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<td>287-35 (COR)</td>
<td>Joe S. San Agustin &amp; Jose “Pedo” Terlaje</td>
<td>AN ACT TO AMEND § 10102(a), ADD A NEW ITEM (q) TO § 10102, AMEND § 10108, ALL OF ARTICLE 1, CHAPTER 10, DIVISION 1, TITLE 22, GUAM CODE ANNOTATED; TO AMEND § 81.10 OF TITLE 9, GUAM CODE ANNOTATED; AND, TO AMEND § 7210 OF ARTICLE 1, CHAPTER 7, DIVISION 1, TITLE 22, GUAM CODE ANNOTATED; ALL RELATIVE TO EXPANDING THE GUAM REGISTERED APPRENTICESHIP PROGRAM (GRAP) TO INCLUDE PRE-APPRENTICESHIPS, AUTHORIZING TAX CREDITS FOR PARTICIPANTS OF GRAP, AND PROVIDING WORK CREDIT FOR GRAP APPRENTICES IN ORDER TO STRENGTHEN CONSTRUCTION WORKFORCE DEVELOPMENT.</td>
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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. Established since 2006, I Liheslaturan Guåhan finds that the Guam Registered Apprenticeship Program (Public Law 28-142) recognized the need for an adequate number of skilled industrial, construction, and technical workers to meet present and future needs arising from military contracts, the private sector and government maintenance of the island’s infrastructure.

With the H-2B shortages and worker requirements of Guam Buildup related construction projects, Guam’s housing market continues to be out of reach for
many families. Based on information real estate and construction industry representatives provided to local media recently, the cost of building homes on Guam has increased in part due to a shortage of labor. According to a media article dated December 7, 2019, "... the median price in 2017 for residential [homes] is about $225,000. As of 2019, the first 10 months, the median price is at $270,000. That's a twenty percent (20%) increase in median price over a two-year period only."

While the opportunity for Skilled Trainers to train numerous individuals with interest in construction trade training, the need to expand the opportunities for individuals often comes with the inability to cover costs for such training. Offering a pre-apprentice training program will provide the industry with an opportunity to seek and retain the "cream of the crop" in trades workers, affording both employers and apprentices the opportunity to affirm their desire for such employment. The tax credit offered to Skilled Trainers will provide the industry with a balance to continue the training of apprentices, ultimately gaining new skilled laborers.

Therefore, it is the intent of *I Liheslaturan Guåhan* to strengthen local construction workforce development by expanding available training opportunities under the Guam Registered Apprenticeship Program (GRAP) to more Guamanians who desire to enter the local construction workforce as pre-apprentices. According to the U.S. Department of Labor, a pre-apprenticeship is a program or set of services designed to prepare individuals to enter and succeed in a Registered Apprenticeship program. A pre-apprenticeship program, by definition, has a documented partnership with at least one Registered Apprenticeship program. Quality pre-apprenticeship programs are a starting point toward a successful career path for under-represented job seekers (such as disadvantaged women and men, individuals with disabilities and others) who may not be aware of this approach to
obtain good jobs with opportunities for advancement. Pre-apprenticeships help
individuals meet the entry requirements for apprenticeship programs and ensure
they are prepared to be successful in their apprenticeship. There are a wide variety
of pre-apprenticeship programs serving a broad range of populations. Some
programs focus on serving a specific target population, such as veterans, while
many pre-apprenticeship programs focus on youth.

_I Liheslauran Guåhan_ intends to extend the GRAP to businesses that
provide skilled trainers to Eligible Training Provider List (ETPL) or to non-profit
organizations working with a registered ETPL on Guam who provide training in
carpentry, painting, masonry, electrical, plumbing, HVAC, metal work, heavy
equipment, surveying, or renewable energy technology to workers who are
unemployed and unskilled, unemployed and unskilled veterans, service-disabled
veterans, Residential Substance Abuse Treatment program participants, or eligible
participants of the Work Credit Program. Including eligible participants of the
Work Credit Program provides an opportunity for adult offenders to pursue
rehabilitation while developing valuable skills critical to avoiding recidivism and
re-engaging their families and communities.

