

1 of apprentices, including such matters as the requirement for a
2 written apprenticeship agreement.

3 'BAT' means the Bureau of Apprenticeship and Training of the
4 U.S. Department of Labor;

5 'Business' means professional groups, associations,
6 corporation, partnership, any sole proprietorship, any trust or
7 foundation, or any other individual or organization carrying on
8 any business whether or not operated for profit;

9 'DOL' means the Department of Labor of the government of
10 Guam;

11 'Director' means the Director of the Department of Labor;

12 'Employer' shall mean a business employing an apprentice
13 whether or not such business is a party to an apprenticeship
14 agreement with the apprentice;

15 'Institution of Higher Education' means the Guam Community
16 College, University of Guam, licensed post secondary
17 institutions or post secondary training programs such as the
18 GCA Trades Academy;

19 'Program' means the *Guam Registered Apprenticeship Program* as
20 created within this Chapter;

21 'Program Participant' means an Employer that has Apprentices
22 as employees that are being trained by a Program Provider

1 that has in place a Registered Apprenticeship Program
2 conforming to requirements herein;

3 '*Program Provider*' means a business or institution that has in
4 place a with an approved Guam Registered Apprenticeship
5 Program conforming to requirements herein and is recognized
6 by Agreement; ~~is recognized with Apprenticeship standards~~

7 ~~of by the US Department of Labor, Bureau of Apprenticeship~~
8 ~~and Training (USDOL BAT)~~ A business with its own in-house
9 Registered Apprenticeship Program can be both a Program
10 Participant and a Program Provider.

11 '*Tax Commissioner*' means the Tax Commissioner of Guam or
12 the Director of the Department of Revenue and Taxation;

13 '*Tax Credit*' means an offset to taxes owed on Gross Receipt
14 Taxes derived from seventy-five percent (75%) of all eligible
15 costs paid or incurred by a Program Participant provider to
16 train an apprentice;

17 '*USDOL*' means the U.S. Department of Labor (USDOL);
18 sponsor of the Bureau of Apprenticeship and Training (BAT).

19 **§44103. Guam Registered Apprenticeship Program Creation.**

20 There is hereby established a Guam Registered
21 Apprenticeship Program (hereinafter referred to as the
22 "Program") administered by the Department of Labor (DOL).
23 The purpose of the Program is to resolve the systemic

Comment: The highlighted section is added for clarity as US DOL BAT in Honolulu HI certifies apprenticeship.

1 shortages of highly skilled workers; to encourage employers to
2 hire and train apprentices in high skilled trades and
3 occupations; to allow tax credits for certain long term
4 apprenticeship training expenses; and, to allow participants in
5 formal apprenticeship training to continue to contribute
6 income taxes not relying on financial assistance in completing
7 this form of post-secondary education.

8 **§44104. Apprenticeship Program Occupations Approved for**
9 **the Guam Registered Apprenticeship Program. The Program**
10 **shall be driven by needs of Employers. Program Providers**
11 **shall from time to time present to the DOL the number of**
12 **Apprentices currently in the Program and forecast for the**
13 **foreseeable future based on requirements of Program**
14 **Participants. Program Providers shall also present to the DOL**
15 **a summary of its cost for training per year by individual trades**
16 **which cost shall be subject to approval of the DOL for**
17 **purposes of Tax Credits. ~~On or before December 1st of each~~**
18 **and every year, DOL shall conduct a public hearing to receive**
19 **the opinion and recommendation from professional groups,**
20 **associations and the business community to determine those**
21 **areas in which additional professional and technical trades are**
22 **needed. From those hearings, DOL shall establish a list of**
23 **occupational priorities that are recognized U.S. Department of**

1 Labor (USDOL), Bureau of Apprenticeship and Training
2 (BAT); apprenticeship programs prior to considering any
3 applications or agreements for the Program. DOL shall focus
4 on industrial, construction, technical trades and occupations;
5 and shall submit such listing to *I Maga'lahañ Guåhan* for
6 approval in order for program providers to qualify for gross
7 receipt tax credits. The approved listing shall be submitted to *I*
8 *Liheclaturan Guåhan* no later than January 1st of each year. **W**

9 **do not agree to annual approval by the legislature because it is**
10 **not needed and it would be disruptive to the Program. IR**

11 From those hearings, professional groups, associations and
12 businesses that are recognized U.S. Department of Labor
13 (USDOL), Bureau of Apprenticeship and Training (BAT)
14 apprenticeship program shall be considered to be in line for
15 inclusion into the program upon approval from the Director of
16 the DOL.

17 **§44105. Authorization to Enter into Apprenticeship**
18 **Agreements.** The Director of the Department of Labor (DOL),
19 with the approval of *I Maga'lahañ Guåhan*, is hereby authorized
20 to enter into agreements with Program Providers businesses
21 prescribing the manner, terms and conditions of cooperation
22 with such business in carrying out the objectives of the
23 Program. The agreement shall be with Program Providers

1 businesses having a registered and approved apprenticeship
2 training program in accordance with Title 29, Code of Federal
3 Regulations, Parts 29 and 30, following the apprenticeship
4 training standards of the U.S. Department of Labor (USDOL),
5 Bureau of Apprenticeship and Training (BAT). Program
6 Providers shall from time to time present to the DOL a list of
7 Program Participants eligible for the Tax Credit.

8 **§44106. Eligibility of Apprentices.** An applicant must be a
9 bona fide resident of Guam for a continuous period of not less
10 than three (3) years prior to becoming being an apprentice or
11 have transfer credits of not less than one year from an
12 accredited apprenticeship program elsewhere, a United States
13 citizen or a permanent resident alien, and must agree to the
14 terms and conditions of the Program and §44110 of this
15 Chapter.

16 **§44107. Administration of the Guam Registered**
17 **Apprenticeship Program.**

- 18 (a) The Department of Labor shall administer the Guam
19 Registered Apprenticeship Program and shall establish
20 such rules and regulations necessary to implement the
21 provisions of this Chapter.
- 22 (b) DOL shall be responsible to ensure proper educational
23 accreditation standards are met and maintained by

1 ~~Program Providers, using either through educational~~
2 ~~classes provided by the Guam Community College, an~~
3 ~~institution of higher education, or employer provided~~
4 USDOL BAT approved educational learning resources.

- 5 (c) Program Providers having five (5) or more apprentices
6 under training shall adopt a written Affirmative Action
7 Plan and Selection Procedure available under Title 29,
8 CFR Part 30 and must register such plan with DOL.
9 Program Providers are allowed to set their own minimum
10 requirements, qualifications and credentials for
11 apprentices, subject to approval of DOL, but must be fair,
12 nondiscriminatory, and comply with all applicable
13 Program requirements.

