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STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF APPRENTICESHIP STANDARDS

AUDIT REPORT
For

Beutler Heating and Air Conditioning, UATC, File 19809

The Division of Apprenticeship (DAS) Mission Statement creates opportunities for Californians to gain employable lifetime skills and provides employers with a highly skilled and experienced workforce while strengthening California's economy

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SUMMARY

The Division of Apprenticeship Standards (DAS) presents its audit report concerning the Beutler Heating and Air Conditioning Unilateral Apprenticeship Training Committee (UATC) program; DAS file number 19809, (hereafter "Program"). The audit was performed during January 28-31, 2008, and was conducted pursuant to California Labor Code §3073.1.

The Program is approximately three years in duration. The Program hours are 5100 of on-the-job training (OJT). Related and/or supplemental instruction consists of 6 semesters of 76 hours per semester.

An Apprentice must be employed on a full-time basis for Beutler Heating and Air Conditioning as a condition of participation in the apprenticeship program. The audit revealed this to be true and discovered that the average Apprentice worked for Beutler Heating and Air Conditioning for at least a few years.

GRADUATION RATES REPORTED

Year	Program	Industry Average	Percent of Industry Average
2000	100.0 %	-	-
2001	74.1 %	71.6%	104%
2002	86.1%	72.8%	118%
2003	84.1%	72.9%	115%
2004	83.9%	75.9%	111%
2005	74.3%	64.7%	115%
2006	68.4%	Not Available	Not Available
AVG	82.0%	71.2%	115%

NUMBER OF REGISTERED APPRENTICES

DAS Records Based Upon Program's Submittals	18	According to Program	18

FINDINGS AND RECOMMENDATIONS

As noted in the detailed report which follows, the audit team found that the program is in compliance with their approved standards and legal requirements. The program is doing an excellent job at keeping Apprentices on a timetable. The training facility and its instructor keep accurate records on class attendance and completion of Related Supplemental Instruction (RSI). Accurate records are in place to notify the employer of Apprentice upgrades and rate increases and Apprentices are keeping continuously employed. The program completions that appear in the chart above show proof that the UATC Program is committed to helping Apprentices reach their goal of becoming a journeyman in the trade.

Detailed findings and recommendations are included in this report. The coordinator was presented with a summary of the findings and a recommendation at the conclusion of the audit. The DAS audit procedures allow the program to respond to the recommendations and their response will become part of this formal report.

AUDIT HIGHLIGHTS

Our review of the Beutler Heating and Air Conditioning Unilateral Apprenticeship Training Committee program; Division of Apprenticeship Standards (DAS) file number 19809, (hereafter Program) found that:

- ☑ Our review found that the program has submitted revision of Standards and updates since 2000. However, the last full revision was 1998.
- ☑ The program requires all Apprentices to sign and confirm that they understand the programs Rules and Regulations. The Apprentice files contained signed copies of this document.
- ☑ The program indicates that the number of registered Apprentices for this program was correct.
- ☑ The program files contained consistent verifiable OJT work hours. The Apprentice is required to complete an Apprentice Record Sheet (blue book) to track work processes and OJT work hours; all files contain a copy of the Record Sheet. The Apprentices work processes were consistent with program apprenticeship standards. Records of disciplinary actions due to poor work performance or excess absences were found in the files.

INTRODUCTION/BACKGROUND

On January 28-31, 2008, the auditor met with key administrative personnel, examined records, observed administrative activities, conducted a walk-through of the training facility and visited two job sites in connection with the audit. The Beutler Heating and Air Conditioning Unilateral Apprenticeship Training Committee (UATC) program operates as a single plant standard and the principal partners are the members/ owners of the company. The program requires that the Apprentices must be employed on a full-time basis for Beutler Heating and Air Conditioning as a consideration of participation in the apprenticeship program.

The Programs funding mechanism comes from a combination of Related Supplemental Instructional (RSI) Funds (Montoya funding), and Beutler Corporation, funds the Apprenticeship program.

The Daily operations, management and administrative functions are run by two primary staff, the Manager/Supervisor Representative and the training Apprenticeship Instructor/Coordinator. The training Coordinator Instructor uses 40% of his time for apprenticeship, and the remaining time as the Training Instructor. The Instructor has two classroom training centers: one in McClellan, California located at 4700 Lang Ave. The other center is in Manteca, California located at 332 East Wetmore.

The apprenticeship program provides a training program for the following occupation:

Name of Occupation	Term of Apprenticeship	Number of Apprentices
Sheet Metal Worker	**36 months**	**18**

The Related and Supplemental Instruction is provided by the programs training center which is at the same site as the program operations. Each apprentice enrolled receives a comprehensive orientation packet that includes the rules and regulations, an explanation of the program standards, the Apprentice Record Sheet (blue book) and a class schedule.

