NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
William S. Carver
Interim President

<u>**NUMBERED MEMO CC22-042 (Revised 8/16/22)**</u>

TO:	Community College Presidents
	Chief Academic Officers
	Chief Financial Officers
	Chief Continuing Education Administrators
	Chief Student Development Administrators
	Financial Aid Directors
FROM:	Dr. Bruce Mack
	Vice President, Economic Development
SUBJECT:	Guidelines for North Carolina Expansion Funds - Revised
DATE:	July 26, 2022

Guidelines for NC Expansion Funds

Part I: Background:

The N.C. General Assembly under <u>Session Law 2021-180 Section 16.14</u> approved funds for the expansion of Registered Apprenticeship programs in underserved counties. These non-recurring funds are available for the period of May 20, 2022, through Dec. 31, 2026. These funds will be utilized to support a time limited program with the purpose of providing funding for small businesses (less than 500 employees) located in tier one or two counties. The intent of this funding to reduce the expenses of establishing new apprenticeship programs and hiring new apprentices.

The apprentice(s) receiving funding must be newly registered and training in one of the high demand careers designated by the N.C. Department of Commerce. Recipients of the funds may be reimbursed up to $2,000 for program expenses, which may be used for training, uniforms, safety equipment and insurance for new apprentices. Also, $2,500 in funds for a maximum of $5,000 (2 years) may be used to cover tuition, books and fees for each new apprentice(s) enrolled at the community college. Finally, the funds may also be used to cover the cost of the salary of apprentices upon matching funds being made available by the employer. State funds shall be limited to an hourly rate of pay of $15 for non-high school students and $14 for high school students. All funds for this time limited program will be on a "first-come, first-served basis."

Apprenticeship Overview and History

- Apprenticeships were a hallmark of Medieval European society, a system of transferring knowledge and skills that were crucial to Europe's rise. Before the advent of the Industrial Revolution, knowledge was tacit, and skills were transmitted across generations through apprenticeships. Like modern apprenticeships, apprenticeships during the Middle Ages involved a collaborative relationship between a skilled adult and a younger pupil. Traditionally, apprentices spent most of their waking hours in the master's workshop, where they learned from the mentor and more experienced apprentices and journeymen.

- Following the passing of the National Apprenticeship Act in 1937, North Carolina implemented the 1939 Voluntary Apprenticeship Act, providing for the creation of apprenticeship committees to collaborate with school authorities, employers, and employees in creating local programs. Since 2017, North Carolina's modern apprenticeship program is now coordinated by the NC Community College System and is supported by interested industries, businesses, labor unions, technical institutions, and high schools.

- The mission of ApprenticeshipNC is to ensure North Carolina has an innovative, relevant, effective workforce development system that develops adaptable, work ready, skilled talent to meet the current and future needs of workers and businesses to achieve and sustain economic prosperity.

- To qualify for the Apprenticeship Expansion Funds, you must have a registered apprenticeship. Learn how to start a registered apprenticeship (Employers | ApprenticeshipNC).

- State Board Code for ApprenticeshipNC (TITLE 4. APPRENTICESHIPNC).

- For questions, please contact an ApprenticeshipNC representative by County (Locate Contacts | ApprenticeshipNC).

Part II- Funding:

Funding is awarded to the employer and college based on the enrollment date of each new apprentice. No funds are awarded to the apprentice. Funding under this opportunity is to support the expenses of new apprentices under the following categories:

Program Expenses

Qualifying employers may be reimbursed for up to $2,000 for qualified expenses used to for a new registered apprentice. Any unused funds will revert to the System Office. Program expenses include expenses associated with payroll, mentor stipends, insurance, training, uniforms, and safety equipment.

Tuition, books, and fees

NC Apprenticeship Expansion funds will cover up to $2,500 per year for tuition, books, and fees for a maximum of $5,000 (two years) for qualifying new apprentices. Tuition rates will cover in-state or out-of-state rates. This can be claimed through the program end date. Fees and books established by the community college that are deemed necessary for the apprentices' enrollment

may be covered. The following list includes permissible fees that may be covered by NC Apprenticeship Expansion Funds: student access fees, student activity fees, continuing education fees, insurance fees, technology fees, lab fees, usage fees, parking fees, and assessment/ testing fees. Any unused funds will revert to the System Office.