14 **§44108. Tax Credit for Apprenticeship Program**
15 **Participants Providers**. Any business ~~that~~ who employs
16 an apprentice or apprentices duly enrolled and registered
17 under the terms of the Program is entitled to a tax credit
18 on Gross Receipt Taxes for each eligible apprentice equal
19 to seventy-five percent (75%) of the eligible training costs
20 paid or incurred by the business provided that the
21 following requirements are met:

- 22 (a) The tax credit is limited to apprenticeship training
23 programs of the Guam Registered Apprenticeship

1 Program in accordance with Title 29, Code of Federal
2 Regulations, Parts 29 and 30, following the apprenticeship
3 training standards of the U.S. Department of Labor
4 (USDOL), Bureau of Apprenticeship and Training (BAT);

5 (b) The Program Participant ~~program provider~~ may apply
6 tax credits to offset gross receipts taxes for each
7 Apprentice upon satisfactory completion of each level of
8 training normally equal to one year. ~~only after an~~
9 ~~apprentice has completed the Program.~~ No portion of
10 any eligible training cost shall be applied towards a tax
11 credit for an apprentice unless the Apprentice
12 satisfactorily completes the then current level of training.
13 ~~not completing the Program;~~

14 (c) The granting of tax credit is restricted to eligible training
15 costs incurred during an apprentice's participation ~~term~~
16 in the Program ~~I believe this should stay in - R~~

17 (d) No ~~business or~~ Program Participant ~~provider~~ with a
18 Qualifying Certificate (QC) shall be eligible to claim tax
19 credits for cost incurred to train an apprentice when such
20 training is an obligation conditioned within the terms of
21 the QC. The Guam Economic Development and
22 Commerce Authority (GEDCA) shall assist the Director of
23 DOL ~~Program~~ in the eligibility determination of a

Comment: employer

Comment: only after the apprentice has completed a US DOL BAT approved level [or Period usually consisting of 2000 hours] of OJT (On -the-Job Training) and corresponding academic education requirements.

Comment: completing an approved annual level or [period] of a US DOL BAT approved and registered apprenticeship program and the corresponding academic education requirement.

Comment: is the responsibility of the Director of the Guam Department of Labor based upon receipt of appropriate documentation relative to verifiable training costs associated with the Guam Registered Apprenticeship Program.

Comment: Director of the DOL

1 business ~~or program provider~~ to participate in the
2 Program;

3 (e) The apprentice must be employed on a full time basis
4 which is defined for the purpose of this Chapter as
5 working a minimum of one hundred and twenty (120)
6 hours per month at the trade;

7 (f) Apprentices must be paid the prevailing wages required by
8 the Program which shall be a graduated percentage of
9 journeyman wage for the particular trade.

10 (g) Pre-apprentices are not counted as apprenticeships begun
11 and wages earned by pre-apprentices and are not eligible for
12 tax credits under this Program; and

13 (h) Apprenticeship training costs paid by Work Incentive Act
14 (WIA) funds, Department of Labor Manpower Development
15 Fund (MDF) funds, Hotel/Restaurant Industry Training
16 Program funds, or any training costs paid by government of
17 Guam or federal funds shall not be eligible Program costs
18 that could be applied towards a tax credit.

19 A Program Participant ~~business or apprenticeship provider~~ may
20 carry forward the tax credit when the tax credit exceeds the total
21 amount of gross receipts taxes owed within the applied tax
22 period. Tax credits shall correspondingly be carried forward
23 until depletion.

1 **§44109. Implementation by Tax Commissioner.** The Tax
2 Commissioner of Guam shall, *no later than* ninety (90) days after
3 the effective date hereof in cooperation with DOL, develop
4 necessary procedures to implement this Chapter, and to that end
5 shall:

- 6 (a) Issue such requirements as may be deem necessary to
7 implement this Chapter;
- 8 (b) Promulgate such forms and publications as are necessary
9 to assist eligible businesses to take advantage of this
10 Chapter;
- 11 (c) Develop a procedure to allow the off-set of tax credits
12 against current Gross Receipt Tax liabilities; and
- 13 (d) Coordinate with the Department of Labor upon receipt of
14 appropriate documentation relative to verifying eligible
15 Gross Receipt Tax Credits. DOL shall certify eligible
16 training costs paid or incurred by the Program Participant
17 ~~business~~ associated with the Guam Registered
18 Apprenticeship Program.

19 **§44110. Participation Requirements for Apprentices.**

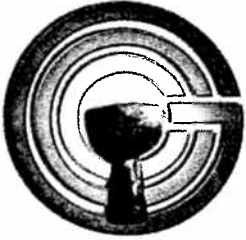
20 An applicant for the Guam Registered Apprenticeship
21 Program shall be required to sign an agreement with their
22 employer and the government of Guam that, in return for
23 the training, he or she remains and works on Guam for a

1 period equivalent to one (1) year of work service for each
2 one (1) year of participation in the Program.

3 **§44111. Cooperative Programs Authorized.** (a) The
4 Director is authorized to enter into Memorandum of
5 Understanding (MOU) or contracts with government
6 agencies, departments and instrumentalities; public or
7 private organizations, firms, companies or individuals to
8 provide technical or skilled training programs. Such
9 Memorandum Of Understanding's (MOU) or contracts
10 shall be utilized to provide for specialized training in
11 particular fields not otherwise available to the Program
12 which are designed to train apprentices in needed skills.
13 Where specialized training is not a part of an accessory
14 government of Guam or federally funded program, the
15 program provider shall incur such training cost. (b)
16 Government of Guam agencies, departments, and
17 instrumentalities including autonomous entities, shall
18 make available to the Program on a timely basis technical
19 support or training as it is necessary for DOL to perform
20 its duties as provided in this Chapter.

21 **§44112. Effective Date.** The provisions of this Chapter
22 shall be effective immediately upon enactment."

1 **Section 3. Severability.** *If any provision of this Act or its*
2 *application to any person or circumstances is held*
3 *invalid, the invalidity shall not affect other provisions or*
4 *applications of this Act which can be given effect without*
5 *the invalid provision or application, and to this end the*
6 *provisions of this Act are severable.*



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

RECEIVED
APR 18/06

April 18, 2006

SENATOR JESSE A. LUJAN
Chairman
Committee on Aviation, Immigration, Labor & Housing
28th Guam Legislature
655 Marine Corps Drive, Suite 100
Tamuning, Guam 96913

RE: BILL NO. 261: Proposed "Guam Registered Apprenticeship Program"

Dear Mr. Chairman and Committee Members:

On behalf of the Guam Chamber of Commerce, I am writing to submit our organization's testimony in support of enactment of Bill No. 261, proposing the creation of the Guam Registered Apprenticeship Program.

Clearly, the need for employees in the construction trades has never been greater and the challenge to provide the skills training has also never been as acute. The future we talked about yesterday is here today and so many of our workforce has yet to have the prerequisite training to take maximum advantage of this opportunity.

The challenge goes beyond construction employment, which is temporary in nature (jobs decrease when the projects are constructed). The impact of a larger military footprint will create permanent jobs to operate the additional military facilities that will be built. It will also create greater demand for employees in various non-military core competencies, be it in housing, quality of life services, or other non-military base support functions.

While the Guam Chamber of Commerce recognizes that there are public sector apprenticeship training programs in place such as those administered by the Guam Community College, we must also seek out skills training providers in the private sector. Private entities could offer alternatives to workforce development through in-house training programs that are tailor-made for employees to fit the company's needs.


Guam Chamber of Commerce
Testimony on Bill No. 261 – Proposed Creation of the Guam
Registered Apprenticeship Program
April 18, 2006
Page 2

Bill No. 261 would be of immense help to companies who spend the resources training their workforce. With all the money spent by the Government of Guam on trying to put an apprenticeship program together, there has been very little to show for it. The tax credits proposed in the bill to employers who enroll their employees in an U.S. Department of Labor approved Registered Apprenticeship Program would yield the best return the Government of Guam could ask for.

The future of Guam's economic development is as bright as we will make a commitment to – all we need to do is take advantage of the opportunities that are right at our doorstep. The enactment of Bill No. 261 will help us give our own residents the best shot at getting a high paying job.

Thank you for the opportunity to provide you with our comments on this measure.

