

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship (OA) Washington, D.C. 20210	<u>Distribution:</u>  A-541 Headquarters A-544 All Field Tech A-547 SD+RD+SAA+; Lab.Com	<u>Subject:</u> OA's position on Leasing Agencies and Leased Employees  <u>Code:</u> 400.1
Symbols: DSNIP/JVL	Action: Immediate	

**PURPOSE:** To inform OA and State Apprenticeship Agency (SAA) staff of the U.S. Department of Labor's position on employee leasing agencies and leased employees participation in Registered Apprenticeship.

**BACKGROUND:** The U.S. Department of Labor has received inquiries from SAAs and OA field staff regarding requests from leasing agencies on whether leasing firms and leased employees may be accepted into the Registered Apprenticeship System.

OA questioned whether the apprenticeship requirements would be met when a third party, the leasing agent, has control over only limited aspects of an apprentice's employment and training during their apprenticeship. In particular, concerns were raised over several issues, including wage progressions, continuity of employment, technical instructions, supervision, safety, and equal employment opportunity.

To assure that Registration Agency approval of an operating apprenticeship program will be given only when the registrant is able to satisfy federal apprenticeship standards and requirements OA issued Circular 72-22 which states, "It is the policy of the Bureau of Apprenticeship and Training to identify on the Certificate of Registration and to accord registration to the actual entity having full authority to exercise all apprenticeship functions to which Title 29, Code of Federal Regulations (CFR) Part 30 as amended, is addressed and for all other applicable federal standards and Bureau requirements."

**OA's POSITION:** The Authorizing statute and implementing regulations for the National Apprenticeship Act do not contain provisions for leasing firms (i.e. leasing agent and/or its client company(s) to jointly or severally), participation in a Registered Apprenticeship Program. Therefore, OA issues the following instructions:

**ACTION:** In consideration of the above determination, OA field staff are advised of the following guidance:

Apprenticeship programs proposed for registration with OA by leasing agencies or entities 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.

The National Apprenticeship Act mandates..."to safeguard the welfare of apprentices"....and the implementing regulations at Title 29, CFR Part 29 and 30, do not provide for "leasing agencies or "leased employees" participation in the Registered Apprenticeship System.

**NOTE:** This bulletin is being sent via electronic mail.

