

## **Apprenticeship Common Administrative Practices and Treatment of Costs<sup>1</sup>**

### **Common Acronyms & Definitions**

- RSI – Related and supplemental instruction; the classroom-based instruction that apprentices receive in conjunction with on-the-job training.
- OJT – On-the-job training.
- Chancellor’s Office – The California Community College Chancellor’s Office.
- DAS – The Division of Apprenticeship Standards.
- CAC – The California Apprenticeship Council.
- IACA – The Interagency Advisory Committee on Apprenticeship.
- JAC - Joint Apprenticeship Committee.
- UAC - Unilateral Apprenticeship Committee.
- College - Community College.
- Charter School – California Department of Education chartered school.
- LEA - Local Education Agency including California Department of Education authorized K12 school districts, charter schools, community college districts, and county offices of education.
- ROP - Regional Occupational Centers & Programs.
- Program Sponsor – Lead agency representing a training program according to DAS registration.
- Hourly RSI – The RSI reimbursement program directed by Education Code sections 8152 and 719149.3.
- FTES RSI – the RSI reimbursement program directed by Education Code section 79149.1.
- AIF-T – Apprenticeship Innovation Funding – Training; funding provided by DAS to fund RSI.
- FTES – Full-time Equivalent Student; a measure used in CCD apportionment reporting equivalent to 525 hours of instruction.
- Unduplicated Number of Apprentices – A count of apprentices that ensures apprentices are not double counted (See the counting apprentices example below for more context).
- Performance Period – The entire portion of time that funds from a specific source are available. For example, the RSI performance period is July 1 through June 30 of a given year.
- Reporting Period – The portion of time covered by a single fiscal report.
- Cumulative Reporting – Reporting that adds amounts generated in a reporting period to the running balance of the performance period (See the counting apprentices example below for more context).

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<sup>1</sup> These policies affect apprenticeship programs created after August 1, 2014.

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## Background

Education Code Sections 8150 through 8155 direct the Chancellor's Office in allocating funds for apprenticeship programs in good standing and approved pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code for school districts and county offices of education and Education Code Sections 79149 through 79149.7 direct the Chancellor's Office in allocating funds for apprenticeship programs in good standing and approved pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code for the community colleges. Education Code Sections 8152 and 79149.3 direct Hourly RSI and Education Code Section 79149.1 directs FTES RSI.

### Hourly RSI:

For both groups, the total allocation amount and the reimbursement rate for Hourly RSI reimbursement is established in the annual Budget Act. The allocation for community colleges is generally established in Section 6870-101-001, Schedule 2 and the allocation for school districts and county offices of education is generally established in Section 6870-101-001, Schedule 3. Although the two groups share an RSI reimbursement rate and adhere to the same policies, they do not share allocations.

### FTES RSI:

In addition to reimbursement through Education Code Section 79149.3, community colleges may alternatively receive reimbursement for RSI provided for credit by a community college faculty member through Education Code Section 79149.1.

## Eligibility

To be eligible to receive Hourly RSI reimbursement, a program shall:

1. Be in good standing and approved pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code for the secondary education system.

To be eligible to report Apprenticeship FTES, a program shall:

1. Be in good standing and approved pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code for the secondary education system.
2. Provide instruction by a community college faculty member.
3. Provide instruction within a class offered for community college credit.

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### General Best Practices

#### LEAs:

- Attend JAC or UAC meetings.
- Attend CAC meetings.
- Review RSI curriculum annually.
- Monitor RSI hours and the unduplicated number of apprentices receiving instruction monthly.
- Complete other reporting documents on time as requested by the Chancellor's Office.
- Monitor Chancellor's Office Memos pertaining to RSI reporting.
  - Subscribe here:  
<https://docs.google.com/forms/d/e/1FAIpQLSciNdfXdG6vFgzEHsnFVUxEjsGH1a8HkntzzocNuWCKGFrYJg/viewform>

#### Program Sponsors:

- Report attendance to their LEA monthly.
- Attendance reporting should include the unduplicated number of apprentices that received instruction and the number of hours provided broken down by apprenticeship program and occupation (See the counting apprentices example below for further context).
- Ensure that appropriate and verifiable procedures are in place to track attendance.
- Invite LEAs to attend JAC or UAC meetings, graduations, and other events.
- Provide access to professional development opportunities for instructors and staff to improve their classroom instruction.
- Communicate with LEA partner(s) for information regarding reporting or reimbursement.