Continued on next page….

- ☑ The job site review found that the Apprentices are familiar on how to complete the Apprentice Record Sheet (blue book).
- ☑ The program has completed and submitted the annually required Self-Assessment Review and Program Improvement Plan to DAS.
- ☑ The program committee meeting minutes do appear to include formalize motions to approve indentures, upgrades, prior credit, cancellations, completions, evaluations and discipline of Apprentices.

SCOPE AND FOCUS

The principal objectives of the audit are to ensure the program is complying with their standards, that all on-the-job training is performed by a journeyman, 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 programs' requirements.

The audit focused on reviewing records and activities that tend to support and substantiate the programs' efforts, practices, system and capabilities to provide and deliver the on-the-job training and related instruction. The programs' policies and procedures and procedures were reviewed to determine if they support the programs' approved standards.

METHODOLOGY

After completing an initial review of the programs' standards and records on file with the DAS, an audit plan was established with the following steps:

1. Notified the program 14 days in advance of our intent to audit.
2. Prepare an entrance interview.
3. Organization of all working paper to conduct the interview.
4. Confirm the location where records are maintained.
5. Conduct a review of all apprentice files.
6. Set the time and date of the meeting.
7. Schedule inspection of the training facility and job sites.
8. Request and review copies of the committee meeting minutes for the last 12 months.

All steps listed above were accomplished and include interviews with primary staff, apprentices and job site supervisors'.

AUDIT RESULTS

1. STANDARDS

The objective is to determine whether the programs are submitting periodic revisions to their standards and if standards are reasonably current. "Standards" are a written document containing all terms and conditions for the qualification, recruitment, selection, employment and training, working conditions, wages, employee benefits and other compensation for Apprentices. It may also include other provisions and statements. All apprenticeship programs are required to submit their apprenticeship standards to the DAS Chief for approval. The California Code of Regulations states the program must submit revisions to its standards when necessary.

(a) Findings

(1) Our review found that the program has submitted revision of Standards and updates since 2000. However, the last full revision was 1998. Discussion with the DAS consultant revealed, (partly due to transition), there had been several program coordinators and several changes in DAS staff. The Standards are currently in the process of development and will be submitted for review.

(b) Recommendations

(1) The program should continue with future review and update Standards as needed.

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 is to determine if the programs have adequate rules and regulations, are implementing them as required, and provide a copy to the Apprentices. The rules and regulations can be defined as an orientation or workshop session that explains the apprenticeship program Standards and the operation of the apprenticeship program. It includes information on what is expected by both the program and the Apprentice. When the Apprentice is approved by the program to enter the training (passes an oral interview) he/she is given a copy of the rules and regulations and attends an orientation session with both the coordinator and educational instructor. Then the Apprentice must sign the document indicating they have received, read and understood the rules and regulations.

(a) Findings

(1) This review found that the Apprentice files contain signed copies of the Rules and Regulations. The review further indicated the

Apprentice had received, read, and understood this document. The rules and regulation are up-to-date as of January, 2008.

(2) The rules and regulations for this program were adopted and contain a general policy statement showing responsibilities of the apprenticeship and the committee. Apprentices are cited for failure to follow the rules and regulations. A letter of citation is mailed to the Apprentice to appear before the committee and failure to appear is reason to recommend cancellation from the program for failure to comply with a committee directive. The Apprentice files contained copies of school absences, evaluations and progress.

(b) Recommendations

(1) Review Rules and Regulations Apprenticeship Guidebook annually and update as needed.

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 review of this item is to determine if the program is monitoring Apprentices as they enter and proceed through the program. It is also to determine if the program is maintaining accurate records on both the active and cancelled Apprentices. The program should have the ability to provide evidence of procedures used for periodic reviews and evaluation of the Apprentice's progress in job performance and related instruction and maintenance of appropriate progress records. In addition, the program should have a process in place to notify the DAS when an Apprentice leaves the program.

(a) Findings

(1) The review of the Apprentices' files indicates the program has the correct number of registered Apprentices.

(2) Apprentices' records are well maintained.

(3) The program has gone through a change in program support staff, yet contact with DAS and close monitoring of the Apprentices indicates and accurate data submitted.

(4) The program monitors the Apprentice progress as they proceed through training by reviewing evaluations from the training instructor and the apprenticeship coordinator.

(b) Recommendations

(1) The program will continue to keep the DAS informed of indentures, cancellations and completions in a timely manner.

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) PROGRESS RECORDS, ADVANCEMENTS AND EVALUATIONS

Our audit review is to determine if Apprentices are progressing on schedule, that the program is maintaining adequate OJT records, receiving periodic evaluations and if the program has an adequate records and a system in place to ensure that Apprentices are covering all the work processes.

