

1. Title of SOP: Standard Operating Procedure for Handling Registered Apprenticeship Program Applications Submitted by Employee Leasing /Staffing Agencies or Related Entities			
2. Name of the Originating Office: Office of Apprenticeship – Division of Program Quality, Standards, and Policy			
3. SOP Assigned Number	4. Date Issued July 7, 2017	5. Renewal Date: As required	5a. Expiration Date: As required
6. Contact	Zach Boren, (202) 693-3793 Mark Judge, (202) 693-3470		
7. Purpose: To inform the staff of OA and other Registered Apprenticeship partners of a revised procedure for handling Registered Apprenticeship program applications submitted by employee leasing or staffing agencies and related entities. <u>The guidance contained in this Standard Operating Procedure supersedes the OA guidance on leasing and staffing agencies previously provided in Bulletins 2010-17 and 2016-26, except as indicated below.</u>			
8. Glossary of Terms	<p><i>Leasing Agency:</i> Employee leasing is a contractual arrangement between a leasing agency (also known as a “professional employer organization” or PEO) and a client company. Under such arrangements, the PEO typically becomes the official employer of record, while other employer responsibilities are typically shared between the leasing agency and the client company.</p> <p><i>Staffing Agency:</i> A staffing firm supplies employees to work on (long-term) assignments. Employees are recruited, screened, and assigned by the staffing firm.</p>		
9. Applicable Forms section (link to forms needed)			
10. Background and Procedure			
<p>Under 29 CFR Part 29, an apprenticeship sponsor is defined as “any person, association, committee, or organization operating an apprenticeship program and in whose name the program is (or is to be) registered or approved.” Sponsorship requires that the program comply with the applicable provisions of Title 29 CFR §§ 29 and 30, which may be achieved through partnerships between Sponsors and employers who are actively training apprentices.</p> <p>In Bulletin 2010-17 (and as restated in Bulletin 2016-26), OA announced that “[a]pprenticeship programs proposed for registration with OA by leasing agencies or entitles providing leased employees as apprentices do not meet the provisions of Title 29, CFR Part 29 or Title 29, CFR Part 30, as qualifying program sponsors, and therefore are not eligible for participation in the Registered Apprenticeship System.” In reviewing the content of these 2010 and 2016 Bulletins, however, OA has concluded that the foregoing statement concerning the registration eligibility of staffing and leasing agencies may be construed by some applicants as overbroad in scope, and inconsistent with the types of program sponsors described in the previous paragraph. In certain instances, Leasing and Staffing Agencies may act as (<i>de facto</i>) apprenticeship intermediaries by enabling employers to identify qualified candidates for apprenticeship training programs.</p>			

Beyond providing administrative clarity with respect to the proper role of Leasing and Staffing Agencies with respect to apprenticeship programs, the approach outlined in this Standard Operating Procedure will advance the objectives laid out in a Memorandum entitled "Expanding Apprenticeships in America" issued by Secretary of Labor R. Alexander Acosta on June 12, 2017. This Memorandum directed all agencies of the Department of Labor to support the Trump Administration's apprenticeship initiatives by "removing obstacles to apprenticeship growth that may be present in current regulations or administrative practices."

In addition, OA is of the view that broadening the scope of sponsors who can establish apprenticeship programs to Leasing and Staffing Agencies (and related employers) will further the objectives set forth in an Executive Order issued by President Donald J. Trump on June 15, 2017, entitled "Expanding Apprenticeships in America" (E.O. 13081 of June 15, 2017, 82 Federal Register 28229). Under that Executive Order, the President directed the Department of Labor to establish policies for "promoting the development of apprenticeship programs by third parties" and for "providing more affordable pathways to secure, high paying jobs by promoting apprenticeships."

Accordingly, this Standard Operating Procedure implements the recent directives of the Secretary of Labor and the President of the United States by modifying (except where indicated below) the guidance contained in OA Bulletins 2010-17 and 2016-26 with respect to the eligibility of Leasing and Staffing Agencies to sponsor apprenticeship programs.

GENERAL PROCEDURE CONCERNING LEASING/STAFFING AGENCIES AND RELATED

ENTITIES: OA field offices may accept applications for registration from Leasing or Staffing Agencies -- or employers that utilize Leasing or Staffing Agencies -- with the requirement that the apprenticeship program provide for long-term employment of the apprentice for placement with partner companies (i.e., employer/companies contracted for staffing services). Additionally, the draft standards will require review and clearance by the OA National Office, Division of Program Quality, Standards and Policy (DPQSP), and will be considered on a case-by-case basis. If it is deemed satisfactory for inclusion in the Registered Apprenticeship System by DPQSP, OA National Office shall authorize the field office to register the program. For approval and registration with USDOL, all Leasing, Staffing, or related entities must comply with the requirements contained in Title 29 CFR §§ 29 and 30.

For their part, Leasing and Staffing Agencies must conduct periodic reviews of each apprentice's progress to ensure that all individuals who are formally enrolled in that Agency's apprenticeship programs are provided with a reasonable opportunity to complete the full training cycle for a relevant occupation. In this connection, Leasing and Staffing Agencies (and any associated employers) must maintain appropriate progress records for the apprentices enrolled in their apprenticeship programs in accordance with the requirements of Title 29 CFR §29.5(b)(6). In addition, Leasing and Staffing Agencies must make every effort to secure employer acceptance agreements with their client employers to ensure that apprentices are afforded a reasonable opportunity to complete apprenticeship training programs with the Agency's client employers.

EXCEPTION TO PROCEDURE: Standards for Apprenticeship Programs submitted by Leasing or Staffing Agencies (or employers that utilize such Agencies) involving **construction occupations** will be excluded from consideration under this circular by DPQSP. OA national, regional, and field offices are authorized to disapprove program registration applications submitted by employee leasing or staffing organizations that involve construction-related occupations based upon the existing field guidance contained in OA Bulletins 2010-17 and 2016-26.

Submissions of leasing or staffing agency standards outside of the construction occupations will be submitted to DPQSP Division Chief, Zach Boren boren.zachary@dol.gov with a courtesy copy to Team Leader Felecia Hart hart.felecia@dol.gov.

If you have any questions about this Standard Operating Procedure, please contact Mr. Mark Judge, Program Analyst, Division of Program Quality, Standards and Policy at (202) 693-3470.

11. Timeframe for procedure completion

The guidance contained in the Standard Operating Procedure is effective immediately.

12. Signature Authority – Office of Apprenticeship, Office of the Administrator

13. References - None

14. Attachments – None

Link to OA Bulletin 2010-17:

<https://www.doleta.gov/OA/bul10/Bulletin%202010-17%20Leasing%20Agencies%20and%20Leased%20Employers.pdf>

Link to OA Bulletin 2016-26:

https://www.doleta.gov/OA/bul16/Bulletin_2016-26.pdf