



## **California Apprenticeship Initiative (CAI) New and Innovative Grant Program**

This document provides a brief overview of the CAI New and Innovative Grant Program, apprenticeship, Related Supplemental Instructions (RSI) and allowable expenditures for CAI grant funds.

The California [Education Code Section 79148.1](#) established the CAI New and Innovative Grant Program with the goal of creating new and innovative apprenticeship opportunities in priority and emerging sectors and areas where apprenticeship training is not fully established or is non-existent. The Chancellor's Office seeks to expand pre-apprenticeship and apprenticeship training programs in non-traditional sectors. The following list provides examples of non-traditional and emerging sectors; this is not a comprehensive list, and other sectors may be eligible for the CAI New and Innovative Grant Program:

- A. Advanced Manufacturing
- B. Advanced Transportation
- C. Agriculture, Water and Environmental Technologies
- D. Cybersecurity
- E. Early Childhood Education
- F. Energy, Construction and Utilities
- G. Global Trade and Logistics
- H. Health
- I. Information and Communication Technologies/Digital Media
- J. Life Sciences/Biotech
- K. Retail/Hospitality/Tourism

### **Pre-Apprenticeship**

The United States Department of Labor, Employment and Training Administration defines pre-apprenticeship as a program or set of strategies designed to prepare individuals to enter and succeed in a registered apprenticeship program and has a documented partnership with at least one, if not more, registered apprenticeship programs. Registered apprenticeship programs have been formally approved and registered by the

California Division of Apprenticeship Standards (DAS).

The following are required elements of a pre-apprenticeship program for both registration with DAS and the purposes of a CAI Request for Application (RFA):

- A. Training and curriculum based on industry standards and approved by the documented registered apprenticeship program partner or partners that will prepare individuals with the skills and competencies needed to enter into at least one registered apprenticeship program.
- B. Documentation that the pre-apprenticeship training activities are conducted in partnership with one or more registered apprenticeship programs.
- C. A copy of a memorandum of understanding or other formal written agreement that gives priority, but not a guarantee, to pre-apprenticeship graduates for acceptance into the apprenticeship program.
- D. Strategies that increase registered apprenticeship opportunities for under-represented, disadvantaged, or low-skilled individuals, such that upon completion, those individuals will meet the entry requirements and be prepared for success in one or more registered apprenticeship programs. These strategies include any of the following:
  - a. Strong recruitment efforts focused on outreach to populations under-represented in local, state, and national registered apprenticeship programs.
  - b. Educational and prevocational services that prepare individuals to meet the entry requisites of one or more registered apprenticeship programs, such as specific career and industry awareness workshops, job readiness courses, English for speakers of other languages, adult basic education, financial literacy seminars, and mathematics tutoring.
  - c. Exposing participants to local, state, and national registered apprenticeship programs and providing direct assistance to participants applying to those programs.
  - d. Facilitating access to appropriate support services during both the pre-apprenticeship program and a significant portion of the registered apprenticeship program.
  - e. Efforts to sustain the ongoing partnership between the pre-apprenticeship program and registered apprenticeship program partner or partners, including collaborative efforts that promote alignment with the California Workforce Innovation and Opportunity Act (WIOA) Unified Strategic Workforce Development.

- f. Providing physical preparedness training for jobs where physical ability and endurance are key elements of success.
- g. Providing training on safe working practices where applicable to the job.
- h. Providing hands-on training to individuals in a simulated lab experience or through volunteer opportunities that accurately simulate industry and occupational conditions while observing proper supervision and safety protocols, provided that such experience and opportunities do not supplant or reduce the compensable work of paid employees.
- i. Providing for automatic acceptance or priority credits for acceptance into apprenticeship programs of individuals who have successfully completed the pre-apprenticeship program, and when applicable, giving advance credit in the apprenticeship program for skills and competencies already acquired in the pre-apprenticeship program.

## Apprenticeship

The apprenticeship-training model is defined by application of theoretical knowledge in a workplace setting. The employer is an integral part of apprenticeships and in the current model pays the majority of the training costs incurred. A single employer or group of employers working in collaboration may manage this training and employment. The following are ways employers may participate in apprenticeship programs:

- A. Single employer works with DAS to create a program that trains only their employees
- B. Group of employers create a Unilateral Training Committee (UTC) and cooperatively fund the training of apprentices across multiple employers, sharing costs and leveraging resources
- C. Inclusion of a union to create a Joint Apprenticeship Training Committee (JATC or JAC) with equal representation by employees and management, also cooperatively funded sometimes with employer/employee contributions

In all instances, the employer or committee are instrumental in recruiting and selecting, training, developing standards, and approving agreements. While apprenticeships generally are associated with a single job classification with a distinct set of duties and responsibilities, an apprenticeship committee may oversee several apprenticeships in different classifications within the same general industry sector.

