

**BULLETIN 2001-05**

**Date: December 1, 2000**

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship Training, Employer and Labor Services (OATELS) Washington, D.C. 20210	<u>Distribution:</u>  A-541-All Headquarters A-544-All Field Techs A-547-SD+RD+SACs+Lab. Comm.	<u>Subject:</u> United States Department Of Housing And Urban Development Initiative—"Bridging The Gap "  <u>Code:</u> 400.1
Symbols: DSNIP/BLT		<u>Action:</u> Immediate

**PURPOSE:** To notify Office of Apprenticeship Training, Employer and Labor Services (OATELS), Bureau of Apprenticeship and Training (BAT) staff of the Department of Housing and Urban Development's (HUD) new initiative to expand the use of registered apprenticeship as a career-building tool throughout HUD programs. The expansion of registered apprenticeship with Public Housing Authorities (PHAs) and tribally designated housing entities (TDHEs) can provide training opportunities, particularly for residents living in public housing. Attached are two documents - "Bridging the Gap - Expanding Apprenticeship in HUD Programs" and the HUD Notice of Fund Availability that was published in the Federal Register November 28, 2000.

**BACKGROUND:** The Office of Apprenticeship Training, Employer and Labor Services worked jointly with HUD to address expanding registered apprenticeship with Public Housing Authorities (PHAs) and tribally-designated housing entities (TDHEs). As a result of those efforts, both agencies jointly developed the attached "Bridging the Gap - Expanding Apprenticeship in HUD Programs." The new HUD initiative includes the availability of funds for those public housing authorities willing to support employment and training opportunities for residents living in public housing through apprenticeship activities and programs. HUD has published a **Notice of Fund Availability** (NOFA) in the November 28, 2000 Federal Register accepting applications from those Public Housing Authorities who have an interest in receiving funding for these types of efforts.

HUD held a National Conference November 29, 2000 through December 1, 2000 to discuss both new initiatives with the U. S. Department of Labor – "Making Davis-Bacon Work (Wage and Hour)" and "Bridging the Gap" (ATELS). Those in attendance included HUD National and Regional Labor Relations, HUD National and Regional Contracts Divisions, and HUD Community Builders.

**ACTION:** ATELS staff should familiarize themselves with the attached material. We anticipate that HUD will begin contacting staff to discuss registered apprenticeship for housing authorities. For those who are not familiar with the HUD-DOL Step Up Program, please visit HUD's website at: <http://www.hud.gov:80/OLR/stepup.pdf> which provides the results of a study done on various Step-Up Programs currently recognized around the nation. Please review ATELS Bulletin 92-08 which addresses the STEP-UP component in registered apprenticeship programs with public housing authorities. To review the NOFA in its entirety, access HUD's direct link at <http://www.hud.gov/nofa00/fr26844.pdf>. All of these documents should be helpful in your efforts with HUD.

**NOTE:** This Bulletin is being sent via Electronic Mail (E-Mail). Bureau State Directors should provide copies to their SAC partners as appropriate.

**U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**RESIDENT OPPORTUNITIES AND SELF SUFFICIENCY (ROSS) GRANTS  
TO SUPPORT PUBLIC HOUSING APPRENTICESHIP ACTIVITIES**

**NOTICE OF FUND AVAILABILITY**

The Resident Opportunities and Self Sufficiency (ROSS) Program will link services to public housing residents by providing grants for supportive services, resident empowerment activities and activities to assist residents in becoming economically self sufficient. The Notice of Fund Availability (NOFA) announces HUD's intention to award to eligible housing authorities grants to support employment and training opportunities for residents living in public housing through apprenticeship activities and programs. As part of the ROSS program, the Public Housing apprenticeship related grants will provide job training and ensure bonafide apprenticeship and employment opportunities in the construction trades and public housing operations that will lead to self sufficiency for the use of these funds. NOFA applicants will establish programs that will lead to program participants being enrolled in apprenticeship programs registered by the U. S. Department of Labor, Bureau of Apprenticeship and Training (BAT) or a BAT-recognized State Apprenticeship Agency (SAC).

The term of the awards under this NOFA shall not exceed three years.

Availability of Funds: Approximately \$3 million is being made available for the Public Housing Apprenticeship Program under this NOFA.

Eligible Applicants: Public Housing Authorities

Application Deadline: Applications are due February 26, 2001.

