

Sponsor Apprenticeship Incentive Reimbursement Program | May 31, 2024

TO: Division of Workforce Development and Adult Learning (DWDAL) staff, Local Workforce Development Area (Local Area) directors, and Registered Apprenticeship Sponsors

FROM: Division of Workforce Development and Adult Learning (DWDAL) Maryland Department of Labor (MD Labor)

SUBJECT: Guidance on the continuation of the Sponsor Apprenticeship Incentive Reimbursement Program.

PURPOSE: To provide policy guidance on the Sponsor Apprenticeship Incentive Reimbursement Program.

ACTION: Local Area directors, American Job Center (AJC) Reemployment Program Directors, central office managers, and Maryland Apprenticeship Training Program staff will ensure all employees are aware of and receive copies of this policy. DWDAL policies are available on the [MD Labor website](#).

EXPIRATION: Until cancelled or replaced.

QUESTIONS:

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GENERAL INFORMATION

WORKFORCE INNOVATION & OPPORTUNITY ACT

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014 and went into effect July 1, 2015. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. To help both businesses and job seekers meet their needs, the workforce system established under WIOA is integrated by design. WIOA envisions connecting businesses with job seekers through meaningful partnerships among workforce, education, human services, and economic development entities to ensure optimum results and leveraging of resources. The law addresses the needs of job seekers by establishing a workforce system that helps them access employment, education, training, and support services to succeed in the labor market. Through the American Job Centers (AJC)s, WIOA works to address employer demands by matching them to the skilled workers they need to compete in the global economy. Registered Apprenticeship is fully aligned with the employer-focused, work-based training that WIOA envisions. Features of Registered Apprenticeship, including its flexibility, opportunities for immediate earning, and emphasis on partnerships, make it an effective strategy to meet workforce system goals.

REGISTERED APPRENTICESHIP

Registered Apprenticeship is a proven model of job preparation that combines paid On-The-Job Learning (OJL)¹ with Related Instruction to progressively increase workers' skill levels and wages. Registered Apprenticeship is a business-driven model that provides an effective way for employers to recruit, train, and retain highly skilled workers. It allows employers to develop and apply industry standards to training programs, thereby increasing productivity and the quality of the workforce. As an "earn and learn" strategy, Registered Apprenticeship offers job seekers immediate employment opportunities that provide sustainable wages and advancement along a career pathway. Graduates of Registered Apprenticeship programs receive nationally recognized, portable credentials, and their training may be applied towards further post-secondary education.

All Registered Apprenticeship programs consist of the following five core components:

1. **Business Involvement** – Businesses are the foundation of every Registered Apprenticeship program. The skills needed for workforce success, provided through business input, form the core of the model. Businesses must play an active role in building Registered Apprenticeship programs and are involved in every step of their design and execution.
2. **OJL** – Every Registered Apprenticeship program includes structured OJL. Companies hire apprentices and provide hands-on training from an experienced mentor. This training is developed by mapping the skills and knowledge that the apprentice must learn over the course of the program to become fully proficient at the job. In Maryland, OJL must consist of no less than 2,000 hours of full-time, W-2 paid employment per year of the apprenticeship and must take place at the work site under the direction of a highly skilled journeyworker.
3. **Related Instruction (classroom style training)** – Apprentices receive Related Instruction or classroom style training that complements the OJL. This instruction helps refine the technical and academic skills that apply to the job. Related Instruction may be provided by a community college, technical school or college, an apprenticeship training school, nonprofit, community-based organization, industry, labor organization, business association, or by the business itself. The instruction may be provided at the school, online, or at

¹ Sometimes also referred to as On-the-Job Training (OJT).

the work site. Registered Apprenticeships must include at least 144 hours of Related Instruction per year of the apprenticeship.

4. Rewards for Skill Gains – Apprentices receive increases in pay as their skills and knowledge increase. Progressive wage gains reward and motivate Apprentices as they advance through training and become more productive and skilled at their job.
5. National Occupational Credential – Every graduate of a Registered Apprenticeship program receives a nationally recognized credential, referred to as a Certificate of Completion. This portable credential signifies that the apprentice is fully qualified to successfully perform an occupation. Many Registered Apprenticeship programs, particularly in high-growth industries such as healthcare, advanced manufacturing, and transportation, also offer interim credentials as apprentices master skills as part of their career pathway.

In Maryland, Registered Apprenticeships are approved through the Maryland Apprenticeship and Training Council. More information on requirements for Registered Apprenticeships in Maryland is available at <http://www.labor.maryland.gov/employment/appr/>.

