OFFICE OF APPRENTICESHIP BULLETIN

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TO: NATIONAL APPRENTICESHIP SYSTEM STAKEHOLDERS OFFICE OF APPRENTICESHIP STAFF STATE APPRENTICESHIP AGENCIES

FROM: JOHN V. LADD /s/ Administrator, Office of Apprenticeship

SUBJECT: Apprenticeable Occupations for Registered Apprenticeships in the Solar Industry

- 1. <u>Purpose</u>. To inform the staff of the Office of Apprenticeship (OA), State Apprenticeship Agencies (SAAs), Registered Apprenticeship Program (RAP) sponsors, Registered Apprenticeship partners, and other interested parties of the U.S. Department of Labor's current position on apprenticeable occupations for Registered Apprenticeships in the solar industry and to provide information for Registration Agencies on the process for determining suitability for creating RAPs.
- 2. <u>Action Requested</u>. This bulletin is being provided to all interested parties for informational purposes only. OA and SAA staff, existing and potential RAP sponsors, and Registered Apprenticeship partners should familiarize themselves with this bulletin to ensure that they are fully aware of the extent of existing occupations that have been approved for registered apprenticeship in the solar and construction industry for Federal purposes and the resources available to determine apprenticeability.
- 3. <u>Summary and Background</u>. The Registered Apprenticeship System plays a critical role in expanding opportunities and access to career pathways in apprenticeship for all U.S. workers, including those from underserved communities, as well as in connecting job seekers, RAP sponsors, employers, industry partners, and educators to build, train, and retain a skilled and diverse workforce. The Registered Apprenticeship System is well-positioned to support investments in clean energy industries, including investments through the Inflation Reduction Act (Public Law 117-369, 136 Stat. 1818 (IRA)), by providing industry-driven workforce training pathways into quality clean energy jobs for all workers. By utilizing Registered Apprenticeships, employers can develop and prepare their future clean energy workforce while gaining access to tax benefits (where applicable), and individual apprentices can obtain paid work experience, progressive wage increases, classroom instruction, and a portable, nationally recognized credential.

On August 16, 2022, President Biden signed the IRA, which amended the Internal Revenue Code (Code) to add prevailing wage and apprenticeship requirements to qualify for increased credit or deduction amounts (<u>https://www.congress.gov/bill/117th-congress/house-bill/5376</u>). The IRA authorized Treasury to develop guidance or regulations necessary to carry out the prevailing wage and apprenticeship requirements. The U.S. Department of Labor (DOL) is

EMPLOYMENT AND TRAINING ADMINISTRATION U.S. DEPARTMENT OF LABOR WASHINGTON, D.C. 20210 committed to supporting Treasury in the effective implementation of these requirements. Treasury has launched a page dedicated to providing the latest information and guidance on the implementation of the IRA, which is available here: <u>https://www.irs.gov/inflation-reduction-act-of-2022</u>.

On November 30, 2022, Treasury published initial guidance on the IRA's apprenticeship and prevailing wage requirements in Notice 2022-61, Prevailing Wage and Apprenticeship Initial Guidance under § 45(b)(6)(B)(ii) and Other Substantially Similar Provisions. The prevailing wage and apprenticeship requirements apply to qualifying facilities, projects, property, or equipment for which construction begins on or after January 29, 2023. In an effort to support Treasury's implementation of the IRA, DOL launched a comprehensive website to provide stakeholders with critical information to navigate the prevailing wage and apprenticeship-related provisions (please visit: <u>https://www.dol.gov/general/inflation-reduction-act-tax-credit</u>). Additionally, OA has also launched a page on Apprenticeship.gov dedicated to providing Registered Apprenticeship stakeholders with the most up to date information, resources, and Frequently Asked Questions on the IRA implementation (please visit: <u>https://www.apprenticeship.gov/inflation-reduction-act-apprenticeship-resources</u>). This page will be updated as more information is available.

To address inquiries about eligible occupations for RAPs in the solar industry, a Registration Agency (either OA or a recognized SAA) must determine whether an occupation is "apprenticeable" for Federal purposes, consistent with 29 CFR § 29.4. Based on its analysis of the work process schedules of existing apprenticeable occupations, thus far OA takes the position that commercial solar installation work can be conducted across a variety of such occupations, including but not limited to electricians, laborers, iron workers, operating engineers, and carpenters.¹ At this time, occupations specific to solar panel installation, such as Solar Photovoltaic Installers (<u>O*NET 47-2231.00</u>) or related occupations (e.g., Solar Panel Installer or Solar Energy Technician) have not been approved by OA as apprenticeable occupations for Federal purposes nationwide.

