455 Golden Gate Ave., 10th Floor
San Francisco, CA 94102
Phone (415) 403-4920
FAX (415) 703-5477

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF APPRENTICESHIP STANDARDS

AUDIT REPORT
For

Air Conditioning Trades Association, UAC, File #19421

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 Air Conditioning Trades Association (ACTA) Unilateral Apprenticeship Committee (UAC) program; DAS file number 19421; (hereafter "Program") for the Sheet Metal Industry. The audit was performed during November, December 2007 & January 2008, as requested by the program during the September 2007 proceedings before the 212.2g public commit hearing called by the Chief of DAS and was conducted pursuant to California Labor Code §3073.1.

FINDINGS AND RECOMMENDATIONS

Pursuant to CCR§212, on September 19, 2007, the DAS conducted a public hearing regarding ACTA's request to expand the State apprentice program statewide, mirroring ACTA's Federal apprentice program area of jurisdiction. At the hearing there were a number of questions raised about ACTA's operations and the program's ability to train apprentices. It was agreed that a DAS audit would be performed in order to provide the DAS Chief additional information upon which to make his decision whether to approve ACTA's statewide expansion.

As noted in the detailed report which follows, the audit team found that the ACTA program meets or exceeds all apprenticeship legal requirements. The program has implemented a new document processes and procedures to facilitate the selection, indenture, and training of apprentices. The program intends to follow those procedures consistently with a focus on continuous improvement. Suggestions made by the audit team were implemented prior to the completion of the audit. The following are a few of the suggestions made and implemented:

- Insert dividers into the file folders for quick identification of apprenticeship information.
- A recommendation to sign contracts with employer training shops and alternate agreements to train.
- The tracking of OJT hours found older work processes and suggested the program wait until the review process is complete because the new standards would change the work processes to the Sheet Metal Industry Standards.
- During the on-site instructional location the audit team discovered a safety issue on wearing appropriate shoes due to the materials used in this occupation and the program immediately implemented a policy change.

The program is approved to train both State and Federal apprentices. The program is authorized to recruit Federal apprentices statewide. The audit team found no direct evidence showing that the program was recruiting State apprentices outside approved area of jurisdiction. The records of the apprentices that made statements at the §212 hearing were verified and in several cases the individuals in question were Federal apprentices. A program being authorized to train both Federal and State apprentices with different areas of jurisdiction increases the likelihood of misunderstandings.

Detailed findings are included in the following report. The audit team determined that there are no formal recommendations that require program compliance and follow-up verification. During the course of the audit, the audit team requested information beyond the scope of a normal audit and in all cases ACTA cooperated fully. The program provided all requested information in good faith and demonstrated a willingness to implement any suggestions by the audit team to improve the program.

The audit team must congratulate the ACTA program staff on their demonstrated commitment to innovative techniques of teaching and their focus on continuous improvement.

INTRODUCTION/BACKGROUND

The audit commenced on November 5, 2007 and was completed during the month of January 2008. The audit team met with key ACTA administrative personnel, examined State and Federal Apprenticeship records, observed administrative activities, conducted simultaneous review of all the Shop/Lab classes, reviewed the 'on-line' training, interviewed the Local Education Agency (LEA) and visited various job sites in connection with the audit. Based upon this comprehensive review, the audit team has determined that ACTA are operating within compliance to the State program standards, and State apprenticeship laws and regulations. In fact, ACTA has met and exceeded all State apprenticeship requirements.

The program has a Training Trust Fund that is funded from employer training fees, employer contributions, and related and supplemental instruction monies.

Daily operations, management and administrative functions are conducted by an Exective Director, a full-time Training Director, a full-time Coordinator and five (5) part-time staff personnel. The staff resources are located at various locations throughtout the state.
The apprenticeship program's headquarters is located at 4800 Kokomo Dr., Suite 2911, Sacramento, CA.

Employers are approved to train when they have: (1) completed an Agreement to Train Apprentices (DAS 7); (2) provide proof of their workers' compensation insurance; (3) attest to the qualifications of their journeymen who will oversee the on-the-job training of the apprentices; and (4) sign an agreement to abide by all ACTA's standards, rules, regulations and policies.