The full Notice of this grant program appeared in the November 28, 2000 Federal Register.

**“BRIDGING THE GAP”**  
**EXPANDING APPRENTICESHIP IN HUD PROGRAMS**

Department of Housing and Urban Development Secretary Andrew Cuomo has launched a bold initiative related to Federal labor standards and HUD programs. The first component of this initiative, called “Making Davis-Bacon Work,” is focused on enhancing the enforcement of Federal prevailing wage requirements in all HUD programs. The second component, “Bridging the Gap,” concerns making apprenticeship work in HUD programs by expanding the economic and skills-building opportunities that registered apprenticeship can offer on HUD-assisted construction and maintenance activities.

I. POLICY

As a matter of policy, HUD promotes the use of registered apprenticeship programs<sup>1</sup> as a means to develop qualified workforces in highly skilled occupations. Apprenticeship has a long and proud history of providing structured, highly competent, safe and comprehensive occupational training and of producing journey-level workers of exceptional caliber. HUD programs need skilled workers, especially in the maintenance and construction trades. Apprenticeship has demonstrated that it is ideally suited to prepare individuals as journeyworkers in their craft. America needs a highly skilled workforce to build and maintain its communities, infrastructure and economy. HUD promotes registered apprenticeship because it works.

Through this new initiative, HUD seeks to promote expanded use of existing apprenticeship programs. Many HUD program recipients, including state and local governments, public housing authorities (PHAs) and tribally-designated housing entities (TDHEs), already utilize apprenticeship as a means to assemble and train a highly-qualified workforce. In addition, many contractors and subcontractors engaged on HUD-assisted projects participate in established apprenticeship programs. HUD wants to encourage greater use of existing apprenticeship programs as well as foster the development and registration of new apprenticeship efforts in a wide range of occupations. At the same time, HUD seeks to increase the representation of its program beneficiaries, such as the residents of public housing and other low- and very low-income persons, among the ranks of registered apprentices and, ultimately, among the ranks of trade journeyworkers. HUD believes that apprenticeship can provide for these persons a rare opportunity to gain the self-respect, confidence and economic independence available in careers in highly skilled occupations, such as those that may be learned and earned through apprenticeship.

II. HUD PROGRAM REQUIREMENTS

Most HUD-assisted construction work, and the maintenance work performed on low-income housing operated by PHAs and TDHEs, is subject to the prevailing wage requirements

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<sup>1</sup> The term “registered apprenticeship program” means an apprenticeship program registered by the U.S. Department of Labor’s Bureau of Apprenticeship and Training (BAT) or a BAT-recognized State apprenticeship agency (SAC) pursuant to DOL regulations at 29 CFR Part 29. For the purposes of this paper, references to *apprenticeship programs* mean only registered apprenticeship programs, and references to *apprentices* mean only persons individually registered in such programs.

determined under the Davis-Bacon Act (for construction) or the U.S. Housing Act of 1937 (for maintenance). In such prevailing wage environments, the laborers and mechanics performing the work must be paid no less than the journeyman's rate for their craft, *except* that apprentices registered in bona fide programs may be paid at a training wage specified in the program.

Additionally, pursuant to Section 3 of the Housing and Urban Development Act of 1968, employment and training opportunities arising from HUD programs must be provided to low- and very low-income persons residing in the area (Section 3 residents). The Indian Housing Block Grant (IHBG) program carries Indian preference requirements under both Section 3 and Section 7(b) of the Indian Self-Determination and Education Assistance Act. These clauses require that opportunities for training and employment shall be given to Indians, and that preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned economic enterprises. The performance expectations associated with Section 3 and Indian preference requirements vary between HUD programs but a key objective is common to all -- to utilize HUD funding and other program resources to bring tangible economic benefits directly to the people who live in the neighborhoods where physical improvements are taking place.<sup>2</sup>

Apprenticeship is a key tool in accomplishing multiple HUD objectives. HUD primarily funds prevailing wage covered-construction and maintenance work and must provide employment and training opportunities for Section 3 residents. Apprenticeship is the gold standard for training in construction and maintenance occupations. America's communities need skilled workers, and apprenticeship is a valued means of developing such workers.

