



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

**Ad Hoc Committee to  
“Consider Federal Re-recognition of California Apprenticeship.”**

Chairperson Paul Von Berg  
Handlery Hotel San Diego

Wednesday, July 27, 2016  
1:30p.m. - 2:30p.m.

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I. Call To Order/ Roll Call

Chairperson Paul Von Berg opened the meeting opened at 1:30 P.M.

Members present: Pat McGinn, Susan Anderson, Carl Goff, Jim Hussey, Jack Buckhorn, Yvonne de la Pena, Paul Von Berg and DAS Chief Diane Ravnik  
A quorum was met.

Members absent: Frank Quintero,

II. Review/Approve Minutes – January 27, 2016

A motion and a second were made to approve the Minutes of January 27, 2016. All approved. The motion carried.

III. Committee Introductions

Paul Von Berg gave an overview of this committee and advised at the October 2015 California Apprenticeship Council meeting a motion and a second were made to establish an Ad Hoc committee to consider the re-affiliation/recognition of the State of California with the Federal DOL/OA and come back with a recommendation to the council.

This committee met January 27, 2016 and Acting Chairperson Jack Buckhorn asked for everyone to put some thought into the Pros and Cons of considering Federal Re-recognition of the California Apprenticeship system. The hope was to continue the discussion at the next meeting when a Federal representative would be available to answer questions. The primary focus will be how this could benefit California apprenticeship program sponsors and the California Apprenticeship system.

Since we are the largest Apprenticeship training model in the United States the re-affiliation/recognition of the State of California with the Federal DOL/OA would make a huge impact. It has been over 10 years since the state of California was recognized by the federal OA.

DAS Chief Diane Ravnik spoke and advised that we have representation from the Federal Office of Apprenticeship in the person of Rick Davis, National Office/California State Director and Patti Garcia, OA Regional Director and Daniel Villao, Deputy Administrator.

IV. Presentation from Daniel Villao, Deputy Administrator- DOL/OA

Mr. Villao thanked the CAC for providing the opportunity to have the discussion of the re-affiliation/recognition of the State of California with the Federal DOL/OA. Mr. Vial stated that they are excited with the milestones that California is reaching and the number of registered apprentices in the state of California.

He stated that the question that he was asked was “*Why should we do this?*” or “*Why is this of value to the state of California?*” He continued to state that President Obama has challenged DOL/OA with doubling the number of apprentices around the country and the Secretary of Labor has tasked his office directly with moving into new sectors and expanding the ability for employers who are not familiar with apprenticeship to enter into the apprenticeship system. So from DOL/OA perspective having employers have a viable single operational process that they can move through is critical for that growth and expansion and it is also critical for the reputation of apprenticeship. One of the things that the OA has discovered along the way is that this dual system approach existing with California impedes the ability of that single seamless dialogue. There are also other small incentives that are very important as well. The state and federal systems are duplicating efforts and are making multiple investments millions of dollars. Recently, the Secretary of Labor has announced additional investments in resources into the apprenticeship system for the diversification of apprentices. The OA will be issuing 3-5 RFP’s, about a \$9 million dollar investment for industry experts in inclusion and equity to support apprenticeship programs across the country to aggressively expand efforts in inclusion of woman, minorities and others into the apprenticeship system. Mr. Villao stated that DOL has invested recently \$60 million dollars in assuring that intermediaries are created for support of the overall apprenticeship system. This is in hopes that the sector intermediaries are equipped to work with sponsors, employers and programs themselves to support our apprenticeship system. He noted that the OA is aware that we don’t have enough staff to manage the kind of explosive growth that is happening here in California. So the OA is issuing RFP’s and other types of contracting tools, grants, etc. to help bolster that system to service that apprenticeship system. So in that regard, those investments are being duplicated here in California in terms of grants in California that are also being issued to support the system. The OA would like to make sure that we are not duplicating efforts and that we are aligning efforts in a much more meaningful way.

Mr. Villao advised that they are investing in training of their DOL/OA staff. Recently their national staff went through a sales and service training. OA is equipping them with much more valuable tools to help them engage with employers in a meaningful way. The apprenticeship system is moving towards a market capture strategy. This is important to California in the sense that California’s construction sector employers are really being impacted by new industry sectors that

apprenticeship is moving into. He stated that California's willingness and ability to participate in the federal system allows California to be a part of that decision making process to influence the dialog that is happening across the country as we enter into conversations with Fortune 500 employers who certainly have a footprint in California and will be impacting California's economy. Mr. Villao stated that the OA wants to make sure that California is a part of that dialog and that DOL/OA is considering our interest and concerns as they move into those conversations and finalize a lot of the programming decisions that are being made in that environment.

Mr. Villao stated that DOL/OA considers California a major partner in the terms of the number of the quantity and quality of apprenticeships.

Mr. Villao stated that DOL/OA that wants to make sure that they preserve the historical value of the labor management partnership in construction and investing in ways that strengthen that model as the "gold standard".

Mr. Villao stated that DOL/OA wants to get California to full re-recognition. He stated that they want to be very respectful to California's needs and that can't happen till we are all at the table in earnest.

The meeting was then opened to public comment. There was a lively discussion from the public regarding the pros and cons of being re-recognized. The "Needs Statue" was expressed as a concern and it was suggested that OA adopt the California's "need standard".