Section 2. § 10102(a) of Article 1, Chapter 10, Division 1, Title 22, Guam
Code Annotated, is amended to read:

“(a) *Apprentice* means an employee of a business participating in the Guam
Registered Apprenticeship Program who is at least sixteen (16) years of age,
except when a higher minimum age is otherwise fixed by law, and who is
employed to learn a skilled trade. *An apprentice may include a pre-apprentice*,
which is defined as any person receiving training in preparation to enter an
apprenticeship.”

Section 3. A new § 10102(q) is added to Article 1, Chapter 10, Division 1,
Title 22, Guam Code Annotated, to read:
“(q) Skilled Trainer means First-Line Supervisor of Construction Trades which may include: Construction Foreman, Construction Superintendent, Construction Supervisor, Field Supervisor, Foreman, Job Superintendent, Project Superintendent, Site Superintendent, Superintendent, or Supervisor.”

Section 4. § 10108 of Article 1, Chapter 10, Division 1, Title 22, Guam Code Annotated, is amended to read:

“§ 10108. Tax Credit for Apprenticeship Program Participants.

Any business that employs apprentices duly enrolled and registered under the terms of the Program is entitled to a tax credit against its business privilege tax liability equal to fifty percent (50%) of the eligible costs paid or incurred by the business, with the exception of any business that provides skilled trainers to Eligible Training Provider List (ETPL) or to a non-profit organization working with a registered ETPL on Guam and employs skilled trainers shall be entitled to a tax credit against its business privilege tax liability equal to one hundred percent (100%) of the eligible costs paid or incurred by the business for the skilled trainer’s wages and burden costs applicable by employment benefits (FICA, Social Security, Workman’s Compensation Insurance, Health Insurance, any retirement plan), and trade tools required by the trainer for the execution of the training program, provided that:

(a) the apprenticeship training program teaches an approved occupation under § 10104 of this Article;

(b) the apprentice completes a training stage of an apprenticeship program as determined by DOL following USDOL-OA standards. No tax credit shall be claimed by a program participant for an apprentice unless the apprentice satisfactorily completes the current level of training;

(c) the eligible costs were paid or incurred during the apprentice’s participation in the Program;
(d) the eligible costs were paid or incurred within the previous three (3) calendar years from the date the costs are submitted to DOL for certification. Costs paid or incurred earlier than the three (3) calendar years preceding the date the costs are submitted to DOL shall not be certified as eligible costs;

(e) no business or program participant holding a Qualifying Certificate (QC) shall claim tax credits pursuant to this Section. The Guam Economic Development Authority shall assist the Director in determining whether a participant may claim the credit;

(f) the apprentice must work a minimum of one hundred twenty (120) hours per month at the trade;

(g) the apprentice must be paid the prevailing wage required by the Program, which shall be a graduated percentage of journeyman wages as outlined in the apprenticeship standards;

(h) pre-apprentices are not counted as apprentices and wages earned by pre-apprentices are not eligible for this tax credit; and

(i) apprenticeship training costs paid by Workforce Innovation and Opportunity Act (WOIA) funds, Department of Labor Manpower Development Fund (MDF) funds, Hotel/Restaurant Industry Training Program funds, and any training costs paid by the government of Guam or federal funding shall not be eligible Program costs and shall not be applied as a tax credit;

(j) skilled trainers must provide training in carpentry, masonry, electrical, plumbing, HVAC, metal work, heavy equipment, surveying, or renewable energy technology to workers who are unemployed and unskilled, unemployed and unskilled veterans, service-disabled veterans, participants of Residential Substance Abuse Treatment programs.
participants of the Temporary Assistance for Needy Families Federal
Benefits Program, or eligible participants of the Work Credit Program
authorized in § 81.10 of Title 9, Guam Code Annotated; and

(k) the application of the one hundred percent (100%) tax credit as described
in this Section shall apply only when the minimum of ten (10) pre-
apprentice applicants are qualified as described in Subsection (j) of this
Section, and the pre-apprentice applicants, as defined herein, are
registered with an approved training ETPL or non-profit organization.

