



**Training Proposal for:**

**Joint Apprenticeship Committee for Operating Engineers for  
the 46 Northern Counties in California**

**Agreement Number: ET16-0915**

**Panel Meeting of:** November 5, 2015

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**PROJECT PROFILE**

Contract Attributes:	Retrainee Apprenticeship Priority Rate	Industry Sector(s):	Construction  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Northern California	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Operating Engineers Local No. 3		
Turnover Rate:	≤20%		
Managers/Supervisors: (% of total trainees)	NA		

**FUNDING DETAIL:**

<b>Program Costs</b>	+	<b>Support Costs</b>	=	<b>Total ETP Funding</b>
\$886,650		\$61,560 8%		\$948,210

<b>In-Kind Contribution:</b>	<b>50% of Total ETP Funding Required</b>	<b>Inherent</b>
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**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority Rate Apprentice	Commercial Skills	224	8-200	0	\$2,002	\$21.95
				Weighted Avg: 144			
2	Retrainee Priority Rate Pre-Apprentice	Commercial Skills, OSHA 10	94	8-200	0	\$4,706	\$20.55
				Weighted Avg: 200			
3	Retrainee Priority Rate Journeyman	Commercial Skills, OSHA 10	31	8-200	0	\$1,882	\$33.85
				Weighted Avg: 80			

**Minimum Wage by County:** \$20.55 per hour Statewide (Priority Industry)  
**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.  
**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe  
 Up to \$0.43 per hour may be used to meet the Post-Retention Wage for Job Number 2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Journeyman Operating Engineer		31
Pre-Apprentice Operating Engineer		94
Apprentice: Construction Equipment Operator, Mobile/Vertical/Horizontal Drilling Machine Operator, Plant Operator, Grade Checker, Mobile Concrete Pump Operator, Dredge Operator, Heavy Duty Repairer, Construction Lubrication Technician and Crane Operator		224

## **INTRODUCTION**

Joint Apprenticeship Committee for Operating Engineers for the 46 Northern Counties in California (Operating Engineers JAC ) ([www.oe3.org](http://www.oe3.org)) is a joint labor management organization, founded in 1969 to provide high-quality and up-to-date training in cranes, blades, dozers, track loaders, backhoes, excavators and forklifts for apprentice, pre-apprentice and journey level operators.

Currently, the main training center, located in Sloughouse, consists of an eleven acre campus and serves 48 counties. An additional 80 acres are devoted to a training yard and maintenance area where hands-on training is conducted in a simulated lab environment. The Operating Engineers JAC currently represents over 693 apprentices in Northern California, the highest number of apprentices in the program in over 10 years.

### **Need for Training**

The Operating Engineers JAC has seen a growing need for Operating Engineers in the past two years. This need is due to several projects including the Oakland Bart extension, Oakland Kaiser Hospital, the widening of Hwy. 99, the Hwy. 108 by-pass and the Davis Water Plant. These projects are driving the Operating Engineers JAC to take on more pre-apprentices and indenture more apprentices in the years to come.

The Operating Engineers JAC is also losing approximately 800 journeymen a year to retirement. The JAC must recruit more apprentices to guarantee that they can provide well-qualified workers to their participating employers.

In order for the Operating Engineers JAC, to meet the needs of their participating employers, the JAC must hire more pre-apprentices. The recruited pre-apprentices must complete 200 hours of training before they can be indentured apprentices. As the pre-apprentices complete their 200 hour training program, they begin to take specialized courses that will allow them to choose a focused occupation within the Operating Engineers JAC.

The 200 hour training program is costly due to the nature of the equipment that is involved. In January of 2015, the Operating Engineers JAC purchased a new Backhoe, Compactor, Dozer and two Excavators. This equipment is necessary to providing trainees with a well-rounded curriculum that prepares them for the job site.

### **Apprenticeship Program**

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by the Division of Apprenticeship Standards (DAS). The Panel adopted the Apprenticeship Training Program as a pilot in March 2012. It is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training.

Apprenticeships are a multi-year training program that results in DAS certification to work as a Journeyman. They are authorized in California under the Shelly-Maloney Apprenticeship Labor Standards Act of 1939. Apprentices commit to training under contract with an apprenticeship program sponsor. They advance through a series of apprenticeship levels as they complete modules of RSI and on-the-job training. Wages are paid for hours worked on the job, in progression with a series of advancements up to the Journeyman level.

