

**Arizona Apprenticeship Advisory Committee (AAAC)**

**Public Meeting**

**Discussion on the Proposed Rules on National Apprenticeship System Enhancements**

Tuesday, February 20, 2024

2:30 pm

Meeting Minutes

(Draft manuscript. Subject to approval at the next meeting.)

**COMMITTEE MEMBERS PRESENT (Virtually)**

Mr. Dennis Anthony, Chairman (Arizona Public Service)  
Ms. Deb Furlong (City of Phoenix Workforce Development)  
Mr. Frank Grijalva (International Brotherhood of Electrical Workers)  
Ms. Karen King (Tucson Electrical JATC)  
Mr. Mike Greenawalt (Rosendin)  
Mr. Paul Cozza (TechOne IT)  
Ms. Linda Vedo (Central Arizona Project)  
Ms. Kimberly Faust (Maricopa Community Colleges)

**COMMITTEE MEMBERS ABSENT**

Vacant (Arizona Industrial Commission)  
Vacant (Employee Organization)  
Vacant (Office of Apprenticeship)

**STAFF PRESENT for Dept. of Economic Security/Arizona Apprenticeship Office (AAO)**

Joann Bueno, Arizona Apprenticeship Office (Interim State Apprenticeship Director)  
Connie Thomas, Arizona Apprenticeship Office (Registered Apprenticeship Supervisor)  
Betsy Nelson, Arizona Apprenticeship Office (Registered Apprenticeship Supervisor)  
Brynn Gireon, Arizona Apprenticeship Office (Apprenticeship Compliance Specialist)  
Gina Revere, Arizona Apprenticeship Office (Lead Apprenticeship and Training Representative)  
Ms. Nancy Meeden, DES Policy (Invited Guest of AAO)

**CALL TO ORDER**

Mr. Anthony called the meeting to order at 2:33 pm

**WELCOME AND INTRODUCTIONS**

Mr. Anthony welcomed all committee members.

Ms. Bueno provided highlights and summarized some points of interest from the Notice of Proposed Rulemaking (NPRM) that the Department of Labor Employment and Training Administration recently released that will affect Title 29 Code of Federal Regulations (CFR) Section 29.

There are currently fourteen sections covered under the current 29 CFR 29. With the proposed changes, the fourteen sections will be increased to thirty. Various topics and items are being introduced throughout, such as Career and Technical Education (CTE) Registered Apprenticeships and new requirements for State Apprenticeship Agency recognition, among them.

### **29.1 Purpose and Scope**

This covers the expansion of the role of education partners and intermediaries. There was no comment from the Committee on this matter.

### **29.2 Definitions**

Ms. Bueno explains that Registered Apprenticeship currently has both 29 CFR 29 and 29 CFR 30 sections for Definitions and the NPRM proposes to consolidate both into one, under this section 29.2. Mr. Grijalva expressed concurrence to this proposed change.

### **29.6 Transition**

This section covers the expected transition period due to the NPRM changes to ensure timely compliance.

Committee members have expressed concern that timelines and additional requirements may not align with current legislative timelines and likewise, add to the administrative burden on the AAO.

### **Subpart A—Standards for Registered Apprenticeship Programs**

Subpart A of the proposed rules covers changes in the Standards for Registered Apprenticeship programs. Ms. Bueno shares that not all sections will be discussed as most have not changed much and do not require comment.

### **29.7 Occupations Suitable for Registered Apprenticeship Program**

The Office of Apprenticeship will exclusively determine occupations for their “suitability” for Registered Apprenticeship.

This proposed change seemingly implies that SAAs will no longer be able to create occupations at the local level. Concern was raised over the ability to respond to emerging needs for workforce development at the local state level and how this proposed change may curtail that.

Mr. Grijalva clarified the process and acknowledged that this proposed change may be advantageous as it will bring consistency in the quality and standards for nationwide use. Mr. Anthony concurs with this opinion.

Mr. Greenawalt expressed concern over the timeline and procedure involved in this process. He states that several advances in technology and information will always generate the need for more training for new roles and occupations. If the Registered Apprenticeship is not quick to respond to this need, employers and industries will find alternative ways to train and upskill their workforce.