Sincerely yours,



MICHAEL T. BENITO
Chairman of the Board

Bureau of Budget & Management Research
Fiscal Note of Bill No. 261 (EC)

Bill Title (Preamble): "GUAM REGISTERED APPRENTICESHIP PROGRAM," AN ACT TO ADD A NEW CHAPTER 44 TO DIVISION 3 OF TITLE 22, GUAM CODE ANNOTATED RELATIVE TO THE CREATION OF A GUAM REGISTERED APPRENTICESHIP PROGRAM AND FOR THE DEPARTMENT OF LABOR TO ENTER INTO AGREEMENTS WITH BUSINESSES FOLLOWING U.S. DEPARTMENT OF LABOR, BUREAU OF APPRENTICESHIP AND TRAINING PROGRAM STANDARDS PROVIDING EMPLOYER INCENTIVES FOR THE TRAINING AND DEVELOPMENT OF A SKILLED AND TRAINED WORKFORCE.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Labor; Department of Revenue & Taxation		Dept./Agency Head: Maria Connelly; Artemio Illagan	
Department's General Fund (GF) appropriation(s) to date:	\$1,739,021	\$8,780,112	
Department's Other Fund (specify): <u>Worker's Compensation Fund; Safe Street, TAF for DRT (\$81,500)/Guam Bd of Accctey Fund (\$455,224)</u>	\$930,000	\$536,724	
Appropriation(s) to date:			
Total Department/Agency Appropriation(s) to date:	\$2,669,021	\$9,316,836	

Fund Source Information of Proposed Appropriation

	General Fund:	Other (Specify):	Total:
FY 2006 Adopted Revenues	\$435,092,898	\$0	\$435,092,898
FY Appro. to P.L. 28-94	(\$435,092,898)	\$0	(\$435,092,898)
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of Current FY (if applicable)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	\$1,050,000	\$0	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000
Other Fund:	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$1,050,000	\$0	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000

- | | | | |
|---|---------|---------------------------|--------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | // Yes | /X/ No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ _____ | /X/ N/A | // Yes | // No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | // N/A | // Yes | /X/ No |
| 4. Will the enactment of this Bill require new physical facilities? | // N/A | // Yes | /X/ No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
/X/ DRT's requested comments not received by due date | | /X/ Yes | /X/ No |
| | | // Other: Time Constraint | |

Analyst(s): Joe Certeza  **Date:** 04/07/06 **Director:** Carlos P. Bordallo  **Date:** APR 21 2006

Footnote: 1/ See Attached Comments

Bureau of Budget and Management Research
 Fiscal Note Comments to Bill 261 (EC)
 March, 2006

The intent of the bill is to develop and sustain a healthy economy by providing a reliable and adequate source of a locally trained and skilled labor force. This can best be achieved through a formalized apprenticeship system of training that is proven to be cost effective, goal oriented, and designed to meet the specific skill needs of the employer. As such, this bill proposes to create a Guam Registered Apprenticeship Program (GRAP) that will be administered by the Department of Labor. This program will attempt to resolve shortages of highly skilled workers; encourage employers to hire and train apprentices in high skilled trades and occupation; allow the Department of Labor to enter into agreements with businesses; and importantly, provide employer incentives such as tax credits towards Gross Receipt Taxes for the training and development of a skilled and trained workforce for Guam.

Department of Labor (DOL): The fiscal impact of this bill may be nominal in terms of DOL administering the GRAP program. Cost associated in implementing the program may be absorbed by its operational funds. It is evident that DOL will most likely integrate this program within the Guam's One Stop Career Center system which is administered by the Agency for Human Resources Development (AHRD), a 100% federally funded program under the Workforce Investment Act. Through Memorandum of Agreements (MOAs), DOL will ensure program objectives are met among the employers, training providers and participants in the program.

As an incentive, this bill proposes to offer tax credits equal to 75% of the eligible training costs to employers participating in the apprenticeship program. In turn, these tax credits can be used to offset the employer's total Gross Receipt Taxes (GRT) due to the local government. The following table makes an assumption of eligible training costs and tax credits that may significantly impact the GRT tax base revenues.

No. of Apprentices	Eligible Training Costs @			
	\$8,000	\$10,000	\$12,000	\$14,000
25	\$200,000	\$250,000	\$300,000	\$350,000
50	\$400,000	\$500,000	\$600,000	\$700,000
75	\$600,000	\$750,000	\$900,000	\$1,050,000
100	\$800,000	\$1,000,000	\$1,200,000	\$1,400,000
No. of Apprentices	Tax Credits (75% of Eligible Training Costs) @			
	\$6,000	\$7,500	\$9,000	\$10,500
25	\$150,000	\$187,500	\$225,000	\$262,500
50	\$300,000	\$375,000	\$450,000	\$525,000
75	\$450,000	\$562,500	\$675,000	\$787,500
100	\$600,000	\$750,000	\$900,000	\$1,050,000

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Based on the projected total eligible training costs ranging from \$8,000 to \$14,000, the potential loss or reduction in GRT revenues may range from \$150,000 to \$1,050,000 for 25 and 100 apprentice participants, respectively, on an annual basis. Any legislation that proposes exemptions from and/or tax credit offsets to the GRT tax base may significantly affect funding of the Pharmaceutical Fund and other operational funding requirements. Of the total GRT tax base, 5.46% is allocated to the Pharmaceutical Fund. As such, a tax credit of \$1,050,000 may potentially mean \$57,330 less to the fund.

1 **MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**
2 **2006 (SECOND) Regular Session**

Bill No. 261 (EC)

Introduced by:

Edward J.B. Calvo
A.R. Unpingco
Mark Forbes

"GUAM REGISTERED APPRENTICESHIP PROGRAM," AN ACT TO ADD A NEW CHAPTER 44 TO DIVISION 3 OF TITLE 22, GUAM CODE ANNOTATED RELATIVE TO THE CREATION OF A GUAM REGISTERED APPRENTICESHIP PROGRAM AND FOR THE DEPARTMENT OF LABOR TO ENTER INTO AGREEMENTS WITH BUSINESSES FOLLOWING U.S. DEPARTMENT OF LABOR, BUREAU OF APPRENTICESHIP AND TRAINING PROGRAM STANDARDS PROVIDING EMPLOYER INCENTIVES FOR THE TRAINING AND DEVELOPMENT OF A SKILLED AND TRAINED WORKFORCE.

3 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

4 **Section 1. Legislative Findings and Intent.** *I Liheslaturan*
5 *Guåhan* finds that apprenticeship training serves as an important
6 pillar of education, alongside our colleges and universities.

1 Since the closing of the Ship Repair Facility (SRF) by the Base
2 Realignment and Closure Commission (BRAC-95) and the
3 subsequent privatization of various operations of the Naval Base
4 due to the A-76 process, the apprentice program provided by the
5 Navy ceased to exist. Today, the lack of a viable training program
6 providing skilled workers is a major deficiency in providing a
7 reliable source of a locally trained and skilled labor force.

8 Therefore, *I Liheslaturan Guåhan* finds that in order to have a
9 healthy economy, there must be an adequate source of skilled
10 workers in order to attract investors to the island. One of the first
11 things that an investor looks for is the availability of an educated
12 and trained workforce. A key ingredient in our effort to develop and
13 sustain a healthy economy is our ability to supply a work force that
14 is educated and trained. At present, there is an urgent need to
15 replace the thousands of skilled workers who have left the island or
16 have retired from the workforce.

17 The demand for all classifications of skilled journey workers is
18 increasing more rapidly than the supply; the need for the skills of
19 these workers is becoming critical. The best possible method for
20 developing employee skills is the formalized apprenticeship system
21 of training that is proven to be cost effective, goal oriented, and
22 designed to meet the specific skill needs of the employer.

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Agreements.

