



OFFICE OF FIELD POLICY  
AND MANAGEMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-0050

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**Special Attention of:**  
Office of Davis-Bacon and Labor  
Standards Regional and Field Staff;  
Office of Community Planning and  
Development Directors;  
Community Development Block Programs  
Grantees;  
Public Housing Regional and Office  
Directors;  
Public Housing Agencies;  
Office of Native American Programs  
Administrators;  
Tribes; Tribally Designated Housing Entities;  
Indian Housing Authorities

**Notice: LR-92-03**

**Issued:** October 5, 1992

**Expires:** This Notice is effective until it is  
amended, superseded, or  
rescinded.

**Cross References:** Davis-Bacon Act; U.S.  
Housing and Urban Development Act of  
1968, as amended; Executive Order 11246,  
Job Training Partnership Act

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**SUBJECT:** "Step-Up" Program- Questions and Answers (Issue #1)

The following Questions and Answers (Issue #1) provide guidance concerning "Step-Up" - the Department's new employment and training program for public and Indian housing residents and other low-income people. This set of Questions and Answers was developed for a "Step-Up" information packet and has been reproduced, here, for general distribution (copies were provided to all Labor Relations field staff via CC: Mail on June 4, 1992).

Q1. What is "Step-Up"?

A1. "Step-Up" is a new national program developed by HUD with the cooperation of the Department of Labor and the National Association of Housing and Redevelopment Officials (NAHRO) to provide jobs and job training opportunities on HUD-assisted construction to residents of public housing and other low-income people.

Q2. Why is it different from other programs?

A2. Prior to "Step-Up", it has been very difficult for residents of public housing to gain access to the jobs and on-the-job training opportunities associated with the billions of dollars spent on public housing modernization and maintenance. Federal prevailing wage requirements, including the Davis-Bacon and Related Acts (DBRA), had the practical effect of limiting these opportunities to skilled workers or registered apprentices. Few public housing residents or other disadvantaged neighborhood people could meet the skill requirements of journeymen or the qualifications for apprenticeship. "Step-Up" is designed to open up these jobs through the establishment of "Step-Up" apprentices - a newly created apprentice category which will provide up to a year's work and learning

experience on construction and housing rehabilitation at decent wages. "Step-Up" apprentices earn and learn while helping to rebuild their communities at the same time.

Q3. What about the Federal Davis-Bacon Act? Isn't it a barrier to this kind of program?

A3. Davis-Bacon is not a barrier, in fact one could rightly say that Davis-Bacon is being used to work to the benefit of disadvantaged people because it requires structured learning while at the same time guaranteeing decent wages in the process. "Step-Up's" innovation is that it utilizes the time-tested apprenticeship approach to providing structured learning, including classroom skills development, while allowing participants the opportunity to earn a percentage of Davis-Bacon prevailing wage rates for skilled workers. This is all being accomplished creatively within the existing parameters of Department of Labor regulations for Davis-Bacon as well as for apprenticeship. This means that skills will be learned - skills necessary to provide real economic empowerment in the long term. This learning is enhanced by the practical incentive that decent wages offer.

Q4. Is "Step-Up" just for young people? Who is eligible?

A4. No, "Step-Up" is not just for youth. "Step-Up" is also for underemployed or unemployed men and women. (Note that youth who want to participate in "Step-Up" must be old enough to work on construction sites.) While preference will be given to public housing residents, "Step-Up" is not closed to other low-income people who could benefit from work experience opportunities and a chance to learn on the job.

Q5. Who can sponsor a "Step-Up" program?

A5. Public housing agencies which adopt the NAHRO National Training Standards including the "Step-Up" component may become "Step-Up" sponsors. Sponsorship entails responsibility for organizing and administering all the attendant components of the program (recruiting, support services, job referrals, and placement). "Step-Up" sponsors can also link up (co-sponsor) with other local training providers for example, Youthbuild USA, the National Association of Homebuilders or PAVE - The Education and Training Foundation, in order to take advantage of existing expertise and resources. Resident management corporations can also be co-sponsors as can other employers or contractors.

Q6. What about the building trades unions? Are they involved?

A6. Yes, the building trades unions are very much involved. They have a long history of support and commitment to apprenticeship. The cooperation, resources, and participation of unions in training skilled and productive workers are actively sought in developing local "Step-Up" programs. Additionally, almost all sizable public housing agencies have collective bargaining agreements for maintenance and administrative personnel with various unions. "Step-Up" is designed to be flexible and operate in all these environments. "Step-Up" can also work in environments where there are no unions at all. The key to "Step-Up" success, however, is how well all local private and public resources are marshalled to maximize jobs and training opportunities for low-income people.

