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<td>128-35 (15)</td>
<td>Regine Biscoe Lee, Amanda L. Shelton, Mary Camacho Torres, William M. Castro</td>
<td>AN ACT TO AMEND ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS.</td>
<td>5/1/19 12:03 p.m.</td>
<td>Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor</td>
<td>9/23/19 9:39 a.m.</td>
<td>As amended by the Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor; and further amended on the Floor</td>
<td>10/4/19</td>
<td>10/7/19</td>
<td>10/18/19</td>
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<td>10/14/19</td>
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October 14, 2019

HONORABLE TINA ROSE MUÑA BARNES
Speaker
I Mina’trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96932

Re: Bill No. 136-35 (COR) – An Act to Amend § 3105 of Article 1, Chapter 3, Title 22, Guam Code Annotated, Relative to Responsibly Raising the Minimum Wage

Bill No. 128-35 (LS) – An Act to Amend Article 1 of Chapter 10, Title 22, Guam Code Annotated, Relative to Supporting the Administration of the Guam Registered Apprenticeship Program and Extending the Tax Credit Sunset Provision of Said Program for an Additional Period of Five (5) Years

Dear Madame Speaker:

I am proud to sign Bill 136-35, An Act to Amend § 3105 of Article 1, Chapter 3, Title 22, Guam Code Annotated, Relative to Responsibly Raising the Minimum Wage, which is now Public Law 35-38. As a companion measure, I have also signed Bill 128-35, An Act to Amend Article 1 of Chapter 10, Title 22, Guam Code Annotated, Relative to Supporting the Administration of the Guam Registered Apprenticeship Program and Extending the Tax Credit Sunset Provision of Said Program for an Additional Period of Five (5) Years, which is now Public Law 35-39.

Though we lead separate, co-equal branches of government, the Legislature and I are united in the belief that work should be rewarded with the dignity of a decent wage, that everyone willing to work for it should be able to learn skills that help them climb the economic ladder, and that no one who works a full time job should have to live in poverty. This is why I have signed measures that would responsibly raise the minimum wage to $9.25 over a two-year period and extend the full life of the Guam Registered Apprenticeship Program.
Bills Signed as Companion Measures

I sign these bills as companion measures because I believe they are essential components of a unified economic plan - a plan that values work and gives people the opportunity they need to learn new skills and earn even higher wages.

At a time when too many important issues can be ensnared by partisan politics, these acts, and the legislature’s unanimous support for them, demonstrate that we can help working people and partner with businesses to support skilled labor and incentivize its expansion.

Skilled Labor is Vital

Since the start of this administration just ten months ago, approximately 1,000 people have been placed in apprenticeship or pre-apprenticeship programs. The vast majority of these apprenticeships are paid at rates higher than the minimum wage.

Therefore, I am not surprised by the overwhelming support this program received from management and labor alike. Without the legislature’s decisive action, the tax credits driving this program, would have ended in weeks - leaving 422 participants and as many as 122 employer sponsors in the cold.

Responsibly Raising the Minimum Wage

And while partnering with businesses to help our neighbors learn a skilled trade is vital, all work deserves the dignity of a decent wage. This is especially true of the lowest wage permissible by law.

I accept that this measure was the subject of passionate debate in this community. But, contrary to popular belief, the minimum wage is earned by not only teens and college students. Many minimum wage workers are single parents who are heads of their households. They are our servers, our hotel housekeepers, our maintenance crews, retail associates, store clerks, kitchen helpers, and much more.

How much should children struggle just because they were born to a single parent making the minimum wage? No parent should have to go through the chronic stress of trying to make ends meet for their family. They should not have to struggle to ensure that their children do not feel disadvantaged.
There Will Always Be Critics

For years now, I have heard a small sector of the business community oppose any upward adjustment in the minimum wage. Their reasons are always the same: massive inflation, job losses, and a reduction in hours worked. But none of these claims were supported by what actually happened after the last increase to the minimum wage, or the Guam-based empirical analysis used to study it.

To be clear, our people believe that everyone has a right to reap the benefits of their success. But the bottom-line can turn a profit and be fair to working people. I know this because I spent years of my life helping entrepreneurs start small businesses, create jobs, and chase their dreams. Like most Americans, our people do not despise the successful because they want their children to succeed.

I signed these bills into law because I believe that work must be rewarded by a decent and fair wage. I also know that skilled labor is a passport to economic security - giving all who hold it the means to support their families.

As proud as we might be of today’s successes, our work is not done. It is not done until everyone has the opportunity to win the economic future of their choice, working people can climb their way into the middle class, and those already in the middle class feel safe there.

I look forward to advancing this important work with you and the members of the 35th Guam Legislature.