- §44106. Eligibility of Apprentices.**
- §44107. Administration of the Guam Registered Apprenticeship Program.**
- §44108. Tax Credit for Apprenticeship Program Providers.**
- §44109. Implementation by Tax Commissioner.**
- §44110. Participation Requirements for Apprentices.**
- §44111. Cooperative Programs Authorized.**
- §44112. Effective Date.**

§44101. Short Title. This Chapter may be cited as the "*Guam Registered Apprenticeship Program*".

§44102. Definitions. The definitions set forth herein shall govern the construction and interpretation of this Chapter:

'Apprentice' means an employee of a business participating in the Guam Registered Apprenticeship Program and who is at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, who is employed to learn a skilled trade.

'Apprenticeship Program' or *'Apprenticeship Training Program'* shall mean a plan containing all terms and conditions for the qualification, recruitment, selection, employment and training of apprentices, including such matters as the requirement for a written apprenticeship agreement.

'BAT' means the Bureau of Apprenticeship and Training of the U.S. Department of Labor;

1 *'Business'* means professional groups, associations,
2 corporation, partnership, any sole proprietorship, any trust or
3 foundation, or any other individual or organization carrying on any
4 business whether or not operated for profit;

5 *'DOL'* means the Department of Labor of the government of
6 Guam;

7 *'Director'* means the Director of the Department of Labor;

8 *'Employer'* shall mean a business employing an apprentice
9 whether or not such business is a party to an apprenticeship
10 agreement with the apprentice;

11 *'Institution of Higher Education'* means the Guam Community
12 College, University of Guam, licensed post secondary institutions or
13 post secondary training programs;

14 *'Program'* means the *Guam Registered Apprenticeship Program* as
15 created within this Chapter;

16 *'Program Provider'* means a business with an approved Guam
17 Registered Apprenticeship Program Agreement;

18 *'Tax Commissioner'* means the Tax Commissioner of Guam or
19 the Director of the Department of Revenue and Taxation;

20 *'Tax Credit'* means an offset to taxes owed on Gross Receipt
21 Taxes derived from seventy-five percent (75%) of all eligible costs
22 paid or incurred by a program provider to train an apprentice;

1 'USDOL' means the U.S. Department of Labor (USDOL);
2 Bureau of Apprenticeship and Training (BAT).

3 **§44103. Guam Registered Apprenticeship Program Creation.**

4 There is hereby established a Guam Registered Apprenticeship
5 Program (hereinafter referred to as the "Program") administered by
6 the Department of Labor (DOL). The purpose of the Program is to
7 resolve the systemic shortages of highly skilled workers; to
8 encourage employers to hire and train apprentices in high skilled
9 trades and occupations; to allow tax credits for certain long term
10 apprenticeship training expenses; and, to allow participants in
11 formal apprenticeship training to continue to contribute income
12 taxes not relying on financial assistance in completing this form of
13 post-secondary education.

14 **§44104. Apprenticeship Program Occupations Approved for**
15 **the Guam Registered Apprenticeship Program.** On or before
16 December 1st of each and every year, DOL shall conduct a public
17 hearing to receive the opinion and recommendation from
18 professional groups, associations and the business community to
19 determine those areas in which additional professional and technical
20 trades are needed. From those hearings, DOL shall establish a list of
21 occupational priorities that are recognized U.S. Department of Labor
22 (USDOL), Bureau of Apprenticeship and Training (BAT)
23 apprenticeship programs prior to considering any applications or

1 agreements for the Program. DOL shall focus on industrial,
2 construction, technical trades and occupations and shall submit such
3 listing to *I Maga'lahren Guåhan* for approval in order for program
4 providers to qualify for gross receipt tax credits. The approved
5 listing shall be submitted to *I Liheslaturan Guåhan* no later than
6 January 1st of each year.

7 **§44105. Authorization to Enter into Apprenticeship**
8 **Agreements.** The Director of the Department of Labor (DOL), with
9 the approval of *I Maga'lahren Guåhan*, is hereby authorized to enter
10 into agreements with businesses prescribing the manner, terms and
11 conditions of cooperation with such business in carrying out the
12 objectives of the Program. The agreement shall be with businesses
13 having a registered and approved apprenticeship training program
14 in accordance with Title 29, Code of Federal Regulations, Parts 29
15 and 30, following the apprenticeship training standards of the U.S.
16 Department of Labor (USDOL), Bureau of Apprenticeship and
17 Training (BAT).

18 **§44106. Eligibility of Apprentices.** An applicant must be a
19 bona fide resident of Guam for a continuous period of not less than
20 three (3) years prior to being an apprentice, a United States citizen or
21 a permanent resident alien, and must agree to the terms and
22 conditions of the Program and §44110 of this Chapter.

1 **§44107. Administration of the Guam Registered**
2 **Apprenticeship Program.**

3 (a) The Department of Labor shall administer the Guam
4 Registered Apprenticeship Program and shall establish
5 such rules and regulations necessary to implement the
6 provisions of this Chapter.

7 (b) DOL shall be responsible to ensure proper educational
8 accreditation standards are met and maintained either
9 through educational classes provided by the Guam
10 Community College, an institution of higher education,
11 or employer provided USDOL BAT approved
12 educational learning resources.

13 (c) Program providers having five (5) or more apprentices
14 shall adopt a written Affirmative Action Plan and
15 Selection Procedure available under Title 29, CFR Part 30
16 and must register such plan with DOL. Program
17 providers are allowed to set their own minimum
18 requirements, qualifications and credentials for
19 apprentices, but must be fair, nondiscriminatory, and
20 comply with all applicable Program requirements.

21 **§44108. Tax Credit for Apprenticeship Program Providers.**

22 Any business who employs an apprentice duly enrolled and
23 registered under the terms of the Program is entitled to a tax credit

1 on Gross Receipt Taxes for each eligible apprentice equal to seventy-
2 five percent (75%) of the eligible training costs paid or incurred by
3 the business provided that the following requirements are met:

- 4 a. The tax credit is limited to apprenticeship training programs
5 of the Guam Registered Apprenticeship Program in
6 accordance with Title 29, Code of Federal Regulations, Parts
7 29 and 30, following the apprenticeship training standards of
8 the U.S. Department of Labor (USDOL), Bureau of
9 Apprenticeship and Training (BAT);
- 10 b. The program provider may apply tax credits to offset gross
11 receipts taxes only after an apprentice has completed the
12 Program. No portion of any eligible training cost shall be
13 applied towards a tax credit for an apprentice not
14 completing the Program;
- 15 c. Tax credit is restricted to eligible training costs incurred
16 during an apprentice's participation term in the Program;
- 17 d. No business or program provider with a Qualifying
18 Certificate (QC) shall be eligible to claim tax credits for cost
19 incurred to train an apprentice when such training is an
20 obligation conditioned within the terms of the QC. The
21 Guam Economic Development and Commerce Authority
22 (GEDCA) shall assist the Program in the eligibility

1 determination of a business or program provider to
2 participate in the Program;

3 e. The apprentice must be employed on a full time basis which
4 is defined for the purpose of this Chapter as working a
5 minimum of one hundred twenty (120) hours per month at
6 the trade;

7 f. Apprentices must be paid the prevailing wages required by
8 the Program;

9 g. Pre-apprentices are not counted as apprenticeships begun
10 and wages earned by pre-apprentices and are not eligible for
11 tax credits under this Program; and

12 h. Apprenticeship training costs paid by Work Incentive Act
13 (WIA) funds, Department of Labor Manpower Development
14 Fund (MDF) funds, Hotel/Restaurant Industry Training
15 Program funds, or any training costs paid by government of
16 Guam or federal funds shall not be eligible Program costs
17 that could be applied towards a tax credit.

18 A business or apprenticeship provider may carry forward the
19 tax credit when the tax credit exceeds the total amount of gross
20 receipts taxes owed within the applied tax period. Tax credits shall
21 correspondingly be carried forward until depletion.

