

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: SB 56
AUTHOR: E. Corbett
RELATED BILLS: SB 1397 (2009-10)

BILL SUMMARY: Apprenticeship Oversight

This bill would specify that no two employee representatives on the California Apprenticeship Council (CAC) may be from the same national or international labor organization. This bill would also amend requirements for the audit of apprenticeship programs and place new requirements on apprenticeship programs in the building and construction trades.

FISCAL SUMMARY

The Department of Industrial Relations (DIR) estimates that costs would be minor and absorbable and that no additional positions would be necessary as a result of the new audit requirements.

COMMENTS

The Department of Finance is neutral on this bill as it will not result in any additional cost to the DIR and would appear to improve auditing efforts of the Division of Apprenticeship Standards (DAS). In addition this bill would ensure that a specific labor organization does not have an unfair advantage as advisors to the CAC by limiting the representation to only one member from a national or international labor organization.

An identical bill, SB 1397 (Corbett) of the 2010-11 legislative session was vetoed by Governor Schwarzenegger because the bill "imposes new requirements on new or expanding programs without subjecting existing programs to the same level of scrutiny" and "the measure fails to address the impacts of so-called 'needs test' that prevents a new apprenticeship program from being approved if a similar program already exists in the same geographic area."

The CAC is responsible for establishing the rules and regulations for minimum wages, maximum hours, and working conditions for apprenticeship agreements. The CAC is made up of six representatives from employer organizations and six representatives of employee organizations. The DAS within DIR administers the regulations and promotes the development of apprenticeship programs. DAS is also responsible for randomly auditing apprenticeship programs every five-year years to ensure that all on-the-job training is conducted by appropriate individuals, that required instruction is provided, that all work processes are included in the instruction, and that graduates have completed a program's requirements. DAS prioritizes the audits to examine those programs having deficiencies.

This bill would require that no two employee representatives on the CAC come from the same national or international labor organization, as defined.

This bill would remove the random auditing requirement and instead require the audit of a program when two or more meritorious complaints have been lodged against a program within five years, when a program has at least two graduating classes with a graduation rate of less than 50 percent, or within one year of approval of a new or expanding apprenticeship program in the building and constructions trades. Finally, new or expanding building and construction apprenticeship programs will be required to submit additional information to DAS prior to approval of their application.

Analyst/Principal (0240) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
--	------	--------------------------------------	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

BILL NUMBER

E. Corbett

Original

SB 56

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
7350/DIR	SO	No		-----	No/Minor Fiscal Impact	-----			3022
<u>Fund Code</u>	<u>Title</u>								
3022	Apprenticeship Training Contribution Fd								