Senseremente,

LOURDES A. LEON GUERRERO
Maga’hågan Gådhan
Governor of Guam

Enclosure(s): Bill No. 136-35 nka Public Law 35-38
Bill No. 128-35 nka Public Law 35-39

cc via email: Sigundo Maga’låhen Gådhan
Compiler of Laws
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÁGAN GUÅHAN

This is to certify that Bill No. 128-35 (LS), “AN ACT TO AMEND ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS,” was on the 4th day of October 2019, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by I Maga'hågan Guåhan this 7th day of Oct., 2019, at 12:40 o'clock P.M.

Tina Sanchez
Assistant Staff Officer
Maga'håga’s Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 10/14/2019

Public Law No. 35-39
Bill No. 128-35 (LS)
As amended by the Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor; and further amended on the Floor.

Introduced by:

Régine Biscoe Lee
Amanda L. Shelton
Mary Camacho Torres
William M. Castro
Tina Rose Muña Barnes
Telena Cruz Nelson
Therese M. Terlaje
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Telo T. Taitague
Jose "Pedo" Terlaje

AN ACT TO AMEND ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. I Liheslaturan Guåhan finds that Public Law 28-142, codified as §§ 10101 to 10115 of Article 1, Chapter 10,
Title 22, Guam Code Annotated, established the Guam Registered Apprenticeship Program (GRAP) in July 2006 to reduce the shortage of highly skilled workers and encourage the employment and training of apprentices in highly skilled trades and occupations.

I Liheslatura further finds that Public Law 28-142 provided gross receipts tax (GRT) incentives to eligible businesses that employ apprentices who are duly enrolled and registered in the program. Eligible businesses are entitled to tax credits against their GRT liability equal to fifty percent (50%) of the eligible training costs paid or incurred by the business.

I Liheslatura further finds that Public Law 32-181 extended the GRAP tax credit sunset provision to December 20, 2019.

I Liheslatura further finds that the GRAP currently has four hundred eighty-seven (487) active apprentices, with one hundred twenty-two (122) program participants, according to the Guam Department of Labor.

Therefore, it is the intent of I Liheslaturan Guåhan to extend the tax credit sunset provision for the GRAP for an additional period of five (5) years, and to further support the Department of Labor in administering this program by establishing a two and one-half percent (2.5%) administration fee for the participants availing themselves of the GRAP tax credits by amending Article 1 of Chapter 10, Title 22, Guam Code Annotated.

Section 2. Article 1 of Chapter 10, Title 22, Guam Code Annotated, is hereby amended to read:

“ARTICLE 1

GUAM REGISTERED APPRENTICESHIP PROGRAM

§ 10101. Short Title.

§ 10102. Definitions.

§ 10103. Guam Registered Apprenticeship Program."
§ 10104. Apprentice Program Occupations Approved for the Guam Registered Apprenticeship Program.

§ 10105. Authorization to Enter into Apprenticeship Agreements.

§ 10106. Eligibility of Apprentices.

§ 10107. Administration of the Guam Registered Apprenticeship Program.

§ 10108. Tax Credit for Apprenticeship Program Participants.

§ 10109. Implementation of Tax Credit by Tax Commissioner.

§ 10110. Participation Requirements for Apprentices.

§ 10111. Cooperative Programs Authorized.

§ 10112. Effective Date.

§ 10113. Tax Credit Sunset Provision.

§ 10114. Reporting Requirements.

§ 10115. Building Guam’s Trades Scholarship Program.

§ 10101. Short Title.

This Article shall be cited as the “Guam Registered Apprenticeship Program Law.”

§ 10102. Definitions.

As used in this Article:

(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.

(b) Apprenticeship Program or Apprenticeship Training Program means a comprehensive training program designed to teach an apprentice how to perform all duties in a recognized skilled craft or trade at the journeyman level that is described by a plan containing all terms and conditions for the
qualification, recruitment, selection, employment, and training of apprentices and a written apprenticeship agreement.

(c) **USDOL-OA** means the Office of Apprenticeship of the U.S. Department of Labor.

(d) **Business** means a professional group, association, corporation, partnership, sole proprietorship, trust, foundation, or any other individual or organization carrying on any business whether or not operated for profit.

(e) **DOL** means the Department of Labor of the government of Guam.

(f) **Director** means the Director of Labor.

(g) **Employer** means a business employing an apprentice whether or not such business has an apprenticeship agreement with the apprentice.

(h) **Institution of higher education** means the Guam Community College, the University of Guam, licensed post-secondary institutions, or licensed post-secondary training programs.

(i) **Occupational list** means a list of occupations prioritizing needed trades that corresponds with a USDOL-OA apprenticeship training program that lists the occupational trades approved for apprenticeship training within the Program, also known as Guam Demand Occupation Listing.