### III. FIRST STEP

As a first step, HUD will encourage all local agencies administering HUD programs, particularly PHAs and TDHEs, to utilize apprenticeship as the primary means of providing job training for their own workforces. Working in collaboration with the DOL's Office of Apprenticeship Training, Employer and Labor Services (ATELS)/Bureau of Apprenticeship and Training (BAT), HUD will assist local agencies in identifying additional apprenticeable occupations. ATELS/BAT will assist apprenticeship sponsors (Sponsors) in developing appropriate apprenticeship standards for such occupations. In addition, HUD will explore developing specific language for contract procurement that would require prospective bidders to utilize apprentices, and offering additional points to applications submitted for competitive funding that include the use of and/or linkages to registered apprenticeship programs.

#### A. Coordination with DOL's WIA One-Stop Centers

Local agencies will be encouraged to join HUD and the Department of Labor (DOL) at One-Stop Centers. Pursuant to the Workforce Investment Act of 1998 (WIA), DOL and HUD, through its grantees, are both required partners in local One-Stop delivery systems. One-Stop Centers are designed to be a focal point for employment related services, including information about job vacancies, career options, student financial aid, relevant employment trends, and instruction on how to conduct a job search, write a resume, or interview with an employer.

#### B. Coordination with Local Apprenticeship Programs

HUD will work with local agencies, labor and industry organizations to facilitate better coordination with and support for Sponsors of existing apprenticeship programs to

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<sup>2</sup> For discussion purposes, this paper will refer to Section 3 and Indian preference populations, collectively, as Section 3 residents.

increase the use of apprentices on HUD-assisted projects, generally, and to increase access to apprenticeship for Section 3 residents.

### C. Building Local Partnerships

HUD will assist in the development of community partnerships to support local apprenticeship initiatives and to coordinate among local agencies and resources. HUD Community Builders, supported by HUD program and Labor Relations staff, and working with the DOL's BAT and/or State apprenticeship agency, will provide coalition-building skills and technical support to local agencies, community-based organizations, and labor and management representatives, for the purpose of assembling and coordinating the elements necessary to establish and operate local job-readiness programs targeted to low-income persons, particularly those persons meeting the definition of Section 3 residents. Community partnership outreach should include existing apprenticeship program Sponsors. Such community partnerships and/or a lead agency(ies) serving these purposes are referred to as *Program Coordinators*.

### D. Relief from HUD Regulatory Requirements and Other Incentives

In addition to program financial support, HUD will explore means to provide relief for those persons receiving training from economic burdens that may increase as a result of participation in apprenticeship, and to allow for the provision of other incentives. To this end, HUD will consider requests for waiver of HUD requirements (where not prohibited by law) that would serve to facilitate the expansion, development or operation of apprenticeship programs. For example, HUD has provided relief from rent increases that would have been imposed on public housing residents due to income received while participating in a HUD-assisted employment program.

## IV. LAYING THE FOUNDATION - PREPARING FOR SUCCESS

HUD's employment and training efforts must be focused toward Section 3 residents — low- and very low-income persons many of whom are disadvantaged, minority, and/or female heads-of-households. Section 3 residents very often do not have the skills necessary to perform construction or maintenance work at the journey level and do not have ready access to bona-fide apprenticeship programs where they can receive job training and earn wages.

Traditional apprenticeship, particularly for construction trades, has not historically reached as well into low-income, disadvantaged, minority and female populations. Factors that have limited access include the inability to meet minimum qualifications (entry requirements) and the lack of affordable child care and transportation.

For Section 3 residents who are prepared to undertake career training and who meet minimum qualifications, HUD supports the entry of such individuals into registered apprenticeship. However, HUD recognizes that an apprenticeship program serving low-income or otherwise disadvantaged persons may also need to provide preparatory courses and support services in order for the participants to successfully complete the apprenticeship program and compete in the job market. The objective of such preparatory courses are to ready the participants for more intensive occupational skills training that will follow. Preparatory courses may include life skills, job counseling, English as a second language, driver's training, and GED instruction for participants who lack a high school diploma or its equivalent. Support services

may include child care and transportation assistance.<sup>3</sup> The specific components of preparatory training and support services will be determined locally based upon the needs of the participants.

