

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN

2019 (FIRST) Regular Session

LEGISLATIVE SESSION VOTING RECORD

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.	Speaker Antonio R. Unpingco Legislative Session Hall Guam Congress Building October 4, 2019					
NAME	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused
Senator William M. CASTRO	✓					
Senator Régine Biscoe LEE	✓					
Senator Kelly G. MARSH (TAITANO), PhD	✓					
Senator James C. MOYLAN	✓					
Senator Louise B. MUÑA	✓					
Speaker Tina Rose MUÑA BARNES	✓					
Vice Speaker Telen Cruz NELSON	✓					
Senator Sabina Flores PEREZ	✓					
Senator Clynton E. RIDGELL	✓					
Senator Joe S. SAN AGUSTIN	✓					
Senator Amanda L. SHELTON	✓					
Senator Telo T. TAITAGUE	✓					
Senator Jose "Pedo" TERLAJE	✓					
Senator Therese M. TERLAJE	✓					
Senator Mary Camacho TORRES	✓					

TOTAL: 15

Aye

Nay

Not Voting/
Abstained

Out During
Roll Call

Absent

Excused

CERTIFIED TRUE AND CORRECT:



RENNAE V. C. MENO
Clerk of the Legislature

I = Pass

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

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

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
3 that Public Law 28-142, codified as §§ 10101 to 10115 of Article 1, Chapter 10,
4 Title 22, Guam Code Annotated, established the Guam Registered Apprenticeship
5 Program (GRAP) in July 2006 to reduce the shortage of highly skilled workers and
6 encourage the employment and training of apprentices in highly skilled trades and
7 occupations.

- 1 § 10107. Administration of the Guam Registered Apprenticeship
2 Program.
- 3 § 10108. Tax Credit for Apprenticeship Program Participants.
- 4 § 10109. Implementation of Tax Credit by Tax Commissioner.
- 5 § 10110. Participation Requirements for Apprentices.
- 6 § 10111. Cooperative Programs Authorized.
- 7 § 10112. Effective Date.
- 8 § 10113. Tax Credit Sunset Provision.
- 9 § 10114. Reporting Requirements.
- 10 § 10115. Building Guam’s Trades Scholarship Program.

11 **§ 10101. Short Title.**

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

14 **§ 10102. Definitions.**

15 As used in this Article:

16 (a) *Apprentice* means an employee of a business participating in the
17 Guam Registered Apprenticeship Program who is at least sixteen (16) years
18 of age, except when a higher minimum age is otherwise fixed by law, and who
19 is employed to learn a skilled trade.

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

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

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

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

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

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

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

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

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

21 (k) *Program participant* means an employer that employs
22 apprentices who receive training through a program provider of a registered
23 apprenticeship program.

24 (l) *Program Provider* means a business or institution of higher
25 education that conducts a registered apprenticeship program recognized by
26 the United States Department of Labor (USDOL), Office of Apprenticeship

1 (OA). A business with a registered apprenticeship program may be both a
2 program participant and a program provider.

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

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

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

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

10 **§ 10103. Guam Registered Apprenticeship Program.**

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

18 **§ 10104. Apprenticeship Program Occupations Approved for the**
19 **Guam Registered Apprenticeship Program.**

20 Each year, the Director *shall* establish a list of skilled occupations and
21 trades approved for the Program. All occupations listed in the USDOL-OA
22 listing are eligible apprentice occupations for the Program. The Director may
23 conduct a public hearing, from time to time, to receive opinions and
24 recommendations from local businesses and the general public to determine
25 other areas needing additional professional and skilled technical trade
26 workers. Regardless of whether this public hearing is conducted, the Director
27 *shall* also consider new program participant applications and agreements as

1 they are submitted for review, and *shall* emphasize occupations in the fields
2 of *CHamoru* cultural practices, human resources development, office
3 technology, medical coding and billing, information technology, website
4 coding and development, finance and accounting, cosmetology, automotive,
5 engineering, agriculture, and aquaculture, as well as industrial work,
6 construction, and technical trades. The Director may then amend the existing
7 occupational list.

8 **§ 10105. Authorization to Enter into Apprenticeship Agreements.**

9 The Director, with the approval of *IMaga'hågan Guåhan*, may contract
10 with program providers to prescribe the manner, terms, and conditions of
11 DOL cooperation with the provider in meeting the Program's objectives. The
12 contracts *shall* be with program providers having a registered and approved
13 apprenticeship training program that complies with Title 29 C.F.R. Parts 29
14 and 30.

