

To: All Contractors with Public Works Certificates

Subject: Craft Training Requirements Payment Options

Coming September 9, 2022, there will be a new feature in the [Delaware One Stop](#). This feature will enable contractors to make a payment to the Apprenticeship and Training Fund as one way to comply with [29 Del. C. § 6960A](#)-Craft Training Requirements.

The Department of Labor plans to launch this in two phases:

1. September through November 2022 will be an online form. This is necessary to meet the deadline set in **Senate Bill 184 which is September 9<sup>th</sup>, 2022.**
2. By December 2022, the Department of Labor plans to launch Phase 2 which completes implementation and will result in a more sophisticated and integrated system that is built and modeled off Contractor Registration within the Delaware One Stop. It will have the same access, look, and feel, and pull in your information into the new feature from your Contractor Registration resulting in a user-friendly system.

Below are some FAQs.

### **Registered Apprenticeship Craft Training Compliance FAQs**

#### **When does this go into effect?**

Craft Training requirements are already in effect. However, the ability to make a financial payment for compliance goes into effect on September 9, 2022, which is one year from the date of enactment. Any contracts executed on September 9, 2022, and after, will have the option to meet the Craft Training requirements through a financial payment. There are other changes that go into effect on September 9, 2022, which include the requirement to meet Craft Training requirements for **each** craft in the project (see [29 Del. C. § 6960A](#) -Craft Training Requirements).

#### **What type of work requires compliance with this craft training component?**

Only public works contracts that meet the prevailing wage requirements. If you are unsure if the project meets the prevailing wage requirement, contact Office of Construction Industry Enforcement at 302.761.8200. There are exceptions outlined in [29 Del. C. § 6960A](#) that include contractor employee size and most federal highway projects. There also must be an apprenticeship program for a craft in the project on the list of crafts issued on the Department of Labor [website](#) under "Occupational Lists."

#### **I know I need to comply with the Craft Training requirements, when do I have to comply?**

The contractor must satisfy the craft training requirement before the contract for the project is signed by all parties.

#### **Why do I have to complete the Apprenticeship and Training Request?**

In June of 2019, SS 1 for SB 48 was enacted, requiring certain public works contracts to meet what is referred to as Craft Training requirements. Effective September 2022, SB 184 w/ SA2 clarifies and expands options for contractors to satisfy the craft training requirement. There are 4 ways to meet the Craft Training requirements.

### **How do I satisfy the Craft Training Requirement?**

They are four ways to satisfy the Craft Training requirements listed below. Note, compliance is required for each craft in the contract for which craft training is required.

1. Having at least 1 active apprentice in a craft training program for the craft.
2. Having at least 1 active apprentice who completes a craft training program for the craft within the 6 months before the date the contract was executed.
3. Being a member of a consortium that provides craft training for the craft, and all the following apply to the craft training program for the craft:
  - a. The consortium requires a regular financial contribution.
  - b. The contractor or subcontractor has access to the craft training program.
  - c. There is at least 1 active apprentice in the craft training program.
4. Making a payment to the Apprenticeship and Training Fund.

**If you have determined that making a payment is the best option for your company, then Number 4 is the reason you should be on this site.**

### **Is Craft Training a registered apprenticeship program?**

Yes. "Craft training program" means an apprenticeship program approved by and registered with any state apprenticeship agency or the United States Department of Labor.

### **How do I know which Craft or Trade is affected by the Craft Training Requirement?**

You can access the list of Crafts or Trades on the Department of Labor [Apprenticeship and training](#) website. This list is updated at least annually in January. If you are not sure which craft(s) apply to your contract, obtain clarification from the contracting agency (agency you are doing the work for).

### **Apprenticeship and Training Fund Information**

#### **What is the price for each trade?**

The price is \$2,000 per trade per awarded contract. This may be updated annually in January.

#### **Is there a maximum amount of payments?**

Yes, and it depends on a contractor's total employee count. The maximum applies for each calendar year and is:

- a. For employers with 10 through 25 employees, payments that total \$10,000.
- b. For employers with more than 25 employees, payments that total \$20,000.

**Note: Employers with less than 10 employees are exempt from Craft Training requirements.**

**When does the capped payment amount reset?**

The capped payment amount resets on January 1<sup>st</sup> of every year, regardless of date of the last payment. A payment made in December will not apply to the next calendar year payment total.

**How do I determine the number of employees that should be included in the employee count?**

This is the number of employees reported to Unemployment Insurance (“UC-8” for Delaware Unemployment) for the quarter ending on June 30 of the previous calendar year. If the employee count varied from month to month within this quarter, report the highest number in this quarter. For employers who file through the online portal, you can find this data by logging into portal and selecting the report you need to view. For employers who file manually, you will need to pull your hard copies and review or call 302-761-8482 or email [UIEmployerTax@delaware.gov](mailto:UIEmployerTax@delaware.gov).

You will report the employee count every time that you make a payment for Craft Training purposes, but it will remain static through the year as you are reporting the count that was reported for the quarter ending June 30 of the previous calendar year.

New Employers established after the quarter ending June 30 of the previous calendar should determine the number of employees that are currently employed with your business at the point in time you are making the payment for Craft Training purposes. Use the same definition and method that you use for Unemployment Insurance purpose for employee counts.

**What are the collected funds going to be used for?**

The Apprenticeship and Training Fund gets invested back into Registered Apprenticeship programs and expansion. Most of the funds will go to the Department of Education to support the related technical instruction of registered apprenticeship programs, including new areas of technical instruction for crafts that are in-demand by employers in this State, and to support pre-apprenticeship programs. The Department of Education shall disperse money from this Fund for the same purposes as other appropriations for adult trade extension and apprenticeship programs. The Department of Labor will use a smaller portion (20%) to promote and increase education and public awareness about registered apprenticeship and other occupational training, to support pre-apprenticeship programs, and a small amount to administer the fund.

**What if I decide that I want to create a Registered Apprenticeship Program?**

For more information on how to create a Registered Apprenticeship Program please get in touch with us at [apprenticeship@delaware.gov](mailto:apprenticeship@delaware.gov) or call the Office of Apprenticeship at 302.761.8328

**How do I find out more information about apprenticeship opportunities?**

Please [subscribe](#) to the Apprenticeship and Training Monthly newsletter for more information.