Wages
Qualifying employers can receive 50% reimbursement at each interval of the program's registered wage scale. The reimbursement cap for high school apprentices is $14 per hour, and $15 per hour for apprentices who are not in high school. Reimbursement is for the first year of training or 2,000 hours from the program start date of their on-the-job learning.

Part III- Qualification for Funding Support:
To qualify for funding through this program both the Employer and the Apprentice must qualify. An Apprenticeship agreement must be submitted through the NC Registered Apprenticeship Network (NCRAN).

Program Qualifications:
- Part II of this document defines the categories of qualifying expenses that are eligible for funding. Eligible expenses must fall within one of these categories.
- Funds will only be awarded to a qualified employer who uses the online platform, NCRAN.
- Funds may only be obligated through Dec. 31, 2024. Expenses may continue to be reimbursed through December 2026; however, all funds must be obligated by December 31, 2024.
- For colleges serving multiple counites, funds can only be used for employers located in tier one and tier two counties.
- Apprentice's with an employer located outside the service area of the college providing the related instruction, funds will follow the apprentice and should be disbursed to the college where the student is enrolled not the college within the service area of the employer.

Qualifying Employer
- Eligible employers are those that:
  - Meet the definition of a "small business" with less than 500 employees, in the business or at a satellite location
  - Are in a tier one or tier two county (see attached map),
  - Are registering or have a registered program under one of the 2-digit occupations codes identified as a "high demand" career (see list below) and
  - Are hiring new apprentices ages 16 to 25.

- Employers and participating employers that are part of a Consortia, Union, or college-managed program that have a registered apprenticeship program are eligible.
- Business or satellite location is in a tier one or tier two county according to the published 2020 North Carolina Development Tier Designations Memo that is attached to this document, or you can go to the archived web version here: https://files.nc.gov/nccommerce/documents/files/2020-Tiers-memo_asPublished.pdf
- **Note**: Employers that have an existing Registered Apprenticeship program, may be eligible for this program, please contact ApprenticeshipNC for questions regarding employer qualification.

2-digit occupations codes identified as a "high demand" career
- (15-0000) Computer and Mathematical (includes IT)
- (17-0000) Architecture and Engineering
- (25-0000) Education
- (29-0000) Healthcare Technicians
- (31-0000) Healthcare Support
- (33-0000) Protective Service
- (35-0000) Food Preparation and Service
- (43-0000) Office and Administrative Support
- (47-0000) Construction and Extraction
- (49-0000) Installation, Maintenance, and Repairs
- (51-0000) Production
- (53-0000) Transportation
  Note: To see a full list of occupations, look at the O*Net website https://www.onetonline.org and use the first two numbers of the O*Net code to see if the occupation aligns with the approved categories listed above. If a high-demand career is not currently registered, contact ApprenticeshipNC to request the addition of a new occupation.

Qualifying New Apprentice
A "new" apprentice must meet the following criteria.
- Candidates have not been previously registered as an apprentice.
  - Prior apprentices that did not complete their program or are transferring within the same company to a different occupation, cannot be considered "new".
  - Having previously participated in a Pre-Apprenticeship or on-the-job learning program does not disqualify a new apprentice.
- To qualify the apprentice must have a start date after May 20, 2022,
- Apprentices must register in a high-demand career identified by the following O*Net code categories:
  - (15-0000) Computer and Mathematical (includes IT)

- o (17-0000) Architecture and Engineering
- o (25-0000) Education
- o (29-0000) Healthcare Technicians
- o (31-0000) Healthcare Support
- o (33-0000) Protective Service
- o (35-0000) Food Preparation and Service
- o (43-0000) Office and Administrative Support
- o (47-0000) Construction and Extraction
- o (49-0000) Installation, Maintenance, and Repairs
- o (51-0000) Production
- o (53-0000) Transportation
- Candidates must be between the age of 16 and 25 at the start of their Apprenticeship.
- An apprentice who previously received benefits through this funding opportunity, may not be qualified for additional funding.

