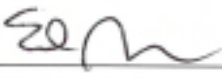
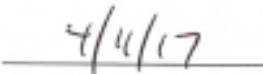


State of Alaska
Department of Labor and Workforce Development

Division: Employment and Training Services	Policy: 07-515.1
Subject: Work Experience	Pages: 5
References: Title I and III of the Workforce Innovation and Opportunity Act of 2014 (WIOA) (Pub. L. 113-128) ; 20 CFR Parts 601, 651, 652 et al. Workforce Innovation and Opportunity Act ; 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Section 200.472 ; Training and Education Costs ; Alaska Employment of Children AS 23.10.325-370 ; Alaska Administrative Code, Employment of Minors 8 AAC 05.010-900 ; Alaska Statute High School Students in Work-Study Programs as Employees of the State, AS 23.30.237	Effective: 2/4/2016 Revised: 4/11/2017
<p>Approved: _____  _____  _____</p> <p style="text-align: center;">Ed Flanagan, Director Date</p>	

1. Parties Affected

This policy applies to recipients of Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth Program funds issued through the Division of Employment and Training Services (DETS); work experience employers and DETS staff.

2. Background

Work experience is a short-term or part-time planned, structured learning experience that takes place in a workplace for a specified period of time. Work experiences provide participants with opportunities for career exploration and skill development and may take place in the private for-profit sector, the non-profit sector, or the public sector. They may include internships, job shadowing; pre-apprenticeship programs; on-the-job training (OJT); transitional jobs; and workforce preparation activities to aid an individual in gaining experience that leads to unsubsidized employment or entry into a registered apprenticeship program.

Participants placed in work experiences are generally considered trainees and employers should not depend on the trainee’s productivity to maintain or advance the profit margin or performance of the company or agency.

3. Policy

Recipients of public funds distributed through DETS shall adhere to the work experience guidelines in this policy.

Career-Related Assessment

Work experience opportunities may be offered to program participants after an assessment of the participants skills, interests, aptitudes, prior work experience, education, employability and career objectives has been conducted and its determined that the participant will benefit from participating in a work experience.

Fair Labor Standards Act

All labor standards where an employee/employer relationship exists, as defined by the Fair Labor Standards Act (FLSA) or applicable State law must be followed. The provisions of the FLSA apply to all participants engaged in a paid work experience, as do federal and state minimum wage laws. Questions regarding whether a participant is an employee or whether an employee's time spent in training is compensable can be answered by the USDOL Wage and Hour Division at 1.866.4.USWAGE, or at <http://www.dol.gov/whd/>.

Displacement of Employees

Participants engaged in a paid or unpaid work experiences cannot displace current employees. Participants should not be placed in a work experience when:

- a regular employee is on layoff from the same or any substantially equivalent job; or the employer has terminated the employment of any regular, unsubsidized employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy with a work experience participant; or the job is created in a chain of command that infringes in any way on the promotional opportunities of currently employed workers;
- the placement results in a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits, of any current employee (as of the date of the work experience participation); or
- the placement impairs existing contracts for services or collective bargaining agreements. When a program or activity authorized under the subaward covering the work experience would be inconsistent with a collective bargaining agreement, the appropriate labor organization and employer must provide written concurrence before the program or activity begins.

Unemployment Insurance (UI) Benefits

A participant in paid work experience should not have unemployment insurance taxes deducted from their work experience wages as work experience is not considered "employment" for the purposes of qualifying for Unemployment Insurance Benefits, even though the participant might be on a regular payroll, receiving wages, and is considered

employed under Fair Labor Standards Act. Therefore, a participant completing a work experience and filing for UI will not qualify for UI on the basis of the work experience. However, work experience wages and stipends are counted as earnings when a participant is currently on a UI claim, and this income has the potential to affect the amount and duration of the UI claim in the same manner as regular wages.

Youth Program Participants

Work experience for youth program participants must link academic and occupational education. The educational component may occur concurrently or sequentially with the work experience. Further academic and occupational education may occur inside or outside the work site. This integrated education and training model ensures that workforce preparation activities, basic academic skills, and hands-on occupational skills training are taught within the same time frame and connected to training in a specific occupation, occupational cluster, or career pathway. Types of work experiences available for youth participants include summer employment opportunities and other employment opportunities available throughout the school year; pre-apprenticeship programs; internships and job shadowing; on-the-job training; and workforce preparation activities to aid a participant in gaining experience that leads to unsubsidized employment or entry into a registered apprenticeship program.

All Alaska Statutes and Alaska Administrative Codes concerning youth 14-17 engaged in work experience shall be followed. Youth participants should not be placed in a paid work experience when occupations or working conditions are prohibitive under [AS 23.10.325-370](#) and [8 AAC 05.010-900](#). The DETS reserves the right to monitor the employment and training activities of youth for compliance with the provisions of Alaska Statutes and Alaska Administrative Codes relating to the Employment of Children.