#### LEAs and Program Sponsors:

- Ensure that a consistent program evaluation and improvement process is in place and followed.
- Ensure that a professional development process is in place and followed to improve instructor teaching skills at the discretion of the program.
- Leverage resources to increase apprentice completion rates.
- Review and update curriculum as needed.
- Act to support a central repository of "Best Practices" related to education and training of apprentices.

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## Reporting Schedule

### Hourly RSI Reporting

<b>Reporting Period</b>	<b>Due Date</b>	<b>Content</b>
Budget Year Projection	October 1	Please include an estimate of the hours that will be provided in the Budget Year (the following fiscal year), including each program/occupation combination that the district plans to report hours for, the number of hours allocated to each program, and the number of unduplicated apprentices anticipated to receive instruction.
P1	January 31	<p>Please include all hours of instruction that were provided starting July 1 through December 31. Identify each program/occupation combination that provided instruction, the number of hours of instruction provided by that program/occupation combination, and the number of unduplicated apprentices that received instruction through that program/occupation combination.</p> <p>Only report confirmed hours of instruction, if it is unclear whether instruction occurred, do not report those hours.</p> <p>If any apprentices received instruction, but then dropped out of the program, those apprentices and hours should be counted.</p>
P2	May 31	<p>Please include all hours of instruction that were provided starting July 1 through April 30. Identify each program/occupation combination that provided instruction, the number of hours of instruction provided by that program/occupation combination, and the number of unduplicated apprentices that received instruction through that program/occupation combination.</p> <p>Only report confirmed hours of instruction, if it is unclear whether instruction occurred, do not report those hours.</p> <p>If any apprentices received instruction, but then dropped out of the program, those apprentices and hours should be counted.</p> <p>The number of hours and number of apprentices reported in P2 should be inclusive of the hours and apprentices report in P1.</p>
ReCalc	November 1	Please include all hours of instruction that were provided starting July 1 through June 30. Identify each program/occupation combination that provided instruction, the number of hours of instruction provided by that program/occupation combination, and the number of unduplicated apprentices that received instruction through that program/occupation combination.

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		<p>Only report confirmed hours of instruction, if it is unclear whether instruction occurred, do not report those hours.</p> <p>If any apprentices received instruction, but then dropped out of the program, those apprentices and hours should be counted.</p> <p>The number of hours and number of apprentices reported in ReCalc should be inclusive of the hours and apprentices reported in P1 and P2.</p>
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**How to Count Hours & Unduplicated Apprentices**

(Example is for a single program/occupation combination)

	Reporting Period	Class 1	Class 2	Class 3	Reporting Period RSI Total	Cumulative RSI Total	Unduplicated Number of Apprentices
<b>Performance Period</b>	<i>P1</i>	Apprentice A 20 hours Apprentice B 5 hours	Apprentice B 15 hours Apprentice C 20 hours	Apprentice A 35 hours Apprentice B 5 hours Apprentice C 60 hours Apprentice D 2 hours	162 hours	162 hours	4
	<i>P2</i>	Apprentice C 30 hours	Apprentice B 5 hours Apprentice E 15 hours		50 hours	212 hours	5
	<i>ReCalc</i>	Apprentice E 5 hours	Apprentice F 5 hours Apprentice G 10 hours		20 hours	232 hours	7

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**Transfer of Programs Between LEAs**

- All requests to transfer program training contracts, including transferring training hours, between LEAs must be approved by DAS prior to submission to the Chancellor's Office.
- If implemented, all transfers will take effect the following fiscal year or when the Governor signs the Budget Act if beyond that date.
  - There may be no mid-year transfer of hours.
- Requests to transfer RSI funding within Schedule (2) or within Schedule (3) of Budget Act Item 6870-101-0001 (between school districts and county offices of education, or between colleges) must be submitted to the Chancellor's Office no later than November 30 of the current fiscal year. Failure to meet this deadline may cause the transfer to be applied in a subsequent fiscal year.
- All requests to transfer RSI funding between Budget Act Schedule (2) and Schedule (3) of Item 6870- 101-0001 (from a school district or county office of education to a college or the reverse) must be submitted to the Chancellor's Office no later than September 1 of the current fiscal year and will be submitted into the forthcoming Budget Act process. Failure to meet this deadline will cause the transfer to be disapproved or delayed to a future year.
  - Transfers of hours between Schedule (2) and Schedule (3) are subject to adequate funding being appropriated in the Budget Act and may not be supported if funding is not appropriated accordingly or may be supported at a lower number of hours than requested.
  - The amount to be shifted shall not exceed the current year allocation of RSI hours but may be less than the current year allocation if the sponsor did not fully utilize their prior year allocation. In this case, the amount transferred shall not be less than the prior year RSI funding utilized by the sponsor. The total number of hours to transfer must be set according to these guidelines and agreed to by the LEAs, within an email record, prior to submission of a request to DAS. The agreement email should also be submitted to DAS.
- For any transfer, in the event the appropriation for RSI in the subsequent fiscal year has been reduced, the dollar amount transferred shall be reduced proportionally among recipients.
- The sponsor of an apprenticeship program seeking to transfer must develop and sign a new contractual agreement with the new LEA prior to submitting the request to the Chancellor's Office.
- Program sponsors, LEAs, and Colleges should work diligently to maintain a good working relationship so that transfers are unusual events.