REGISTERED APPRENTICESHIP IN MARYLAND

The U.S. Registered Apprenticeship system is authorized through the National Apprenticeship Act of 1937. MD Labor serves as the “State Apprenticeship Agency” and, in consultation with the Maryland Apprenticeship and Training Council, is responsible for the following functions:

1. Registering apprenticeship programs that meet federal and State standards;
2. Issuing certificates of completion to Registered Apprentices;
3. Encouraging the development of new programs through outreach and technical assistance;
4. Protecting the safety and welfare of Registered Apprentices; and,
5. Assuring that all programs provide high-quality training.

Sponsor Apprenticeship Incentive Reimbursement In Maryland

MD Labor recognizes the need to remain flexible to changing industry demands throughout the State and conceptualized the Sponsor Apprenticeship Incentive Reimbursement (SAIR) program to do so. Initially, the SAIR was financially supported by a U.S. Department of Labor State Apprenticeship Expansion Grant award. Building on initial success and lessons learned, MD Labor will now continue to fund the Program through alternate sources.

SPONSOR APPRENTICESHIP INCENTIVE REIMBURSEMENT PROGRAM

SAIR is a rolling reimbursement program where Sponsors can be granted up to \$2,500 to offset the costs of Related Instruction. Specifically, funds may be used to:

1. Offset a portion of the Sponsor's own related instruction costs; or,
2. Offset a portion of the Apprentice's employer's related instruction costs. Funds used in this manner will be granted to the Sponsor, who will then reimburse the employer for the actual costs of related instruction up to \$2,500.

All apprentices served through SAIR must be newly registered apprentices, registered on or after the effective date of this policy and must meet the criteria for Registered Apprentices.

Sponsors are limited to submitting applications for 10 Registered Apprentices, per employer, per calendar year. This includes previous SAIR applications awarded prior to the release of this policy.

ELIGIBLE ENTITIES

Registered Apprenticeship Sponsors approved by MD Labor are the only eligible entity for SAIR. Sponsors can be private, public, Individual, Group Joint, Group Non-Joint, or non-profit.

ALLOWABLE USE OF FUNDS

Reimbursement towards the cost of an Apprentice's related instruction is the only permissible use of funds under the SAIR program. All other costs are not eligible for reimbursement.

APPLICATION PROCESSES

To apply for reimbursement through SAIR, Registered Apprenticeship Sponsors must first submit the SAIR application. Registered Apprenticeship Sponsors may find the SAIR application on MD Labor's website at <https://www.labor.maryland.gov/employment/appr/apprgrantreimb.shtml> and can send completed applications electronically to info@mdapprenticeship.com.

Applications will be reviewed on a rolling, first-come, first-served basis until program funds are exhausted or the program is cancelled.

APPLICATION REVIEW

A Grant Manager from the Maryland Apprenticeship and Training Program (MATP) will review all SAIR applications. The reviewer must approve or deny submitted applications within 14 calendar days of receipt and must ensure that approved applications meet eligibility requirements.

APPLICATION APPROVAL/DENIAL

MD Labor must inform applicants via email of approvals or denials within 14 calendar days of application receipt.

If approved, the MD Labor Office of Workforce Development shall provide the applicant with a Grant Award Notification to be signed by the applicant.

MD Labor will deny incomplete applications. If a grant application is denied, the MD Labor Office of Workforce Development shall provide the applicant with a Grant Denial Notification containing feedback on the application. A denied applicant may request reconsideration of the decision. The appeal must be emailed to info@mdapprenticeship.com within 14 calendar days of the date of the Grant Denial Notification and (1) state the grounds for the request; and, (2) state the reasons why the application should be reconsidered and approved.

The DWDAL Assistant Secretary (or designee) will consider all requests for reconsideration and provide a written response to the applicant within 30 calendar days of request receipt. The DWDAL Assistant Secretary (or designee)'s decision is final.²

² Any of the time periods under this section, "Application Approval/Denial," may be extended by the MD Labor DWDAL Assistant Secretary at their sole discretion.

REPORTING, MONITORING, AND RECORD RETENTION

REPORTING

Because SAIR is a one-time reimbursement model, regular monthly reporting is not a requirement for awardees of this program. MD Labor will utilize an internal reporting system to track program outcomes that is overseen by MATP staff.

MONITORING

The State acknowledges that USDOL may conduct fiscal and/or programmatic monitoring. Therefore, MD Labor may conduct annual fiscal and programmatic monitoring of the project to ensure that grantees are following policies and meeting expectations, including nondiscrimination and equal opportunity provisions. Monitoring may include desk and/or on-site monitoring. Failure of MD Labor to supervise, evaluate, or to provide guidance and direction shall not relieve the grantee of any liability to comply with the terms of the grant or award agreement.³

RECORD RETENTION

In accordance with the Standards of Apprenticeship, Maryland requires participating Registered Apprenticeship Sponsors to maintain records for at least five years of all persons applying for the apprenticeship program indicating whether or not the applicant:

1. Completed the application process;
2. Met the apprenticeship program qualifications;
3. Was placed on the eligibility list; and,
4. Was registered.