The following are the three most important elements of Registered Apprenticeship Programs:

- A. Employer-paid training and employment for the apprentice from day one.

- B. Minimum of 2,000 hours or approximately one-year of On-the-Job training (OJT).
- C. Combined with at least 144 hours per year of post-secondary classroom instruction, approved by a California Community College District (CCD), California Department of Education (CDE) Unified School District, Local Educational Agency (LEA), County Office of Education (COE), or Regional Occupational Center & Program (ROCP)

## **Apprenticeship Operations**

Apprentices start at a percentage of the skilled worker's wage and receive wage increases at regular intervals. Starting rates are usually 40 percent (40%) to 50 percent (50%) compared to full-time wages and are not less than the state minimum wage or the local living wage for the geographical location of the employer. Increases are given every six months in most occupations to reward mastery of skills. For example, usually every six months an apprentice who has completed a certain number of OJT hours and a certain number of hours of classroom instruction is eligible for a three percent (3%) to five percent (5%) increase in pay and advancement to the next period. Apprentices attend classes of related supplemental instruction, usually in the public schools. This instruction, supplementing the training on the job, gives apprentices a comprehensive understanding of the theoretical aspects of their work. In most cases, this means attending classes at night four hours each week for at least 144 hours a year.

In class, apprentices learn the theories of their occupation; each day on the job they learn its practice under the supervision of skilled workers. Instruction in the use of relevant tools is also provided early in the training process, although in most occupations apprentices are not allowed to use any power-driven machinery until they are more advanced in their training. Apprentices are usually required to furnish their own hand tools.

Each apprentice signs an apprenticeship agreement either with a JATC, UTC, or an individual employer. This agreement is filed with DAS.

Training expectations are detailed in apprenticeship standards developed by the local apprenticeship committees and are registered with the State with the assistance of DAS consultants. The processes of the occupation and the number of hours to be spent learning each process are defined. The period of training is from one to six years (2,000 hours on the job training minimum) depending upon the occupation. Most programs are for four years in length. Upon successful completion of training, the apprentice is issued a "Certificate of Completion" by the State of California.

## **Division of Apprenticeship Standards (DAS)**

DAS creates opportunities for Californians to obtain skills leading to gainful employment and provides employers with a highly skilled and experienced workforce while strengthening California's economy. The division carries out this mission by administering California apprenticeship law and enforcing apprenticeship standards regarding wages,

hours, working conditions, and the specific skills required for state certification as a journey person in an occupation that is appropriate for apprenticeship.

DAS consultants work locally with employers- and their collective bargaining partners where applicable- to develop new apprenticeship programs, determining the length of training and specific skills necessary to perform at the level required in the occupation. They help new program sponsors locate and make arrangements with eligible educational institutions to provide the classroom instruction that augments the OJT. More information about DAS can be found at the following link: <https://www.dir.ca.gov/das/>.

## **Sustainability**

CAI funding is intended to provide initial support to create new employer-driven programs that would benefit from pre-apprenticeship and apprenticeship training programs in partnership with eligible educational institutions. The following two funding sources are opportunities for ongoing funding once the CAI grant performance period has ended.

### **A. Related Supplement Instruction (RSI) Funding**

1. RSI is an organized and systematic form of instruction designed to provide the apprentice with knowledge including the theoretical and technical subjects related and supplemental to the skills involved. Currently, California is one of only a few states that provide financial support for apprenticeship programs through funding for RSI. After establishing a contract with a Local Education Agency (Community College Districts or California Department of Education) apprenticeship program sponsors report seat time hours and are reimbursed for their instruction time, paid according to the Budget Act for that fiscal year. RSI current rates and reporting deadlines are posted at <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/Workforce-and-Economic-Development/apprenticeship/rsi-program>. Apprenticeship RSI Instruction is reported on the CCFS-321.
2. More information about this process can be found in the Student Attendance Accounting Manual (SAAM) at the following link: <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Fiscal-Standards-and-Accountability-Unit/Manuals>.

