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AUDIT REPORT

California Apprenticeship Council Commissioners:

Enclosed herein is the Division of Apprenticeship Standards (DAS) audit of the following program sponsor:

San Diego Associated General Contractors JAC
File Number: 19161 + 05043 + 10112 + 10111
PO Box 927870
San Diego, CA 92192-7870

This Audit was conducted according to **Section 3073.1** of the **California Labor Code**.

The report includes the program's response to DAS.

If the recommendations require follow up action by DAS to ensure that they were adequately implemented, the status of the follow-up will be reported at future CAC meetings.

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San Diego Associated General Contractors Joint Apprenticeship Committee (AGC)

Audit Summary

Background

The San Diego Associated General Contractors Joint Apprenticeship Committee (AGC) is approved to train 10 different trades under 4 different DAS files numbers. The trades in bold below were selected to be audited because their average graduation rate over the past 5 years was less then 50% of the trade average for approved programs in California. During preliminary planning with the sponsor they requested that the Division of Apprenticeship Standards (DAS) expand the scope of the audit to all programs so that they could proactively use the resulting recommendions to improve their programs. The audit was conducted in January of 2007 persuant to California Labor Code §3073.1.

Name of Occupation	Term of Apprenticeship	File #
Carpenter	48 months	19161
Drywall Lather	**36 months**	**19161**
Drywall Finisher	**36 months**	**19161**
Painter	**36 months**	**19161**
Tile Finisher	**36 months**	**19161**
Tile Layer	**48 months**	**19161**
Cement Mason	**36months**	**19161**
Construction Craft Laborer	24 months	05043
Equipment Operator	**48 months**	**10112**
Equipment Mechanic	**42 months**	**10111**

Findings and Recommendations

As noted in the detailed report which follows, the audit team found that some specific actions are necessary to bring the program into compliance with it's approved standards and legal requirements. DAS expects that the implementation of the recommendations will help to improve apprentice graduation rates as well. The audit report includes recommendations for improvement and DAS will visit the program in the future to verify compliance with the recommendations.

Well in advance of the audit the program had taken actions which included several staff changes and the acquisition of new apprenticeship / training management software system to improve and maintain more accurate records, Installation of the software is pending and is included in the recommendations which follow.

The AGC has recently completed major rennovation of their San Diego and Riverside training facilities which included a significant capital investment. The program has also added additional lab and workshop space at their Orange County facility. AGC is now better positioned to offer state-of-the-art classrooms and more expansive labs and workshops at both facilities.

Detailed findings and recommendations are included in the following report. With each of these findings a recommendation was presented to the program sponser to assist them with appropriate corrective action. DAS audit procedures allow the sponsor to respond to the recommendations and their response will become a part of the formal report.

The DAS team acknowledges the AGC program staff for their hospitaliy and cooperation during the extensive audit.

INTRODUCTION

The San Diego Associated General Contractors Joint Apprenticeship Committee was audited pursuant to Section 3073.1 of the California Labor Code

The audit began January 9, 2007 and was completed during the month of January 2007. The auditor(s) met with key administrative personnel; examined records, observed administrative activities, conducted a walk through of the training facility and visited a job site in connection with the audit. Based on these observations and audit activities, we have identified some inadequacy of the program's compliance to its standards, state apprenticeship laws and regulations; and have found this program needs to implement changes to meet apprenticeship requirements.

BACKGROUND

Daily operations, management and administrative functions are conducted by a full time Training Director, Director of Education and five additional staff at the apprenticeship program's headquarters located at 6212-B Ferris Square San Diego, CA 92121. In addition to the San Diego staff they also employ a full time office staff person in Riverside and training coordinators at both the Riverside and Orange County facility.

Employers are approved to train when they have 1) completed a DAS 7 (Agreement to Train Apprentices), 2) attest to the qualifications of their journeymen who will oversee the on-the-job training of the apprentices, 3) sign an agreement to abide by all AGC standards, rules, regulations and policies. The program is funded through a separate Apprentice Trust Fund that holds income from employer contributions, related and supplemental instruction monies, and State prevailing wage training fund contributions.