A program participant may only carry forward the tax credit if allowed
by the Guam Department of Revenue and Taxation procedures.”

Section 5. § 81.10 of Title 9, Guam Code Annotated, is amended to read:

“§ 81.10. Work Credit.

(a) Any person in custody may work at cleaning up littered areas,
parks and beaches or other types of work details beneficial to the island of
Guam, including participation in a pre-apprenticeship program authorized
through the Guam Registered Apprenticeship Program as provided for in
Article 1 of Chapter 10, Division 1, Title 22, Guam Code Annotated,
provided that the Director of Corrections:

(1) determines that the person meets the following eligibility
requirements that he or she:

(A) has not been convicted of a second degree felony or
higher which is homicide, criminal sexual conduct, robbery or
escape as set forth in Chapters 16, 25, 40 and 58 of this Title,
respectively; and

(B) is physically able to do such work.

(b) The Director shall provide supervision of the work detail.
(c) The person’s sentence shall be reduced by one (1) day for each forty hours of work done that involves cleaning up littered areas, parks, and beaches or other types of work details beneficial to the Island of Guam. The person’s sentence shall be reduced by two (2) days for each forty (40) hours of work done that involves educational or on-the-job training, or a combination of both.

(d) The Directors of the Departments of Public Works and Parks and Recreation, and any non-profit organization authorized to participate in the Work Credit program, shall cooperate with the Director of Corrections in choosing sites for work.

(e) Inmates who were eligible to work in previous work detail programs shall only participate in work governed by this Section if they qualify.

(f) This section shall apply to any person who is convicted for the first time of Driving Under the Influence, as defined by 9 GCA § 92101(a), et seq."

**Section 6.** § 7120 of Article 1, Chapter 7, Division 1, Title 22, Guam Code Annotated, is amended to read:

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§ 7120. Manpower Development Fund.

(a) There is hereby created in the Guam Department of Labor, a Manpower Development Fund (MDF), which shall remain separate and apart from any other funds of the government of Guam.

(b) The MDF is created solely for the purpose of receiving territorial, federal, and private money and revenue from registration fees on non-immigrant temporary workers.

(1) Thirty percent (30%) of the annual revenues generated shall be allocated to the Guam Department of Labor. The Department of
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Labor allocation in the MDF shall be expended exclusively to fund the following:

(A) One Hundred Thousand Dollars ($100,000) shall be allocated annually to produce the quarterly “Unemployment Situation on Guam” report and any other reports relating to labor statistics;

(B) legal services in the field of employment and labor law, human resources, or administrative law;

(C) workforce development and training programs; and

(D) the remaining balance of the Department of Labor’s MDF allocation shall be used for administrative and operational purposes as may be determined by the Director of Labor.

(2) Seventy percent (70%) of the annual revenues generated shall be allocated to the Apprenticeship or Pre-Apprenticeship Training Program at the Guam Community College, with the primary intent to develop the workforce for positions that have been approved for non-immigrant temporary workers. The Guam Community College allocation in the MDF shall be paid out by the Treasurer of Guam to the Apprenticeship or Pre-Apprenticeship Training Program at Guam Community College, and shall be expended exclusively to fund the following:

(A) direct financial assistance to students enrolled in the apprenticeship or pre-apprenticeship program. Any unused portion of the allocation under this Subsection shall be returned to the MDF;
(B) the administrative and instructional costs for the operation of the apprenticeship or pre-apprenticeship training programs;

(C) facility upgrade and equipment relative to the apprenticeship training programs, and pre-apprenticeship training programs with the Guam Department of Education, or any non-profit organization authorized to provide training; and

(D) the advertising and outreach programs for the promotion of the apprenticeship training programs.

(3) Annual Audit of the Manpower Development Fund. The Public Auditor shall conduct an annual audit of the Manpower Development Fund to ensure compliance with all statutory regulations governing its deposits and expenditures. The cost of such audit shall be paid by the Manpower Development Fund.

(c) The MDF shall not be used for any purposes other than those enumerated in this Section, and shall be subject to legislative appropriation.”

Section 7. Severability. If any provision of this Act or the application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 8. Effective Date. This Act shall become effective upon enactment.