

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
287-35 (COR)	Joe S. San Agustin Jose "Pedro" Terlaje Clynton E. Ridgell	AN ACT TO AMEND § 10102(a), ADD A NEW ITEM (q) TO § 10102, AMEND § 10108, ALL OF ARTICLE 1, CHAPTER 10, DIVISION 1, TITLE 22, GUAM CODE ANNOTATED; TO AMEND § 81.10 OF TITLE 9, GUAM CODE ANNOTATED; AND, TO AMEND § 7120 OF ARTICLE 1, CHAPTER 7, DIVISION 1, TITLE 22, GUAM CODE ANNOTATED; ALL RELATIVE TO EXPANDING THE GUAM REGISTERED APPRENTICESHIP PROGRAM (GRAP) TO INCLUDE PRE-APPRENTICESHIPS, AUTHORIZING TAX CREDITS FOR PARTICIPANTS OF GRAP, AND PROVIDING WORK CREDIT FOR GRAP APPRENTICES IN ORDER TO STRENGTHEN CONSTRUCTION WORKFORCE DEVELOPMENT.	2/10/20 4:17 p.m.						

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

Bill No. 297-35 (COR)

Introduced by:

Joe S. San Agustin 
Jose "Pedo" Terlaje 
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AN ACT TO AMEND § 10102(a), ADD A NEW ITEM (q) TO § 10102, AMEND § 10108, ALL OF ARTICLE 1, CHAPTER 10, DIVISION 1, TITLE 22, GUAM CODE ANNOTATED; TO AMEND § 81.10 OF TITLE 9, GUAM CODE ANNOTATED; AND, TO AMEND § 7120 OF ARTICLE 1, CHAPTER 7, DIVISION 1, TITLE 22, GUAM CODE ANNOTATED; ALL RELATIVE TO EXPANDING THE GUAM REGISTERED APPRENTICESHIP PROGRAM (GRAP) TO INCLUDE PRE-APPRENTICESHIPS, AUTHORIZING TAX CREDITS FOR PARTICIPANTS OF GRAP, AND PROVIDING WORK CREDIT FOR GRAP APPRENTICES IN ORDER TO STRENGTHEN CONSTRUCTION WORKFORCE DEVELOPMENT.

2020 FEB 10 PM 4: 17 PC

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

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

8 With the H-2B shortages and worker requirements of Guam Buildup related
9 construction projects, Guam's housing market continues to be out of reach for

1 many families. Based on information real estate and construction industry
2 representatives provided to local media recently, the cost of building homes on
3 Guam has increased in part due to a shortage of labor. According to a media article
4 dated December 7, 2019, "... the median price in 2017 for residential [homes] is
5 about \$225,000. As of 2019, the first 10 months, the median price is at \$270,000.
6 That's a twenty percent (20%) increase in median price over a two-year period
7 only."

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

17 Therefore, it is the intent of *I Liheslaturan Guåhan* to strengthen local
18 construction workforce development by expanding available training opportunities
19 under the Guam Registered Apprenticeship Program (GRAP) to more Guamanians
20 who desire to enter the local construction workforce as pre-apprentices. According
21 to the U.S. Department of Labor, a pre-apprenticeship is a program or set of
22 services designed to prepare individuals to enter and succeed in a Registered
23 Apprenticeship program. A pre-apprenticeship program, by definition, has a
24 documented partnership with at least one Registered Apprenticeship program.
25 Quality pre-apprenticeship programs are a starting point toward a successful career
26 path for under-represented job seekers (such as disadvantaged women and men,
27 individuals with disabilities and others) who may not be aware of this approach to

1 obtain good jobs with opportunities for advancement. Pre-apprenticeships help
2 individuals meet the entry requirements for apprenticeship programs and ensure
3 they are prepared to be successful in their apprenticeship. There are a wide variety
4 of pre-apprenticeship programs serving a broad range of populations. Some
5 programs focus on serving a specific target population, such as veterans, while
6 many pre-apprenticeship programs focus on youth.

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

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

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

26 **Section 3.** A new § 10102(q) is added to Article 1, Chapter 10, Division 1,
27 Title 22, Guam Code Annotated, to read:

1 “(q) Skilled Trainer means First-Line Supervisor of Construction Trades
2 which may include: Construction Foreman, Construction Superintendent,
3 Construction Supervisor, Field Supervisor, Foreman, Job Superintendent, Project
4 Superintendent, Site Superintendent, Superintendent, or Supervisor.””