22 **§44109. Implementation by Tax Commissioner.** The Tax
23 Commissioner of Guam shall, *no later than* ninety (90) days after the

1 effective date hereof in cooperation with DOL, develop necessary
2 procedures to implement this Chapter, and to that end shall:

- 3 (a) Issue such requirements as may be deem necessary to
4 implement this Chapter;
- 5 (b) Promulgate such forms and publications as are necessary
6 to assist eligible businesses to take advantage of this
7 Chapter;
- 8 (c) Develop a procedure to allow the off-set of tax credits
9 against current Gross Receipt Tax liabilities; and
- 10 (d) Coordinate with the Department of Labor upon receipt of
11 appropriate documentation relative to verifying eligible
12 Gross Receipt Tax Credits. DOL shall certify eligible
13 training costs paid or incurred by the business associated
14 with the Guam Registered Apprenticeship Program.

15 **§44110. Participation Requirements for Apprentices.** An
16 applicant for the Guam Registered Apprenticeship Program shall be
17 required to sign an agreement with their employer and the
18 government of Guam that, in return for the training, he or she
19 remains and works on Guam for a period equivalent to one (1) year
20 of work service for each one (1) year of participation in the Program.

21 **§44111. Cooperative Programs Authorized.** (a) The Director
22 is authorized to enter into memorandum of understanding (MOU) or
23 contracts with government agencies, departments and

1 instrumentalities; public or private organizations, firms, companies
2 or individuals to provide technical or skilled training programs.
3 Such MOUs or contracts shall be utilized to provide for specialized
4 training in particular fields not otherwise available to the Program
5 which are designed to train apprentices in needed skills. Where
6 specialized training is not a part of an accessory government of
7 Guam or federally funded program, the program provider shall incur
8 such training cost. (b) Government of Guam agencies, departments,
9 and instrumentalities including autonomous entities, shall make
10 available to the Program on a timely basis technical support or
11 training as is necessary for DOL to perform its duties as provided in
12 this Chapter.

13 §44112. **Effective Date.** The provisions of this Chapter shall be
14 effective immediately upon enactment."

15 **Section 3. Severability.** *If* any provision of this Act or its
16 application to any person or circumstances is held invalid, the
17 invalidity shall *not* affect other provisions or applications of this Act
18 which can be given effect without the invalid provision or
19 application, and to this end the provisions of this Act are severable.



Senator Jesse Anderson Lujan

Chairman, Committee on Aviation, Immigration, Labor and Housing

PUBLIC HEARING AGENDA TUESDAY, APRIL 4, 2006

9:00 A.M. – LEGISLATIVE SESSION HALL

1. **Bill No. 277 (EC): AN ACT TO REPEAL AND RE-ENACT SECTIONS 1107 AND 1108 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM ("GIAA") TO HIRE ITS EXECUTIVE MANAGER, COMPTROLLER, ATTORNEY, ACCOUNTANT AND OTHER OFFICERS.**

2. **Bill No. 261 (EC): "GUAM REGISTERED APPRENTICESHIP PROGRAM," AN ACT TO ADD A NEW CHAPTER 44 TO DIVISION 3 OF TITLE 22, GUAM CODE ANNOTATED RELATIVE TO THE CREATION OF A GUAM REGISTERED APPRENTICESHIP PROGRAM AND FOR THE DEPARTMENT OF LABOR TO ENTER INTO AGREEMENTS WITH BUSINESSES FOLLOWING U.S. DEPARTMENT OF LABOR, BUREAU OF APPRENTICESHIP AND TRAINING PROGRAM STANDARDS PROVIDING EMPLOYER INCENTIVES FOR THE TRAINING AND DEVELOPMENT OF A SKILLED AND TRAINED WORKFORCE.**

3. **Continuation of September 15 Public Hearing on Bill No. 148 (LS) – AN ACT TO REPEAL AND REENACT SECTION 3105 OF TITLE 22 OF THE GUAM CODE ANNOTATED, RELATIVE TO RAISING THE MINIMUM WAGE TO FIVE DOLLARS AND SEVENTY-FIVE CENTS PER HOUR BY JANUARY 1, 2006 AND SIX DOLLARS AND TWENTY-FIVE CENTS PER HOUR BY JANUARY 1, 2007, for the purpose of receiving the latest household employment and income information from the Guam Department of Labor.**

3:00 P.M. – LEGISLATIVE SESSION HALL

4. **Resolution No. 127 (LS): RELATIVE TO REQUESTING THE GOVERNOR REQUEST THAT CIVILIAN INFRASTRUCTURE UPGRADE COST BE INCLUDED IN ANY COST ESTIMATE TO TRANSFER MARINES FROM OKINAWA TO GUAM AND TO INCLUDE WAR REPARATIONS AS COST ELEMENTS IN UNITED STATES – JAPAN DISCUSSIONS FOR TRANSFERRING SAID MARINES.**

**Testimony on Agenda items will be accepted
by e-mail to jal@ite.net,
fax to 647-5377,
or delivery to Suite 100, 655 South Marine Drive, Tamuning.**



COPY

Senator Jesse Anderson Lujan

Chairman, Committee on Aviation, Immigration, Labor and Housing

March 28, 2006

Ms. Maria S. Connelley, Director
Guam Department of Labor
414 W. Soledad Avenue
GCIC Building
Hagåtña, Guam 96910

Dear Madame Director:

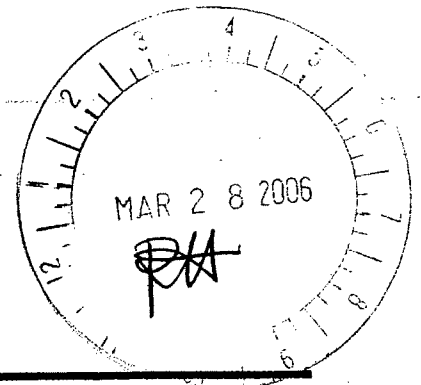
The Committee on Aviation, Immigration, Labor and Housing has scheduled a Public Hearing for Tuesday, April 4, 2006, in the legislative Session Hall on Bill No. 261 and a continuation of last year's hearing on Bill No. 148. Please plan to appear and present your department's perspectives and recommendations on these proposals, in particular to include pertinent results of the household employment and income study (HEIS), which was conducted last summer. The bills to be heard are available online through the legislative Committee on Calendar at www.bobsoffice.org.

Furthermore, I have introduced Resolution No. 127, which will be heard in a separate hearing stating at 3:00 p.m. on the same day and at the same venue. This resolution proposes to express our island's infrastructure funding requirements attendant to the expansion of military bases on Guam, and the wisdom of bringing closure to the historic injustice of unpaid war reparations. Your department may have some technical insight on the increased demand for civilian labor for base construction and services, which will cause a secondary increase in population and hence demand for civil infrastructure above and beyond the normal growth of our current population. Please share your perspectives with the legislature during the 3:00 p.m. hearing, if they are not already incorporated in other testimony.

I look forward to your appearance. Thank you in advance for your cooperation.

Sincerely,


JESSE ANDERSON LUJAN





Jesse Anderson Lujan

Chairman, Committee on Aviation, Immigration, Labor & Housing

Notice of Public Hearing

(March 27, 2006) The Committee on Aviation, Immigration, Labor and Housing will conduct a Public Hearing on **Tuesday, April 4, 2006, beginning at 9:00 a.m.** The hearing will take place at the legislature's **Session Hall, 155 Hesler Place, Hagåtña**, to receive testimony on **Bill No. 148, Bill No. 261, and Bill No. 277**. The public is invited to attend and offer testimony on these proposals.

