



Apprenticeship Expansion Incentive Policies and Procedures



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Incentive Program Introduction:

Championed by Senator Arthur Orr and with the support of Governor Kay Ivey, during the 2022 legislative session, a new appropriation was created for use by the Alabama Office of Apprenticeship. The exclusive purpose of this allocation is to incentivize employers to create and expand registered apprenticeship programs in Alabama to help meet the workforce demands of our economy. The total allocation is \$2 million for fiscal year '23, which begins October 1, 2022. Qualifying programs established or expanded after October 1, 2022 may be eligible to receive these incentives.

Requirements for Qualification as a New or Expanded Program:

- A new program or new occupation added to an existing program must be registered with the Alabama Office of Apprenticeship (AOA) after October 1, 2022
- New Employer added to group program after October 1, 2022

OR

- The Dep. Sec. of Commerce may coordinate with the Director of the AOA to directly qualify an employer with an existing apprenticeship who is identified by AIDT as being eligible for services based on expansion criteria.

Maintaining Eligibility

A program or occupation may apply to be considered “new” for a total of three fiscal years, including the year it is registered. No program is automatically eligible, and all eligibility determinations will be subject to the availability and prioritization of funds. Alabama’s fiscal year begins October 1 each year and ends the following September 30.

All On the Job Learning (OJL) and In-House Training incentive contracts will be subject to immediate suspension or termination for any program 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.

On the Job Learning (OJL) Contracts

- Maximum of 10 apprentices, per employer, per qualifying occupation
- An individual apprentice may only be claimed one time for the 480hr x 50% wage reimbursement, and it must be during the first year of their registration as an apprentice.
- Maximum allowable wage is 1.5 x the living wage required by AOA policy. *Example:* In FY23, the living wage requirement will be \$15.00, so the upper limit on wage reimbursements would be \$22.50. This amount will be updated annually if the required training wage changes and will remain the same for the full fiscal year.
- At the time of requesting a contract, the employer will be required to specify the apprentices for whom the contract is being written, the wage they will be paid, the expected time for completing the 480 hours of work, and other relevant details to appropriately plan for expending the funds.
- Documentation requirements will be clearly stipulated to the employer at the time a contract is written.
- New OJL Contracts will not be written when there are less than 12 weeks remaining in the fiscal year.

In-House Related Technical Instruction Support

- Employers can apply for one-time setup funding contracts for internal training provider expenses for up to \$10,000.
- These funds may be used for the purchase of training materials, instructor materials, instructor certifications, or other items directly related to the costs of delivering in-house technical instruction.
- Employers will submit a budget for approval of expenditures as part of the application for contracts.
- Employers must maintain proof of purchase for the items and expenses aligned with the budget in the contract.

Post-Award Performance Reporting Requirements

- Employers who receive incentive funds for OJL or in-house technical instruction 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 OJL contracts and In-House Training contracts simultaneously and on the same apprentices?

A: Yes. A qualifying employer with qualifying apprentices may be eligible to enter both kinds of incentive contracts simultaneously and for the same apprentices. The contracts will be separate but are not mutually exclusive.

Q: If an employer creates multiple apprenticeships, can they enter OJL and In-House Training contracts for each occupation?

A: Example: If an employer creates a program to train Registered Nurses and also creates a program to train Respiratory Therapists, that employer could qualify for OJL funds for up to 10 apprentices in each occupation, thus a total of 20 apprentices. However, they could only apply for a single In-House Training contract.

Q: If an apprentice does not complete the 480 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 480 hours.

Q: How often can an employer submit for reimbursement?

A: Each contract will be paid out one time at its completion. For example, if an employer has an OJL contract for 10 apprentices, they will submit for reimbursement once all 10 (or as many of the 10 as are going to complete) have completed their 480 hours.

Q: If an employer already has an internal training program that will become part of a newly established apprenticeship, can they get an In-House Training contract?

A: Yes, if they can demonstrate allowable costs associated with expanding their in-house training to accommodate the related instruction of an apprenticeship.

Q: Can apprentice OJL hours worked before the completion of an OJL contract be counted toward the 480 hour requirement?

A: No. Only OJL hours documented after a contract has been finalized with an employer for OJL reimbursement can be counted.