Part IV- How to Apply for this Funding Opportunity:

- Funding requests should meet the eligibility requirements for both qualifying the employer and qualifying the new apprentice.
- When a new apprentice is registered with a qualified employer, NCRAN will automatically consider the apprentice for funding upon approval.
- The program supervisor on record and the college coordinator/designee for the community college will be notified by an email from NCRAN that funds have been awarded. The email notification will provide the allowable amount for each funding category as outlined in Part II- Funding.
- If a newly registered apprentice does not meet the eligibility requirements to qualify, a notice will not automatically be generated however colleges may check the status of the applicant by logging into NCRAN online or by contacting the expansion fund administrator directly at ApprenticeshipNC to determine their status.
- All reimbursement requests must be submitted before Dec. 31, 2024. Expenses may continue to be reimbursed through December 31, 2026.

Part V- How Colleges Receives Funds through NCRAN (North Carolina Registered Apprenticeship Network):

- When a new candidate for an apprenticeship is entered into NCRAN, NCRAN will automatically perform an eligibility check based upon requirements from the legislation.
- If eligible, sponsor and local community college will receive an official award letter from the System Office indicating the total amount obligated for the apprentice.
- The college's business office will receive a memo from the System Office notifying them of the allocation and the Fund Source. A copy will be sent to the community college's coordinator.

- Once the memo has been received by the college, the college may disburse funds.

Part VI- How a Qualified Employer Receives Reimbursement:
- Sponsor or community college coordinator will submit qualified reimbursement in NCRAN with supporting documentation including an invoice.
  - NCRAN will only allow the submission of a reimbursement request when funding has been allocated for that time period. If there is a question about the funding available, contact the expansion fund administrator to discuss your award allocation.
  - All reimbursement requests must be paid before Dec. 31, 2026, no further reimbursement requests will be accepted even if you have unused funds awarded to your apprentice.
- Community College coordinator will approve or reject the request in NCRAN.
  - If approved, the sponsor will receive an email stating the disbursement has been approved.
  - If rejected, the sponsor will receive an email stating the disbursement has been rejected.
- If approved, community college coordinator will send invoice to business office for disbursement.
- Community College business office will process invoice and send payment to employer providing the training.

Part VII- Qualifying Expenses for Employer:

Wages
- To receive wage reimbursement, the time period requested for funding must be identified.
- Timesheets must be attached to document that the apprentice had been employed during the designated time period.
- Salary information or paystubs must be attached to document the 50% rate of reimbursement requested.