The program uses the following items to track Apprentice's schedule, OJT records, periodic evaluations and work processes:

The Apprentice must abide by the requirements set by the program as indicated in the rules and regulations.

- All Apprentices will be indentured to the Unilateral Apprenticeship and Training Committee (UATC).
- The DAS Apprentice Record Sheet (blue book) is used to verify work processes and track work hours. The blue book must be signed and turned in to the Training and Development office no later than the first working day in September and again in March.
- Upon entry into the program, Apprentices are assigned an upgrade date. The nearest UATC upgrade time will be considered when the control date is assigned.
- The UATC will consider upgrading at meetings held in September and in March each year.
- Apprentices failing to meet requirements are cited and notices are mailed with a request to explain why they should not be disciplined or terminated.

The program issues all indentured Apprentices an Apprentice Record Sheet. Discussion with program stated the DAS no longer provides the blue books, so program created a customized excel sheet which displays all the blue book entries. Program applied this two years ago.

(a) *Findings*

(1) The Apprentice files showed verifiable work hours were consistent and well documented. The employer evaluations and monitoring records were consistent in each Apprentice file.

(2) The files contain a consistent record of all absences related to school attendance. The program allows the Apprentice to miss no more than eight hours of instruction time without penalty during each semester of school.

(b) *Recommendations*

(1) The program should continue with current practices. The program has demonstrated a system that copiously tracks and covers Apprentices throughout the OJT process.

Section XVII of the program's standards, and Section 3073.1, 3076, 3078(e) of the Labor Code, and Sections 208, 210, 212(a) (4) (5) (7) (8), (b) (9), (c) (2) (6) (8) (9) (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. The program must have a procedure for recording and maintaining accurate records, and a procedure for periodic review and evaluation of progress.

5. RELATED AND SUPPLEMENTAL INSTRUCTION (RSI)

The objective of our examination was to determine if Apprentices are progressing on schedule, attending classes, covering the entire course of study, and to ensure the programs are maintaining accurate records with adequate systems in place to provide training.

The program has Related and Supplemental Instruction (RSI). The classroom training center is located at two sites McClellan California, and Manteca, California. The program is assigned the oversight of the Related Training Curriculum. The Local Education Agency (LEA) which is Sacramento Unified School District located in Sacramento California approves the curriculum.

The Apprentice files included records of attendance, classroom hours, and evaluations/grade reports from the instructor. The Apprentices must attend 76 hours of instruction and are scheduled each semester. Class instruction is held on Monday's 5:00 to 10:00 pm in McClellan California and Tuesday 5:00 to 10:00 pm in Manteca California.

An Apprentice may be absent for a total of eight hours, but must make-up his absence after the first eight hours. The Apprentice files contained a consistent record of all absences related to school attendance. The files also contained grade and completion reports from the instructor.

(a) *Findings*

(1) The audit review found the program is doing an excellent job of monitoring the Apprentice progression through the required supplemental instruction and is providing the appropriate courses for this occupation.

(b) *Recommendation*

(1) The program should continue its current practices.

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. TRAINING CENTER

The objective is to ensure the program has adequate facilities, tools, materials and equipment to train Apprentices, and to determine if the facilities are utilized and adequate for training.

There is one certified instructor dedicated full-time in this program. The Instructor has two classroom training centers one in McClellan, California located at 4700 Lang Ave. The other center is in Manteca, California located at 332 East Wetmore. During our visit, classes were not in session due to the lateness in the week. The auditor spoke with the instructor who reviewed his records with us followed by a tour of the facility. The training center is located in the large Beutler facility. The center consists of one large classroom and a lab that is used for demonstration.

Each Apprentice must complete a variety of shop projects and show competency in applying the trade. The instruction is done with good health and safety practices in mind.

(a) *Findings*

(1) Our inspection of the training facility found it to be sufficient to train Apprentices.

(b) *Recommendation*

(1) The program should continue current practices as this current model proves to be successful.

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.

7. MECHANISM TO KEEP APPRENTICES RESONABLY EMPLOYED

Our objective is to determine if Apprentices are kept reasonably employed, to ensure the program has adequate systems in places, to rotate Apprentices so they cover all work processes, and to provide Apprentices with continuing employment in the event of a layoff.

The program has an established system to keep Apprentices reasonably employed and to provide them with continuing employment in the event of a layoff. As a condition of participation in the Apprentice program, Apprentices must be employed on a full-time basis for Beutler Heating

and Air Conditioning. If the Apprentice is laid off due to lack of work or for other reasons, the UATC will meet and decide if the Apprentice may continue with the apprenticeship program or if the Apprentice should be dismissed from the program.