The apprenticeship program provides training programs for the following occupations listed below in four (4) separate file numbers:

Name of Occupation	Term of Apprenticeship	File #	Number of apprentices
Carpenter	48 months	19161	614
Drywall Lather	48 months	19161	204
Drywall Finisher	36 months	19161	29
Painter	36 months	19161	240
Tile Finisher	36 months	19161	6
Tile Layer	48 months	19161	8
Cement Mason	36months	19161	119
Construction Craft Laborer	24 months	05043	222
Equipment Operator	48 months	10112	104
Equipment Mechanic	42 months	10111	0

Related and Supplemental Instruction (RSI) is provided at 1 of 3 training facilities as determined by the location of the apprentice in San Diego, Riverside and Orange County training facility.

After enrolling, apprentices are given an orientation where they receive an information packet that includes the rules and regulations, RSI information, upgrade information, On the Job (OJT) recording book with work process, and other important information to successfully complete the program. Compensation rates are posted in a common shop or class area.

The San Diego Community College District is the apprenticeship program's Local Education Agency (LEA).

- The Carpenter Apprenticeship is a 4 year program. Apprentices meeting the required advancement criteria progress through 8 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 5000 hours of accumulated on-the-job training.

- The Drywall/Lath Apprenticeship is a 4 year program. Apprentices meeting the required advancement criteria progress through 8 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 5400 hours of accumulated on-the-job training.
- The Drywall Finisher Apprenticeship is a 3 year program. Apprentices meeting the required advancement criteria progress through 6 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 4000 hours of accumulated on-the-job training.
- The Cement Mason Apprenticeship is a 3 year program. Apprentices, meeting the required advancement criteria progress through 6 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 4200 hours of accumulated on-the-job training.
- The Tile Setter Apprenticeship is a 4 year program. Apprentices meeting the required advancement criteria progress through 10 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 6000 hours of accumulated on-the-job training.
- The Tile Finisher Apprenticeship is a 3 year program. Apprentices meeting the required advancement criteria progress through 4 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 4000 hours of accumulated on-the-job training.
- The Painter Apprenticeship is a 3 year program. Apprentices meeting the required advancement criteria progress through 7 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 5040 hours of accumulated on-the-job training.
- The Construction Craft Laborer Apprenticeship is a 2 year program. Apprentices meeting the required advancement criteria progress through 6 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 3000 hours of accumulated on-the-job training.
- The Equipment Operator Apprenticeship is a 4 year program. Apprentices meeting the required advancement criteria progress through 6 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 6000 hours of accumulated on-the-job training.
- The Equipment Mechanic Apprenticeship is a 3 1/2 year program. Apprentices meeting the required advancement criteria progress through 8 upgrade steps until completion. Training consists of 144 hours of related and supplemental instruction per year and 6000 hours of accumulated on-the-job training.

SCOPE AND FOCUS

The principal audit objective is to ensure that the program is complying with its standards, that all on-the-job training is performed by journeymen, that all related and supplemental instruction required by the apprenticeship standards is being provided, that all work processes in the apprenticeship standards are being covered, and that graduates have completed the apprenticeship program's requirements.

The audit focused on reviewing records and activities that tend to support and substantiate the program's efforts, practices, systems and capabilities to provide and deliver the on-the-job training and related and supplemental instruction. The program's policies and procedures were reviewed to determine if they support the program's approved Apprenticeship Standards.

METHODOLOGY

After completing an initial review of the program's standards and records on file with the DAS, an audit plan was established that included the following steps: 1) notifying the program at least 14 days in advance of our intent to audit; 2) preparing an entrance interview; 3) organizing all other working papers necessary to conduct the audit; 4) conducting a random selection of 121 apprentice records to review; 5)

confirming the location of the place where the records are kept and maintained and setting the time and date of the meeting and 6) scheduling visits of the training facility and various work sites.

Actual field work included, among other things: 1) reviewing a sample of pre-selected individual records of apprentices; 2) reviewing the minutes of meetings and other documentation; 3) inspecting the training facility; 4) visiting work sites to observe working conditions and 5) conducting interviews with apprentices and supervisors.

AUDIT FINDINGS AND RECOMMENDATIONS

1. **STANDARDS**: The audit objective was to determine whether the program is submitting periodic revisions to its standards and if standards are reasonably current.

   Findings:

   #19161: There has not been a complete revision of the standards. The last partial revision of approved standards (DAS 24) was approved on 9-26-2001.

   # 10112: There was an Extract of new Standards approved on 2-15-1996. There was a wage& fringe revision applied for on 9-9-2003.

   # 05043: There was an Extract of New Standards (DAS-27) dated 9-9-2003. There was a Revision of new Standards 40/80 formula (208/C) dated 10-14-03.