Apprentice programs are typically sponsored by a Joint Apprenticeship Training Committee (JATC) or Unilateral Apprenticeship Committee (UAC). A JATC is created through collective bargaining, with an equal number of members appointed by union and management, as compared to a UAC which is created through a trade association. Both types require employer contributions to a training trust fund.

Depending on the type of trade, apprenticeship programs vary in length, typically from 2-6 years. Construction Gradechecker, Construction Lubrication Technician, Dredge operator, Mobile Vertical and/or Horizontal Drilling Machine Operator, and Mobile Concrete Pumps Operator apprenticeship programs are 27 months in length, Plant operator 39 months, Construction Equipment Operator, 39 months, and Heavy Duty Repairer apprenticeship program is 51 months in length. They also vary in size, ranging from less than 10 to several hundred apprentices at any given point in time. Several types of trainees are eligible under the Apprenticeship Program: Apprentices (second-year), Journeymen and Pre-Apprentices. First-year Apprentices are not eligible due to the higher drop-out rates associated with this entry-level.

ETP funding flows through a Multiple Employer Contract (MEC), in this proposal held by Operating Engineers JAC. The employers are not "participants" but are members of a trade association.

RSI is traditionally delivered as class/lab, and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agency; in this proposal the LEA is The San Joaquin Office of Education. The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA10, per-apprentice.

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

Because ETP funding cannot displace another source of government funds, the fixed fee rate is reduced by \$5.00 to account for adult education funding appropriated each year for Apprentice training through the California Community College Chancellor's Office and Department of Education. This changes the ETP Priority Industry Rate from \$18.00 to \$13.00 per hour for all Apprentice Job Numbers.

In addition, the Panel adopted a "blended rate" for Journeymen, reflecting the fact that they may be employed by a variety of contractors over the two-year term of contract ranging from large employers, to small ( $\leq 100$  employees). This is \$22 per hour, midway between the Priority Industry standard rate (\$18) and Small Business rate (\$26). [Note: This "blended rate" has been extended to Pre-Apprentices, for ease of administration.]

Under the Apprenticeship Training Program, the post-retention wage has been standardized to \$20.55 per hour reflecting the Special Employment Training (SET) wage for Priority Industry. This wage was chosen for ease of administration, recognizing that most Apprentices and all Journeymen exceed the highest ETP wage requirements. However, the actual wage is displayed in the Training Plan Table and contract, if it exceeds \$20.55. Typically, Pre-Apprentices are not yet on payroll; they must satisfy wage and retention requirements after being accepted into the apprenticeship program.

## **PROJECT DETAILS**

The proposed training is entirely center-based. A new cohort of Apprentice trainees are scheduled to begin in November 2015. The curriculum was developed by the Operating Engineers industry with national and local input. Separate curriculums have been developed for Pre-Apprentices, Apprentices and Journeymen trainees. Some of the course topics in the curriculum have been duplicated but trainees will never receive the same training twice. Apprentice and Journeymen trainees will receive training that builds upon the training they received as Pre-Apprentices and Apprentices. Union and management were consulted through joint committees at all levels.

### **Training Plan**

**Commercial Skills (95%):** Training will educate Apprentices, Pre-Apprentices and Journeymen trainees on heavy equipment standards and efficiencies. Course topics will include Operating and Set-up of Heavy Equipment, Management and Monitoring of Heavy Equipment, Forklift Operation and Understanding Changes to Industry Standards.

**OSHA 10 (5%):** Pre-Apprentices and Journeymen trainees will receive OSHA 10 training in a series of courses “bundled” by industry sector and occupation. Typically, it is delivered to workers in the building trades. It consists of 10 hours of training for journey-level.

This training is not required as a condition of doing business in California. However, the coursework must be approved by, and the instructors must be certified by Cal-OSHA. When OSHA is delivered via Computer-Based Training, training hours must be delivered in a classroom over a finite amount of time, and the vendor must have a certified instructor present to confirm attendance.

### **DAS Completion Rates**

According to the DAS, the completion rates for Operating Engineers JAC, in the five-year period from 2009-2013, was 52.62%. The overall industry average is 52.82%. According to the Operating Engineers JAC, the gap of .20% is due to the economic downturn from 2008 - 2011. Apprentices who started during this period were not able to complete the on-the-job component of their apprenticeship training, on schedule. Some trainees dropped out while others took an extra year to complete their hours and graduate to journeyman status.

