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STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF APPRENTICESHIP STANDARDS

AUDIT REPORT
For

The Plumbing and Pipe Fitting JATC, U.A. Local 38

Refrigeration ONLY

File 00134

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

RF 3/08

CONTENTS

Findings and Recommendations.....3

Introduction/Background.....4

Scope/Focus/Methodology.....5

Audit Results and Recommendations.....6

Comments from Program Sponsor.....15

Correction and Timeline.....15

Remarks.....15

FINDINGS AND RECOMMENDATIONS

As noted in the detailed report which follows, the Auditor found that some specific actions are necessary to bring the program into compliance with their approved standards and legal requirements. The apprentices were not submitting a record of their work processes as instructed by the Labor Code & California Code of Regulations. Please see page 8 of this report under Section 4.

The program is doing an excellent job keeping their apprentices on schedule. The training facility and the instructors are keeping accurate records on class attendance and completion of Related Supplemental Instruction (RSI). It was found the individual apprentice files were complete with copies of all letters notify employers of apprentice pay roll increases and apprentices are keeping continuously informed of advancements and their grade in the RSI training. Plumbing and Pipe Fitting Joint Apprenticeship Training Committee (JATC),U.A. Local 38, REFRIGERATION is committed to helping apprentices reach their goal of becoming a journeyman in this trade.

INTRODUCTION/BACKGROUND

The Division of Apprenticeship Standards (DAS) presents its audit report concerning the Plumbing and Pipe Fitting Joint Apprenticeship Training Committee (JATC),U.A. Local 38, REFRIGERATION only; DAS file number 00134, (hereafter "Program") The Program was selected randomly by the DAS for an audit. Due to an unforeseen delay regarding the on-site visits, the audit was performed from June 16, 2008 to July 6, 2008 and was conducted pursuant to California Labor Code §3073.1.

On June 16, 2008, the Auditor met with key administrative personnel. The Auditor continued to exam records, to observe administrative activities, conducted a walk-through of the training facility and visited three job sites in connection with the audit. The Plumbing and Pipe Fitting Joint Apprenticeship Training Committee (JATC) Program operates as a Labor/Management Cooperative and the principal partners in the cooperative effort are the members of the United Association Local 38. The Program has an Apprentice Trust Fund. The Program's funding mechanism comes from employer contributions, Related Supplemental Instructional (RSI) Funds and state prevailing wage training fund contributions.

The daily operations, management and administrative functions are run by three primary staff, the Training Director, Assistant Training Director, one Administrative Assistant and three full time instructors. The program's office is located at1623 Market Street, San Francisco, California, 94103. The Program covers San Francisco, Marin, Sonoma, Mendocino and Lake Counties.

Employers are approved to train when they have completed an Agreement to Train Apprentices, DAS-7 form. The Program indicated that they dispatch to union signatory employers and non-union employers who agree to abide by the Program's standards, rules, regulations and policies.

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

Name of Occupation	Term of Apprenticeship	Number of Apprentices
Air Conditioning & Refrigeration	**5 years**	**38**

The Related and Supplemental Instruction is provided by the program's two training centers located in San Francisco and in Santa Rosa. The course outline follows the United Association-Mechanical Service Contractors Association classes. The Program also offers courses for Journeyman to increase their understanding of the trade. Each apprentice enrolled receives a comprehensive orientation packet that includes the rules and regulations, an explanation of the program standards, and a class schedule. City College of San Francisco and Santa Rosa Jr. College are the Program's Local Education Agency (LEA).

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 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:

The review found that the Program last submitted a revision of standards on April 24, 2007. The Program submitted a full revision of the Standards to the DAS in May 2008, and they are currently in the internal review process.

(b) Recommendations:

There are no recommendations needed.

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:***

The Program provided a copy of the Apprentice Handbook to every indentured apprentice. The acknowledgement is signed and dated, which is found in the apprentice file. The rules and regulations for this Program state the responsibilities of both the apprentice and the committee. Apprentices are disciplined if they do not follow the rules and regulations. A letter 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 reports by the employers. The files were completely organized, an excellent job.

(b) ***Recommendations:***

There are no recommendations needed.

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:

Each apprentice receives a copy of the Apprenticeship Handbook upon indentured into the Program. The apprentice signs the "Acknowledgement" page and that page is found in the apprentice file. The Program is in compliance with writing a letter to the DAS when an apprentice leaves the Program.

The cancellation rate is very low. One apprentice canceled in the year 2007. It appeared that this program is extremely well organized and takes every effort to keep their apprentices in the Program.