   #10113: There was an Extract of New Standards (DAS-27) dated 3-15-1996.

   The DAS review found that all standards were reasonably current.

   Recommendation:

   Any additional revisions the program makes needs to be submitted on a Revision of Approved Standards (DAS-24) to the DAS.

   Article IV (5) of the program's standards, Section 205 (f), 212 (a)(6) (7), (c)(2) (11) of the California Code of Regulations states that the program sponsor must submit revisions to its standards when necessary.

2. **RULES AND REGULATIONS:** The objective was to determine if the program has adequate rules and regulations, provides a copy to apprentices, and is implementing them as required.

   Findings:

   a) The rules and regulations for all three file numbers contain a wide range of policy statements showing responsibilities of the apprentice and the committee.

   b) After enrolling, apprentices are given an approximate 20-30 minute orientation where they receive an information packet that includes the rules and regulations, RSI information, upgrade information, On the Job (OJT) recording book with work process, and other important information to successfully complete the program. Apprentices sign a statement indicating they have received, read and understood the rules and regulations.

   c) Apprentices who are found not following the rules and regulations are cited to appear before the main/sub-committee for evaluation and to explain why they should not be disciplined and/or terminated. Recommendations of the sub-committee are reviewed, upheld or overturned by the main committee. Examples of cite and disciplinary letters were found to exist in individual apprentice records of those that were cited and documented in the minutes. It was also found after reviewing the programs Rules & Regulations that some minor updates need to be made such as there is only a brief mention of a Sexual Harassment Policy in the Rules & Regulations.

   Recommendation:

   a) Review Rules & Regulations, make corrections and distribute to all apprentices. It is also recommend that the committee make an effort to review the Rules and Regulations annually and make changes accordingly.

   Article VI (2) of the program's standards, Section 3071, 3073, and Section 212 (a)(6) (7), (c)(2)(3)(8),(14) of the California Code of Regulations states that the program must establish rules and regulations that govern the program.

3. **ACTIVE APPRENTICES AND CANCELLATIONS**:
The objective was to determine if the program is monitoring its apprentices as they enter and flow through the program, and to determine if the program is maintaining accurate records both active cancelled apprentices.

Findings:

a) It was determined prior to the audit that the programs active apprentice list was not up to date with DAS records. The program was contacted and begin working with its DAS consultant to reconcile the records for all 4 file #'s. The reason for this discrepancy was due to the time frame in which AGC was submitting a drop/cancellation notice to DAS. At times it was up to 6 months before DAS would receive a notice from the program sponsor.

Recommendation:

a) The program should continue to make reasonable efforts to reconcile its active apprenticeship records to bring them into agreement with those on file with the DAS. To ensure that DAS records are current it is suggested that the program review and determine ,with the assistance of its DAS consultant, a more efficient means to timely notify DAS of cancellations and drops from the program it is recommended that all records be brought up to date by March 30, 2007.

b) The planned implementation of the program's new software is expected to help and it is recommended that the program work with DAS to implement the Electronic Data Interchange feature of the software to improve timeliness and accuracy of record synchronization with DAS.

Section 205 (a)(1)(2) (i), 212 (a)(6) (7)(8), (b)(9), (c)(2)(10) 224 of the California Code of Regulations states that the program sponsor must maintain accurate apprenticeship records and submit changes, updates and revisions of an apprentice's status when necessary.

4. **ON-THE-JOB TRAINING (OJT)**: The objective was to determine if apprentices are progressing on schedule, that the program is maintaining adequate OJT records, and to determine if the program has adequate systems in place to ensure that apprentices are covering all the work processes.

Findings:

a) Record sheets (DAS Blue Books) are provided to each apprentice to log all work hours and to be segregated among the various work processes. At the end of each month a supervisor verifies the OJT hours and records are submitted by the apprentice and entered into the program's database.

Apprentices failing to maintain accurate OJT records or turn in records timely are grounds for the apprentice to be cited to appear before the committee. This may lead to disciplinary actions or termination from the program for non-compliance. DAS staff observed that apprentices were not regularly cited for disciplinary action for failure to timely submit OJT hours as indicated in the Rules and Regulations. Many apprentices went up to 12 months without submission and/or being cited.

b) Overall OJT records were found to be inconsistent. Some records had all OJT data while others had few. It was also discovered that some apprentice were only performing 1 OJT task of the work process. It is the policy of the program to keep the completed record sheets in the apprentice's file.

c) Each month apprentices turn in OJT from the previous month. The program has a process in their database to track unsupplied records. Apprentice OJT hours are entered into the program's database, hard copies are filed, and committee reviews and approves actions of staff. As mentioned in (a) a process needs to be developed and executed to cite apprentices who fail to submit hours in a timely manner.

