

INITIAL STATEMENT OF REASONS

NOTICE OF CHANGE IN AUDIT PROCEDURES AND APPROVAL FOR BUILDING AND CONSTRUCTION TRADES APPRENTICESHIP PROGRAMS

CALIFORNIA APPRENTICESHIP COUNCIL

INITIAL STATEMENT OF REASONS

FOR PROPOSED ACTION TO AMEND
CALIFORNIA CODE OF REGULATIONS, TITLE 8, CHAPTER 2, PART IV,
SECTIONS 205, 206, 207, 212, 212.2, and 212.3.

**SUBJECT MATTER OF
PROPOSED REGULATIONS:**

Notice of change in the procedures for audits of general apprenticeship programs, and the procedures for approval of new or expanded building and construction trades apprenticeship programs to conform to recent legislative changes to the Labor Code

SPECIFIC PURPOSE OF REGULATORY PROPOSAL:

Purpose and Rationale

The California Apprenticeship Council ("Council") is charged with authority under Labor Code section 3071 to adopt regulations to interpret and make specific the provisions of Labor Code regarding apprentice agreements, also referred to as apprenticeship standards.

Recently, the California Legislature amended sections 3073.1, 3075.5, 3075.6 and 3075.7 of the Labor Code, such that the California Apprenticeship Council proposes to amend Part IV, Sections 205, 206, 207, 212, 212.2, and 212.3 in Chapter 2 of Title 8 of the California Code of Regulations ("CCR") concerning (1) the procedures for audits of general apprenticeship programs, and (2) the procedures for approval of new or expanded building and construction trades apprenticeship programs in order to conform the regulations to the recent legislative changes.

The Council is proposing changes to the audit procedures for apprenticeship programs generally, and the building and construction trades apprenticeship programs specifically. The amendments will also prescribe additional requirements for applications by the building and construction trades programs for approval of new or expanded apprenticeship programs.

Proposed Action

The proposed action would make the following changes within Title 8 of the California Code of Regulations, sections 205, 206, 207, 212, 212.2, and 212.3 ("Regulations 205, 206, 207, 212, 212.2, and 212.3"), which are the regulations which concern the

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procedures for audits of apprenticeship programs and the procedures and requirements for approval of new or expanded apprenticeship programs.

The Council has adopted amendments to Regulations 205, 206, 207, 212, 212.2, and 212.3 to provide as follows:

Section 205

The purpose of the proposed amendment to Regulation 205 is to define “acceptable electronic format.” The legislature amended Labor Code section 3075.7 which requires submission of certain data to the Division of Apprenticeship Standards (DAS) by program sponsors in an electronic format acceptable to DAS. This section is needed to define that term and to insure that all data submitted can be used by DAS.

Section 206

The purpose of the proposed amendment to Regulation 206 is to provide a process for the electronic submission of apprentice agreements. The amendment also requires programs to maintain the original documents for use in the event that there are disputes concerning an apprentice’s agreement. This regulation is necessary to implement for the registration of apprentice agreements that are maintained electronically.

Section 207

The purpose of the proposed amendments to Regulation 207 is to provide for the submission of requests to cancel apprentice agreements in electronic format. This is necessary to comply with Labor Code section 3075.7 and to allow those programs that maintain apprentice records electronically to submit information in a paperless manner.

Section 212

The purpose of the proposed amendment to Regulation 212 is to implement Senate Bill 56 (amending Labor Code section 3075.6), which requires information to be provided to apprentices concerning the apprentices’ progress toward completion, including information about hours of on-the-job training and related supplemental instruction.

Section 212.2

The purpose of the proposed amendments to Regulation 212.2 is to implement Senate Bill 56, which amended Labor Code section 3075.5. These amendments include: requiring a program in the building trades to submit a budget and a plan setting out expected enrollment and other aspects of the programs expected growth; defines items included in the program budget; specifies the need for information about the expected number of employer participants, journey level workers and apprentices, as well as the method for funding the program. These changes are necessary to comply with Labor Code section 3075.5.

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Section 212.3

The purpose of the proposed amendments to Regulation 212.3 is to implement Senate Bill 56, which amended Labor Code section 3075.5. These amendments include: determining guidelines for audits and priority audits.

SPECIFIC TECHNOLOGIES OR EQUIPMENT:

The proposed action does not mandate the use of specific technologies or equipment.

TECHNICAL, THEORETICAL, EMPIRICAL, OR OTHER STUDIES:

The proposed action is not based on a consideration of any technical, theoretical, empirical or other studies.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS:

Impact on Jobs/New Businesses

The Council has determined that this regulatory proposal will not have a significant impact on the creation of new jobs or businesses, the elimination of jobs or existing businesses, or the expansion of businesses in California.

Benefits of Proposed Regulation

The proposed changes to the audit process will allow a better and more efficient allocation of resources and will help programs identify areas for improvement. The regulations will make the transmittal of information to DAS more efficient and will allow participates in apprenticeship programs easier access to information about their programs. The regulations implement legislative changes to the new program or expanded program approval process by making specific some of the requirements for program approval. By requiring applicant programs to set out specific budget and planning metrics the actual ability of the proposed program to provide training will be more easily assessed. By improving the approval process the overall quality of training will be improved and both applicants and the public will benefit.

CONSIDERATION OF ALTERNATIVES:

The Council has not formally considered alternatives to the proposed action as the Council is simply conforming the current regulations to the legislative changes to the Labor Code. The public is invited to provide comments and suggestions regarding alternatives during the comment period. The proposed action is not expected to have an adverse impact on small business.