Tuition, books, and Fees
- To receive tuition and fee reimbursement the class start date must be identified.
- A copy of an invoice from the educational provider must be attached. The invoice must identify the class start date and the class, license, or certificate appropriate for the apprentice's related instruction.
- Any required fees related to instruction, such as lab fees, etc. can be combined within the requested when listed on the same invoice. Multiple invoices should be submitted as separate requests.
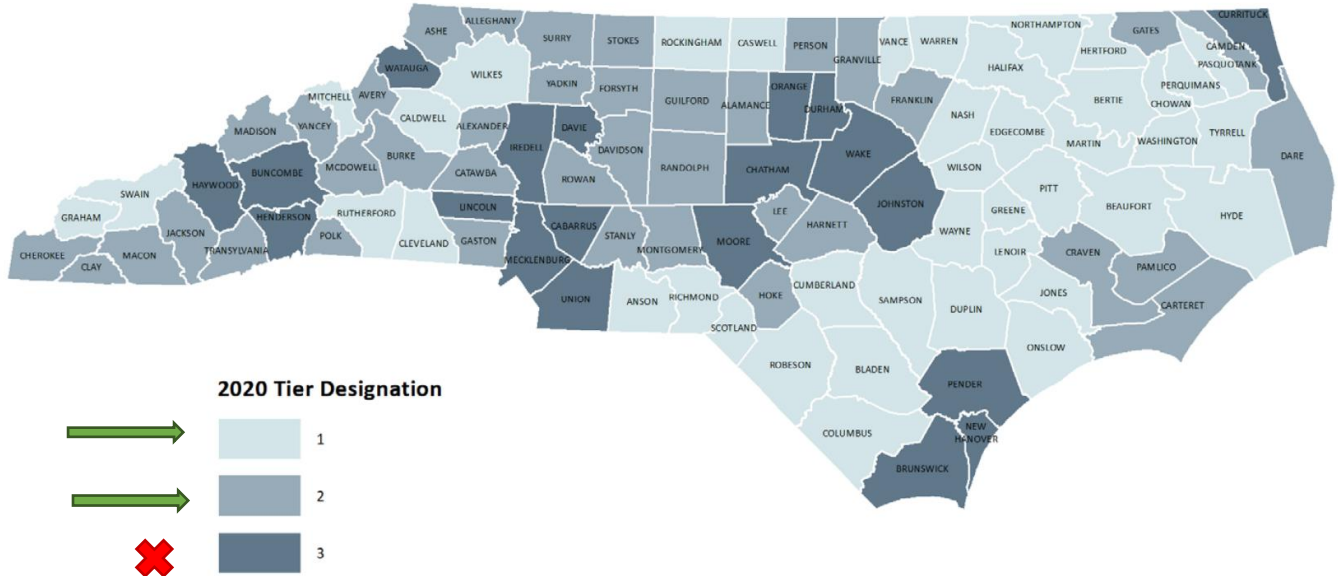
Educational Expenses
- To receive reimbursement for educational expenses a copy of the invoice, purchase receipt, or a copy of credit card statement that clearly identifies the expense is required.
- Identify the date purchased.
- Identify the type of item claimed in the description box.

Program Expenses
- To receive reimbursement using this one-time employer apprentice registration incentive, complete a request under this category.
- Once the request is entered, submit the request to the community college coordinator/designee through the NCRAN system.
- The community college coordinator/designee will review accuracy and supporting documentation.
- Once approved by the community college coordinator/designee, funds will be processed for reimbursement. If denied, the request will be sent back to the employer for corrections as noted in the system.
- Questions concerning the completion of required forms or clarification on a denial, will be routed to the local community college coordinator/designee or the expansion funds administrator.

Part VIII- Appendices:

2020 County Tier Designations

2020 Tier Designation
→ 1
→ 2
✖ 3

Definitions:

NC Registered Apprenticeship Network (NCRAN) NCRAN is ApprenticeshipNC's registered apprenticeship database. This Salesforce-based platform is used to register new programs and apprentices, manage and revise existing programs and apprentices, collect digital signatures, and run reports. In addition to these functions, ApprenticeshipNC will be utilizing NCRAN to distribute and monitor NC Apprenticeship Expansion Funds. Local community college designees will receive access and training to navigate the NCRAN database.

Structured On the Job Learning (OJL) All Registered Apprenticeship programs (RAPs) include structured on-the-job learning (OJL). Companies hire apprentices and provide hands-on training from a mentor. This training includes a structured process to ensure apprentices obtain the skills and knowledge needed over the course of the program to demonstrate proficiency. The term of a registered apprenticeship may be measured by the completion of the industry standard for on-the-job learning on (at least 2,000 hours) (time-based approach), the attainment of competency (competency-based approach), or a blend of the time-based and competency-based approaches (hybrid approach). 29 C.F.R. § 29.5(b)(2) outlined in the requirements of OJL.

Related Instruction Registered apprentices receive related instruction (RI) or classroom instruction that complements the OJL. "Related instruction" as defined in 29 C.F.R. § 29.2 is "an organized and systematic form of instruction designed to provide the apprentice with the knowledge of the theoretical and

technical subjects related to the identified occupational code. Such instruction may be given in a classroom, through occupational or industrial courses, or by correspondence courses of equivalent value, electronic media, or other forms of self-study approved by the Registration Agency." Federal regulations (29 C.F.R. § 29.5(b)(4)) recommend a minimum of 144 hours of RI annually for apprentices in RAPs. This instruction helps refine the technical and academic skills that apply to the job. An approved training provider, such as a community college, technical school or college, an apprenticeship training school, an online provider, the sponsor, or a combination of sources, may provide RI to the Registered Apprentice. (The grantee must ensure that the individual is a newly Registered Apprentice before the approved training provider delivers RI as part of the grant). This instruction can be provided at the school, online, or at the work site. Delivery of RI can also be front-loaded, during which the RI occurs upfront and prior to the OJL, delivery can be simultaneously provided with the OJL (e.g., in the evenings or weekends), or delivery can be segmented or provided sporadically throughout the OJL. These different modalities highlight the flexibility inherent in the RAP model in order to meet unique industry needs.