(a) *Findings*

(1) The program has a process in place to keep the Apprentice reasonably employed. Since all Apprentices are in the last year of their apprenticeship, it is reasonable to believe that all Apprentices will complete the program.

(b) *Recommendation*

(1) The program should continue the system they have in place, as it supports reasonably employed process.

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

8. JOB SITE VISIT

A review of the job site offers an opportunity to view a job in progress, observe the work that is being done, and allows us to discuss the operation of the program with the Apprentice. It enables direct contact with the Apprentice to determine the following:

- If the Apprentice is performing the various task listed within the work processes of their trade.
- If advancements are made on schedule.
- If the Apprentice is receiving the correct pay and benefits.
- If the Apprentice is kept employed on a reasonably continuous basis.
- If the programs' mechanism to keep Apprentices reasonably employed is adequate.

The program suggested six job site locations to visit. Telephone calls were made to arrange a review of the job site and contact was made with two work site locations.

The auditor visited the Shea Center, located in Roseville California, and the second work site located in Elk Grove California, (a residential housing community). The Apprentices are working under the supervision and direction of journeyman. Discussion with the Apprentices revealed they are employed at tasks defined within the work processes of the program standards. Further interview conducted found that the equipment, materials and tools of the trade were sufficient to train the Apprentices. The Apprentices receives proper pay and benefits and attends OJT classroom training. We confirmed that both Apprentices

document the total hours of training and work processes in the Apprentice record book, and the supervisor signs it weekly.

(a) *Findings*

(1) The auditor found that Apprentices are familiar with the proper way to complete the blue OJT Record Books.

(b) *Recommendations*

(1) The program should continue with current practices.

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.

9. SELF-ASSESSMENT REVIEW AND PROGRAM IMPROVEMENT PLAN

The objective is to determine if the program has submitted the annual Self-Assessment Review and Program Improvement Plan. The California Code of Regulations Title 8, Section 212.3 requires programs to perform an annual self-evaluation and to create an improvement plan. The DAS now requires that each program submit a copy of their Annual Self-Assessment Review and Program Improvement Plan to their apprenticeship consultant by December 1 of each year.

(a) *Findings*

(1) The required annual Self-Assessment Review and Program Improvement Plan have been submitted.

(b) *Recommendations*

(1) Continue with the Annual Self-Assessment Review and Program Improvement plan for 2007 and submit the plan on a yearly basis.

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 to the DAS.

10. COMMITTEE MEETINGS AND MINUTES OF MEETING

The Unilateral Apprenticeship Training Committee consists of five members, all representing the employer, one apprenticeship consultant representing the Division of Apprenticeship, and one advisor from local

school district. All advisors act without vote. This committee is responsible for administering the Standards for this program. Adopt rules and regulations as necessary. In carrying out its functions, the committee has certain authority under the law. The actions, therefore, must be in accordance with approved apprenticeship standards and should be recorded in the minutes.

The objective is to determine if the apprenticeship committee is meeting on a regular basis, documenting actions, discussing and reviewing apprenticeship records, and making appropriate assessments and evaluations.

The committee provided the program meeting minutes for the past year. The meetings are held quarterly, unless more meetings are necessary to address certain issues. The frequency of the meetings was established and written in a trust document.

The program stated that all disciplinary actions must be reviewed by the committee.

(a) *Findings*

(1) Our review of the committee minutes for the last 12 months found that it appear to be consistent with the rules and regulations.

(b) *Recommendations*

(1) The program committee should continue with current practices.

Section 3076, 3080(b), 3078(d)(f), 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.

11. COMMENTS FROM PROGRAM SPONSOR

Comments, if submitted by the program sponsor during the 14-day review and comment period, will be included with this report to the Chief of DAS and ultimately to the California Apprenticeship Council.

12. CORRECTIONS AND TIMELINE

The audit findings and recommendations are set forth in this report. The program has 14 days from the receipt of this report 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 of DAS to the California Apprenticeship Council.

The final report will detail the findings with recommendations for remedial actions. The programs must remedy all deficiencies and be in full compliance with their apprenticeship standards. The programs 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 programs.

13. 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. In addition, law changes or new rulings might result in different findings in future audits.

Respectfully submitted by,

Jerriann McKenzie — March 18, 2008

Jerriann McKenzie — Date
Apprenticeship Consultant
DAS, Sacramento District Office

Jerriann McKenzie

From: Charlie Parrish [parrishc@beutler.com]
Sent: Tuesday, March 18, 2008 11:03 AM
To: Jerriann McKenzie
Cc: Mike Willmon
Subject: Beutler Audit

I have received the audit results for Beutler's Apprenticeship program and have no concerns with your findings. I appreciate your feedback and support on making our program what it is.

Thank you.

Charles Parrish

Training, Safety & Quality Assurance Manager

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