### **29.8 Standards of Apprenticeship**

The current recommended hours of related technical instruction (RTI) is 144 hours for every 2,000 hours of on-the-job learning (OJL), which in the proposed rules, will now be a requirement and not a recommendation. This is already practiced in Arizona, and the Committee concurs.

### **29.8(17)(ii)(C)**

This change requires all apprentices' final wages to be at least 75% of the journeyworker wage paid by the employer as regulated by any federal or state law or collective bargaining agreement.

Concern was raised that in the absence of any law or collective bargaining agreement, who will ultimately determine this journeyworker rate for each occupation and industry.

Mr Anthony commented that it would be at individual companies' discretion. Mr. Greenawalt chimed in agreement. Mr. Anthony commented that if there is no collective bargaining agreement, the company should determine a competitive salary compensation.

## **29.9 Apprenticeship Agreements**

### **29.9 (c) (9-12)**

The proposed changes mention additional apprenticeship agreement requirements. Among those requirements is an End-Point Assessment before receipt of a certificate of completion of the Registered Apprenticeship Program (RAP). Though End-Point Assessments are already being practiced by most large RAPs, there is the question of whether small RAPs will be able to create one for their use and would be in compliance with industry standards.

Another requirement includes a description of any supportive services available to apprentices, unreimbursed costs, and a description of any recognized postsecondary credits or credentials.

Concern was raised regarding the ability of RAPs to gather such information. Once again, the Committee expressed concerns about these additional requirements adding an administrative burden to RAP sponsors. This may drive most to seek alternative ways to train their workforce and opt out of Registered Apprenticeship.

Ms. Furlong added that the role of the RAP sponsor seems to be confused. Ms. Vedo chimes in and adds that it is the employer's responsibility and scope, not the program sponsors'. Mr. Greenawalt weighs in and agrees that these additions will create barriers, such as increased costs for administrative support.

Ms. Furlong added further that the Workforce Innovation and Opportunity Act (WIOA) already provides this. Ms. Faust said that even at the Community College level, it is challenging to extract despite having direct access to the information; what more RAP sponsors who do not.

## **29.10 Program Registration**

This section covers requirements from the current regulations for RAP registration with a few proposed additions. There was no comment from the Committee on this matter.

### **29.10(a)(5)**

To apply for registration, a prospective program sponsor must submit electronically to the State Apprenticeship Agency an application that includes information showing that the prospective program sponsor possesses and can maintain the financial capacity and other resources necessary to operate the proposed program.

This means SAA staff would have to ask for the financial information of potential sponsors. This requirement may deter businesses from participating in an apprenticeship and will find other ways to train their employees. Ms. Vedo added that the involvement of accountants or legal counsel may be possible, and it is not specified who will shoulder this additional cost – employers or RAP sponsors.

#### **29.11 Program Standards Adoption Agreement**

This section seems to be a reiteration of what is currently in place for group RAPs Employer Acceptance Agreements. There was no comment from the Committee on this matter.

#### **29.12 Qualifications of Apprentice trainers and providers of related Instruction**

This section adds requirements for trainers to meet specific criteria in order to deliver RTI. Though not specified in the current CFRs, this is already something that is observed as best practice in Arizona as commented by Mr. Grijalva.

#### **29.13-29.15 National Occupations Standards (NOS), National Program Standards (NPS) and National Guidelines for Apprenticeship Standards (NGS)**

The Committee acknowledges that this will incorporate industry input and guidance and affect the development and consistency of new apprenticeship programs throughout the country.

#### **29.16 End-Point assessments**

This section as stated earlier in the meeting, requires RAPs to administer end-point assessments at the conclusion of the apprenticeship term to establish the apprentice's successful attainment of all of these knowledge, skills, and competencies associated with the occupation.

Concern was raised as to who will create or develop these assessments. Furthermore, there are over 1,200 occupations that would require industry-recognized end-point assessments that would ultimately vary by program and even by employer. A point was raised by Mr. Greenawalt that should these assessments be designed by the DO, it would not be ideal and may deter further participation in Registered Apprenticeship.