The Operating Engineers JAC takes responsibility for placing Apprentices with employers, and ensuring they work sufficient hours to move forward in their apprenticeship.

### **Curriculum Development**

Employers submit program-training needs to the training center, which also receives additional union input at labor/management and industry meetings. Curriculum development is further customized for local area employers. Employer members of the JAC are also involved in Journeyman and Apprentice training plan design. Apprentice training will include RSI under the curriculum approved by DAS, along with ancillary training in demand by signatory employers. All training will be conducted at the Operating Engineers JAC. The trainers are former or current journey level members of the trade and experts in the subject matter.

## **Commitment to Training**

Employers will continue to make contributions to the training trust for every hour worked by apprentice and Journeymen. Safety training is, and will continue to be, provided by the participating employers in accordance with all pertinent requirements under state and federal law.

## **Impact/Outcome**

Apprentices will be certified as journeymen workers once they have completed the entire apprentice curriculum.

Journeymen and Pre-Apprentice trainees will receive certifications in Forklift, Hazardous Materials, and Rigger & Signal. They will also receive an OSHA 10 card for completing the OSHA course.

## **Marketing and Support Costs**

Marketing is done through its website, direct mailings, brochures/flyers, personal contacts, telephone calls, public service announcements and e-mail announcements. Operating Engineers JAC also promote this training program at labor-management meetings and industry assemblies.

Operating Engineers JAC requests 8% support costs to fund its staff in recruiting and qualifying additional participating employers for this program. While many participating employers have already been recruited, additional recruitment and assessment activities with employers and the Operating Engineers JAC must occur to support apprenticeship training. Staff recommends 8% support costs.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **PRIOR PROJECTS**

The following table summarizes performance by Operating Engineers JAC under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0920	Sacramento	01/01/2013- 12/31/14	\$716,531	\$716,531 (100%)

## **DEVELOPMENT SERVICES**

N/A

## **ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

**Apprentice Training**

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Backhoe
- Blade
- Dozer
- Excavator
- Grade Setting
- Global Positioning System (GPS)
- Loader
- Scraper
- Support Equipment
- Paving
- Compactor
- GPS for Grade Setting
- Forklift
- Rigging
- Signalman
- Electrical
- Hydraulic
- Engines
- Power
- Welding
- Lube Technician
- Air Conditioning (A/C)
- Advanced Electronics
- Air Brakes
- Forklift
- Rigging
- Signalman
- Rigging
- Signalman
- Load Charts
- Cleaning & Lubrication
- Boom Sections
- Crane Operations
- Forklift

### **Journeyman Training**

Trainees may receive any of the following:

#### **COMMERCIAL SKILLS**

- Operating and Set-Up of Heavy Equipment
- GPS for Grade setting
- Heavy Duty Repair
- Introduction to Cranes
- Load Charts
- Crane Operations
- Forklift Operation
- Hazardous Materials Training
- Management and Monitoring of Heavy Equipment
- Understanding Changes to Industry Standards
- Forklift Operation
- Commercial Driver's License
- Job Site Safety
- Rigging
- Signalman

#### **OSHA 10 (OSHA CERTIFIED INSTRUCTOR)**

- OSHA 10 (requires completion of 10 hours)

### **Pre-Apprentice Training**

Trainees may receive any of the following:

#### **COMMERCIAL SKILLS**

- Introduction to Grade Setting/Checking
- Underground Support Equipment
- Forklift
- Grading Support Equipment
- Introduction to Drilling
- Introduction to Earth Moving Equipment
- Introduction to Excavating Equipment
- Introduction to Paving
- Flagging
- Construction Site Traffic Control
- Construction Safety
- Job Site Orientation
- Rigging
- Signalman
- Introduction to Heavy Equipment Repair
- Field Service and Lube
- Introduction to Electrical-Hydraulics
- Introduction to Engines
- Introduction to Welding

- Commercial Driver's License
- Flagging
- Construction Safety
- Job Site Orientation
- Rigging
- Signalman
- Introduction to Crane Operations
- Rigging
- Signalman
- Forklift Operation
- Crane Assembly
- Load Charts
- Commercial Driver's License
- Flagging
- Construction Safety
- Job Site Orientation

**OSHA 10 (OSHA Certified Instructor)**

- OSHA 10 (requires completion of 10 hours)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.