The Agenda is attached.

The Bills are available on-line at www.bobsoffice.org,
and at Senator Jesse Lujan's legislative office,
at Suite 100, 655 South Marine Drive, Tamuning.

Testimony will be accepted in person at the hearing,
by delivery to Senator Lujan's office or mail drop at the Legislature,
by new e-mail address jal@ite.net,
and by fax to 647-5377
through 5:00 p.m. Friday, April 7.

For further information or special accommodations
call Senator Lujan's office at 647-5373.

Office of Senator Jesse Lujan

From: "Office of Senator Jesse Lujan" <jal@ite.net>
To: "Amier" <amier@mvguam.com>; "K57 News" <parroyo@k57.com>; "Duane George" <dmrgeorge@guam.gannett.com>; "Guahan Magazine" <jayne@guahanmagazine.com>; "KGTF-TV" <kgtf12@ite.net>; "The Light KOLG-FM" <chuck@kolg.org>; "KPRG-FM" <kprg@kprg.org>; "KSTO, KISH News" <kstone@ite.net>; "KTKB-FM" <ktkb@ktkb.com>; "Marianas Business Journal" <mmaratita@glimpses.guam.net>; "mvariety" <mvariety@vzpacifica.net>; "KUAM News" <hottips@KUAM.com>; "Mabuhay News" <mabuhaynews@yahoo.com>; "PDN" <news@guampdn.com>
Cc: <jal@ite.net>
Sent: Monday, March 27, 2006 5:50 PM
Attach: General Notice of Public Hearing.doc; General Notice of Public Hearing for Res 127.doc; PH Agenda 4-4-06.doc
Subject: Legislative Public Hearing Notice for April 4

Newsrooms,

Senator Jesse Anderson Lujan, Chairman of the Committee on Aviation, Immigration, Labor and Housing, and author of Resolution No. 127 (LS), has scheduled a Public Hearing for Tuesday, April 4, 2006 on three bills and Resolution No. 127 (LS). The Agenda and formal statements of general announcement are attached.

Please disseminate this information within your usual and customary coverage of government activities of interest to the public.

Thank you.

If you have any problem with the attachments, please contact this office at 647-5373.

Darryl A. Borja Taggerty
Policy Analyst
Crnte on Aviation
for Chairman Jesse Lujan

Office of Senator Jesse Lujan

From: "Office of Senator Jesse Lujan" <jal@ite.net>
To: "Amier" <amier@mvguam.com>; "K57 News" <parroyo@k57.com>; "Duane George" <dmgeorge@guam.gannett.com>; "Guahan Magazine" <jayne@guahanmagazine.com>; "KGTF-TV" <kgtf12@ite.net>; "The Light KOLG-FM" <chuck@kolg.org>; "KPRG-FM" <kprg@kprg.org>; "KSTO, KISH News" <kstone@ite.net>; "KTKB-FM" <ktkb@ktkb.com>; "Marianas Business Journal" <mmaratita@glimpses.guam.net>; "mvariety" <mvariety@vzpacifica.net>; "KUAM News" <hottips@KUAM.com>; "Mabuhay News" <mabuhaynews@yahoo.com>; "PDN" <news@guampdn.com>
Cc: <jal@ite.net>
Sent: Friday, March 31, 2006 1:05 PM
Attach: PH Agenda 4-4-06.doc; Second Notice of Public Hearing.doc
Subject: Second Notice of Public Hearing

Newsrooms,

Attached are two pages, one, a Second Notice of Public Hearing by the Committee on Aviation, Immigration, Labor and Housing, and the second, the Agenda for this same Tuesday hearing. This is a reminder of the first notice we sent several days ago, as required by applicable legislative public notice rules. Please include this as appropriate in your news content regarding government activities of interest to the public.

Thank you!

Darryl Taggerty
for Senator Jesse Lujan
Chairman
Committee on Aviation, ...

4/6/2006

Guam Contractors Association endorses labor bill

By Mar-Vic Cagurangan
Vanity News Staff

THE Guam Contractors Association yesterday endorsed a bill

that proposes a 75 percent tax

break for businesses that would

participate in the government's

efforts to train skilled workers.

"GCA has always been and

will continue to be a strong ad-

vocate of apprenticeship train-

ing," GCA executive director

James A. Martinez said in en-

dorsing Bill 261, authored by

Sen. Eddie B. Calvo, R-Maite.

The bill would establish a

Guam Registered Apprentic-

ship Program, to be adminis-

tered by the Department of La-

bor.

Martinez said Guam will see a

tremendous growth in construc-

tion activity as a result of mili-

tary buildup on island. "We ex-

pect this growth in construction

activity to surpass the boom of

the late '80s and early '90s," he

added.

Labor director Maria Connelly

said as of Feb. 15, the Depart-

ment of Defense has awarded a

total of \$111 million for work

on Guam.

At the public hearing of Bill

261, Connelly provided a list of

industries that will need new

skilled workers and the corre-

sponding positions and jobs that

will be required.