Recommendation:

a) Communicate to apprentices the importance of filling out the OJT hours (Bluebook) properly. Instruct new and current apprentices on the proper method of completing the Bluebooks and convey the importance of timely and accurate reporting. The program should follow and enforce their Rules & Regulations and cite apprentices as required when a violation occurs.

b) Develop a mechanism to track and/or identify apprentices who have not submitted OJT hours timely.

c) Consider the creation of a sub-committee to handle this situation and/or all disciplinary matters.

Section XVII of the program's standards, and Section 3073.1, 3076, 3078(e) of the Labor Code, and Sections 210, 212(a)(4), (b) (9), (c) (2) (16) (18), of the California Code of Regulations. The program must offer training and supervision in all the work processes defined in its standards and has a system to ensure that apprentices cover all the work processes. The program must have a system of documenting and maintaining records that will assist in the review and evaluation of the apprentice's progress in job performance.

5. **RELATED AND SUPPLEMENTAL INSTRUCTION (RSI):** The objective was to determine if apprentices were progressing on schedule, attending classes, covering the entire course of study and to ensure the program is maintaining accurate records and has adequate systems in place to provide the training.

Findings:

a) Completion of all designated curriculum is required. Apprentices are required to attend a minimum 3 of 5 class sessions a year with a minimum of 144 hours of instruction per year.

b) Supplemental and Related Training records were found to be adequate after a print out was provided indicating classes taken and passed for each apprentice. Without this it was a difficult to verify RSI. The course outline and curriculum was reviewed and found to be adequate.

c) Some apprentice's records indicated that no RSI had been completed after being indentured for up to a year.

d) Based upon b and c above it is evident that the program lacks a formal process to insure that apprentices who fail to complete RSI requirements timely are identified consistently and timely.

Recommendation:

a) Continue reviewing instruction and curriculum with a view towards continual improvement, monitoring and develop new curriculum to cover additional needs of the industry.

b) Apprentices must be enrolled in RSI within 6 months of their indenture date.

c) Develop a process to track apprentice RSI status that will timely identify apprentices who are not progressing on schedule. Once identified, take appropriate action to make sure that the apprentices are receiving the appropriate RSI.

d) While not mandatory, it would be desirable to supply each apprentice with a quarterly status on actual vs. planned completion of both RSI and OJT hours.

Section XVI of the program's standards, Section 3073.2, 3078(d), of the California Labor Code, and Section 205(e)(h), 212(a)(3)(6)(7) (c)(13)(14) of the California Code of Regulations states that it is recommended that the program provide a minimum of 144 hours per year of supplemental instruction for each year of apprenticeship and adequate arrangements for related and supplemental instruction, and have the ability and commitment to train apprentices with current industry standard criteria.

6. **PROGRESS RECORDS, PERIODIC ADVANCEMENTS AND EVALUATIONS**: The objective was to determine if apprentices were advanced on schedule, receiving periodic evaluations and to ensure the program has adequate records and systems in place to monitor progress and keep apprentices on schedule.

Findings:

a) The apprenticeship program tracks OJT, RSI, attendance, evaluations, work hours by employer and advancement steps via a database and with original hard copies maintained in individual apprentice files. Monitoring of the apprentice records allows the program to take necessary actions and steps to keep apprentices on schedule and covering the programs' requirements. Advancements are granted if an apprentice meets all requirements for it to be granted. The records reviewed were inconsistent some files contained all documentation while others contained less. The organizations of the files were in no specific chronological order.

This made it difficult for DAS staff to locate and verify proper documentation and it would also be difficult for program staff to quickly determine the apprentice's status. Once documentation was discovered it showed that most apprentices were on schedule and properly advanced.

b) The program's efforts to keep the apprentice on schedule include documented phone calls, written notices and class schedule. Apprentices failing to meet requirements are cited to appear to explain why they should not be disciplined or terminated.

c) Employers are given written notices via fax and mail when advancements are earned insuring timely upgrades, proper rates of pay and benefits. Apprentices are notified via mail of advancements.

d) It was found that some apprentices were not being cited for rule violations while in the probationary period. Consequently, apprentices are being dropped beyond the probationary period. Early recognition and counseling, and if necessary, early termination would likely improve the program's graduation rate.

e) Most records reviewed indicated that apprentices were progressing on schedule. The ones that could not be determined were made clear once the print out was provided for that apprentice.

