials Earned

Upon completion of the apprenticeship program, apprentices must earn industry-recognized credential(s).⁴ The credential(s) must be portable, and applicants must identify all of the portability benefits in the application. In sectors in which generally accepted credentials already exist, or will be issued by industry organizations or credentialing bodies, applicants must describe whether program completion will result in one or more of these existing credentials or qualify an apprentice to earn the credential(s). In sectors where independent credentials exist and are not issued by the apprenticeship program, the program must describe the alternative credential that apprentices may earn.

5. Safety, Supervision, and Equal Employment Opportunity

Apprenticeship programs must have policies and procedures in place to ensure a safe working environment that adheres to all applicable federal, state, and local safety, employment, and equal opportunity laws and regulations.

15. How will DOL determine if my programs meet the hallmarks of quality apprenticeships in the Scaling Apprenticeship FOA, as amended?

Grantees should have documentation of their apprenticeship program design that may include charts, illustrations, policies and procedures that describe how the apprenticeship program achieves the five hallmarks of program quality and how those apprenticeship programs are implemented and deployed. Developing and disseminating this documentation early in the life of your project ensures that your team members, sub-recipients, training partners and employer partners adhere to the hallmarks from the start

⁴

See Training and Employment Notice (TEN) 25-19, Understanding Postsecondary Credentials in the Public Workforce System, available at https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5953. Note that TEN 25-19 complements Training and Employment Guidance Letter (TEGL) 10-16, Change 1, Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III and Title IV Core Programs and TEGL 14-18 Aligning Performance Accountability Reporting, Definitions, and Policies Across Workforce Employment and Training Programs Administered by the U.S. Department of Labor (DOL), which provide policy guidance on credentials and reporting credential attainment. TEGL 15-10, Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System, has been superseded by TEGL 10-16, Change 1 and TEGL 14-18.

of the project. It also prepares you to respond to monitoring requests from your Federal Project Officer. Please note, however, that having documentation, policies and procedures alone does not make your grant project in compliance, if your project does not adhere to the hallmarks at the implementation and deployment phase of your grant.

Registered Apprenticeship Programs, and Industry Recognized Apprenticeship Programs recognized by a Standards Recognition Entity, can be assumed to meet the hallmarks of quality apprenticeships outlined in the Scaling Apprenticeship FOA.

16. Do I have to document that our sub-recipients meet the five hallmarks of quality apprenticeships as described in the FOA and clarified above?

Yes. As the grantee you are responsible for the sub-recipient's compliance with the terms of the grant.

17. What are the specific requirements for Industry-Recognized Apprenticeship Programs (IRAPs)?

The Department of Labor recently published a Final Rule on *Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations* to establish a system for advancing the development of high-quality, industry-recognized apprenticeship programs (IRAPs).⁵ IRAPs are high-quality apprenticeship programs that provide individuals with opportunities to obtain workplace-relevant knowledge and progressively advancing skills. The Final Rule went into effect on May 11, 2020. The final rule establishes a process for the Department of Labor's Office of Apprenticeship to recognize qualified third party entities, known as Standards Recognition Entities (SREs), which will, in turn, evaluate and recognize IRAPs consistent with the Department's standards. Organizations interested in becoming an SRE can now apply, and the first group of SREs will be announced in Fall 2020. Once announced, these SREs can start recognizing IRAPs. Visit the IRAP webpage on <u>Apprenticeship.gov</u> (https://www.apprenticeship.gov/industry-recognized-apprenticeship-program) for more information.

Now that the Final Rule on IRAPs has gone into effect, grantees may be interested in formalizing their unregistered apprenticeship programs in accordance with this guidance. The IRAP programs that Scaling Apprenticeship grantees proposed as part of their Statement of Work will not officially be recognized as an IRAP until a Standards Recognition Entity officially recognizes these programs as an IRAP.

Note that IRAPs must meet 10 criteria as noted in the <u>IRAP General Fact Sheet</u> (<u>https://www.apprenticeship.gov/sites/default/files/IRAP_General_Fact_Sheet.pdf</u>). The 10 criteria include paid work, written training plan, written apprenticeship agreement, specialized knowledge and experience, safety, equal employment opportunity, credit for prior knowledge, mentorship, industryrecognized credentials, and disclosure of costs and fees. Each is further described in the IRAP General Fact Sheet, and SREs may have additional requirements.

⁵ <u>https://www.federalregister.gov/documents/2020/03/11/2020-03605/apprenticeship-programs-labor-standards-for-registration-amendment-of-regulations.</u>

18. Can I use my Scaling Apprenticeship funds to develop DOL Standards Recognition Entities and Industry-Recognized Apprenticeship Programs?