Sponsor means any person, firm, corporation, organization, association, or committee operating an apprenticeship program and in whose name the apprenticeship program is approved. NC General Statutes - § 115D-11.9.6 (TITLE 4. APPRENTICESHIPNC)

Roles and Responsibilities:
ApprenticeshipNC Staff
- o Fully understand and be able to explain NC Apprenticeship Expansion Funds.
- o Develop new programs with new employers that are related to NC Funds.
- o Develop new occupations w/existing employers that are related to NC Funds.
  - ▪ Provide technical support in the use of NCRAN database – all customers.
- o Provide technical assistance in the registration of new apprentices in occupations related to NC Funds.
- o Provide outreach and technical assistance to community college apprenticeship coordinators in assigned region.
- o Provide outreach to Customized Training at all community colleges in assigned region.
- o Provide outreach to Small Business Centers at all community colleges in assigned region.
  - ▪ If available, provide a presentation to employers associated with community college Small Business Centers – tier one and two.
- o Provide outreach to Workforce Development Boards/NCWorks Career Centers in assigned region–tier one and two.
- o Provide outreach to chambers of commerce in assigned regions.
  - ▪ If available, provide a presentation to employers (under 500 employees) associated with the chamber of commerce.
- o Provide outreach to industry associations that are identified in the NC Funds for Apprenticeship Expansion.

- If available, provide presentations to employers.
  - o Provide outreach to community-based organizations in assigned region.
  - o Collect and submit testimonials on the success of the funds.
  - o Conduct periodic reviews of funding.
  - o Refer technical questions that you cannot answer to the expansion funds administrator, director, or managers.
    - Become knowledgeable of how the funds will be distributed and monitored through the NCRAN database?
    - Begin outreach and contact all partners prior to July 1, 2022.