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

Name of Occupation	Term of Apprenticeship	Number of Apprentices
Sheet Metal Worker (State)	**48 months**	**42**
Sheet Metal Worker (Fed.)	**48 months**	**76***
Sheet Metal Worker (Trainee)	**Various**	**15***

* Approximately, These numbers reflect attendance at Shop/Lab & files reviewed.

Upon enrolling, apprentices receive a comprehensive information packet that includes the rules and regulations, compensation rates and class schedule. The Central Learning Adult School Site, Central Unified School District is the apprenticeship program's Local Education Agency (LEA).The Sheet Metal Worker Apprenticeship Program provides a comprehensive four year program where apprentices, meeting the required advancement criteria, progress through eight periods/upgrade steps until completion. Training consists of 176 hours of *Related and Supplemental Instruction* (RSI) per year and at least 8,000 hours of accumulated *On-the-Job Training (OJT)* to complete. Related and Supplemental Instruction (RSI) is provided via interactive web based on-line computer classes plus physically attended lab/ shop classes each semester.

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 before being allowed to graduate.

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 the program sponsor possesses the management and administrative abilities to carry out the responsibilities and duties set forth in ACTA's 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:

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 list of 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 to the training facility and various work sites.

The field work included, among other things:
(1) reviewing all 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.

Additionally the program agreed to:
(1) a review of Federal standards,
(2) review of Federal apprentice records,
(3) an extensive review and comparison of both State and Federal past application lists.
(4) Give the DAS Consultant access to view & monitor future class on line.

PRIOR AUDIT RECOMMENDATIONS

While there was no previous Audit, there was a 'Preliminary Investigation' Draft Report dated June 2, 2003. After reviewing all available documents the audit team concluded that the scope of this audit would be increased to cover any unresolved issues.

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 submitted a complete revision Of standards on 5/31/2000. The last revision was approved on 12/18/2002. In addition, the program has approved Federal Standards signed on 8/07/2003.

(b) Recommendations

(1) A Standards revision was found with revisions submitted on regular basis. The program should continue the practice of updating 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

(a) *Findings*

(1) The current version of the rules and regulations were adopted 04/2007, and contain a wide range of policy statements showing responsibilities of the apprentice and the committee.

(2) Upon entering the program, apprentices are mailed an orientation packet

where they are given a copy of the standards and the rules and regulations. Apprentices sign a statement indicating they have received, read and understood the rules and regulations. Rules and regulations are covered in both web classes and Shop/Labs for the benefit of the apprentice. **ACTA Comments see attached letter-** *ACTA's Rules and Regulations are given to each "applicant" upon request for enrollment. As part of the apprenticeship application packet, they are to read the Rules and Regs, sign and date the last page, and mail it in along with the required applications and additional documentation. In addition, the Rules & Regs are reviewed every year, during the first night of the online classes and signed electronically.*

(3) Apprentices who are not following the rules and regulations and/or not meeting the program's requirements are cited to appear in person or by phone before a discipline committee for evaluation and to explain why they should not be disciplined and/or terminated. Many examples of such disciplinary actions and cites before the committee exist in individual apprentice records and are well documented in the minutes.

(4) The committee reviews rules and regulations as well as policies and procedures annually, notifying all apprentices of any changes. For example, effective November 13, 2007 their disciplinary method is being changed to improve the equitable treatment of all apprentices.

(b) *Recommendations*

(1) The program should continue, as in the past, with a view towards continual improvement.

(2) If approved for statewide, then sub-committees may or may not be needed. DAS will monitor this because if ACTA continues to allow apprentices to appear via telephone for discipline actions it may not be 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 program has been working with the DAS consultant to reconcile the

records on a bi-annual basis. The program has 42 State registered apprentices as of 11/01/07.

For the period 12/01/06 through 11/01/07 the program had the following numbers:

New Indentures	Cancellations	Graduations
8	**5**	**9 (2006)**

The Sheet Metal industry's last five-year average completion rate, minus probationary period apprentice cancellations, is 67.36%. At the start of the five-year period, the rates were 54.5%, with an average of 35.4%.