All records, both electronic and physical, must be maintained in accordance with TEGL 39-11, “Guidance on the Handling and Protection of Personally Identifiable Information (PII),” as well as DWDAL’s policy concerning privacy and data security. PII is participant-level and employee data that either by itself or combined with other data can link to a specific individual or identity.

When emailing documents containing PII, all awardees and MD Labor staff must use password-protection, encryption-preferred, strong authentication procedures, or other security controls to make the information unusable by unauthorized individuals. Physical records must be kept in locked offices or file rooms. If the file room is shared with other programs, and/or staff other than staff authorized for this program have access to that room, then the files must be maintained in locked cabinets.

³ DWDAL’s Policy Issuance on monitoring can be found here: <http://www.labor.maryland.gov/employment/mpi/>.

FAIR PRACTICES AND ACCESSIBILITY

It is MD Labor's policy that all persons have equal opportunity and access to services and facilities without regard to race, religion, color, sex (including pregnancy, childbirth and related medical conditions, transgender status, gender identity), marital status, genetic information, age, national origin or ancestry (including Limited English Proficiency), disability, veteran status or political affiliation or belief. Grantees working with participants in need of accommodations are responsible for securing the necessary support. Grantees may refer to MD Labor's Nondiscrimination Plan⁴ and Language Access Plan⁵ for more information on accommodations and services.

⁴ MD Labor's Nondiscrimination Plan is available at the following link:

<http://www.labor.maryland.gov/employment/ndp/>.

⁵ The DWDAL and Division of Unemployment Insurance Language Access Plan is available at the following link:

<http://www.labor.maryland.gov/employment/wioa-access.pdf>.

REFERENCES

LAW

- [Workforce Innovation and Opportunity Act](#) (WIOA), 29 U.S.C. § 3101 et. seq (2015);
- [National Apprenticeship Act of 1937](#), 29 U.S.C. § 50;
- MD Code Ann., Labor & Emp. § 11-401 et seq. “[Planned Apprenticeship Standards and Activities.](#)”

REGULATION

- 2 CFR §§[200](#) and [2900](#) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 20 CFR 651, “[General Provisions Governing the Wagner-Peyser Act Employment Service](#)”
- 29 CFR § 29-30, “[Apprenticeship Programs; Equal Employment Opportunity](#),”
- 29 CFR § 97.42, “[Retention and Access Requirements for Records](#),”
- COMAR 09.01.12 “[Apprenticeship Maryland](#),”
- COMAR 09.12.42, “[Equal Employment Opportunity](#),” and,
- COMAR 09.12.43, “[Maryland Apprenticeship and Training](#).”

USDOL GUIDANCE

- TEGL 23-19, “[Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor \(DOL\) Workforce Programs](#),” dated June 18, 2020;
- TEGL 7-18, “[Guidance for Validating Jointly Required Performance Data Submitted under the Workforce Innovation and Opportunity Act \(WIOA\)](#),” dated December 19, 2018;
- TEGL 13-16, “[Guidance on Registered Apprenticeship Provisions and Opportunities in the Workforce Innovation and Opportunity Act \(WIOA\)](#),” dated January 12, 2017;
- Training and Employment Notice (TEN) 31-16, “[Framework on Registered Apprenticeship for High School Students](#),” dated January 17, 2017;
- TEN 44-11, “[Encouraging Enhanced Partnerships and Collaboration between the Workforce Investment System and Registered Apprenticeship Programs](#),” dated May 10, 2012;
- TEGL 39-11, “[Guidance on the Handling and Protection of Personally Identifiable Information \(PII\)](#),” dated June 28, 2012;
- TEN 48-08, “[Release and Availability of Report Titled, The Benefits and Challenges of Registered Apprenticeship: The Sponsors’ Perspective](#),” dated June 1, 2009; and
- TEGL 02-07, “[Leveraging Registered Apprenticeship as a Workforce Development Strategy for the Workforce Investment System](#),” dated July 12, 2007.

OTHER RESOURCES

- American Institute for Innovative Apprenticeship, “[National Occupational Frameworks](#),”
- American Institute for Innovative Apprenticeship, “[Starting a Registered Apprenticeship Program: A Guide for Employers or Sponsors](#),” dated June 2017;
- [DWDAL Policy Issuance Page](#); and,
- [Maryland WIOA Combined State Plan](#).