Community College Designee
  - o Fully understand and be able to explain NC Apprenticeship Expansion Funds.
  - o Participate in training of NCRAN database.
  - o Become knowledgeable of how the funds will be distributed and monitored through the NCRAN database.
  - o Identify if there will be more than one point of contact at the assigned college.
    - Identify the point of contact in the college finance department that will work with NC Expansion Funds.
  - o Review and provide sponsor with notification of total amount of funds to be awarded.
  - o Develop internal processes/procedures to obtain sponsor invoice/receivables.
  - o Develop internal processes/procedures to provide sponsors with payables.
  - o Develop internal processes/procedures to recoup any overage of funds awarded to sponsors.
  - o Provide technical assistance in the registration of new apprentices in occupations related to NC Funds.
  - o Provide outreach and technical assistance to community college alternate point(s) of contact in the Business Office.
  - o Develop internal auditing procedures and conduct quarterly audit of funds allocated and payouts.
  - o Meet monthly/quarterly with expansion funds administrator and ApprenticeshipNC director.
  - o Refer technical questions that you cannot answer to the expansion funds administrator, director, or managers.
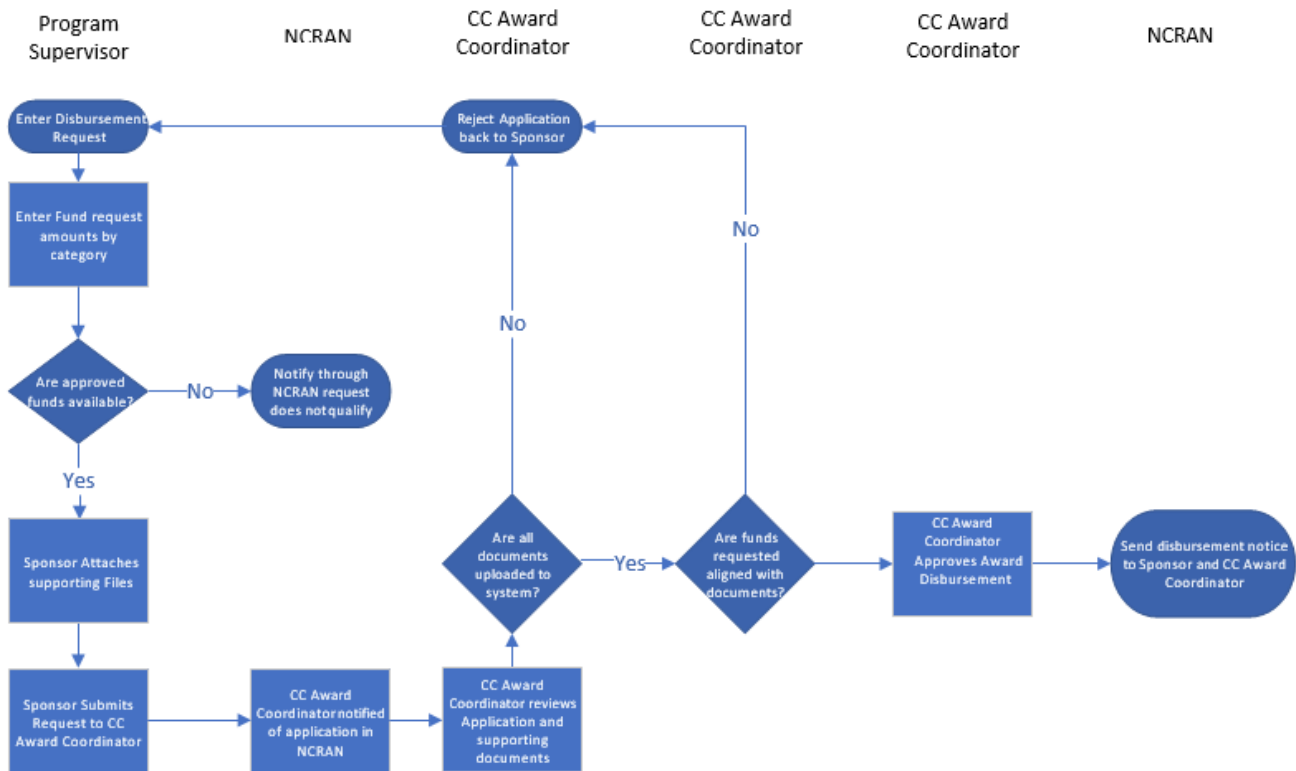
Employer as a Sponsor
  - o Work with regional consultant/coordinator to develop new programs or occupations in the high demand occupations to meet the criteria for NC Expansion Funds.
  - o Receive training on the NCRAN database.
  - o Receive training from college designee on their internal processes on request for funds and payment of funds.
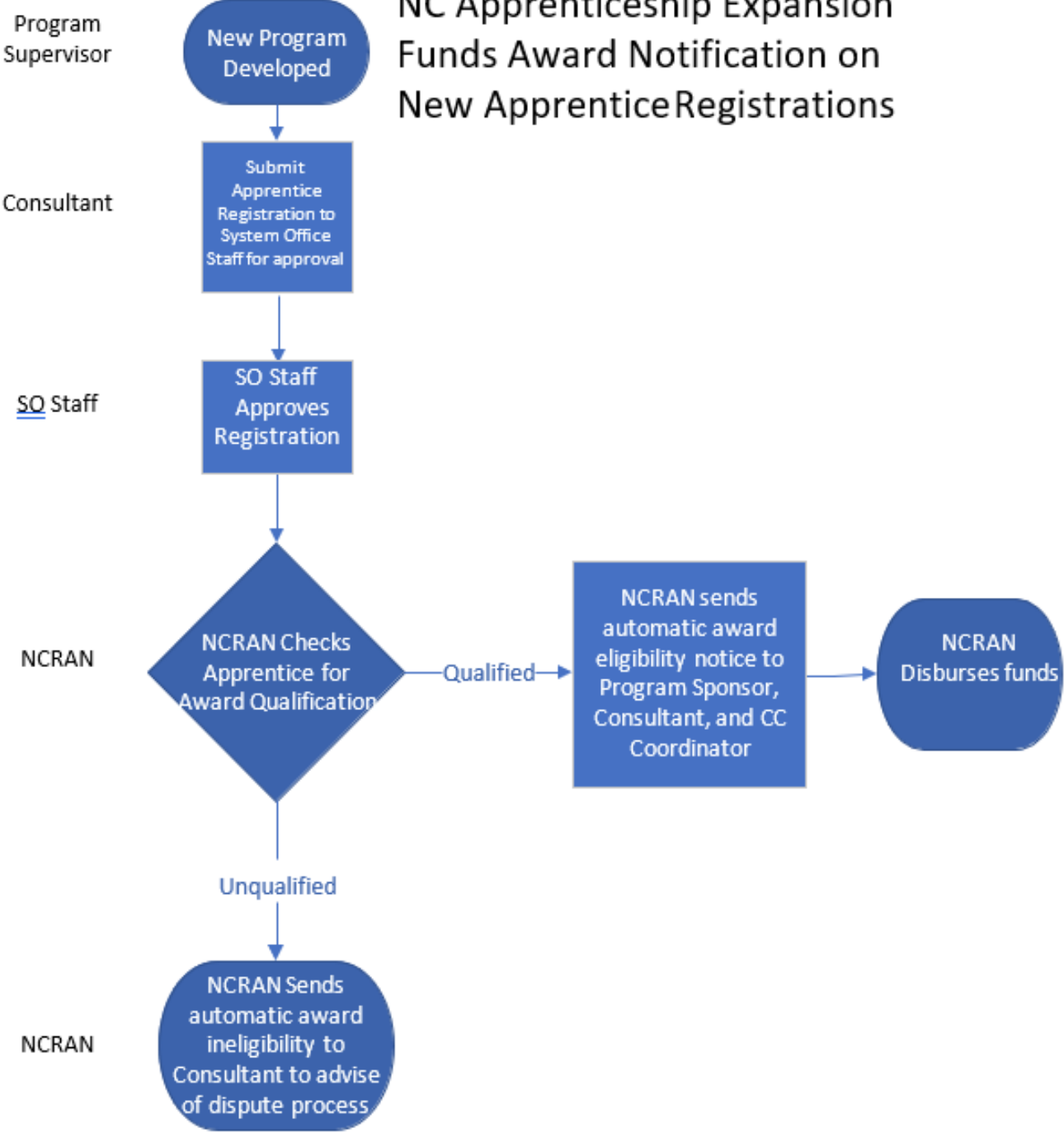 - o Register new apprentice(s) that meet the criteria to receive NC Expansion Funds.

