

Senate Bill No. 1397

Passed the Senate May 28, 2010

Secretary of the Senate

Passed the Assembly August 19, 2010

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 3070 and 3073.1 of, and to add Sections 3075.5, 3075.6, and 3075.7 to, the Labor Code, relating to apprenticeships.

LEGISLATIVE COUNSEL'S DIGEST

SB 1397, Corbett. Apprenticeship oversight.

Existing law creates the California Apprenticeship Council within the Division of Apprenticeship Standards for the purpose of issuing rules and regulations governing the administration of apprenticeship programs. The council is composed, in part, of 6 representatives each from employers or employer organizations and employee organizations.

This bill would provide that no 2 employee representatives may be from the same national or international labor organization, as defined.

Existing law requires the Division of Apprenticeship Standards to randomly audit all apprenticeship programs during each 5-year period commencing January 1, 2000, to ensure compliance with specified requirements, including any industry-specific training criteria established by the California Apprenticeship Council.

This bill would eliminate the requirement that the division conduct random audits during 5-year periods and would instead direct the division to conduct audits of apprenticeship programs generally. The bill would further require the division to audit a new or newly expanded building and construction trades apprenticeship program one year after its approval for creation or expansion, and would require the division to immediately conduct an investigation of an apprenticeship program of this type to determine whether an audit is necessary if the division finds evidence that the program has purposely misstated information provided to the division. In addition, the bill would require the division to schedule an audit of a program of this type within 3 months if the program has been the subject of 2 or more meritorious apprentice complaints within a 5-year period or if the program's annual apprentice completion rate is below 50% of the average completion rate for the applicable trade.

Existing law authorizes the Chief of the Division of Apprenticeship Standards to approve an apprenticeship program in any trade when specified conditions are met.

This bill would prescribe requirements for an application by a building and construction trades program for approval of a new or expanded apprenticeship program. The bill would require the program to submit a written plan to the chief listing the number of apprentices to be enrolled in a new program, occupation, or geographic area during the subsequent 5 years and evidence of sufficient commitments from employers. The bill would also require that an applicant submit to the chief a plan for selection and recruitment of new apprentices, including information on advertising and outreach programs. If the chief does not approve an application, the chief would be required to provide the applicant, within 90 days, a detailed explanation of the deficiencies in the application, and the applicant would be authorized to submit a new application within 90 days.

This bill would require that each building and construction trades industry apprenticeship program provide a semiannual statement to the apprentice listing the number of hours of training received and the number of hours remaining for graduation from the program.

This bill would also require that every building and construction trades industry apprenticeship program submit monthly specified data relating to apprentices in an electronic format to the Division of Apprenticeship Standards.

The people of the State of California do enact as follows:

SECTION 1. Section 3070 of the Labor Code is amended to read:

3070. (a) There is in the Division of Apprenticeship Standards the California Apprenticeship Council, which shall be appointed by the Governor, composed of six representatives each from employers or employer organizations and employee organizations, that sponsor apprenticeship programs under this chapter, respectively, geographically selected, and of two representatives of the general public. No two representatives from employee organizations shall be from the same national or international labor organization. The Director of Industrial Relations, or his or her

permanent and best qualified designee, and the Superintendent of Public Instruction, or his or her permanent and best qualified designee, and the Chancellor of the California Community Colleges, or his or her permanent and best qualified designee, shall also be members of the California Apprenticeship Council. The chairperson shall be elected by vote of the California Apprenticeship Council. Beginning with appointments in 1985, three representatives each of employers and employees, and one public representative shall serve until January 15, 1989. In 1987, three representatives each of the employers and employees, and one public representative shall serve until January 15, 1991. Any member whose term expires on January 15, 1986, shall continue to serve until January 15, 1987. Thereafter each member shall serve for a term of four years. Any member appointed to fill a vacancy occurring prior to the expiration of the term of his or her predecessor shall be appointed for the remainder of that term. Each member of the council shall receive the sum of one hundred dollars (\$100) for each day of actual attendance at meetings of the council, for each day of actual attendance at hearings by the council or a committee thereof pursuant to Section 3082, and for each day of actual attendance at meetings of other committees established by the council and approved by the Director of Industrial Relations, together with his or her actual and necessary traveling expenses incurred in connection therewith.

(b) For purposes of this section, all of the following shall apply:

(1) Two representatives are from the same national or international labor organization if they are members, employees, or representatives of the same national or international labor organization.

(2) "Representatives of a national or international labor organization" includes members, employees, and representatives of local labor organizations and intermediate bodies affiliated with the national or international labor organization.

(3) "National or international labor organization" does not include a federation of national or international labor organizations.