(j) **Program** means the Guam Registered Apprenticeship Program, an occupationally driven apprenticeship training program meeting the standards of the U.S. Department of Labor, Office of Apprenticeship, that is recognized and approved as an occupational priority by DOL to which this Article applies.

(k) **Program participant** means an employer that employs apprentices who receive training through a program provider of a registered apprenticeship program.
(1) **Program Provider** means a business or institution of higher education that conducts a registered apprenticeship program recognized by the United States Department of Labor (USDOL), Office of Apprenticeship (OA). A business with a registered apprenticeship program may be both a program participant and a program provider.

(m) **Tax Commissioner** means the Tax Commissioner of Guam, the Director of Revenue and Taxation.

(n) **Tax credit** means an offset to business privilege tax owed by a business equal in amount to fifty percent (50%) of all eligible costs paid or incurred by a program participant to train an apprentice.

(o) **Trade** means the skilled practice of an occupation.

(p) **USDOL** means the United States Department of Labor.

§ 10103. **Guam Registered Apprenticeship Program.**

There is hereby established the Guam Registered Apprenticeship Program to be administered by the Director. The purposes of the Program are to reduce the shortage of highly skilled workers; to encourage employers to hire and train apprentices in highly skilled trades and occupations; to authorize tax credits for certain long term apprenticeship training expenses; and to ensure that apprentices continue to pay income taxes and participate in the economy.

§ 10104. **Apprenticeship Program Occupations Approved for the Guam Registered Apprenticeship Program.**

Each year, the Director *shall* establish a list of skilled occupations and trades approved for the Program. All occupations listed in the USDOL-OA listing are eligible apprentice occupations for the Program. The Director may conduct a public hearing, from time to time, to receive opinions and recommendations from local businesses and the general public to determine
other areas needing additional professional and skilled technical trade workers. Regardless of whether this public hearing is conducted, the Director shall also consider new program participant applications and agreements as they are submitted for review, and shall emphasize occupations in the fields of CHamoru cultural practices, human resources development, office technology, medical coding and billing, information technology, website coding and development, finance and accounting, cosmetology, automotive, engineering, agriculture, and aquaculture, as well as industrial work, construction, and technical trades. The Director may then amend the existing occupational list.

§ 10105. Authorization to Enter into Apprenticeship Agreements.

The Director, with the approval of I M g a ’ h â g a n Gu â h a n, may contract with program providers to prescribe the manner, terms, and conditions of DOL cooperation with the provider in meeting the Program’s objectives. The contracts shall be with program providers having a registered and approved apprenticeship training program that complies with Title 29 C.F.R. Parts 29 and 30.

§ 10106. Eligibility of Apprentices.

An apprentice must be a bona fide resident of Guam for a continuous period of not less than three (3) years before becoming an apprentice, must be a United States citizen or a permanent resident alien, and must agree to the terms and conditions of the Program and § 10110 of this Article.

§ 10107. Administration of the Guam Registered Apprenticeship Program.

(a) The Director shall administer the Guam Registered Apprenticeship Program and shall establish rules and regulations necessary to
implement this Article, pursuant to the Administrative Adjudication Law, within ninety (90) days after the enactment hereof.

(b) The Director shall ensure proper educational accreditation standards are met and maintained by program providers, using educational classes provided by an institution of higher education or approved educational learning resources identified in the standards.

(c) Program participants having apprentices in training shall adopt and register with the Director a written Affirmative Action Plan and Selection Procedure according to Title 29 C.F.R. Part 30. Program participants may set their own minimum requirements, qualifications, and credentials for apprentices, subject to approval by the Director, provided that said requirements are fair, nondiscriminatory, and comply with all applicable Program requirements and USDOL-OA standards.

(d) DOL is authorized to collect a processing fee in order to defer the cost of administering the Program. The fee shall be equal to two and one-half percent (2.5%) of the amount of tax credit approved by the Director on each application for certification of tax credit, and shall be due upon release of the certification.

(1) Such fees shall be deposited in the Manpower Development Fund to be used exclusively for the operations of DOL’s apprenticeship activities.

§ 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, 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.

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

§ 10109. Implementation of Tax Credit by Tax Commissioner.

The Tax Commissioner of Guam shall, no later than ninety (90) days
after the enactment hereof, in cooperation with the Director, develop
procedures to implement the tax credit authorized by this Article, and to that
end shall:

(a) enact such requirements for claimants as may be necessary to
implement this Article;

(b) promulgate forms and publications to assist eligible businesses
claiming the tax credit;

(c) develop procedures to facilitate the off-set of tax credits against
business privilege tax liabilities; and

(d) coordinate with the Director relative to verifying eligible
business privilege tax credits. The Director shall certify eligible training costs
paid or incurred pursuant to the Program.

§ 10110. Participation Requirements for Apprentices.