(b) Recommendations:

There are no recommendations needed.

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 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.

(a) Findings:

The apprentice must abide by the requirements set by the program and the terms of the Collective Bargaining Agreement. Therefore, if the apprentice is not current in all fees and dues to the Plumbing and Pipefitting, Local 38, they will not progress to the next level of training.

Each apprentice needs a total of 7,200 hours of on-the-job training. These hours are divided by seven work processes, which the apprentice completes in five years.

The employer provides work evaluations every six months. The program will notify the employer and apprentice when advancements are earned insuring timely upgrades and employer being aware of proper rates of pay and benefits.

The Auditor did not find any records indicating the individual *work processes* the apprentice actually worked. The Program reports the OJT hours to the Trust Fund and these hours became the only record of hours worked by each apprentice. The work performed at each employer work site may vary according to the job assignment. The apprentice may be completing all work processes as established in the program standards, but having no record of this might suggest otherwise.

(b) ***Recommendations:***

The Program needs to implement a tracking system showing each work process every apprentice does each month and keep a running tally of all hours the apprentice completes in each process. This would document the hours worked in compliance with their Standards.

(At the time of the audit the Program is developing the use of a Scantran form, which will track all work processes in a month period.)

Due in 30 days.

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.

(a) ***Findings:***

The program has Related and Supplemental Instruction (RSI) and two Local Education Agency (LEA) which is City Collage of San Francisco and Santa Rosa Junior College. The classroom training is located at the same location as the program in San Francisco and Santa Rosa.

In this Program's current Standards, each of the apprentices will need to satisfactorily complete not less than four hours per week for a minimum of 144 hours a year, or a minimum of 720 hours in a five year period. The apprentices attend two semesters per year, Fall and Spring, running on the college timetable. The apprentices will use the curriculum outlined by the United Association-Mechanical Service Contractors Association. *(As stated above, the Program has submitted a full revision of their Standards to the DAS. There is a proposal to change the number of RSI hours needed to complete in the five years.)*

The apprentice files contained a consistent record of all absences related to school attendance. The files also contain grade and completion reports from the instructor with a recommendation that the apprentice is ready for the next level of training.

(b) ***Recommendations:***

There are no recommendations needed at this time. However, the Program needs to work with the DAS Consultant when the Program receives the signed copy of the Revised 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.

(a) ***Findings:***

There are two training centers in Northern California. There are three dedicated instructors to assist in the instruction. During the review of the San Francisco training center the classes were not in session. The Auditor had a tour of this facility by the Training Coordinator and found a very impressive hands-on site for the apprentices to use for their training. It was mentioned the Program was trying to move to a bigger facility as soon as the funds are raised.

The training center consists of about four large classrooms. The shop labs allow for utilizing and demonstrating with hands-on work in booths to make special projects. Each apprentice must complete a variety of shop projects and show competency in applying the trade. The labs include: welding, back flow (with certification), computer labs, refrigeration lab and solder (with cooper basing certification). The instruction is done with good health and safety practices in mind. The inspection of the training facility found it to be sufficient to train apprentices.

(b) ***Recommendations:***

There are no recommendations needed.

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.

(a) ***Findings:***

The review found the Program has an established system to keep apprentices reasonably employed and to provide them with continuing employment in the event of a layoff. Apprentices are dispatched from the Union whether they are an entry level apprentice or an unemployed indentured apprentice. The apprentice needs to submit an Apprentice Lay-off or Termination Form before they can register on the Out-of-Work list. All Job Placement will be though the Plumbing and Pipefitting, Local 38 office and it is the apprentices' responsibility to keep the office advised of any phone or address changes that may occur. It is also the responsibility of the apprentice to be current in all fees or dues to the Local 38 to be eligible for dispatch.

The program has a process in place to send out apprentices to non-union employers. A request to dispatch apprentices to a Public Works Job, DAS 140 must be on file before a referral is made. The records found the referral/dispatch system keeps the apprentices employed within their industry. They are also referred to other employers, giving the apprentice an opportunity to train in all work processes.

(b) ***Recommendations:***

There are no recommendations needed.

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.

(a) Findings:

The Program suggested three job site locations to visit. The apprentices normally work on service calls during the day and it is hard to know where they are each hour of a day.

The First site visit was on Geary Street in San Francisco with *Western Plumbing & Heating*. One apprentice was working under the supervision and direction of a journeyman. He was employed at tasks defined within the work processes of the program standards. An interview was conducted with the apprentice and found he had all the equipment, materials and tools of the trade sufficient to be trained. This Apprentice receives proper pay and benefits and attends OJT classroom training.