- Q7. What kinds of jobs can be learned through apprenticeship?
- A7. The Department of Labor recognizes over 450 apprenticeable occupations, but about 95 percent of all apprentices work in just 53 occupations, most of which are in the construction, manufacturing, and service industries. "Step-Up" apprentices gain most of their work experience on construction and rehabilitation jobs, but "Step-Up" sponsors are strongly encouraged to seek to place apprentices in other apprenticeable occupational areas where there are long-term opportunities as well. Close coordination with and utilization of Private Industry Councils (PICS) and the Labor Department's Bureau of Apprenticeship and Training (and State Apprenticeship Agencies) are crucial in this regard.
- Q8. How much are "Step-Up" apprentices paid? Do they just get training stipends?
- A8. "Step-Up" apprentices are paid wages which are determined locally as part of the locally tailored "Step-Up" apprentice program. These wages are based upon a percentage of the Davis-Bacon prevailing wage rates. Generally, the percentage is less than first-year trade apprentices and more than minimum wage.
- Q9. Are "Step-Up" apprentices restricted to work on public housing sites?
- A9. While the initial work focus will be public housing construction, "Step-Up" sponsors are strongly encouraged to develop linkages well beyond the immediate neighborhoods of public housing developments, including other Davis-Bacon projects, State and local government projects, and private construction. "Step-Up" apprentices may be referred to any worksite where there is an opportunity to earn and learn. This is one of its strengths. For example, urban transportation facilities and highway projects funded under the Surface Transportation Act or other local infrastructure projects could offer other work experience and learning opportunities. A key component of "Step-Up" is to help break through the economic isolation and "redlining" barriers to inner city employment.
- Q10. How does "Step-Up" support participants to succeed in the program?
- A10. "Step-Up" programs include provisions for a full range of support services, such things as daycare for young children to allow parents and other guardians to work, literacy or language skills development, counseling, work clothes, etc. Those without high school diplomas or GEDs are able to enroll in classes to complete that level of schooling. To the fullest extent possible, advantage is taken of existing community resources with regard to the provision of support services. For example, resident councils or resident management corporations may be used or contracted with to provide various services such as day care.
- Q11. Are PHA contractors required to use "Step-Up" apprentices?
- A11. All PHA contractors are obligated to comply with Section 3 (U.S. Housing and Urban Development Act of 1968, as amended) which requires that to the greatest extent

feasible, opportunities for training and employment in connection with assisted projects be given to lower-income people residing in the area. Contractors may achieve compliance through the employment and training of "Step-Up" apprentices. "Step-Up" sponsors may also make employment of apprentices a requirement in their procurements.

Q12. What does a "Step-Up" apprentice do?

A12. A "Step-Up" apprentice is exposed to a variety of trades and work experience opportunities. The "Step-Up" apprentice may be referred out to various employers and may work with roofers one week and painters or carpenters the next week. The "Step-Up" apprentice is not limited to any one trade. Rather, there will be opportunities to explore a number of potential career options and the varying aptitudes associated with each. Similarly, it is possible to decide that other careers totally outside the construction trade are more appropriate. "Step-Up" in any event provides experience and wages and opportunities and support systems - and ultimately, hope for a better life.

Q13. "Step-Up" sounds great but isn't it expensive?

A13. Compared to the costs of dealing with continuing long-term dependency and unemployment, "Step-Up" is an extremely cost-efficient approach. "Step-Up" takes advantage of existing services and support networks. In fact, it can be a stimulus to effectively focus the delivery of such services to "Step-Up" participants and other clients. Wage costs for "Step-Up" apprentices are paid by participating employers. The initial "Step-Up" costs may include some local staff expenses to help the sponsor set up, coordinate with other resource providers, and administer the "Step-Up" apprentice referral and monitoring system. PIC funds through the Department of Labor (Job Training Partnership Act), funds from existing Department of Health and Human Services and Office of Education programs, "Weed and Seed" program funding from the Department of Justice, and similar program funds may be solicited to help establish and operate "Step-Up" programs.

Q14. Why would contractors want to participate?

A14. Contractors are required to comply with various Federal nondiscrimination, affirmative action and employment and training requirements, including Executive Order 11246 and Section 3 of the Housing and Community Development Act of 1968, as amended. By using "Step-Up" apprentices, contractors can meet these requirements and pay less than Davis-Bacon or HUD-determined prevailing wage rates. Additionally, there may be various tax incentives, credits, or subsidies available for use in hiring "Step-Up" apprentices, including incentives associated with enterprise zone activities. Finally, and importantly, "Step-Up" apprentices provide a good source of new workers for the industry.

Q15. Are there other HUD employment and training initiatives like "Step-Up" to benefit public housing residents or other low-income people?

A15. Yes, for example, HUD is encouraging creative joint ventures between public housing resident groups and interested building trades unions, such as the Laborers' International Union, where, in one case, residents are being trained in the techniques of safe lead abatement while working on modernizing their housing. Here, residents can benefit from the expertise and resources of a state-of-the-art EPA (Environmental Protection Agency) approved lead abatement course developed and operated by the laborers and AGC (Associated General Contractors) Training Trust Fund. In a related program, public housing maintenance workers in the New England area are being offered training in a new maintenance-oriented Laborers-AGC lead poisoning prevention course. In another example, HUD has worked closely with the Muhammad Ali Foundation to develop job and training opportunities (at \$10 per hour) for residents who provide security "board-up" services for vacant units for the Chicago Housing Authority. This security service helps protect apartment units from being vandalized prior to their rehab and also helps keep drug dealers out of neighborhoods

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\*U.S. Government Printing Office: 1992 - 342-362/60293