An apprentice shall sign an agreement with the respective employer and
DOL that stipulates that, in exchange for the training, the apprentice will
remain and work on Guam for a period of one (1) year for each year of
participation in the Program.

§ 10111. Cooperative Programs Authorized.

(a) The Director may contract with government agencies,
departments and instrumentalities, public or private organizations, firms,
companies, businesses, program providers or individuals to provide technical
or skilled training programs. Said contracts shall provide for specialized training in needed skills not otherwise available through the Program. If this specialized training is not part of an accessory government of Guam or federally funded program, the program participant shall pay the training cost.

(b) Government of Guam agencies, departments, and instrumentalities, including autonomous agencies, shall provide to the Program, on a timely basis, technical support and training required by the Director to perform the duties under this Article.

§ 10112. Effective Date.

This Article shall be effective upon enactment.

§ 10113. Tax Credit Sunset Provision.

(a) §§ 10108, 10109, and 10110 of this Article shall remain in effect until December 30, 2024. Any Guam Registered Apprenticeship Program tax credits certified for a period expiring after December 30, 2019, but no later than December 30, 2024, shall remain in full force and effect until the period expires or the credit is canceled on other grounds.

(b) Tax credits that have not been applied to business privilege tax liability that remains after the effective date of Subsection (a) hereof may be carried forward until such tax credit is exhausted for the tax year if any part of the tax year falls before December 30, 2024.

§ 10114. Reporting Requirements.

The Director shall make a full written report to I Liheslatura and post the report on the Department’s website within thirty (30) days after the close of each fiscal year. The report shall describe accurately the names of all program participants; the total amount of tax credits claimed by each program participant in the preceding fiscal year; a list of apprentices for every program participant with each corresponding occupational trade; the amount of tax
credits claimed by every program participant for each apprentice during the
preceding fiscal year; DOL’s occupational list, including the total number of
apprentices trained for each Program trade; and such statistical and other
information in such form and detail as I Lihe slatura may prescribe. If the
Director fails to make said report or to post it on the DOL website within thirty
(30) days after the report is due, all tax credits shall immediately be
discontinued until the Director submits and posts the report.

§ 10115. Building Guam’s Trades Scholarship Program.

(a) There is hereby created the Building Guam’s Trades Scholarship
Program (Program).

(b) Administration of Program. The Director shall administer this
Program and shall promulgate rules and regulations necessary to carry out the
intent of this Section.

(c) Selection Committee. There shall be annually established an
Evaluation and Selection Committee (Committee) composed of the following:

(1) the Director of the Department of Youth Affairs, or his
designee;

(2) the Director of the Department of Labor, or his designee;

and

(3) the Guam Workforce Investment Board.

The Committee shall conduct interviews for the purpose of selecting
scholarship recipients for the Program listed within this Section. The passing
of the oral interviews, the meeting of established entrance and academic
requirements for enrollment in a Guam institution of higher education, and a
demonstrated financial need shall constitute the primary criteria for selection
of scholarship recipients. The Committee may prescribe additional
qualifications for admission to the scholarship programs.
Applications for the Building Guam’s Trades Scholarship Program shall be received by April 30 of every year, and applicants shall be interviewed at a time and place designated by the Committee prior to June 30. Awards shall be granted prior to July 30 in a written notice to the selected applicant, and the applicant’s school administrator, if applicable.

(d) Scholarships. The Building Guam’s Trades Scholarship Program shall consist of students who have declared their intention to attend a Guam institution of higher education. Scholarships may be awarded to eligible students who meet all of the following criteria:

(1) are bona fide residents of Guam;

(2) are citizens or permanent resident aliens of the United States, or a nonimmigrant alien admitted under the Compact of Free Association between the United States and the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau;

(3) are seniors or graduates of an accredited high school with a cumulative grade point average of not less than 2.0 on a 4.0 scale, or its equivalent;

(4) have been admitted to a Guam institution of higher education in accordance with its admissions policies; and

(5) the applicant must be in financial need, which shall be determined by completing a “Free Application for Federal Student Aid” (FAFSA) form as documentary evidence of need.

(e) Same: Benefits. Students entitled to scholarships pursuant to Subsection (d) of this Section shall receive the following benefit: a scholarship in the amount of Five Thousand Dollars ($5,000), issued in two (2) equal installments of Two Thousand Five Hundred Dollars ($2,500) each,
with each installment payable at the beginning of the semester, or other applicable training period.

(f) Reporting Requirements. A report shall be submitted to the Speaker of I Liheslaturan Guåhan no later than three (3) weeks after the start of each semester which, at the very least, shall contain the following information: the total number of recipients for that semester, sorted by new and continuing recipients; the total number of recipients that completed their degree program in the prior semester; the total amount expended for the prior semester for any activity related to the Program; and any other information that I Liheslatura will deem helpful in the review of the Program.”