In comparing ACTA's records with DAS completion rates, ACTA showed three (3) additional graduates that were not included in DAS's graduation rates. The inclusion of these three additional graduates increases ACTA's graduation rate. **ACTA Comments see attached letter.**

NUMBER OF REGISTERED APPRENTICES

DAS Records Based Upon Program's Submittals	42	According to Program	42

Additionally, the apparent downturn of ACTA's completion rate is also attributed to the CAC's appeal actions removing ACTA's statewide approval and limiting ACTA indenture of apprentices to only four counties. The numerous appeal actions caused a cycle of training disruption and a large loss of apprentices and member contractors. The ACTA program is focused on regaining completion rate increases and improving quality of the craft persons graduated, not only in their program, but in the Sheet Metal industry as a whole. ACTA points out that they have been training Federal apprentices statewide and these additional completions would have impacted the DAS completion rates if these apprentices were allowed to be state registered apprentices.

The team found more than one address outside of the State approved area; the program was challenged to explain. ACTA showed documents signed by the apprentice claiming residence within their approved area. ACTA also showed a large number of letters from ACTA to State applicants and Federal Apprentices denying entrance due to residency outside their approved area.

(b) Recommendations

(1) To ensure the DAS records are current, the program should continue to timely submit all apprentice agreements, apprentice

Cancellations and apprentice completions. All changes affecting the status of apprentices in the program must be submitted to the 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)

Our review is to determine if apprentices are progressing on schedule, that the program is maintaining adequate OJT records and if the program has adequate records with 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:

- Under the standards, apprentices must obtain 8,000 hours of OJT within a 4-year period, unless credit for prior experience is granted. Record sheets are provided to each apprentice to log all work hours to be segregated among the various work processes. At the end of each month, a supervisor or employer verifies that the OJT hours and sends or e-mails the records. They are then collected and entered into the program's database.
- Apprentices failing to maintain accurate OJT records, segregate the work processes or submit records in a timely manner are subject to disciplinary actions including being cited to appear before the committee, and are subject to termination for non-compliance.
- Overall, OJT records were found to be adequate and supported by apprentice records.
- Each month, apprentices turn in the work hours recorded during the previous month and review in shop class their personal 'Journal'. The program has a process in their database to track late or unsupplied records. The program staff makes calls to all apprentices who have failed to send in their sheets, encouraging compliance before it can escalate to discipline. Apprentice OJT hours are entered into the program's database, hard copies are filed when sent, and the committee reviews and approves actions of the staff.
- If apprentices are not adequately covering the work processes, employers are contacted and urged to rotate the apprentice's work tasks. If the employer is unable to rotate to the needed work processes, the apprentice is transferred to another employer who can furnish the needed work process.

(a) *Findings*

(1) The older active files showed a DAS approved work process change in 2002. This change confused the soon to complete apprentices and they continued to use the old line items, though they had been

changed. The older files were not converted and this allowed the tracking system to miss over reported hours under the new items totals.

(b) *Recommendations*

(1) The auditor recommended that the program wait to convert the OJT work records until the review process is complete. The new standards also change the work process to meet the 'Sheet Metal Industry Standards'.

(2) Copies of the e-mail OJT records should be placed in the hard file so that a comprehensive record is in one place. *NOTE: This recommendation has been implemented by ACTA.*

(3) Continue, as in the past, with a view towards continual improvement, monitoring existing work processes and implementing new processes that fit the industry, into the skill sets now covered.

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. PROGRESS RECORDS, PERIODIC ADVANCEMENTS AND EVALUATIONS

This objective was to determine if apprentices were advanced on schedule, receiving periodic evaluations and to ensure that the program has adequate records and systems in place to monitor progress and keep apprentices on schedule.

ACTA tracks OJT, RSI, attendance, evaluations, wage advancements and work hours reported by employers via their database with original hard copies maintained in individual apprentice files. Monitoring of the apprentice records allows the program to take necessary actions to keep apprentices on schedule and verify that the apprentices are completing the programs' requirements. Advancements are granted if apprentices have good attendance records, complete the required course of study, accrue the proper hours of OJT and have satisfactory employer evaluations. The records reviewed were well documented and showed that the apprentices were properly advanced and on schedule to complete the apprentice program in accordance with the program standards.

