

## DIVISION OF CAREER AND ADULT EDUCATION BUREAU OF STANDARDS, BENCHMARKS AND FRAMEWORKS APPRENTICESHIP SECTION

**Apprenticeship Section Procedures** 

SUBJECT: Superseding the Leasing Agencies and Leased Employees - June 9, 2010 Policy

<u>PURPOSE</u>: To provide guidance and clarification related to the revised U. S. Department of Labor's procedures on employee leasing /staffing agencies participation in registered apprenticeships

<u>APPLICABILITY</u>: This policy applies to all registered apprenticeship program sponsors as defined in Chapter 446 F.S. operating registered apprenticeship programs in Florida.

EFFECTIVE DATE: Upon Issuance

EXPIRATION DATE: Until superseded or rescinded

**<u>POLICY</u>**: Employee Leasing and Staffing Agency Apprenticeship Programs

#### **RELATED TERMS:**

*Leasing Agency*: 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.

*Staffing Agency*: A staffing firm supplies employees to work on (long-term) assignments. Employees are recruited, screened, and assigned by the staffing firm.

#### BACKGROUND AND PROCEDURE:

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. In Bulletin 2010-17 (and as restated in Bulletin 2016-26), U.S. Department of Labor Office of Apprenticeship (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 (de facto) apprenticeship intermediaries by enabling employers to identify qualified candidates for apprenticeship training programs.

Accordingly, the recent directives of the Secretary of Labor and the President of the United States, modify (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:

The Florida Department of Education, Apprenticeship Section 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 Florida Program Director of Apprenticeship, and will be considered on a case-by-case basis. If it is deemed satisfactory for inclusion in the Registered Apprenticeship System, the Florida Program Director of Apprenticeship shall authorize the regional apprenticeship and training representative (ATR) to proceed with registering the program. For approval and registration with the Florida Department of Education, all Leasing, Staffing, or related entities must comply with the requirements contained in Title 29 CFR §§ 29 and 30, 446.011-092, Florida Statutes (FS), and Chapter 6A-23.001-011 Florida Administrative Code (FAC).

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), and 6A-23.004(2)(f) FAC. 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-related occupations are excluded

from consideration. The Florida Department of Education Apprenticeship Section and Florida regional 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.

AUTHORITY: Florida Department of Education, Division of Career and Adult Education -Apprenticeship Section; Chapter 446 FS; Chapter 6A-23 FAC; U. S. Department of Labor Office of Apprenticeship

ACTION: All Florida registered apprenticeship program sponsors shall follow the policy and procedures described above.

Rod Duckworth

Chancellor

Richard Norman, Ed.S.

Program Director of Apprenticeship

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