### **B. Full-Time Equivalent Students (FTES) Funding**

1. The attendance of apprentices enrolled in any class offered for community college credit by a community college, as part of a state approved apprenticeship training program, can be reimbursed at the per credit FTES funding rate. This incentivizes community colleges to utilize their quality programs to support and develop state approved apprenticeship training

programs. FTES reimbursement is reported on the CCFS-320. To obtain FTES reimbursement, the following criteria must be met:

- i. Instruction is provided to indentured apprentices by a program approved by DAS.
  - ii. A community college faculty member, as defined by Education Code, teaches the classes.
2. More information about reporting can be found in the SAAM at the following link: at the following link: <https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Fiscal-Standards-and-Accountability-Unit/Manuals>

## **Allowable Expenditures**

All allowable expenditures, must meet three primary criteria:

- A. Substantiate that the expenditure is necessary and reasonable for proper and effective administration of the allocations.
- B. The expenditure must be allocable to the funding source activities.
- C. The expenditure must not be a general expense required to carry out the fiscal agent's overall responsibilities (not supplanting).

However, even if expenditures meet the above three criteria, the expenditure must be approved within the application annual work plan/budget summary of the individual fiscal agent; otherwise, they are not allowable within that year without annual work plan/budget summary and/or detail changes. Please note, the State has the discretion to impose special conditions above and beyond the funding source which would also determine non-allowable expenditures.

## **Reasonable Expenditures**

Reasonable is defined by the dictionary as: agreeable to sound judgment, not exceeding the limit prescribed by reason (not excessive), moderate in price, and a rational decision.

Systems that can guide this definition are necessary for the performance of the grant; following sound business practices (procurement processes, follow state and local laws, follow the terms of the grant); use of fair market prices; acting with prudence under the circumstances; and having no significant deviation from established prices.

## Able to be Allocated

Allocable is defined by the dictionary as: capable of being allocated or assigned. A cost is considered allocable to a particular funding source/program to the extent it actually benefits the objectives of that program. You can only charge in proportion to the value received by the funding source/program. An example would be that a Project Director works 80% on the funded program (only 80% of the salary and benefits can be charged in the grant application). Above and beyond this definition, allocable also means that the cost must be related to the annual work plan/activities that have been approved by the Chancellor's Office Project Monitor.

## Supplanting

Funding may not result in a decrease in state or local funding that would have been available to conduct the activity had these funds not been received. These grant funds may not free up state or local dollars for other purposes but should create or augment programs to an extent not possible without the funding. You must be able to demonstrate that the funds are added to the amount of state and local funds that would, in absence of the grant funds, be made available for uses specified in your plan.

## Allowable General Expenditures

The following table is a synopsis of rules to determining whether expenditures are allowable. The rules in their entirety can be found in (Title 2 Code of Federal Regulations (2 CFR Parts 215 and 220). However, just because a cost is allowable via 2 CFR 215-220, the intent of the RFA must be followed, the expenditure must be necessary, reasonable, allocable and not supplanting.

- A. <https://www.govinfo.gov/content/pkg/CFR-2012-title2-vol1/pdf/CFR-2012-title2-vol1-part215.pdf>
- B. <https://www.govinfo.gov/content/pkg/CFR-2012-title2-vol1/pdf/CFR-2012-title2-vol1-part220.pdf>

Allowed	Allowed With Prior Approval	Not Allowed
Advertising and Public Relations		Advertising and Public Relations
Advisory Councils (if the RFA requires or allows Advisory Councils)		
		Alcoholic Beverages
		Alumni Activities
Audit Costs (required by Single Audit Act)		
Audit Costs (if not required by Single Audit Act can be included in indirect cost rate 4% of the proposal)		
		Bad Debts
		Commencement and Convocation Costs
Communication Costs (telephone, telegrams, postage, messenger)		
Compensation for Personnel Services (salary, wages, fringe benefits)		
		Contingencies
Contributions or Donations Received (cash, property, services)		Contributions or Donations Rendered (cash, property, services)
		Entertainment Costs <sup>2</sup>
Fines and Penalties <sup>4</sup>		Fines and Penalties <sup>4</sup>
		Fund Raising and Investment Costs



Allowed	Allowed With Prior Approval	Not Allowed
		Gifts of Public funds are never allowed (memorabilia, honoraria, gifts, souvenirs, Etc.)
		Goods and Services for Personal Use
Indirect or Administrative Expenditures (4% of total direct costs)		
		Lobbying <sup>7</sup>
		Losses on Other Sponsored Agreements or Contracts
Materials & Supply Costs (only those actually used for performance of sponsored agreement)		
Meetings and Conferences <sup>8</sup>		Meetings and Conferences <sup>8</sup>
	Memberships <sup>9</sup>	
Professional and Consultant Services		
Proposal Costs (only using 4% indirect)		
Publication and Printing Costs (Must be a direct cost, indirect cost can only use the 4%)		
		Selling and Marketing
Travel	Out-of-State Travel	Out-of-Country Travel