Despite the construction

boom, Guam continues to face

labor shortages, which is com-

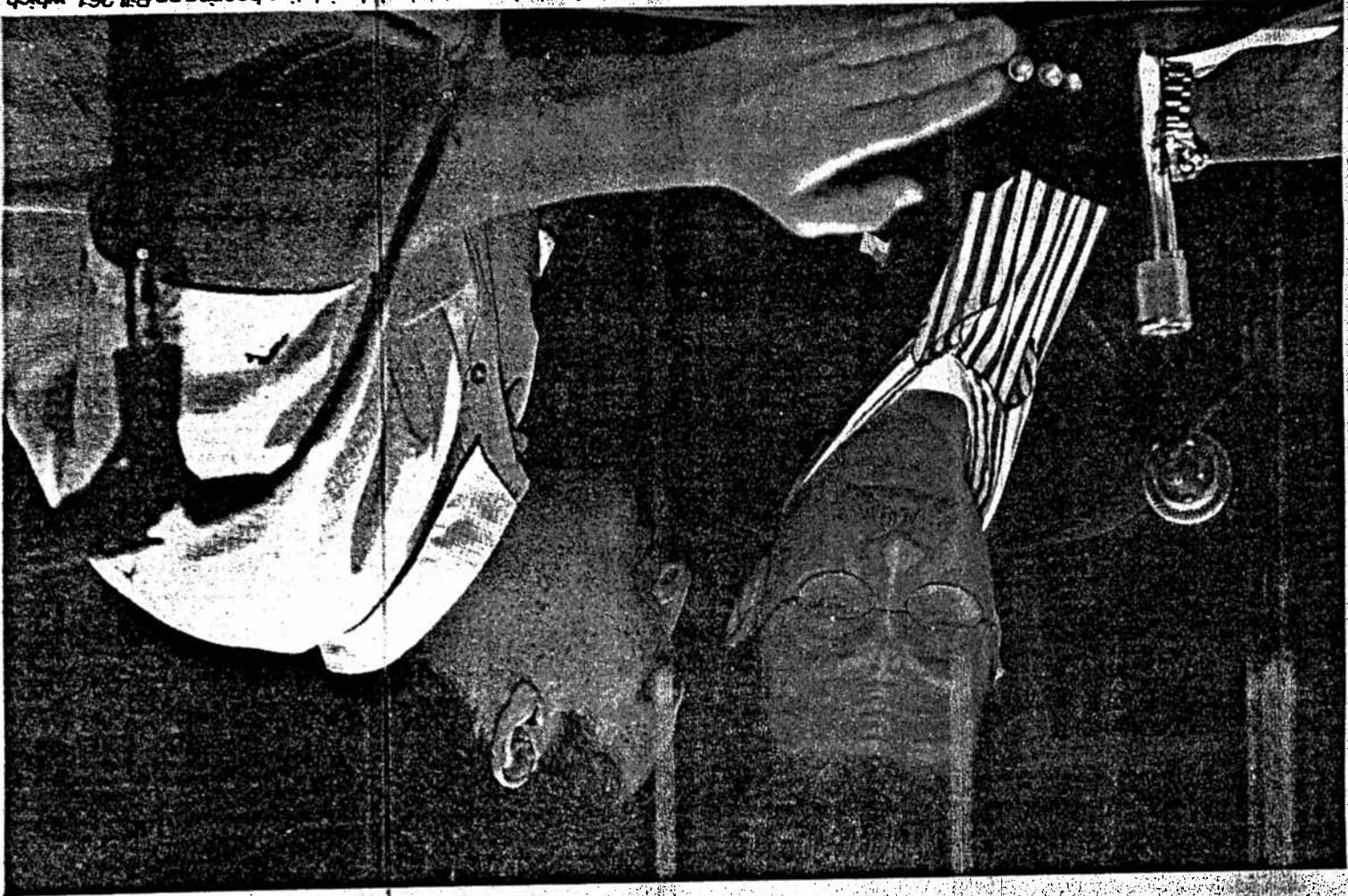
ing regarding the \$42.1 mil-

lion in capital assets, net of

one hospital is also \$22.9 mil-

ion in arrears on principal and in-

terestables:



Sen. Jesse A. Lujan, left, R-Tamuning, and Sen. Eddie B. Calvo, R-Maite, confer during yesterday's legislative hearing on Bill 261, which would establish a Guam Registered Apprenticeship Program to be administered by the Department of Labor. Photo by Erin K. Abram

to develop and sustain a healthy economy is our ability to supply a workforce that is educated and trained. At present, there is an urgent need to replace the thousands of skilled workers who have left the island or have retired from the workforce," the bill says.

duly enrolled and registered under the terms of the program is entitled to a tax credit on gross receipt taxes for each eligible apprentice equal to 75 percent of the eligible training costs paid or incurred by the business. "A key ingredient in our effort

The proposed apprenticeship program under Bill 261 would encourage employers to hire and train apprentices in high-skilled trades and occupations by offering tax incentives. "Any business which employs an apprentice

under the bill, "Any business relying on imported labor. Martinez said GCA wants to enhance the prospects for local residents to take on well-paying jobs in construction instead of

Immigration. posed by the federal Bureau of

the visa cap im-

posed by the federal Bureau of

Immigration.

posed by the federal Bureau of

1 **MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**
2 **2006 (SECOND) Regular Session**

Bill No. 261 (EC)

Introduced by:

Edward J.B. Calvo 

A.R. Unpingco 

Mark Forbes 

"GUAM REGISTERED APPRENTICESHIP PROGRAM," AN ACT TO ADD A NEW CHAPTER 44 TO DIVISION 3 OF TITLE 22, GUAM CODE ANNOTATED RELATIVE TO THE CREATION OF A GUAM REGISTERED APPRENTICESHIP PROGRAM AND FOR THE DEPARTMENT OF LABOR TO ENTER INTO AGREEMENTS WITH BUSINESSES FOLLOWING U.S. DEPARTMENT OF LABOR, BUREAU OF APPRENTICESHIP AND TRAINING PROGRAM STANDARDS PROVIDING EMPLOYER INCENTIVES FOR THE TRAINING AND DEVELOPMENT OF A SKILLED AND TRAINED WORKFORCE.

3 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

4 **Section 1. Legislative Findings and Intent.** *I Liheslaturan*

5 *Guåhan* finds that apprenticeship training serves as an important

6 pillar of education, alongside our colleges and universities.

1 Since the closing of the Ship Repair Facility (SRF) by the Base
2 Realignment and Closure Commission (BRAC-95) and the
3 subsequent privatization of various operations of the Naval Base
4 due to the A-76 process, the apprentice program provided by the
5 Navy ceased to exist. Today, the lack of a viable training program
6 providing skilled workers is a major deficiency in providing a
7 reliable source of a locally trained and skilled labor force.

8 Therefore, *I Liheslaturan Guåhan* finds that in order to have a
9 healthy economy, there must be an adequate source of skilled
10 workers in order to attract investors to the island. One of the first
11 things that an investor looks for is the availability of an educated
12 and trained workforce. A key ingredient in our effort to develop and
13 sustain a healthy economy is our ability to supply a work force that
14 is educated and trained. At present, there is an urgent need to
15 replace the thousands of skilled workers who have left the island or
16 have retired from the workforce.

17 The demand for all classifications of skilled journey workers is
18 increasing more rapidly than the supply; the need for the skills of
19 these workers is becoming critical. The best possible method for
20 developing employee skills is the formalized apprenticeship system
21 of training that is proven to be cost effective, goal oriented, and
22 designed to meet the specific skill needs of the employer.



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Agreements.

- §44106. **Eligibility of Apprentices.**
- §44107. **Administration of the Guam Registered Apprenticeship Program.**
- §44108. **Tax Credit for Apprenticeship Program Providers.**
- §44109. **Implementation by Tax Commissioner.**
- §44110. **Participation Requirements for Apprentices.**
- §44111. **Cooperative Programs Authorized.**
- §44112. **Effective Date.**

§44101. **Short Title.** This Chapter may be cited as the “*Guam Registered Apprenticeship Program*”.

§44102. **Definitions.** The definitions set forth herein shall govern the construction and interpretation of this Chapter:

‘*Apprentice*’ means an employee of a business participating in the Guam Registered Apprenticeship Program and who is at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, who is employed to learn a skilled trade.

‘*Apprenticeship Program*’ or ‘*Apprenticeship Training Program*’ shall mean a plan containing all terms and conditions for the qualification, recruitment, selection, employment and training of apprentices, including such matters as the requirement for a written apprenticeship agreement.

‘*BAT*’ means the Bureau of Apprenticeship and Training of the U.S. Department of Labor;

1 '*Business*' means professional groups, associations,
2 corporation, partnership, any sole proprietorship, any trust or
3 foundation, or any other individual or organization carrying on any
4 business whether or not operated for profit;

5 '*DOL*' means the Department of Labor of the government of
6 Guam;

7 '*Director*' means the Director of the Department of Labor;

8 '*Employer*' shall mean a business employing an apprentice
9 whether or not such business is a party to an apprenticeship
10 agreement with the apprentice;

11 '*Institution of Higher Education*' means the Guam Community
12 College, University of Guam, licensed post secondary institutions or
13 post secondary training programs;

14 '*Program*' means the *Guam Registered Apprenticeship Program* as
15 created within this Chapter;

16 '*Program Provider*' means a business with an approved Guam
17 Registered Apprenticeship Program Agreement;

18 '*Tax Commissioner*' means the Tax Commissioner of Guam or
19 the Director of the Department of Revenue and Taxation;

20 '*Tax Credit*' means an offset to taxes owed on Gross Receipt
21 Taxes derived from seventy-five percent (75%) of all eligible costs
22 paid or incurred by a program provider to train an apprentice;

1 ‘USDOL’ means the U.S. Department of Labor (USDOL);
2 Bureau of Apprenticeship and Training (BAT).

3 **§44103. Guam Registered Apprenticeship Program Creation.**

4 There is hereby established a Guam Registered Apprenticeship
5 Program (hereinafter referred to as the “Program”) administered by
6 the Department of Labor (DOL). The purpose of the Program is to
7 resolve the systemic shortages of highly skilled workers; to
8 encourage employers to hire and train apprentices in high skilled
9 trades and occupations; to allow tax credits for certain long term
10 apprenticeship training expenses; and, to allow participants in
11 formal apprenticeship training to continue to contribute income
12 taxes not relying on financial assistance in completing this form of
13 post-secondary education.