A minimum of 20 percent of the WIOA Title IB local area Youth program funds must be used for work experience. These costs can include the wages/stipends/incentives paid for participation in a work experience, staff time spent to identify, develop and monitor work experiences and classroom training or the required academic education component directly related to the work experience. Leveraged resources cannot be used to fulfill any part of the 20 percent minimum

Wages for Work Experience

For the Adult and Dislocated Worker Programs, participants are placed on regular payrolls for paid work experience and are compensated according to [Alaska minimum wage standards](#) or as otherwise stated according to law, statutes and regulations, or are paid the prevailing wage of employees with similar training, experience, and skills for a similar occupation, as set by the employer. However, since work experience is intended as a trainee position, wages do not typically exceed those for entry level employees. The employer of

record will be responsible for FICA taxes and Workers Compensation insurance. The participant is responsible for applicable federal taxes as a result of receiving wages.

Stipends for Work Experience (Youth Program only)

The grant recipient should determine whether to pay wages or provide stipends. Stipends can be offered in lieu of wages, or concurrently for the classroom training that complements a work experience. A stipend is usually a set amount given for participation in or completion of an activity. Stipends impact the withholding of taxes and unemployment compensation. Stipends may not exceed the Alaska minimum wage unless otherwise stated in statutes or regulations. According to the [Internal Revenue Service Publication 12, Circular E, Employer's Tax Guide](#), Section 5, Wage and Tax Statement, stipends are considered miscellaneous compensation and are taxable. The participant is responsible for applicable federal taxes as a result of receiving stipends.

Incentives for Work Experience (Youth Program only)

An incentive is an inducement or reward made to a youth participant, to encourage achievement of workforce development activities. Incentive must be linked to a measurable activity and an achievement related to a goal such as the completion of training, or obtaining work readiness skills, occupational skills, or basic skills attainment. See DETS [Youth Incentive Policy 07-522.1](#).

Wages, stipends or incentives must be issued in the form of a check (no cash payments).

Non-allowable Work Experience

Work experience placements cannot involve work in a casino or other gambling establishment, aquarium, zoo, golf course, swimming pool, and if a youth participant, occupations that may be prohibited for youth.

Eligible Training Provider List

Work experience training providers are not required to be on the [Eligible Training Provider List](#).

Priority of Service

Priority for work experiences must be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient.

4. Responsibilities

Subrecipients and DETS staff is responsible for:

- a. maintaining accurate documentation to track participants' work experience hours;

- b. removing any participants from a worksite that has exhibited a pattern of failure or has regularly not met agreed upon requirements for the work experience participant;
- c. monitoring the worksite to ensure that the work experience complies with the terms of this policy and providing technical assistance to the employer to mitigate behavior or participant performance issues. Worksite monitoring will include:
 - (1) appropriateness of work experience for participants;
 - (2) quality of work experience in teaching good work habits and job skills;
 - (3) quality of outcomes and other benefits to participants;
 - (4) adequacy of work site supervision in assuring compliance to legal (5) requirements and program goals; and
- d. responding to and correcting any findings identified during monitoring or technical assistance.

5. Definitions

- a. **Job shadowing** is a temporary, unpaid exposure to the workplace in an occupational area of interest to the participant where the participant learns about an occupation by shadowing an experienced worker to understand the work environment and the skills needed for the occupation and potential career options;
- b. **Internship** is a planned, structured learning experience that takes place in a workplace for a limited period of time and may be paid or unpaid.
- c. **On-the-job training (OJT)** is provided under a contract with an employer and occupational training is provided for the participant in exchange for the reimbursement of a percentage of the wage rate of the participant for the extraordinary costs of providing the training and supervision related to the training;
- d. **Pre-apprenticeship program** is a program or a set of strategies designed to prepare individuals to enter and succeed in a Registered Apprenticeship program and has a formal, documented agreement with at least one or more Nationally Registered Apprenticeship program(s). A pre-apprenticeship program provides training to increase math, literacy, and other vocational skills needed to gain entry into a Registered Apprenticeship program.
- e. **Subrecipient** is the organization specified in a subaward or Reimbursable Services Agreement (RSA) as the recipient of an award
- f. **Transitional Job** is a time-limited work experience that is wage-paid and subsidized, and is in the public, private, or non-profit sectors for those individuals in the Adult or Dislocated Worker program with barriers to employment who are chronically unemployed or have inconsistent work history. These jobs are designed to enable an individual to establish a work history, demonstrate work success in an employee-employer relationship, and develop the skills that lead to unsubsidized employment.
- g. **Workforce Preparation** is activities, programs or services designed to help an individual acquire a combination of basic academic, critical thinking, digital literacy, and self- management skills.