

MEMORANDUM

TO: Current and Potential Sponsors of Apprenticeships in Alabama

FROM: Joshua J. Laney, Director, Alabama Office of Apprenticeship

RE: Costs of Training

DATE: 11/20/2020

In June of 2019, the Alabama Office of Apprenticeship (AOA) was codified by Alabama Act 2019-506. The act specifies in part that the AOA will promote registered apprenticeship programs to “ensure that individuals who are disengaged from the workforce are able to gain access to education and training programs” with multiple points of entry and exit and a focus on targeting special populations. Apprenticeship programs succeed in achieving this goal when they are designed as a partnership between employers and apprentices. Apprenticeships are vehicles to shared economic success because they remove barriers to training and engage Alabamians in the workforce. One of the most important and attractive benefits of apprenticeship when compared to other forms of post-secondary education is the opportunity to avoid student debt.

To fully capitalize on the benefits of apprenticeship, the AOA is establishing a policy of only registering and supporting apprenticeships designed to prevent the costs of training from being a barrier to program participation. This is sometimes explained using the phrase, “employer as the last dollar scholarship.” This means, after all available offsets, scholarships, grants, tax credits, and reimbursements have been utilized, any remaining costs of training are the responsibility of the employer and not the apprentice. This policy does not preclude employers from using tuition reimbursement programs with apprenticeships as long as the initial outlay for the costs of training are not a barrier to entry and do not result in apprentices accruing student debt.

The AOA will assist sponsors and employers with connections to as many local, state, and federal funding streams as can be stacked and braided to defer the costs of training. To help sponsors and employers recognize the benefits of such a policy, the AOA is developing web-based tools to help calculate the employer’s return on investment. The AOA will also provide technical assistance to training providers and employers on how to address the provisions of this policy.

High-quality apprenticeship programs offer an outstanding return on investment for employers seeking well-trained and highly skilled workers. The AOA looks forward to the continued expansion of apprenticeship as a workforce training solution for Alabama.



cc: Alabama Apprenticeship Council