## V. BUILDING BRIDGES TO APPRENTICESHIP

HUD and ATELS/BAT will assist Program Coordinators in the development of comprehensive job-readiness programs that provide for screening, preparatory training and support services. HUD and ATELS/BAT will assist prospective Sponsors (including Program Coordinators which also wish to operate an apprenticeship program and which meet the requirements to be a Sponsor) in the development of apprenticeship programs. Program Coordinators will have many options in the objectives and content of the job-readiness program -- designed to meet the specific needs of the targeted participants; to take advantage of existing resources; and to fit with the current and anticipated needs of local businesses and employment opportunities. Program Coordinators can (1) refer qualifying candidates for entry into existing apprenticeship programs (including their own program if the Program Coordinator is also a Sponsor); (2) offer advance preparatory training as a separate component -- prior to entrance into apprenticeship; and/or (3) offer preparatory training as a part of an apprenticeship.

### A. Construction and Maintenance as a Starting Place - Not necessarily an End

Although HUD programs primarily fund construction-related activities and maintenance work (PHAs/TDHEs), and HUD job sites offer a training ground around construction and maintenance occupations, our objectives are not limited to construction and maintenance trades. HUD's apprenticeship initiative seeks to provide access -- either directly or through linkages -- to apprenticeship in as wide a range of occupations as possible. For example, apprenticeship opportunities could be provided through the development and operation of apprenticeship programs for child care workers and/or administration/office management workers - occupations which directly relate to local agency business and employment operations. Linkages can be arranged with local apprenticeship Sponsors, employers and trade unions outside of construction and maintenance, and other businesses based upon projected employment needs, (i.e.: Which agencies and businesses expect to be hiring and what skills will they be looking for?).

### B. Screening and Preparation

Screening and preparation consists of applicant assessment - to determine suitability, strengths and needs of prospective participants, and preparatory training involving any number of basic educational and support services, depending on participant needs and local resources, to assist participants to successfully make the transition into mainstream education and employment environments that will follow. HUD considers that two components of preparatory training -- GED instruction and job safety training -- are essential. These are mandatory, as explained below.

#### Mandatory Elements

- GED instruction for all participants who lack a high school diploma or equivalent.

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<sup>3</sup> As noted previously, child care and other services represent additional apprenticeship and business opportunities.

- Job safety and health training for all participants. Participants involved in construction or maintenance must receive OSHA-recognized 10-hour basic hazard awareness health and safety training program.

Other components may include:

- Educational and aptitude assessments
- Ability to meet physical requirements
- Drug screening
- Life-skills counseling
- English as a second language
- Driver's training
- Child care
- Transportation
- Work clothes and tools
- Stipends (where not a part of on-the-job/employment components) during preparatory training
- Other participant incentives

### C. Required elements for apprenticeship

Apprenticeship involves a commitment on the parts of the Sponsor and the apprentices. For prospective apprenticeship Sponsors, including Program Coordinators who may wish to fill a dual role, the following is a brief description of the elements required to establish a registered apprenticeship program.

1. Sponsor - An association, committee or organization that has the ability to assemble and operate the required apprenticeship components, that has access to applicants, that can provide employment at job sites, and that meets the BAT/SAC requirements to be a Sponsor.
- 2 Standards - The apprenticeship standards must meet the requirements of DOL regulations at 29 CFR Part 29 or of corresponding State apprenticeship regulations, and must be approved and registered by the Bureau of Apprenticeship and Training (BAT) or a BAT-recognized State apprenticeship agency (SAC). The approved standards outline an organized, written plan covering the terms and conditions of employment, training, and supervision of apprentices. The standards contain provisions addressing such areas as term of apprenticeship, outline of the on-the-job training, related technical instruction, apprentice to journeyworker ratio, apprentice wage rates and other aspects of the local program. Developed locally, the standards will be tailored based upon local needs, objectives and resources. The Sponsor should work directly with the registration agency (BAT or SAC) to develop the apprenticeship standards, utilizing the expertise available from apprenticeship professionals.
- 3 Related Instruction - A component of the registered apprenticeship standards, related instruction supplements on-the-job training experience and consists of technical subjects related to the occupation. Related instruction can be completed in classroom settings, or through correspondence courses, distance learning or other self-study formats approved by the registration agency. Local school systems - traditional, vocational, and technical - could be brought into partnership to provide space and instructors.