- Provide invoices and supporting documentation when requesting funds from the college designee.
- Refer technical questions that cannot be answered by college designee to expansion funds administrator or ApprenticeshipNC director.

Flow Charts:

NC Expansion Funds Apprentice Disbursement Request Approval Process

NC Apprenticeship Expansion Funds Award Notification on New Apprentice Registrations

Program Supervisor

New Program Developed

Consultant

Submit Apprentice Registration to System Office Staff for approval

SO Staff

SO Staff Approves Registration

NCRAN

NCRAN Checks Apprentice for Award Qualification

Qualified → NCRAN sends automatic award eligibility notice to Program Sponsor, Consultant, and CC Coordinator → NCRAN Disburses funds

Unqualified

NCRAN

NCRAN Sends automatic award ineligibility to Consultant to advise of dispute process

Part VIII- FAQ:

1. **Q:** Can you please explain the company size of less than 500 employees? Is it by location or by company size as a whole?
   A: Small business are defined by the Small Business Administration as businesses with no more than 500 employees. The size of the business is tied to where the company is located. If the employer has more than 500 employees on a corporate level, but only a few hundred locally, the local business will qualify for the funds if the business resides in a tier one or two county and is adding new apprentices between the ages of 16 and 25 in the specified high-demand careers and within the dates outlined.