Tom Fredricks, an attorney from the Labor Commissioners office, spoke and advised that the Labor Commissioner's office in Californian enforces all the apprenticeship requirements on public works jobs. The system includes a very specific procedure of how the Labor Commissioner enforces this. DLSE issues a wage and civil penalty assessment whenever it does an investigation to determine that a contractor has failed to comply with any provisions of the California Apprenticeship Statue and provisions of the California Apprenticeship Council (CAC) regulations. California's statue specifically requires that the regulations of the California Apprenticeship Council which are compiled and enacted by the California Apprenticeship Council have to be followed when the contractor challenges the appropriateness of any civil wage and penalty assessment that DLSE issues against them. A question was posed, assuming that there is re-affiliation and recognition of the State of California with the Federal DOL/OA, If there is a federal project that has no state money in it would we be able to enforce the California apprenticeship requirements on that project? And if there is both the federal money and state money involved on the project what regulations would we follow?

Rick Davis, OA State Director for California advised that this is an on-going question that has been coming up ever since the de-recognition of the State of California with the Federal DOL/OA. He noted the majority of apprentices are currently registered with both agencies. When it comes to what specifically is enforced Mr. Davis stated his response is always the higher of the two regulations.

Mr. Villao stated that without his solicitor these are questions that he is unable to answer; and that with the dialog that OA want to have, it is important that we move from an exploratory environment that we are currently in, into an actual dialog were we are negotiating a solution where all of those issues can be put on the table and we can get clarity. At that time, a decision could be made to see is California would like to move forward.

Tom Fredricks stated that he would draft a letter that he could send to Mr. Villao which Mr. Villao could share with his solicitor with specific questions that we wanted clarity on.

Jack Davis, attorney asked if Re-recognition would require California to appeal the Needs Statue? “ Davis also asked” If Re-recognition would require California to disband the California Apprenticeship Council?”

Jack Davis also stated that having the discussion with DOL/Office of Apprenticeship (OA) would be beneficial but first we should have an agenda. He stated that the agenda should be something from the solicitor’s office that would identify each of the issues that they think needs to be addressed in order for re-recognition to happen. So there are no misunderstandings down the road.

Mr. Villao stated that it would be more beneficial if we jointly developed a list that would take a serious look at the issues that need to be addressed in that environment and that we also leave some flexibility for items that come up in that conversation. Mr. Villao stated that he was happy to go to the solicitor’s office so that they can establish some baseline agenda items.

Commissioner Goff stated that he was interested to hear from the Solicitors office, what is the benefit for California to be re-recognized, noting that currently California is the Gold-Standard of Apprenticeship.

Mr. Villao stated that he agreed and that is why the President and the Secretary of Labor want to talk about California as part of the family. The reality is that administratively California is doing it right. He continued to state that the federal government is making recurring investments in changing the perception of apprenticeship of what it is and what it means to employment sectors across the country. The OA is investing in earnest in healthcare, Information Technology and advanced manufacturing and other sectors that may not produce construction apprentices but is certainly going to impact the employers in California. So there will soon be a wave of new apprentices and employers. This is where California can choose not to deal with it and let the federal government take over these sectors or we can come together and have a meaningful conversation and dialog about how these sectors are dealt with. A real interest of the OA is how we can minimize the impact and be respectful of the historic registered apprenticeship model that the labor management partnership represents.

Chief Ravnik stated that Federal OA has an application form that probably lists some of the considerations.

Mr. Villao stated that he could provide that, and stated that they could partner in providing an agenda.

Robert Fried, attorney, pointed out that there has been a change in federal regulation that changes the structure of state apprenticeship council. He stated that there also have been other changes one of which is virtually all of the programs in California both signatory and non-signatory have all become federally registered. With this it proposes an interesting dynamic a program that is dually registered is already accepting a set of compliance requirements that come from the federal government. This is very complex in order to do this which he stated that he believes these issues are solvable but have been made complex by the adaptation of California programs to the dual- registration environment. He stated timelines could be set up to for programs to transition and for apprenticeship councils to remain the same or adjust over time. He stated that you wouldn't want to make sudden changes. He stated that these issues we are facing need to be addressed through awareness of the different issues and over time. Mr. Fried stated that it would be beneficial to re-align with OA during the current administration in Washington D.C.

Deputy Chief Glen Forman advised that this committee is charged with bringing back a recommendation to the California Apprenticeship Council and that there is no timeline. He stated that the AD-Hoc Committee can continue to meet with additional individuals and speakers regarding the re-affiliation/recognition of the State of California with the Federal DOL/OA.

- A motion was made and seconded to make a recommendation to move the dialog forward contingent on the Office of Apprenticeship (OA) creating a bulleted list of issues that would need to be addressed in order for re-recognition to happen from the federal prospective and also to offer some bullet points on how the state of Oregon and the state of Washington accomplished some of the measurement components that they have accomplished within the federal system. That Motion passed.

Chairperson Jim Hussy amended the motion to include that they address the “needs issue”.

Mr. Villao stated that he will provide the bulleted list and address the concerns that were expressed.

## V. Adjournment

The meeting adjourned at 2:40 p.m.