SEC. 2. Section 3073.1 of the Labor Code is amended to read:

3073.1. (a) The division shall audit apprenticeship programs to ensure that the program audited is complying with its standards, that all on-the-job training is supervised by journeymen, that all related and supplemental instruction required by the apprenticeship

standards is being provided, that all work processes in the apprenticeship standards are being covered, and that graduates have completed the apprenticeship program's requirements. The division shall examine each apprenticeship program to determine whether apprentices are graduating from the program on schedule or dropping out and to determine whether graduates of the program have obtained employment as journeymen. During the audit, the division shall attempt to contact a statistically valid sample of apprentices who have dropped out of the program prior to completion to determine the apprentices' reasons for leaving the program. Every apprenticeship program sponsor shall have a duty to cooperate with the division in conducting an audit.

(b) Audit reports shall be presented to the California Apprenticeship Council and shall be made public, except that the division shall not make public information that would infringe on the privacy of individual apprentices. The division shall recommend remedial action to correct deficiencies recognized in the audit report, and the failure to follow division recommendations or to correct deficiencies within a reasonable period of time shall be grounds for withdrawing state approval of a program. Nothing shall prevent the division from conducting more frequent or random audits of apprenticeship programs where deficiencies have been identified.

(c) The division shall give priority in conducting audits to programs that have been identified as having deficiencies. The division may conduct simplified audits for programs with fewer than five registered apprentices.

(d) For new and newly expanded building and construction trades apprenticeship programs, the division shall audit each program one year after approval of the creation or expansion of the program.

(e) If the division finds evidence that information provided to it by a building and construction trades apprenticeship program has been purposefully misstated, the division shall immediately investigate and determine whether an audit of the program is necessary. The division shall report its investigatory findings to the California Apprenticeship Council and make them available to the public, except that the division shall not make public information that would infringe upon the privacy of individual apprentices.

(f) If the division determines that a building and construction trades apprenticeship program has been the subject of two or more meritorious complaints that concern the recruitment, training, or education of apprentices within a five-year period, the division shall schedule the program for an audit within three months of the determination.

(g) If the division determines that a building and construction trades apprenticeship program that has had at least two graduating classes has an annual apprentice completion rate below 50 percent of the average completion rate for the applicable trade, the division shall schedule the program for an audit within three months of the determination.

SEC. 3. Section 3075.5 is added to the Labor Code, to read:

3075.5. (a) This section applies when a building and construction trades industry program applies to the Chief of the Division of Apprenticeship Standards for approval of a new apprenticeship program or for the expansion of an existing apprenticeship program into a new occupation or geographic area. The requirements of this section are in addition to other requirements that may be imposed by statute or regulation.

(b) (1) An applicant for a new or expanded apprenticeship program under subdivision (a) shall submit to the chief a written plan that sets out the number of new apprentices the applicant seeks to enroll during the next five years in the new or expanded program, new occupation, or new geographic area. The plan must include the applicant's budget for training the new apprentices and a detailed explanation of how the applicant intends to provide sufficient funding to meet that budget.

(2) The applicant shall submit to the chief a written plan providing a reasonable timetable to obtain sufficient commitments from employers to employ the new apprentices so as to ensure, to the extent feasible, consistent with the rates of employment for existing programs in good standing in the applicable trade, that the new apprentices will be employed continuously throughout the entire term of apprenticeship.

(3) The applicant shall submit to the chief verifiable evidence that the applicant has obtained, or will obtain, suitable and adequate facilities to train the new apprentices. The chief, or his or her representative, shall personally inspect the facilities within six months after the final approval of the program.

(4) The applicant shall submit to the chief a plan for the recruitment and selection of the new apprentices. The plan shall include advertising of the new apprenticeship opportunities within the geographic area and outreach to organizations that promote apprenticeship opportunities to women and underrepresented minorities.

(c) The chief shall not approve an application that fails to meet any of the requirements of this section. If the chief does not approve an application because of its failure to comply with this section, the chief shall within 90 days provide the applicant with a detailed explanation of the deficiencies in the application and recommendations for addressing those deficiencies to obtain program approval. The applicant may submit a new or amended application to the chief within 90 days of receipt of the chief's recommendations. The chief shall provide a detailed response to a new or amended application within 90 days of its receipt.

SEC. 4. Section 3075.6 is added to the Labor Code, to read:

3075.6. Each building and construction trades apprenticeship program shall provide to each apprentice, on at least a semiannual basis, a statement showing the number of hours of on-the-job training and related and supplemental instruction that the apprentice has acquired toward graduation, the total number of hours of on-the-job training and related and supplemental instruction that are necessary for graduation, and the apprentice's expected graduation date.

SEC. 5. Section 3075.7 is added to the Labor Code, to read:

3075.7. Every building and construction trades industry apprenticeship program shall submit apprentice registration, change of address, graduation, and termination data to the Division of Apprenticeship Standards on a monthly basis in an electronic format acceptable to the division.

Approved _____, 2010

Governor