

455 Golden Gate Avenue, 9<sup>th</sup> Floor  
San Francisco, CA 94102  
Tel: (415) 703-4920  
Fax: (415) 703-5477



ADDRESS REPLY TO:  
California Apprenticeship Council  
P. O. Box 420603  
San Francisco, CA 94142-0603

## STANDARDS, RULES, REGULATIONS & OPERATING PROCEDURES COMMITTEE MEETING MINUTES

Chairman Aram Hodess

Sheraton Park Hotel - Anaheim

Thursday, October 30, 2014

9:00 A.M. – 10:30 A.M.

Room – Park ABC

### I. Call to Order/Roll Call

- CAC Chairperson Jack Buckhorn called the meeting to order at 9:03 a.m. and called the roll.  
Members present: Aram Hodess, Carl Goff, Chip Martin, Pt McGinn, Christopher Christophersen Sr., Jim Hussey, Paul Von Berg, Jack Buckhorn, and Diane Ravnik.  
All members present. A quorum was met.

### II. Review/approve October 23, 2013 Minutes.

Commissioner Aram Hodess asked for a motion to approve the July 30, 2014 minutes. Commissioner Jack Buckhorn motioned to approve the July 30, 2014 minutes. Commissioner Carl Goff seconded the motion. DAS Chief Ravnik asked for a correction on page two under *Payment of Fringe Benefits for Apprentices*, to change “an apprentice” to “a benefits”. All were in favor. The motion carried.

### III. Old Business

- Payment of Fringe Benefits for Apprentices

Chairperson Aram Hodess continued the discussion on way to encourage the employment of apprentices on public projects by non-participating employers. Many employers have been reluctant to employ apprentices in the past. Some employers just do not want to employ apprentices. Others are afraid of the assumed obligation they are taking on in hiring an apprentice, including the signing of subscription agreements’ some believe these Subscription Agreements have the

force of collective bargaining agreement, opening their business to a full audit by the trust funds for all their employees.

It was noted that some joint and unilateral have created subscription agreements that clear this up. A subscription agreement from the Operating Engineers Local 3 was presented and discussed. This Agreement notes that, “Nothing in this Agreement is to be construed as binding the Employer to any collective Bargaining Agreement, now or in the future.” This subscription agreement only obligates the employer to pay the apprentices fringes into the indentured plans for that apprentice at the negotiated prevailing rate.

It was asked what would happen if a contractor decided not to sign the subscription agreement – do they still get apprentices? It was agreed that this was at the discretion of the individual Program. Ms. Castillo, Operating Engineers Local 3, commented that if an employer refuses to sign the subscription agreement, their program has another procedure that will provide for dispatch of the apprentice.

There was further discussion on the payment of apprentice fringe benefits that focused on “Employer Burden”. This term refers to payroll taxes, Worker’s Compensation, Federal Unemployment Tax, SDI, etc. that an employer pays on taxable wages. It was noted that non-taxable fringe benefits like health insurance and pension are not subject to those taxes which are substantial; employers paying fringe benefits separately into for example, an apprentice’s health & welfare and/or pension plan can realize a significant economic advantage when bidding public works projects. Education employers on this economic advantage may encourage the employment of more apprentices.

#### IV. New Business

- Rule Making for AB 1870 – Training Fund

DAS Deputy Chief Glen Forman stated that this Bill regard changes to the distribution of training fund contributions. This may require revision or deletion of portion of current regulations. The issue will be tabled until the next meeting and also be submitted the CAC agenda for possible action.

Comments from the public:

Continuing our on-going discussion, additional proposals to revise the current DAS 140 form will be discussed at the January meeting, as time permits, attendees were asked to send Mr. Forman any suggestions on how to reformat the DAS 140.

- V. Adjournment: A motion and a second were made to adjourn meeting. All were in favor. The motion passed. The meeting adjourned at 9:35 a.m.

- VI. *Note: The agenda and adjournment time may be adjusted depending on the need for discussion on agenda items*