#### **29.17 Complaints**

This section clarifies roles of the Registration Agencies in receiving, processing, and resolving complaints. There was no comment from the Committee on this matter.

#### **29.18 Recording by registered programs**

Mr. Grijalva and Mr. Anthony shared that most RAPs in Arizona are already compliant and have been practicing these requirements as proposed in this section. No further comments on this section were added.

#### **29.19 Program Reviews**

Ms. Bueno explains this section and raises the topic of risk-based reviews. As proposed in the NPRM, program reviews are to be conducted every five years. In relation to this schedule, reviews may also happen more frequently for quality-based and risk-triggered reviews. There is a considerable amount of time and preparation

that needs to go into planning for a review. Likewise, the NPRM anticipates that 20% of programs are not currently compliant. This could spell additional administrative burden and the need for additional staffing and financial resources for the Registration Agencies. The Committee agrees and further adds that compliance with this requirement is easier with more resources available.

## **Subpart B - Registered Career Technical Education Apprenticeship Programs (RCTEAP)**

### **29.24 (a)**

Ms. Bueno shared that Registered CTE Apprenticeship Programs (RCTEAP) are a new kind of RAP. It is similar to the “Youth Apprenticeship” model and is not a required program for states to have. The proposed program requires credits for post-secondary education or college credits. A comment was just raised as to why these credits are required when not all industries or occupations find value or use in them, such as construction and trades.

Mr. Greenawalt commented that Arizona will not be seeing many of these and perhaps will be called by a different name

Mr. Grijalva also added that it sounds more like an internship rather than an apprenticeship due to its nature of not being occupation-focused but rather industry-focused. There was also concern over the post-secondary credits and the cost this may incur an individual participating in this RCTEAP.

### **29.24 (b)**

This section proposes the creation of Industry Standard Frameworks (ISF) for use in these RCTEAPs. There was no clarification provided regarding, who will design and develop these ISFs.

## **Subpart C—Administration and Coordination of the National Apprenticeship System**

### **29.25 Collection of data and quality metrics concerning apprenticeship**

Ms. Bueno explained that there would be a reduction of program sponsor reporting from 45 days to 30 days. There is also the requirement to report information about supportive services provided to apprentices. Furthermore, program sponsors are required to keep an updated list of contact information for the program and each of its employer participants regularly.

There is an annual reporting requirement of completion rates, total apprentices served, employment retention rates at the time of exit, percentage of exiters that receive at least one interim credential at the time of exit, percentage of exiters that enter post-secondary education of a career pathway program at the time of exit.

Most of this information is not readily available to the SAA staff and may require additional research and data extraction from other sources. This would post additional administrative burden to an already limited staff.

Ms. Bueno adds that Registered Apprenticeship is employer-driven and therefore, the AAO staff are at the mercy of their timelines and may cause unnecessary stress to meet tight deadlines proposed by the NPRM. Furthermore, additional information tracking and collection add much burden to employers and program sponsors who, as mentioned earlier, may look for alternative solutions to training their workforce outside of Registered Apprenticeship.

With no additional resources to fund all of these additional administrative burdens will limit the SAA staff's ability to focus on expansion. The Committee members concur with these sentiments.

#### **29.26 Roles and Responsibilities of State Apprenticeship Agencies**

There were no comments from the Committee on this matter.

#### **29.27 Submission of State Apprenticeship Plan**

To maintain recognition as an SAA, each SAA would be required to submit a State Apprenticeship Plan which the proposed changes the addition of statements regarding strategic goals for expansion, DEIA, serving underrepresented populations, and alignment with education and workforce development activities. The State Apprenticeship Plan sounds more like a grant proposal.

The concern is that the new operational plan for recognition as an SAA will still be submitted to OA/DOL for review and approval. It seemingly allows leverage for OA to direct SAA resources and staffing which are not funded by them, to begin with.

Mr. Greenawalt and Mr. Anthony have expressed strong disagreement with Subpart C. The Committee unanimously disagrees with Subpart C in its totality.

#### **ADJOURNMENT**

Mr. Anthony adjourned the meeting at 3:48 pm.