Recommendation:

a) Develop a procedure to organize folders to reflect a timeline or develop a method showing the progression of the apprentice in the program. Insure that a process is in place to identify those not progressing on schedule so that they can be counseled early and consistently throughout their training.

b) The program needs to improve their tracking and documentation of apprentices who need to be cited and bring them before the Committee in a timely manner. This would allow the committee to take corrective action while apprentices are on probation.

c) While not mandatory, it would be desirable to supply each apprentice with a quarterly status on actual vs. planned completion of both RSI and OJT hours.

Section 208, 212 (a) (5) (7) (8), (b) (9), (c) (6) (8) (9) of the California Code of Regulations. The program must have a procedure for recording and maintaining accurate records, and a procedure for periodic review and evaluation of progress.

7. **MECHANISM TO KEEP APPRENTICES REASONABLY EMPLOYED:** The objective was to determine if apprentices were kept reasonably employed, and to ensure the program has adequate systems in place to provide apprentices with continuing employment in the event of layoff or to rotate apprentices so they may cover all the work processes.

Findings:

a) The apprenticeship program has a system of keeping apprentices reasonably employed through a job referral system. If an apprentice becomes unemployed, he/she contacts the AGC and is placed in a list and is referred to another member contractor. The program will also contact its members to inquire about openings and at times the program will also provide a list of contractors encouraging apprentices to contact these members. Member contractors are instructed to notify the program when an apprentice is no longer employed with them.

b) Based on an exit interview every graduate has a chance to make comments on the RSI, OJT and the overall experience as an apprentice in the program. The committee also discovered from the exit interview that most remain journeymen with the employers they are currently working for. The program has no exit interview in place for those apprentices that drop from program other than those who attend a meeting that they are cited to and explain to the committee why they are dropping/leaving the program.

Recommendation:

a) The program has no way to determine if an apprentice is unemployed when they fail to notify AGC. The program encourages member contractors to notify them when an apprentice is no longer working but this is not always the case. It is recommended that the program determine with the assistance of DAS a method to improve communication with apprentices and its members of the reporting when an apprentice is unemployed.

b) The program needs to determine why apprentices are not informing them when becoming unemployed. If apprentices are not kept reasonably employed it can contribute to apprentices dropping from the program thus impacting the graduation/retention rate of the program. The implementation of recommendations made in Section 4 (On-The-Job training) and Section 6 (Progress Records, Periodic Advancement and Evaluations) would assist with a better record keeping system that notifies the program when apprentices fail to submit OJT hours timely. If Zero hours reported it would indicate the possibility of being unemployed.

Section 3080 of the Labor Code, and Section 212 (b) (7) (9), (c) (16) (18) of the California Code of Regulations. The program must have a mechanism to keep apprentices reasonably employed and maintain accurate documentation.

8. **TRAINING CENTER**: The objective was to ensure the program has adequate arrangements, facilities, tools, materials and equipment to train apprentices, and to determine if the facilities are utilized and adequate for training.

Findings:

a) The training center was inspected and found to be more than sufficient to train apprentices. The training center consists of numerous classrooms and 3 shop labs utilized for demonstrations and hands on projects. Approximately 45-60 students were observed in 5 active classrooms attending regularly scheduled classes. The training center has equipment, material and tools of the trade available to complete class projects.

b) Multiple instructors and one director of education provide related and supplemental instruction. The training center recently completed a major renovation and each class room has state of the art multi-media capability. DAS was given a presentation on this and it was found to be very effective. Apprentices complete a variety of hands-on activities to enhance their competency in the trade. All lectures, books and other related training material are well organized and reviewed by the Director of Education. AGC has also recognized how important safety is for apprentices while performing the OJT requirements and working with the hands on portion of the RSI. The program has an impressive safety class room and lab that replicates a jobsite and instruction that covers numerous subjects including OSHA 30 hour certification for all apprentices.

Recommendation:

a) None. The audit determined that the program has more than adequate tools and supplies to perform its class room and hands-on instruction in a very effective manner. The program should continue its current practices with a focus on continual improvement.