The program's efforts to keep the apprentices on schedule include documented phone calls, written notices, class schedules, monitoring, mentoring, review records to insure OJT hours are accruing, keeping class attendance records, verification that the apprentices are advancing on schedule, verifying passing

grades, verification of satisfactory employer evaluations and when necessary to require the rotation of apprentices to assure that all required work processes hours are completed in accordance with the program standards. Apprentices failing to meet requirements are cited to appear before the apprenticeship committee to explain why they should not be disciplined or terminated.

Employers and apprentices are given written notices when advancements are earned ensuring timely upgrades and employer awareness of proper rates of pay and benefits.

(a) *Findings*

(1) The records reviewed indicated that apprentices were progressing on schedule. The individual files reviewed were well documented containing many examples of employer evaluations, advancement notices, employer referrals and upgrade notices, class notices, and requests to appear before the committee.

(b) *Recommendations*

(1) Continue current practices with a view towards continual improvement.

6. RELATED AND SUPPLEMENTAL INSTRUCTION (RSI)

The objective of our examination is 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.

Auditors met with the LEA's management and staff in order to review the amount of oversight the LEA is actually providing of ACTA's RSI program and curriculum.

It should be noted that ACTA and the LEA have indicated plans for additional visits to provide more comprehensive oversight, particularly in regards to lab/shop site visits for labs; and have been working with the California Department of Education in development of remote electronic training.

- The training process is a new model for apprenticeship and inspected from both the instructors and students viewpoints.
- Completion of all designated curriculum is required. Apprentices must attend online web based classes weekly with a minimum of 176 hours of instruction per year and five Lab\Shop class each semester. Online classes are recorded and students missing classes are required to view the recorded class prior to discipline.
- Supplemental and Related Training records and systems were found to be more than adequate and it was clear from the records, observations and interviews that apprentices were attending classes and covering the standard course of instruction. The course outline and curriculum were reviewed and found to meet all requirements.

- The program and LEA have increased the physical lab/shop site visits to one or more per semester. The LEA has assigned additional hours and travel to the ACTA expansion.
- The LEA is working with ACTA to 'Credential' additional instructors.
- The LEA has used ACTA's model in the 'California Distance Learning Program' over the last few years.

(a) *Findings*

(1) Our review found the program is doing a good job of monitoring the apprentice progression through the required supplemental instruction and is providing the appropriate courses for this occupation.

(b) *Recommendation*

(1) Explore and continue to provide updates to the program and the apprentice(s) on how the apprentice(s) is progressing in their required educational courses. Review curriculum and remain up to date on new methods of teaching and continue improving the apprenticeship training.

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.

7. TRAINING CENTER & SHOP/LABS

The objective is 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.

- The shop/lab training centers were found to be sufficient to train apprentices. The remote training process is a new model for apprenticeship and was inspected form both the instructors and students viewpoints.
- Two instructors teach class from their home/office/studio. Video & audio lessons are 'broadcast' and recorded, while apprentices 'Attend' class interactively. Attendance is monitored actively by the teacher with apprentices able to flag question/answers.
- Employers loan/help apprentices with computer access for those whom do not have PC's. Some larger employers set up computer rooms for class nights. The apprentices may receive class lessons anywhere with internet access. **ACTA Comments see attached letter-** *at the end of the paragraph to include): [internet access], a head set or speakers, and a microphone for audibility and interaction with the instructor.*
- The audit team arranged for DAS personnel to simultaneously visit all five of ACTA's shop/labs sites to observe demonstrations/student projects and determine adequacy of the facilities and instruction. All

locations had adequate equipment, material and tools of the trade available to complete class projects without crowding or waiting. Each location had one instructor and one mentor.

(a) Findings

(1) It was noted at one location that some of the apprentices were not wearing the proper safety footwear. ACTA upon learning of this safety concern immediately implemented a safety shoe rule and notified all apprentices and employers of the new requirement

(2) Our inspection of the training facilities found it to be sufficient to train apprentices.

(b) *Recommendation*

(1) Follow up on the implementation of the new safety shoe policy and ensure all facilities are adhering to this change – Due within 30 days.