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**Annual RSI Allocations**

The Chancellor's Office allocates additional hours or reduces hours to LEAs when their Schedule is allocated greater or fewer hours than the previous year. The Chancellor's Office increases or decreases allocations based on the actual number of hours reported by LEAs in the previous fiscal year. The Chancellor's Office bases the number of hours allocated to LEAs on the numbers the LEAs reported in the previous fiscal year because those are the numbers that were used to develop the current Budget Act allocation. With program stability as a priority:

1. When a Schedule is allocated fewer hours than the previous year:
  - a. The Chancellor's Office will maintain the previous year allocation of hours for any LEA that reported hours equal to or greater than its allocation in the previous fiscal year.
  - b. The Chancellor's Office will reduce the allocation for any LEA that reported hours less than its allocation in the previous fiscal year. Hours are reduced in proportion to the reduction of hours for the Schedule and the number of hours reported by the LEA in the previous fiscal year.
  
2. When a Schedule is allocated a greater number of hours than the previous year:
  - a. The Chancellor's Office will maintain the previous year allocation of hours for any LEA that did not report hours greater than its allocation in the previous fiscal year.
  - b. The Chancellor's Office will increase the allocation for any LEA that reported hours greater than its allocation in the previous fiscal year. Amounts are increased in proportion to the number of hours reported beyond the allocation in the previous fiscal year and the number of available hours.



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**Treatment of Costs and Services**

For purposes of apprenticeship, the maximum percentage of reimbursement an LEA may claim for indirect expenses is to be based upon negotiations with the program sponsor, but not to exceed 20 percent. However, the 20 percent may be exceeded only if the LEA and the program sponsor negotiates and agrees to additional activities, support, or services that LEA will provide that result in costs exceeding 20 percent. In every case where the percentage exceeds 20 percent, the Sponsor must provide adequate justification to DAS for all costs attributable to activities, support, and services used to determine the total percent to be charged, including those costs used in the calculating the 20 percent. Failure to reach agreement is sufficient justification for the sponsor to transfer to a different LEA.

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**Audit Guidance for All LEAs**

Criteria:

Apprenticeship California Labor Code Sections 3070-3093

Education Code sections 8150-8155, 79140 - 79149.7

California Code of Regulations, title 5, section 56652

Student Attendance Accounting Manual

Budget and Accounting Manual Chapter 3

Apprenticeship Expenditure and Accounting Guidelines (request these at the site under audit)

Compliance Requirements:

Hours for related and supplemental instruction reported to each community college district by a participating apprenticeship program sponsor, pursuant to Education Code section 79149.3, must be eligible for reimbursement pursuant to Education Code section 79149.3.

Reimbursements may be made under this section for related and supplemental instruction provided to indentured apprentices only if the instruction is provided by a program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations in accordance with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

Reimbursement requests for RSI must be supported by source documents such as student sign in sheets for classes (electronic sign in sheets are acceptable). Remote students must also show proof of having received instruction to be eligible for RSI funds.

Suggested Audit Procedures:

- 1) Select a representative sample of students and verify the hours claimed for RSI for the year under audit, as reported by a participating apprenticeship program sponsor pursuant to Education Code sections 8150.5, 8152, and 79149.3, are eligible for reimbursement, by tracing the hours reported for reimbursement to source documents (i.e., student sign in sheets). For example, when auditing the 2021-22 financial statements, the auditor should test RSI data reported for 2021-22.
- 2) For isolated apprentices, as defined by Labor Code section 3074, select a representative sample of students, and obtain evidence that supports attendance during instructional events.
- 3) State in a finding the resulting hours inappropriately reported for reimbursement and an estimate of their dollar value.