Yes, these activities are allowable if grantees proposed these activities in their grant Statement of Work (SOW), or if they obtain a grant modification.

Developing DOL Standards Recognition Entities and DOL Industry-Recognized Apprenticeship Programs are allowable under the Scaling Apprenticeship Funding Opportunity Announcement FOA-ETA-18-08, Section I.E. Program Activities/Allowable Activities, which describes the following allowable activities:

- Expanding existing apprenticeships or deploying a new apprenticeship program within an H-1B industry on a national scale, including developing program standards, meeting quality standards, and obtaining promotion and adoption by a significant number of employers within the sector;
- 2) Recruiting a diverse and large number of apprentices for a robust workforce;
- 3) Offering earn-as-you-learn education and training models that prepare individuals to successfully move into middle- to high-skilled employment;
- 4) Engaging a wide array of employers, large and small, in the adoption and deployment of apprenticeships to greatly expand apprenticeship opportunities; and
- 5) Developing a system for reviewing, approving, collecting data from, and monitoring apprenticeship programs to assess the quality of the training standards, materials, and programs.

Additional information about allowable activities is found throughout Section I.E. Program Activities/Allowable Activities.

19. Can we change our apprenticeship program model from what we proposed in our SOW?

DOL will consider requests to change apprenticeship models through the modification process. Please contact your Federal Project Officer if you are thinking about making changes to your apprenticeship model. You may need a grant modification to your SOW. Your FPO can help you determine if the apprenticeship program proposed in your SOW is consistent with the terms of the FOA.

If you would like additional information about RAPs or IRAPs, please contact an apprenticeship consultant. Visit <u>https://www.doleta.gov/oa/contactlist.cfm</u> to find an apprenticeship consultant near you.

20. Is there a minimum required length of an apprenticeship program?

Registered Apprenticeship Programs (RAPs) require a minimum length of 2,000 hours or one year for time-based and hybrid programs. RAPs can also be competency-based. IRAPs must meet the

requirements of the Standards Recognizing Entity (SRE) through which the IRAP is recognized. The minimum length for IRAPs will vary, and will be established by SREs based on the needs of the industry. Other apprenticeship programs must meet the hallmarks of quality apprenticeships in the FOA, as amended, and clarified above.

21. Must Scaling Apprenticeship grantees have a written agreement and written training plan for apprentices?

A written apprenticeship agreement and written training plan for each apprentice that outlines the terms and conditions of the apprentice's employment and training is not required under the Scaling Apprenticeship FOA. However, it is required for RAPs and IRAPs, and is therefore a strong practice that DOL encourages grantees to adopt.

22. Would IRAPs allow tax/tuition credits similar to that in Registered Apprenticeship Programs?

Tax/tuition credits are determined by the state and the educational provider. Some states and colleges allow tax credits for apprenticeship programs in general, while others are specifically for Registered Apprenticeships (RAPs).

23. Can grant funds be used for classroom training (whether in-person, online, and/or competency-based) that occurs prior to an individual being hired as an apprentice?

Yes. If the classroom training that occurs prior to the start of an apprenticeship is part of the educational and instructional component of the apprenticeship (also referred to as Related Technical Instruction, Related Instruction, or "classroom" training), the activity is allowable for Scaling Apprenticeship grants. Please note, however, that for the purposes of performance reporting, Scaling Apprenticeship participants will not count as "apprentices" in performance outcome A2 "Total apprentices that are hired by an employer and enrolled in an apprenticeship education/training program" until <u>after</u> they have been hired by an employer.

The Department of Labor recognizes that apprenticeship models will vary across industries and occupations to meet the needs of your employer partners. The Apprenticeship Quick Start Toolkit features several apprenticeship models that grantees can use for their apprenticeship training design.⁶ While this toolkit is designed for Registered Apprenticeship programs, the strategies and apprenticeship training models in this document will be valuable for unregistered apprenticeship programs as well. Specifically, page 12 of the Quick Start Toolkit illustrates several apprenticeship models. The use of grant funds is allowable to support training that occurs at various stages of the grantees' proposed apprenticeship programs.

⁶ The Apprenticeship Toolkit is found at <u>https://www.doleta.gov/oa/employers/apprenticeship_toolkit.pdf</u>.

24. May the portion of classroom training that occurs before the start of an apprenticeship count towards the grantee's overall program requirements for completing an apprenticeship?

Yes. As noted above, if the instruction is part of the educational and instructional component of the apprenticeship but occurs before the participant is hired by an employer, it is allowable and this instruction may count towards the program's overall completion requirements.