(2) As protection, secure a written agreement with the current shop/lab locations and arrange for alternate locations to cover possible closures - Status report due within 90 days.

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.

8. 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 apprenticeship program has a system of keeping apprentices reasonably employed through a dispatch system. If an apprentice becomes unemployed, he/she calls ACTA's dispatcher and has his/her name entered on an 'out of work list' and is referred from it to other employers. This referral system attempts to keep apprentices employed within their industry.

The apprentice files reviewed indicate that the apprentices have been kept reasonably employed and were, in fact, referred to other employers, when necessary. Individual apprentice files are well documented with advancement notices and referrals to various employers.

(a) *Findings*

(1) Based on the records reviewed, graduates from the program were advanced and referred as journeymen to employers within this

apprenticeship program.

(b) *Recommendation*

(1) The program should continue the system they have in place and encourage additional employer involvement.

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.

9. 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:

a) If the apprentice is performing the various task listed within the work processes of their trade.

b) If advancements are made on schedule.

c) If the apprentice is receiving the correct pay and benefits.

d) If the apprentice is kept employed on a reasonably continuous basis.

e) If the programs' mechanism to keep apprentices reasonably employed is adequate.

The program provided a report summarizing the various job site visits conducted by their educational department for review. The report included the contractor's name, job location and the name(s) of both journeyman and apprentice(s) on the job, as well as observations about safety, tools, supervisions, etc. and any comments from the journeyman or apprentice. In addition, we conducted job site visits that offered the opportunity to view a job in progress, observe the work that was being done, and provided the opportunity to discuss the operation of the program with the apprentice.

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

(a) *Findings*

(1) None

(b) *Recommendations*

(1) 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 a journeyman, and paying 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 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 every year since 2001, including the current 2006 Assessment.

(b) *Recommendations*

(1) Continue using the Self-Assessment and Program Improvement Plan as a tool for setting high goals for your program and adapt the listed changes during the previous 12 month period.

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.

11. COMMITTEE MEETINGS AND MINUTES OF MEETING

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 meets monthly and maintains well documented and detailed 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.

(a) *Findings*

(1) None

(b) *Recommendations*

(1) Continue with meeting and agenda improvements already Implemented.

(2) Encourage additional employer participation.

(3) Ensure that DAS apprenticeship consultant is advised of committee meetings well in advance and the consultant will endeavor to participate in meetings when possible.

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.

12. 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.

13. 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.

14. 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,

Don Merrill

Don Merrill

2/27/08

Date

Senior Apprenticeship Consultant

DAS, Sacramento District Office

4800 Kokomo Dr.
Suite 2911
Sacramento, CA 95835

Toll: (888) 486-4464
Fax: (916) 515-4739

Air Conditioning Trade Association
www.actrade.org

February 26, 2008

Don Merrill
State of California
Department of Industrial Relations
Division of Apprenticeship Standards
2424 Arden Way, Suite #160
Sacramento, CA 92585-2488

Re: Response to Audit Report
DAS File No. 19421

Dear Don,

I would first like to thank you on behalf of the ACTA staff and myself for a great audit. You and your staff were very helpful and pleasant to work with. We truly appreciate it.

Secondly, below you will find the comments the ACTA staff and I have in regards to the Audit Report we received on February 20, 2008.

> Item A(2), page 8: ACTA's Rules and Regulations are given to each "applicant" upon request for enrollment. As part of the apprenticeship application packet, they are to read the Rules and Regs, sign and date the last page, and mail it in along with the required applications and additional documentation. In addition, the Rules & Regs are reviewed every year, during the first night of the online classes and signed electronically.
>
> Paragraph 1, page 9: In this paragraph we were unable to determine if ACTA's graduation rate was listed. The paragraph is not made clear of one way or another.
>
> Page 13, 3rd bullet (at the end of the paragraph to include): [internet access], a head set or speakers, and a microphone for audibility and interaction with the instructor.

This concludes all our comments at this time. Should you have any questions, feel free to give me a call at 1-888-486-4464 x101.

One again, I would like to thank you for all your hard work and look forward to us continuing working together.

Respectfully,

Jim Young
Executive Director
Air Conditioning Trade Association