OA uses information provided by sponsors to develop work process schedules consistent with the criteria established in 29 CFR § 29.4. The O*Net online database is a useful tool to assist sponsors, OA, and Registration Agencies in the development of work process schedules for occupations seeking an apprenticeability determination from OA (https://www.onetonline.org/). Through this process, a work process schedule for a proposed apprenticeable occupation may be submitted through OA's Apprenticeship Occupation Request Tool (https://www.apprenticeship.gov/employers/registered-apprenticeship-program/register/apprenticeship-occupation-request), OA is able to review these submissions and receive feedback from industry to determine whether an occupation can be considered apprenticeable. SAAs that conduct their own apprenticeability processes must ensure that their process conforms to the requirements of 29 CFR § 29.4, to ensure an occupation is "clearly identified and commonly recognized throughout an industry" within their State. Additionally, occupations in heavily licensed industries should ensure the work process schedules train apprentices consistent with Federal, State, and local licensing requirements.

¹ Examples of work process schedules for these occupations can be found at: <u>https://www.apprenticeship.gov/apprenticeship-occupations</u>.

4. Office of Apprenticeship Apprenticeability.

a. Criteria for Apprenticeable Occupations - In determining the suitability of an occupation for apprenticeship, OA considers the extent to which an occupation under consideration meets the criteria outlined in 29 CFR § 29.4 for apprenticeable occupations. Pursuant to 29 CFR § 29.4, for an occupation to be considered apprenticeable, it must be one which is specified by industry, and which must also:

(a) Involve skills that are customarily learned in a practical way through a structured, systematic program of on-the-job supervised learning;
(b) Be clearly identified and commonly recognized throughout an industry;
(c) Involve the progressive attainment of manual, mechanical or technical skills and knowledge which, in accordance with the industry standard for the occupation, would require the completion of at least 2,000 hours of on-the-job learning to attain; and
(d) Require related instruction to supplement the on-the-job learning.

When the OA determines that an occupation is apprenticeable for Federal purposes nationwide under 29 CFR § 29.4, it is eligible for registration and is searchable in OA's occupation finder tool² (<u>https://www.apprenticeship.gov/apprenticeship-occupations</u>). Program sponsors in any State may then seek to register an apprenticeship program in that occupation.

- b. O*NET and Apprenticeable Occupations The O*NET program (https://www.onetcenter.org/overview.html) is the nation's primary source of occupational information. Central to the project is the O*NET database, containing information on hundreds of standardized and occupation-specific descriptors. The database is continually updated by surveying a broad range of workers from each occupation. O*NET provides the foundation for developing a work process schedule for RAPs and standards. The database provides information about the skills and education and training pathways for 900 occupations. Not all occupations listed in O*NET are apprenticeable, since not all occupations meet the criteria established in 29 CFR § 29.4. A list of OA-approved apprenticeable occupations is available for download from the occupation finder tool linked above.
- c. Apprenticeship Occupation Request Tool Bulletin 2022-67 provides information on the Apprenticeship Occupation Request Tool, a modernized approach that allows users to complete each of the forms needed for processing apprenticeability requests on electronic pages within the portal. The system provides quality control functions to ensure all required information is submitted and to address specific accuracy on proposed work process schedules and Related Instruction Outlines. Prospective industry respondents can provide comments within the portal and submit entries electronically to OA staff. OA is able to review and approve requests electronically, which assists in ensuring high quality submissions and can reduce the overall

² Note that the Occupation Finder Tool includes occupations that have not been determined apprenticeable as well, occupations that have been determined apprenticeable are designated as "Registered" and have a star next to them.

response time for stakeholders. For more information on the Apprenticeship Occupation Request Tool: <u>https://www.apprenticeship.gov/employers/registered-apprenticeship-program/register/apprenticeship-occupation-request</u>.

- d. Solar Panel Installation Occupations OA is aware of the recent growth and interest in residential and commercial solar panel installation occupations, as well as potential interest in the development of RAPs for these occupations. OA is also aware that the occupation has been determined apprenticeable by some SAAs within their respective States. To date, OA has not approved any stand-alone solar occupations as meeting the apprenticeability requirements contained in 29 CFR § 29.4. OA, based on the current information available, is not able to conclude that solar panel installation occupations are clearly identified and commonly recognized as distinctive occupations because the work processes and job activities involved in these occupations significantly replicate those of other existing apprenticeable occupations, such as electricians, iron workers, operating engineers, carpenters, and laborers. As such, solar panel installation work could be performed by apprentices in accordance with a work process schedule associated with a RAP for these and other occupations. Sponsors of programs in these existing occupations should consider modifying their currently approved standards to include related training and/or industry-recognized credentials as appropriate. Finally, under this approach, apprentices performing solar panel installation work would be paid according to the wage schedule associated with the program registered with OA.
- 5. <u>Considerations for State Apprenticeship Agencies</u>. While SAAs are not precluded from approving apprenticeable occupations for Federal purposes in their State that satisfy the criteria contained in 29 CFR § 29.4, they must ensure that they meet the following applicable factors.
 - a. Federal purposes Developing or joining a Registered Apprenticeship program can provide opportunities to access Federal funding opportunities, such as increased tax benefits available through the IRA. "Federal purposes," as defined in 29 CFR § 29.2, includes any Federal contract, grant, agreement or arrangement dealing with apprenticeship; and any Federal financial or other assistance, benefit, privilege, contribution, allowance, exemption, preference or right pertaining to apprenticeship.

