



Youth Apprenticeship Hiring Incentive



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Incentive Program Introduction:

According to data from the Dallas Branch of the Federal Reserve, Alabama has the highest rate of disconnected youth in the country with 18.4% of young adults from 18-24 years old not enrolled in school and not seeking employment. At the same time, youth participation in registered apprenticeship is an area of focus for the state as a potential solution. The purpose of this hiring initiative is to encourage apprenticeship employers who may not have previously engaged with the young adult population to have a low-risk way to try hiring youth into their programs.

Requirements for Employers Qualification:

An employer must be participating in an apprenticeship registered through the AOA as either an individual sponsor or a member of a group program. Members of group programs will be required to present a properly executed employer acceptance agreement (Appendix D) as verification.

Maintaining Eligibility

All incentive contracts will be subject to immediate suspension or termination for any program or employer found to be non-compliant with either the terms of the contract or the laws and policies governing the administration of a registered apprenticeship program.

Youth Hiring Incentive Contracts

- Wages for qualifying apprentices working for qualifying employers will be reimbursed at a rate of 100% of the hourly wage up to a maximum amount of \$10,000 per apprentice.
- Apprentices must be 16, 17, or 18 years old at the time they join the apprenticeship as evidenced by the date of final signature on their apprenticeship acceptance agreement (Form 671) and a photocopy of a government ID, driver's license, or other item of evidence of age approved by the AOA.
- At the time of requesting a contract, the employer will be required to specify the apprentices for whom the contract is being written and the hourly wage they will be paid during the contract period.
- Employers may apply for incentives for apprentices registered on or after May 1, 2024.
- Employers may only submit one request for reimbursement and may do so once approved and qualified apprentices have worked and been paid for at least 240 hours.
- Employers must complete the process to be established as a vendor with Alabama Industrial Development Training (AIDT) to be eligible for reimbursement. **NOTE: Funds for this incentive are limited. Employers are not guaranteed any incentive fund availability until they have a fully executed contract with the AOA. Once contracts are in place encumbering the total amount of incentive funds available, no further contracts will be created.**



Post-Award Performance Reporting Requirements

- Employers who receive incentive funds for youth hiring incentives will be required to submit a follow-up report to the AOA 12 months after the contracted payment is completed.
- The follow-up report will include the current employment status of the apprentice(s) for whom incentive funds were claimed, the current wages of those apprentices, and other basic

information deemed necessary by the AOA to determine the effectiveness of the incentive funds in assisting long-term employment.

Apprenticeship Incentive FAQs

Q: Are there circumstances under which an employer would have to repay the incentive funds because an apprentice failed to complete training or left the company?

A: No. Once an employer has been reimbursed, they would not be required to repay the funds if the apprentice fails the classes, leaves the company, or otherwise doesn't complete the training.

Q: Can an employer get other AOA incentives in conjunction with the youth hiring incentive? For example, OJL incentive on the same apprentices?

A: No. A qualifying employer may only submit a qualifying apprentice under a single incentive program.

Q: If an employer creates multiple apprenticeships, can they enter youth hiring incentive contracts for each occupation?

A: No. The incentive amount and apprentice cap is based per employer, not per occupation.

Q: If an apprentice does not complete at least 240 hours of OJL, can the employer receive partial reimbursement?

A: No. To qualify for reimbursement, the employer must demonstrate the apprentice has been employed and paid for not less than 240 hours.

Q: How often can an employer submit for reimbursement?

A: Each contract will be paid out one time at its completion.

Q: Does this incentive apply to existing registered apprenticeships or only to newly established programs?

A: The youth hiring incentive is available for new and existing apprenticeship programs registered through the AOA.

Q: Can apprentice OJL hours worked before the inception of the youth hiring incentive contract be counted toward the 240-hour requirement?

A: Yes, but only those hours worked after May 1, 2024.

Q: What is the maximum number of hours for which an employer may claim the incentive?

A: The upper limit of incentive funds is not based on hours but is instead based on the \$10,000 cap per incentive. **This incentive ends September 1, 2024.** Any hours worked by qualifying apprentices under a qualified employer with a fully executed youth hiring incentive contract between May 1, 2024 and September 1, 2024 may be claimed.