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

7 **“§ 10108. Tax Credit for Apprenticeship Program Participants.**

8 Any business that employs apprentices duly enrolled and registered under
9 the terms of the Program is entitled to a tax credit against its business privilege tax
10 liability equal to fifty percent (50%) of the eligible costs paid or incurred by the
11 business, with the exception of any business that provides skilled trainers to
12 Eligible Training Provider List (ETPL) or to a non-profit organization working
13 with a registered ETPL on Guam and employs skilled trainers shall be entitled to a
14 tax credit against its business privilege tax liability equal to one hundred percent
15 (100%) of the eligible costs paid or incurred by the business for the skilled
16 trainer’s wages and burden costs applicable by employment benefits (FICA, Social
17 Security, Workman’s Compensation Insurance, Health Insurance, any retirement
18 plan), and trade tools required by the trainer for the execution of the training
19 program, provided that:

- 20 (a) the apprenticeship training program teaches an approved occupation
21 under § 10104 of this Article;
- 22 (b) the apprentice completes a training stage of an apprenticeship program as
23 determined by DOL following USDOL-OA standards. No tax credit shall
24 be claimed by a program participant for an apprentice unless the
25 apprentice satisfactorily completes the current level of training;
- 26 (c) the eligible costs were paid or incurred during the apprentice’s
27 participation in the Program;

- 1 (d) the eligible costs were paid or incurred within the previous three (3)
2 calendar years from the date the costs are submitted to DOL for
3 certification. Costs paid or incurred earlier than the three (3) calendar
4 years preceding the date the costs are submitted to DOL *shall not* be
5 certified as eligible costs;
- 6 (e) no business or program participant holding a Qualifying Certificate (QC)
7 shall claim tax credits pursuant to this Section. The Guam Economic
8 Development Authority shall assist the Director in determining whether
9 a participant may claim the credit;
- 10 (f) the apprentice must work a minimum of one hundred twenty (120) hours
11 per month at the trade;
- 12 (g) the apprentice must be paid the prevailing wage required by the Program,
13 which shall be a graduated percentage of journeyman wages as outlined
14 in the apprenticeship standards;
- 15 (h) pre-apprentices are not counted as apprentices and wages earned by pre-
16 apprentices are not eligible for this tax credit;~~and~~
- 17 (i) apprenticeship training costs paid by Workforce Innovation and
18 Opportunity Act (WOIA) funds, Department of Labor Manpower
19 Development Fund (MDF) funds, Hotel/Restaurant Industry Training
20 Program funds, and any training costs paid by the government of Guam
21 or federal funding *shall not* be eligible Program costs and *shall not* be
22 applied as a tax credit.;
- 23 (j) skilled trainers must provide training in carpentry, masonry, electrical,
24 plumbing, HVAC, metal work, heavy equipment, surveying, or
25 renewable energy technology to workers who are unemployed and
26 unskilled, unemployed and unskilled veterans, service-disabled veterans,
27 participants of Residential Substance Abuse Treatment programs,

1 participants of the Temporary Assistance for Needy Families Federal
2 Benefits Program, or eligible participants of the Work Credit Program
3 authorized in § 81.10 of Title 9, Guam Code Annotated; and
4 (k) the application of the one hundred percent (100%) tax credit as described
5 in this Section shall apply only when the minimum of ten (10) pre-
6 apprentice applicants are qualified as described in Subsection (j) of this
7 Section, and the pre-apprentice applicants, as defined herein, are
8 registered with an approved training ETPL or non-profit organization.
9

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

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

13 **“§ 81.10. Work Credit.**

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

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

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

26 (B) is physically able to do such work.

27 (b) The Director shall provide supervision of the work detail.

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

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

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

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

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

19 **“§ 7120. Manpower Development Fund.**

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

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

26 (1) Thirty percent (30%) of the annual revenues generated *shall*
27 be allocated to the Guam Department of Labor. The Department of

1 Labor allocation in the MDF *shall* be expended exclusively to fund
2 the following:

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

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

9 (C) workforce development and training programs; and

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

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

22 (A) direct financial assistance to students enrolled in the
23 apprenticeship or pre-apprenticeship program. Any unused
24 portion of the allocation under this Subsection *shall* be returned
25 to the MDF;

1 (B) the administrative and instructional costs for the
2 operation of the apprenticeship or pre-apprenticeship training
3 programs;

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

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

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

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

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

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