- i. Job sites - Apprentices earn wages while employed on actual job sites; this is where apprentices receive on-the-job training. An apprenticeship initiative could operate largely on funding resources provided through HUD for construction and/or maintenance work since the wages are paid through such budgets and contracts. In addition, since the participants are bona fide apprentices, they can be referred to work on any Davis-Bacon covered project, whether HUD-assisted or assisted by another Federal agency or program. However, trade apprenticeship programs have durations ranging from two to six years. In order to ensure continuity of training and employment and to ensure sufficient work opportunities to complete the full apprenticeship program, linkages with other public and private employers who participate in registered apprenticeship programs are critical.

## VI. ENTRY TO REGISTERED APPRENTICESHIP

In cases where applicants meet entry requirements for apprenticeship and are otherwise prepared to begin such career training, local strategies should provide for referral to registered apprenticeship - bypassing preparatory training - through cooperation with apprenticeship Sponsors. Many apprenticeship programs have specific educational and/or proficiency prerequisites such as high-school - level Algebra or Geometry. Program Coordinators should consult with apprenticeship Sponsors to learn the prerequisites specific to each trade or occupational apprenticeship program so that referrals of applicants can be managed, accordingly.

## VII. PREPARATORY TRAINING IN ADVANCE OF APPRENTICESHIP

This approach provides preparatory training prior to registration in an apprenticeship program. Applicants will be screened for aptitudes and current abilities and placed on a training plan comprised of those elements which will address the participants' needs and prepare them to meet the entry requirements for a career path consistent with their interests and aptitudes. Such training is often referred to as "pre-apprenticeship." Individuals in pre-apprenticeship are not registered apprentices and may not perform work on projects subject to prevailing wage requirements unless they are paid the journeyman's wage rate for the type of work they perform. Therefore, pre-apprentices are generally not employed (i.e., not earning wages). In such pre-apprenticeship settings, Program Coordinators are encouraged to consider the provision of stipends and/or other incentives to provide economic support until employment or other financial support is attained.

## VIII. APPRENTICESHIP WITH PREPARATORY TRAINING

### A. Early Entry into Existing Apprenticeship Programs

Some apprenticeship programs permit early entry for individuals who may not meet all qualifications for apprenticeship but who are following a regimen which will allow them to meet the qualifications within an appropriate time frame. Such individuals are registered and working as apprentices and are pursuing a course of preparatory training in order to fulfill entry requirements. Program Coordinators may refer certain participants to apprenticeship programs which offer early entry.

## B. Step-Up

The Step-Up apprenticeship program developed by HUD and DOL/BAT provides an initial training period within the framework of registered apprenticeship concurrently with preparatory training. Step-Up is based upon two-year apprenticeship standards developed for a Building Maintenance Repairer. The Step-Up approach allows participants to attend a one-year beginning training period as a registered apprentice in a non-traditional framework and can be an avenue for stepping-up into a trade-specific apprenticeship program. During the one-year period, participants receive GED instruction (if needed) and support services to lay a career-building foundation. After this first year, participants may remain under the Building Maintenance Repairer standards and complete training for that occupation or may transfer to trade apprenticeship in construction or other occupations. Apprenticeship hours earned during the initial year are creditable to the extent allowable by the receiving apprenticeship program Sponsor. This initial training period serves as a beginning – it is not meant to be an end; participants are not expected to become a journeyman in any trade after completing the first year but will be better prepared to succeed in trade apprenticeship as a result. This approach differs from traditional apprenticeship in the following ways:

- Entry level requirements (e.g., high school diploma/GED; age restrictions) are temporarily set-aside allowing time for participants to gain qualifications needed for entry to apprenticeship.
- GED instruction is required. Any participant lacking a diploma/GED is required to attend GED classes.
- Apprentices are not trade-restricted -- they can work with journeymen of any trade.
- Apprentices can be referred for employment to contractors and/or subcontractors engaged in contract work on HUD job sites. Contract employers are not required to make long-term commitments to utilize such apprentices on Section 3-covered contracts.

These differences allow flexibility during implementation of the one-year initial training period and accrue more opportunities and experiences for participants at completion of the first year. Additionally, apprentices have opportunities to work with more employers increasing prospects for continuing employment. HUD Community Builders and other HUD staff can assist prospective Step-Up Sponsors to develop local partnerships around apprenticeship, assemble local services and resources, and create a local program tailored to the local needs and resources.