Section 3074 of the California Labor Code—Section 212(a) (3) (4) (8), (c) (13) (12), 212.3 of the California Code of Regulations states that the program sponsor must have adequate arrangements for related and supplemental instruction.

9. **JOB SITE VISITS**: The job site visits offered the opportunity to view a job in progress and observe the work that was being done, and provided the opportunity to discuss the operation of the program with the apprentice. It enables direct contact with the apprentice to determine; 1) if the apprentice was performing the various tasks listed within the work processes of their trade; 2) if advancements were on schedule; 3) if the apprentice was receiving the correct wages and benefits; 4) if the apprentice was kept employed on a reasonably continuous basis and 5) if the program's mechanism to keep an apprentice employed was adequate.

Findings:

- Interviews and observations conducted of various job sites revealed that apprentices were working under the supervision and direction of journeyman and were employed at tasks defined within the work processes of the program standards.
- All job sites that were visited had equipment, material and tools of the trade sufficient to train apprentices.
- Interviews confirmed apprentices to be advanced on schedule. Employers are sent advancement notices to ensure apprentices are at the proper period of apprenticeship and receive the proper wages and benefits.
- Interviews conducted of apprentices and supervisors indicate classes are attended as required and each apprentice kept a record book of OJT work hours and were instructed to segregate the work processes.

Recommendation:

The program should continue monitoring job sites ensuring that apprentices are adequately employed at the work processes, recording OJT work hours, working under the direction of journeyman, paid the proper rates of pay and benefits.

Section 208, 212(a) (1) (2) (4), (b) (4) (5) (6), (c) (6) (13) (14) of the California Code of Regulations states that all on-the-job training will be performed by journeymen, that all related and supplemental instruction required by the apprenticeship standards will be provided, that all work processes in the apprenticeship standards are being covered, and that graduates have completed the apprenticeship program's requirements.

10. **SELF-ASSESSMENT REVIEW AND PROGRAM IMPROVEMENT PLAN:** The objective was to determine if the program has submitted the annual Self-Assessment Review and Program Improvement Plan.

Findings:

b) The required annual Self-Assessment Review and Program Improvement Plan has not been submitted for 2006.

Recommendation:

Program Sponsor should complete and submit the Annual Self-Assessment by March 15, 2007.

Section 212 (a) (6) (7), (c) (2) (11), 212.3 of the California Code of Regulations states that the program sponsor must submit annually a Self-Assessment Review and Program Improvement Plan.

11. **CAL-PLAN COMPLIANCE REVIEW:** The objective was to determine if the program maintains the required Cal-Plan data and submits the annual Cal-Plan Compliance Review report to the DAS.

Findings:

a) "Cal-Plan Compliance Review" was not on file.

b) Program has records of outreach with Community Based Organization, Women and Minority groups.

Recommendation:

a) The program must complete and submit the annual Cal-plan Review when selected.

b) Require DAS to produce annual statistics, helping your program to target underutilized minority groups.

Section 3071, 3075—3080, 3076.5 of the California Labor Code, and Section 215 (8) (9) of the California Code of Regulations states that programs must maintain selection procedure and affirmative action records.

12. **COMMITTEE MEETINGS AND MINUTES OF MEETINGS**: The objective was to determine if the apprenticeship committee is meeting regularly, documenting actions, discussing and reviewing apprentice records, making appropriate assessments and evaluations.

Findings:

a) The committee meets every other month and maintains minutes of meetings that contain, among other things: reviews and evaluations of all applicants for apprenticeship, requests for credit for previous experience, advancements, disciplines, cancellations, graduations, reports of committee members and consultants, and any other actions pertaining to apprentices and the program.

b) The DAS consultant has participated in 4 of the last 4 meetings.

Recommendation:

a) Continue with meeting and agenda improvements already implemented.

b) Encourage additional employer participation.

Section 3076, 3080(b), 3078(d)(j), 3079, 3093(k), of the California Labor Code, and Section 213, 218, 212(7), 208(5), 205(e)(f)(g)(i), 212(c)(1)(6) (9), 224 of the California Code of Regulations states that the program sponsor must maintain adequate documentation and records.

COMMENTS FROM PROGRAM SPONSOR

Comments, if any, will be included with this report to the Chief DAS if submitted by the program sponsor during the 14 day review and comment period.