## Advertising and Public Relations

The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like. The term public relations includes community relations and means those activities dedicated to maintaining the image of the institution or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

**Allowable Advertising** costs are those that are solely for:

1. The recruitment of personnel required for the performance by the institution of obligations arising under a sponsored
2. The procurement of goods and services for the performance of a sponsored agreement.
3. The disposal of scrap or surplus materials acquired in the performance of a sponsored agreement except when non- Federal entities are reimbursed for disposal costs at a predetermined amount; or
4. Other specific purposes necessary to meet the requirements of the sponsored agreement.

**Allowable Public Relations** costs are those that are solely for:

1. Costs specifically required by the sponsored agreement
2. Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of sponsored agreements (these costs are considered necessary as part of the outreach effort for the sponsored agreement)
3. Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

## Not Allowed

Advertising and public relations costs include the following:

- (a) All advertising and public relations cost unless specified as allowable above
- (b) Costs of meetings, conventions, convocations, or other events related to other activities of the institution, including

- (c) Costs of displays, demonstrations, and exhibits
- (d) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events
- (e) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings
- (f) Costs of promotional items and memorabilia, including models, gifts, and souvenirs
- (g) Costs of advertising and public relations designed solely to promote the institution.

## **Entertainment Costs**

Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

## **Fines and Penalties**

Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the sponsored agreement, or instructions in writing from the authorized official of the sponsoring agency authorizing in advance such payments.

## **Gifts of Public Funds**

If it looks like a gift, it is. You are not allowed to purchase pencils, pens, mouse pads, t-shirts, etc. and give them out (under the marketing banner). This would still be considered a gift of public funds. Awards and honorarium would also be considered a gift of public funds and not allowed.

## **Lobbying**

Lobbying is never allowed unless it meets the following criteria: (1) Technical and factual presentations on topics directly related to the performance of a grant, contract, or other agreement (through hearing testimony, statements, or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof), in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof, provided such information is readily obtainable and can be readily put in deliverable form, and further provided that costs under this section for travel, lodging or meals are unallowable

unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearings.

## **Meetings and Conferences**

Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. Be aware not to cross over into entertainment costs.

## **Food**

Food is only allowed at meetings that require a working breakfast, lunch or dinner and disseminate technical information to participants. The meeting must have an agenda that shows a working meal; must have a sign-in sheet for participants; and cannot go over the district's per diem guidelines for food purchases. The Chancellor's Office is not allowing the cost of food be charged for outreach and/or student events.

## **Memberships**

Office of Management and Budget (OMB) only allows institutional memberships (not individual memberships), the California Community Colleges Chancellor's Office Budget and Accounting Manual allows individual memberships that are required within a job description. The Career and Technical Education (CTE) Pathways program grant is regional in its function and therefore if the Project Director requests any (individual, institutional, or regional) membership costs the application must justify why the regional work plan cannot be accomplished without paying for such membership(s).

Business, technical and professional organization or periodical memberships are allowed. Civic or community, or country club or social or dining club memberships are not allowed.

## **Selling and marketing**

Cost of selling and marketing any products or services of the institution are unallowable unless the agreement requires this activity or if it is an allowable under public relations costs (see #1 above).

## **Travel**

Only travel necessary for the project is allowed. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business for the grant. Such costs (via Legal Article II attached to the application) will be based the fiscal agent's per-diem rates. These costs shall be

considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the institution in its regular operations as the result of the institution's written travel policy.

### **Out-of-State Travel**

Out-of-State travel will be closely scrutinized and requires completion of the Out-of-State Travel Request Form found within Appendix C of the application and must be disclosed on the Budget Detail sheet. After the application is fully executed, any further Out-of-State travel requires prior approval of the Project Monitor by sending in the above-mentioned form for approval. The state reserves the right to limit Out-of-State travel.

### **Out-of-Country Travel**

The Chancellor's Office has determined that Out-of-Country travel will not be allowed via this funding source.

For more information or clarification, you can contact [Apprenticeship@CCCCO.edu](mailto:Apprenticeship@CCCCO.edu). We are also available for virtual office hours. You can find the Zoom link on our [website](#).