15 **§ 10106. Eligibility of Apprentices.**

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

20 **§ 10107. Administration of the Guam Registered Apprenticeship**
21 **Program.**

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

26 (b) The Director *shall* ensure proper educational accreditation
27 standards are met and maintained by program providers, using educational

1 classes provided by an institution of higher education or approved educational
2 learning resources identified in the standards.

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

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

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

18 **§ 10108. Tax Credit for Apprenticeship Program Participants.**

19 Any business that employs apprentices duly enrolled and registered
20 under the terms of the Program is entitled to a tax credit against its business
21 privilege tax liability equal to fifty percent (50%) of the eligible costs paid or
22 incurred by the business, provided that:

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

25 (b) the apprentice completes a training stage of an apprenticeship
26 program as determined by DOL following USDOL-OA standards. No tax

1 credit shall be claimed by a program participant for an apprentice unless the
2 apprentice satisfactorily completes the current level of training;

3 (c) the eligible costs were paid or incurred during the apprentice's
4 participation in the Program;

5 (d) the eligible costs were paid or incurred within the previous three
6 (3) calendar years from the date the costs are submitted to DOL for
7 certification. Costs paid or incurred earlier than the three (3) calendar years
8 preceding the date the costs are submitted to DOL *shall not* be certified as
9 eligible costs;

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

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

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

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

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

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

1 **§ 10109. Implementation of Tax Credit by Tax Commissioner.**

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

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

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

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

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

15 **§ 10110. Participation Requirements for Apprentices.**

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

20 **§ 10111. Cooperative Programs Authorized.**

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

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

5 **§ 10112. Effective Date.**

6 This Article *shall* be effective upon enactment.

7 **§ 10113. Tax Credit Sunset Provision.**

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

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

17 **§ 10114. Reporting Requirements.**

18 The Director *shall* make a full written report to *I Liheslatura* and post
19 the report on the Department's website within thirty (30) days after the close
20 of each fiscal year. The report *shall* describe accurately the names of all
21 program participants; the total amount of tax credits claimed by each program
22 participant in the preceding fiscal year; a list of apprentices for every program
23 participant with each corresponding occupational trade; the amount of tax
24 credits claimed by every program participant for each apprentice during the
25 preceding fiscal year; DOL's occupational list, including the total number of
26 apprentices trained for each Program trade; and such statistical and other
27 information in such form and detail as *I Liheslatura* may prescribe. If the

1 Director fails to make said report or to post it on the DOL website within thirty
2 (30) days after the report is due, all tax credits *shall* immediately be
3 discontinued until the Director submits and posts the report.

4 **§ 10115. Building Guam's Trades Scholarship Program.**

5 (a) There is hereby created the *Building Guam's Trades Scholarship*
6 *Program* (Program).

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

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

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

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

16 (3) the Guam Workforce Investment Board.

17 The Committee *shall* conduct interviews for the purpose of selecting
18 scholarship recipients for the Program listed within this Section. The passing
19 of the oral interviews, the meeting of established entrance and academic
20 requirements for enrollment in a Guam institution of higher education, and a
21 demonstrated financial need *shall* constitute the primary criteria for selection
22 of scholarship recipients. The Committee may prescribe additional
23 qualifications for admission to the scholarship programs.

24 Applications for the *Building Guam's Trades Scholarship Program*
25 *shall* be received by April 30 of every year, and applicants *shall* be
26 interviewed at a time and place designated by the Committee prior to June 30.

1 Awards *shall* be granted prior to July 30 in a written notice to the selected
2 applicant, and the applicant’s school administrator, if applicable.

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

7 (1) are bona fide residents of Guam;

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

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

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

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

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

26 (f) Reporting Requirements. A report *shall* be submitted to the
27 Speaker of *I Liheslaturan Guåhan* no later than three (3) weeks after the start

1 of each semester which, at the very least, *shall* contain the following
2 information: the total number of recipients for that semester, sorted by new
3 and continuing recipients; the total number of recipients that completed their
4 degree program in the prior semester; the total amount expended for the prior
5 semester for any activity related to the Program; and any other information
6 that *I Liheslatura* will deem helpful in the review of the Program.”