Their supervisor is one of the Program's instructors and I was able to interview him on the RSI program. He indicated there had been great improvement to the classroom training and the hands-on labs available for the apprentice for the last five years. The curriculum has been advancing with new technology in this trade.

The Second site visit was on Mission Street in San Francisco with *ABCO Mechanical Contractors*. The Auditor met with one journeyman and one apprentice asking questions about the Program. The apprentice is in his fourth period and praised the Program for the wealth of information he was learning, as

much in the classroom as on his job. He had been given all the tools he needed and did many of the work processes.

The Third site visit was in the Embarcadero Center in San Francisco with *Carrier.* The Auditor interviewed one apprentice and one journeyman as they were conducting a regular monthly service call for a law firm. The apprentice was kind enough to demonstrate how to service an air conditioner unit. It appeared he had much knowledge on this subject, as he is in his ninth period of training.

(b) Recommendations:

There are no recommendations needed.

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:***

The required annual Self-Assessment Review and Program Improvement Plan was submitted to the DAS for year 2007. It appears the Program has used the plan as a tool to make improvements in about eight areas for the year in 2008. There was evidence of new curriculum, monitoring the instructor's performance, new system for tracking the OJT hours, new equipment at both training facilities, to mention a few.

(b) Recommendations:

There are no recommendations needed.

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

Joint apprenticeship committees have equal representation from labor and from management. Each committee also includes a consultant representing the Division of Apprenticeship Standards or the Bureau Apprenticeship and Training, U.S. Department of Labor. There is also an advisor from the local public school district and such other advisors and the apprenticeship consultant act without vote. This committee is responsible for administering the Standards for this program. 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.

(a) ***Findings:***

The Program provided the monthly Committee Minutes for the past year. The frequency of the meetings was established and written in a trust document. The programs rules and regulations state that this committee is a Labor/Management Co-Operative. Also noted in the rules and regulations are the four Labor Trustees and four Management Trustees. The committee also includes the apprenticeship coordinator and Local Education Agency Representative (LEA).

A review of the committee minutes found the committee meets regularly, documentation of disciplinary actions and new indentures. The committee appears to be organized, dedicated to the apprentices and very professional.

(b) ***Recommendations***

There are no recommendations needed.

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.

10. COMMENTS FROM SPONSOR AND THE TIMELINE FOR THE RECOMMENDATIONS

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.

11. 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,

Linda C Knox — July 24, 2008

Linda C Knox — Sept 16, 2008

Linda Knox
Apprenticeship Consultant-Auditor
Division of Apprenticeship Standards
San Francisco and San Jose Offices

Date

Linda Knox

From: Rachel Freeman
Sent: Tuesday, September 16, 2008 2:32 PM
To: Linda Knox
Subject: FW: DAS File #00134

From: Linda Knox
Sent: Tuesday, August 19, 2008 3:53 PM
To: Rachel Freeman; Amelia Meza
Subject: DAS File #00134

Hello Rachel and Amelia,

The enclosed email is from Steve Mazzola verifying he looked at the Audit report and will not be making any comments.

Please send the Audit Report to CAC, it has been uploaded on SharePoint.

linda

From: Steve Mazzola [mailto:smazzola@ualocal38.org]
Sent: Tuesday, August 19, 2008 1:33 PM
To: Linda Knox
Subject: RE: Comments on Recommendations

Yes I did see the comment. I am finally over the hump in regards to all of the applications. The semester begins this week. I have to make the final corrections to the Apprentice Handbook and then send it out to get printed. Once that it complete I need to set up orientations for the apprentices and contractors' supervisor of apprentices. This hopefully should be completed shortly.

Stephen Mazzola
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smazzola@ualocal38.org
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From: Linda Knox [mailto:LKnox@dir.ca.gov]
Sent: Tuesday, August 19, 2008 11:46 AM
To: Steve Mazzola
Cc: Rachel Freeman; Linda Knox
Subject: Comments on Recommendations

DAS File #00134

Local 38

Hello Steve,

Thank you for getting back to me in regard to having any comments on the Audit Report. I understand you have not read the entire report but did see the section on Work Processes and the need to correct this item in the Program. Please confirm this, by emailing me that you agree with my understanding.

Thank you very much for your time in this matter ,

Respectfully,

Linda Knox

Apprenticeship Consultant Auditor

Department of Industrial Relations

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