CORRECTIONS AND TIMELINE

The audit findings and recommendations are outlined in this report. The program has 14 days from the receipt of this report in which to review and submit comments on the report. Within 10 days following the receipt of comments or the completion of the comment period a final report will be submitted by the Chief DAS to the California Apprenticeship Council.

The final report will detail the findings with recommendations for remedial actions. The program must remedy any and all deficiencies and be in full compliance with its apprenticeship program standards. The program must notify the DAS in writing when deficiencies have been remedied. A DAS representative will schedule an appointment to review the completion of the remedial actions. Failure to comply may be grounds for withdrawing state approval of the apprenticeship program.

REMARKS

The results of this audit do not modify, replace or negate other duties and requirements or any previous notices you may have received regarding the fulfilling of your obligations prior to or after the audit period. Also, law changes or new rulings might result in different findings in future audits.

Respectfully submitted by,

Karen Belcher — 2/15/07

Karen Belcher
Apprenticeship Consultants, San Diego DAS
Date

Gary Karnopp — 2-16-07

Gary Karnopp
Apprenticeship Consultants, San Diego DAS
Date

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AGC's RESPONSE TO INITIAL DIVISION OF APPRENTICESHIP STANDARDS AUDIT REPORT

January 2007

Introduction

The AGC thanks the DAS and all the staff that participated in this audit for their strong effort and professional courtesy. We further appreciate that all programs/trades were audited so that we could obtain a comprehensive analysis and recommendations for compliance.

Generally speaking, the AGC accepts all DAS recommendations. Several of the recommendations have already been put in place or corrected, and several more are in the process of being implemented. The following comments will seek to explain the circumstances and proposed plan of action for all recommendations listed in the initial audit report.

1. Standards

The program will follow the recommendation to submit any forthcoming revisions on DAS 24 forms.

2. Rules and Regulations

The program will follow the recommendation to provide additional language to the Rules and Regulations regarding sexual harassment and distribute to all apprentices. The program will also review the Rules and Regulations annually to make any needed amendments.

3. Active Apprentices & Cancellations

a) The program will comply with the recommendation to reconcile the DAS and AGC databases by March 30, 2007. All adds and drops have been communicated with DAS, and our database is current through the January 2007 JAC meeting minutes. We will now obtain the DAS database to reconcile their database with our list of currently registered apprentices. All future add/drop communication with the DAS will occur within one week of the JAC meeting. In addition, twice per year our administrative staff will obtain a current printout from DAS to reconcile records. We believe this will prevent this situation from occurring in the future.
b) We have purchased Apprentice Tracking Software (ATS) as well as new servers at all three facilities in order to assist us to communicate more efficiently. The new system will be operational on or before April 30, 2007, and we believe the ATS software and new hardware will greatly increase our communication with DAS and our ability to monitor apprentice progress.

4. On-the-Job Training

a) The program will comply with the recommendation to communicate to all apprentices the importance of filling out time cards consistently and accurately. This is currently done during their initial orientation into the program, and also three times per year at group orientations. Apprentices will continue to be cited for failure to turn in time cards.
b) During 2006, we notified all current apprentices who failed to turn in time cards twice during the year in June and November. The DAS audit staff correctly noted that our Rules and Regulations indicate we would do so quarterly, and recommended we either change our policy

to twice per year or comply with notifying quarterly. We will choose to keep the current policy and notify all delinquent apprentices on a quarterly basis. We believe the mechanism already exists for accurately notifying current apprentices who have not consistently turned in time cards.

c) The JAC is currently contemplating creating a sub-committee to deal solely with time card or other disciplinary matters.

5. Related and Supplemental Instruction (RSI)

a) The program will comply with the recommendation to continually review instruction and curriculum. In 2006, we hired an Education Director to focus on these items, and we have made great strides in a very short period to improve the quality of instruction, both in classroom technology and in the shop.

b) The program will comply with the recommendation to enroll all apprentices in RSI within six months of their indenture date.

c) The program will comply with the recommendation to track apprentice RSI status, and take appropriate action to make sure all apprentices are attending required classes. With the introduction of new tracking software and our current tracking methods, we are confident all apprentices will be properly monitored.

d) DAS staff has recommended a quarterly notification to apprentices of their actual vs. planned completion of RSI and OJT hours. While quarterly notification might be burdensome on staff, we believe the idea is a good one, and we will commit to notify apprentices of their status of both RSI and OJT twice per year, and also continue to notify those apprentices who individually request such a status report at any given time.