SAAs that approve occupations and work processes for Federal purposes must base these apprenticeability determinations upon the requirement in 29 CFR § 29.4 that an occupation under consideration must be "clearly identified and commonly recognized throughout an industry" within their respective State. Accordingly, in instances where an SAA is evaluating the apprenticeability of a solar panel installation occupation, OA suggests that SAAs consult the North American Industry Classification System (NAICS) Manual. The NAICS Manual refers to the Construction Industry (at Code 23) in the following terms: "Activities of this sector are erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs" (https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf). SAAs conducting an apprenticeability determination for these occupations must analyze whether an occupation is "clearly identified and commonly recognized throughout an industry" and are urged to consult with the relevant construction stakeholders in their State. An SAA's apprenticeability determination is only applicable within its State.

- b. State and Local Licensing Requirements Registration of an apprenticeship program pursuant to 29 CFR § 29.5 does not exempt the program sponsor, and/or any employer(s) participating in the program, and/or the individual apprentices registered under the program from abiding by any applicable Federal, State, and local laws or regulations relevant to occupational licensing requirements. The CareerOneStop License Finder (https://www.careeronestop.org/Toolkit/Training/find-licenses.aspx) provides information about whether an apprenticeable occupation has State or local licensing requirements.
- **c. Reciprocity** Pursuant to 29 CFR § 29.13(b)(7), States must accord reciprocal approval for Federal purposes to apprentices, apprenticeship programs and standards that are registered in other States by the OA or a SAA if such reciprocity is requested by the apprenticeship program sponsor. Program sponsors seeking reciprocal approval must meet the applicable Federal, State, and local wage and hour provisions and apprentice ratio standards of the reciprocal State.

However, in instances where an SAA has approved an occupation not previously approved by OA or another SAA, that means the occupation has not been clearly identified or commonly recognized outside of that State by industry either nationally by OA or by another SAA per the apprenticeability requirements stipulated in 29 CFR § 29.4. Thus, the provision of reciprocity can only apply outside of that State if the occupation has been deemed apprenticeable in the reciprocal State (by an SAA or OA), in accordance with § 29.4. Further, RAPs in SAA states in occupations not deemed apprenticeable by OA, must still abide by State and local wage and hour laws, ratio requirements, licensing requirements, and – for the purposes of the IRA tax credits – operate in accordance with applicable Federal prevailing wage requirements.

- d. Inflation Reduction Act Implications Worker Classifications and Wage Determinations – In light of the enhanced tax credits of the IRA and the specific prevailing wage and apprenticeship requirements that must be met, OA anticipates an increased demand in requests for technical assistance regarding the intersection prevailing wages and registered apprenticeship. The Department of Labor's Wage and Hour Division (WHD) has developed the following resources to assist taxpayers, contractors, and subcontractors with complying with prevailing wage requirements in the IRA:
 - IRA FAQs (<u>https://www.dol.gov/agencies/whd/IRA</u>)

- Davis-Bacon wage determinations (<u>http://www.sam.gov</u>)
- Obtaining a Wage Determination (<u>https://www.dol.gov/sites/dolgov/files/WHD/Obtaining-WDs.pdf</u>)
- Understanding a Wage Determination (<u>https://www.dol.gov/sites/dolgov/files/WHD/Understanding-a-Wage-Determination.pdf</u>).

SAAs that have identified an apprenticeable occupation through a work process schedule and that have registered or are considering registering a program with standards suitable for that occupation should consider the extent to which the occupation aligns with labor classifications identified by WHD on the applicable wage determinations. SAAs, in operationalizing such an apprenticeable occupation for program registration, can facilitate engagement and provide technical assistance to ensure that sponsors and employers are aware that access to increased tax benefits under the IRA requires paying prevailing wages in accordance with the IRA's requirements. SAAs can also encourage sponsors of RAPs to consider, in the development of program standards, the applicability of prevailing wage requirements on apprentice wages when developing the progressive wage scale that upon completion of the program provides for the prevailing wage of the locality in which the work is performed.

6. <u>Inquiries</u>. If you have any questions concerning this bulletin, please contact Andrew Ridgeway, Director, Division of National System Building, at <u>Ridgeway.Andrew@dol.gov</u>. For questions about apprenticeable occupations, please contact Dave Jackson, Director, Division of Standards and Quality at <u>Jackson.Dave@dol.gov</u>.