2. **Q:** Could you please explain what the legislation means by "new apprentice"?
   A: New apprentices are defined as any new apprentice between 16 and 25 years of age in one of the high-demand careers identified in the legislation (Session Law 2021-180 Section 6.14).

3. **Q:** What exactly is considered a high demand career?
   A: Section 6.14.(a) of the legislation defines high demand trades or careers as "including but not limited to surveying, engineering, design, and all construction trades, as well as welding, pipe fitting, and engine mechanics." The Expansion Fund Committee developed a comprehensive list to include the following high-demand careers or trades:

   - Computer and Mathematical (15-0000)
   - Information Technology (15-0000
   - Architecture and Engineering (17-0000)
   - Education (25-0000)
   - Healthcare Technicians (29-0000)
   - Healthcare Support (31-0000)
   - Protective Service (33-0000)
   - Food Preparation and Service (35-0000)
   - Office and Administrative Support (43-0000)
   - Construction and Extraction (47-0000)
   - Installation, Maintenance, and Repairs (49-0000)
   - Production (51-0000)
   - Transportation (53-0000)

4. **Q:** Will the $2,500 for educational support cover the cost of uniforms for healthcare students?
   A: No, the $2,500 would not cover the cost of uniforms for students in healthcare. Educational support covers tuition, books, and fees. If the employer provides the uniform to the students, the funding would be provided through the $2,000 provided to employers for program expenses.

5. **Q:** Is there a limit (yearly or total) on the amount of money a company can get reimbursed?
   A: Yes, there is a limit on how much a company can get reimbursed. The $2,000 for program expenses are for every new apprentice. The $2,500 for education expenses are for one year with a $5,000 maximum over two years and the 50% salary reimbursement is capped at $15 per hour for non-high school students and $14 per hour for high school students for the first 2,000 hours.

6. **Q:** Can small businesses qualify for the funding if they do not have the local community college providing the related instruction?

   A: Yes, a small business may qualify for the funding even if they are not using the college for Related Instruction, but the employer will need to work through the college for any reimbursements.

7. **Q:** Is Early Childhood covered under Education or is it K-12?
   A: Yes, education is included as one of the high-demand fields so early childhood would be covered.

8. **Q:** Will there be any funding available for apprentices older than 25 years of age?
   A: No, the funding is for apprentices between the ages of 16 and 25. Additional funding for apprentices over the age of 25 may be available through USDOL.

9. **Q:** Can these funds be used for marketing purposes?
   A: No. These funds cannot be used for marketing.

10. **Q:** Will any funds be available to support instructors or college staff?
    A: No, the funding does not support instructors, existing staff members or the hiring of new staff members.

11. **Q:** Do students who sign as apprentices during high school still receive the Youth Apprenticeship Tuition Waiver?
    A: Yes, if the student is enrolled in a Registered Apprenticeship or Pre-apprenticeship program prior to graduation within 120 days of graduation, the tuition waiver would apply, and no tuition would come out of the expansion funds. The expansion funds could be used to pay for other expenses such as books and fees. Please note any fees not used will revert to the System Office.

12. **Q:** With the $2,000 for employers, is that per apprentice per year?
    A: Each qualified employer will receive up to $2,000 for program expenses for each qualified apprentice. Any unused funds will revert to the System Office.

13. **Q:** Are there any funds available for Pre-Apprenticeship programs?
    A: The funding is not available for Pre-Apprenticeships.

14. **Q:** Is there a timeline for use of the funds?
    A: Yes, the funds must be obligated by Dec. 31, 2024, and spent by Dec. 31, 2026.

15. **Q:** Can the funds go directly to the apprentice?
    A: No, unlike WIOA and FAFSA, the funds cannot go directly to the apprentice. The college will have flexibility on how they set up student accounts such as through the student bookstore or some other student account, but it will not go directly to the apprentice. Colleges are encouraged to use these funds first before pulling from other funding sources as any funds not used will revert to the System Office.

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ApprenticeshipNC Representative by County

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CC: Apprenticeship Coordinators