6. Progress Reocrds, Periodic Advancements, and Evaluations

a) The program will comply with the recommendation to organize all apprentice folders chronologically. In fact this has already been done, and our DAS consultant has verified and noted that our files were in excellent shape and organization. We believe with the new ATS software and tracking of RSI, all apprentices will be timely identified and counseled regarding progress.

b) The program will comply with the recommendation to track, document, and cite apprentices in a timely manner, and to take corrective action while apprentices are in the probationary period. This tracking is already occurring, and we believe a follow-up audit and future graduation rates will reflect this action.

c) Although not required, as stated above we will commit to communicating twice annually with all apprentices regarding their OJT and RSI status.

7. Mechanism to Keep Apprentices Reasonably Employed

a) The DAS correctly notes that the program does not have a method to promptly identify if an apprentice becomes unemployed. It is strongly emphasized to apprentices during initial orientation and during group orientations to notify the program if they become unemployed. We also routinely recommend that contactors do the same. We commit to work with DAS to develop additional mechanisms to address this issue.

b) The program will comply with the time card recommendation in Section 4, and we agree this will improve the communication with all apprentices and assist to quickly identify those who may be unemployed.

8. Training Center

No recommendations from DAS staff. The program has made large financial expenditures to upgrade facilities, and will continue to upgrade as needed.

9. Job Site Visits

The program will continue current job site visits to monitor apprentice progress, and consult with contractors.

10. Self Assessment Review and Program Improvement Plan

The nature of this audit was thorough and comprehensive, and it is our intention to utilize the DAS audit report and this response as our annual self-assessment. If this will not suffice, we will comply with a further recommendation.

11. Cal-Plan Compliance Review

The program will comply with the recommendation to submit a Cal-Plan when selected and obtain periodic statistics from DAS.

12. Committee Meetings and Meeting Minutes

The program will continue with meeting and agenda improvements already implemented and encourage additional contractor participation/attendance. This has already taken effect as there was standing room only at our last JAC meeting.

Conclusion

Within the next three to five years, our goal is to reach an operational tempo regarding all aspects of our program that will exceed every program in the state. There are highly successful programs that have been in existence for decades, so while this goal may seem unreasonably lofty on its face, we believe it is attainable. Rome was not built in a day, but we are firmly committed to improving all aspects of our program.

At the administrative level, our record keeping efforts have made a dramatic improvement over the past. We believe our DAS consultant will verify the accuracy of our current record keeping efforts, attention to detail, and adherence to timeliness. It will take time for the apprentice files to reflect these improved efforts, but we submit many if not all the recommendations are already in place and taking effect.

Regarding facilities and instruction (arguably the heart and soul of any apprenticeship program) is where the program has made the most dramatic improvement. With the investment of several millions of dollars into facility purchases and tenant improvements, classroom technology and furniture, and tools and equipment, we are far better positioned to offer a higher grade of instruction. We believe that we currently meet or exceed any program in the state in classroom technology. With over 90% of every apprentice's annual training occurring on-the-job vs. RSI, the emphasis on classroom theory can often be overlooked. Accordingly, we have provided our instructors with state-of-art equipment to assist in communicating lesson plans to apprentices.

We have also greatly expanded our hands-on shop training for all apprentices and are currently attempting to balance classroom and shop training at a minimum of 50% in the shop for all craft courses. We have also made a concerted move to lower the student to instructor ratio, and are currently moving towards utilizing two instructors per class to lower the ratio in craft courses.

With new computer systems and software which is compatible with DAS software and will enable us to synchronize records instantly, improved staff and focus towards apprentice tracking, and greatly improved facilities, it is our position that problem apprentices will be quickly identified during the probationary period, the quality of our instruction has already risen dramatically, and our graduation rates will necessarily improve over time.

We will monitor the graduation rate for each trade on a regular basis with a goal of meeting the industry average. In addition to the measures listed throughout this report, we will alter admissions requirements to obtain higher level of candidates/apprentices entering the program, we will be more diligent in identifying and dropping problem apprentices during the probationary period, we will conduct exit interviews whenever possible regarding apprentices who drop from the program, and we will institute some incentives for apprentices to graduate similar to what has been done by other successful programs.

We thank the DAS staff for their professional courtesy, expertise, and recommendations. The audit process was unbiased, useful, and our program will undoubtedly improve as a result of the thorough analysis.

Submitted by:

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Executive Director