14 **§44104. Apprenticeship Program Occupations Approved for**
15 **the Guam Registered Apprenticeship Program.** On or before
16 December 1st of each and every year, DOL shall conduct a public
17 hearing to receive the opinion and recommendation from
18 professional groups, associations and the business community to
19 determine those areas in which additional professional and technical
20 trades are needed. From those hearings, DOL shall establish a list of
21 occupational priorities that are recognized U.S. Department of Labor
22 (USDOL), Bureau of Apprenticeship and Training (BAT)
23 apprenticeship programs prior to considering any applications or

1 agreements for the Program. DOL shall focus on industrial,
2 construction, technical trades and occupations and shall submit such
3 listing to *I Maga'lahaen Guåhan* for approval in order for program
4 providers to qualify for gross receipt tax credits. The approved
5 listing shall be submitted to *I Liheslaturan Guåhan* no later than
6 January 1st of each year.

7 **§44105. Authorization to Enter into Apprenticeship**
8 **Agreements.** The Director of the Department of Labor (DOL), with
9 the approval of *I Maga'lahaen Guåhan*, is hereby authorized to enter
10 into agreements with businesses prescribing the manner, terms and
11 conditions of cooperation with such business in carrying out the
12 objectives of the Program. The agreement shall be with businesses
13 having a registered and approved apprenticeship training program
14 in accordance with Title 29, Code of Federal Regulations, Parts 29
15 and 30, following the apprenticeship training standards of the U.S.
16 Department of Labor (USDOL), Bureau of Apprenticeship and
17 Training (BAT).

18 **§44106. Eligibility of Apprentices.** An applicant must be a
19 bona fide resident of Guam for a continuous period of not less than
20 three (3) years prior to being an apprentice, a United States citizen or
21 a permanent resident alien, and must agree to the terms and
22 conditions of the Program and §44110 of this Chapter.

1 **§44107. Administration of the Guam Registered**
2 **Apprenticeship Program.**

3 (a) The Department of Labor shall administer the Guam
4 Registered Apprenticeship Program and shall establish
5 such rules and regulations necessary to implement the
6 provisions of this Chapter.

7 (b) DOL shall be responsible to ensure proper educational
8 accreditation standards are met and maintained either
9 through educational classes provided by the Guam
10 Community College, an institution of higher education,
11 or employer provided USDOL BAT approved
12 educational learning resources.

13 (c) Program providers having five (5) or more apprentices
14 shall adopt a written Affirmative Action Plan and
15 Selection Procedure available under Title 29, CFR Part 30
16 and must register such plan with DOL. Program
17 providers are allowed to set their own minimum
18 requirements, qualifications and credentials for
19 apprentices, but must be fair, nondiscriminatory, and
20 comply with all applicable Program requirements.

21 **§44108. Tax Credit for Apprenticeship Program Providers.**

22 Any business who employs an apprentice duly enrolled and
23 registered under the terms of the Program is entitled to a tax credit

1 on Gross Receipt Taxes for each eligible apprentice equal to seventy-
2 five percent (75%) of the eligible training costs paid or incurred by
3 the business provided that the following requirements are met:

- 4 a. The tax credit is limited to apprenticeship training programs
5 of the Guam Registered Apprenticeship Program in
6 accordance with Title 29, Code of Federal Regulations, Parts
7 29 and 30, following the apprenticeship training standards of
8 the U.S. Department of Labor (USDOL), Bureau of
9 Apprenticeship and Training (BAT);
- 10 b. The program provider may apply tax credits to offset gross
11 receipts taxes only after an apprentice has completed the
12 Program. No portion of any eligible training cost shall be
13 applied towards a tax credit for an apprentice not
14 completing the Program;
- 15 c. Tax credit is restricted to eligible training costs incurred
16 during an apprentice's participation term in the Program;
- 17 d. No business or program provider with a Qualifying
18 Certificate (QC) shall be eligible to claim tax credits for cost
19 incurred to train an apprentice when such training is an
20 obligation conditioned within the terms of the QC. The
21 Guam Economic Development and Commerce Authority
22 (GEDCA) shall assist the Program in the eligibility

1 determination of a business or program provider to
2 participate in the Program;

3 e. The apprentice must be employed on a full time basis which
4 is defined for the purpose of this Chapter as working a
5 minimum of one hundred twenty (120) hours per month at
6 the trade;

7 f. Apprentices must be paid the prevailing wages required by
8 the Program;

9 g. Pre-apprentices are not counted as apprenticeships begun
10 and wages earned by pre-apprentices and are not eligible for
11 tax credits under this Program; and

12 h. Apprenticeship training costs paid by Work Incentive Act
13 (WIA) funds, Department of Labor Manpower Development
14 Fund (MDF) funds, Hotel/Restaurant Industry Training
15 Program funds, or any training costs paid by government of
16 Guam or federal funds shall not be eligible Program costs
17 that could be applied towards a tax credit.

18 A business or apprenticeship provider may carry forward the
19 tax credit when the tax credit exceeds the total amount of gross
20 receipts taxes owed within the applied tax period. Tax credits shall
21 correspondingly be carried forward until depletion.

22 **§44109. Implementation by Tax Commissioner.** The Tax
23 Commissioner of Guam shall, *no later than* ninety (90) days after the

1 effective date hereof in cooperation with DOL, develop necessary
2 procedures to implement this Chapter, and to that end shall:

- 3 (a) Issue such requirements as may be deem necessary to
4 implement this Chapter;
- 5 (b) Promulgate such forms and publications as are necessary
6 to assist eligible businesses to take advantage of this
7 Chapter;
- 8 (c) Develop a procedure to allow the off-set of tax credits
9 against current Gross Receipt Tax liabilities; and
- 10 (d) Coordinate with the Department of Labor upon receipt of
11 appropriate documentation relative to verifying eligible
12 Gross Receipt Tax Credits. DOL shall certify eligible
13 training costs paid or incurred by the business associated
14 with the Guam Registered Apprenticeship Program.

15 **§44110. Participation Requirements for Apprentices.** An
16 applicant for the Guam Registered Apprenticeship Program shall be
17 required to sign an agreement with their employer and the
18 government of Guam that, in return for the training, he or she
19 remains and works on Guam for a period equivalent to one (1) year
20 of work service for each one (1) year of participation in the Program.

21 **§44111. Cooperative Programs Authorized.** (a) The Director
22 is authorized to enter into memorandum of understanding (MOU) or
23 contracts with government agencies, departments and

1 instrumentalities; public or private organizations, firms, companies
2 or individuals to provide technical or skilled training programs.
3 Such MOUs or contracts shall be utilized to provide for specialized
4 training in particular fields not otherwise available to the Program
5 which are designed to train apprentices in needed skills. Where
6 specialized training is not a part of an accessory government of
7 Guam or federally funded program, the program provider shall incur
8 such training cost. (b) Government of Guam agencies, departments,
9 and instrumentalities including autonomous entities, shall make
10 available to the Program on a timely basis technical support or
11 training as is necessary for DOL to perform its duties as provided in
12 this Chapter.

13 **§44112. Effective Date.** The provisions of this Chapter shall be
14 effective immediately upon enactment.”

15 **Section 3. Severability.** *If* any provision of this Act or its
16 application to any person or circumstances is held invalid, the
17 invalidity shall *not* affect other provisions or applications of this Act
18 which can be given effect without the invalid provision or
19 application, and to this end the provisions of this Act are severable.