Board of Barbering and Cosmetology Report on the Status of the Apprentice Program DRAFT REPORT

The Board of Barbering and Cosmetology (Board) offers an apprentice program as a pathway to licensure. This program allows an individual to receive on-the-job training while also receiving classroom training. There are several components to the apprentice program as well as several entities that provide oversight.

Throughout the past several years, the Board has seen significant issues develop within the apprentice program, these are:

- Tuition and Fees
- Low Passage Rates (Especially Spanish Pass Rates)
- Training Facilities/Academies
- On the Job Training Concerns
- Funding
- Wages and Workers Compensation
- Overall Success of the Program
- Board Dedicated Resources

Apprenticeships and Oversight

This report is intended to address the issues noted above, however, it is important to understand the background of apprenticeships and the oversight of the programs.

What are Apprentice Programs?

An Apprenticeship Program is a work-based learning model that combines paid on-the-job training with classroom instruction to prepare for skilled careers. Apprenticeships are a partnership between industry, education, and government.

Who has Oversight?

The Apprentice Program has multiple agencies that play a role in the oversight of the program:

- The Board of Barbering and Cosmetology
- The Division of Apprenticeship Standards (DAS)
- Local Education Authorities (LEA)

The Board:

The Board issues an approval to a Program Sponsor to offer an Apprenticeship Program. The Apprenticeship Program must first be approved by DAS before the Board will approve it. Program Sponsors must follow the Shelley-Maloney Apprentice Labor Standards Act of 1939 which is part of the CA Labor Code. For the Board to approve a Program Sponsor and program, the following must be provided:

- A completed application
- Proof of DAS approval
- A detailed outline of the training program
- A copy of the apprenticeship agreement

No fee or renewal is required for the Program Sponsor application process.

The Board also issues a license to an apprentice. A person who enters into an agreement with an approved Program Sponsor first completes a pre-apprentice training course for basic patron protection. The apprentice then finds an establishment and a trainer that are willing to take them on as an employee and an apprentice and provides that information to the sponsor. The Program Sponsor then submits all the paperwork for the apprentice to obtain the license from the Board. The apprentice license is issued for two-years. The total requirement for an apprentice to complete a program is 3,200 hours of on-the-job training over that two-year period. The apprentice works an average of 32-40 hours a week while attending classes ranging from 216-220 classroom hours, referred to as related training hours or related supplemental instruction (RSI).

Once the program is complete the apprentice can apply for the examination to become fully licensed.

During the two-year term, many changes may occur. The apprentice can change employers or trainers' multiple times during the two-year program. Each of these processes, requires a form to be submitted to the Board and a new license must be issued. The Board has no authority to charge for any of these tasks. The only fee the Board receives for all apprentice activities is the \$25.00 processing fee for the initial apprentice license.

The Division of Apprenticeship Standards:

The Division on Apprenticeship Standards (DAS) is a division within the Department of Industrial Relations. The DAS creates opportunities for Californians to obtain skills leading to gainful employment and provides employers with a highly skilled and experienced workforce while strengthening California's economy.

The DAS carries out this mission by administering California apprenticeship law and enforcing apprenticeship standards regarding wages, hours, working conditions, and the specific skills required for state certification as a journeyperson in an occupation that is appropriate for apprenticeship.

The DAS approves Program Sponsors and their programs, as well as registers apprentices.

The Local Education Authority:

A Local Education Authority (LEA) is a local entity involved in education, including but not limited to school districts, county offices of education, district funded charter schools, etc. Program Sponsors must have an LEA that they are working with and the LEA provides some oversight of the RSI hours and the facilities where the RSI is offered.

Federal Apprenticeship Programs:

The U.S. Department of Labor also approves apprenticeship programs. This would allow a program to operate in other states. In California though, a sponsor must be approved by both the Board and the DAS in order to allow an apprentice to qualify for the examination.

Review of Issues

#1 Tuition and Fees

An apprenticeship program allows an individual to earn while they learn. It is an alternative to traditional school. However, the Board staff have found that apprentice programs are charging the apprentices tuition fees. Labor Code section 3091 provides, "[a]cceptance of an application for entrance into an apprenticeship training program shall not be predicated on the payment of any fee. Reasonable costs for expense incurred may be charged after an applicant has been accepted into the program." Nonetheless, some approved programs appear to charge fees in excess of that permitted under the Labor Code, including:

- Enrollment Fee
- Registration Fee
- Attendance Records
- On the Job Training (OJT) Logs
- Tuition Fee
- Late Fees and Payment Plans with Interest on Tuition
- Penalty Fees Apprentice being out of uniform
- Administrative Fees and Fines Records requests and printing costs per page

Some programs are withholding completion forms for apprentices who owe money on their tuition and/or fees.

In 2022, Board staff found the fees that are charged to apprentices in various programs can range from between \$5,500 to \$20,508. These fees include tuition, books, and various other fees.

In July 2022, the Board, DAS, and the Bureau for Private Postsecondary Education (BPPE) authored a joint letter to all apprentices. The DAS portion of the letter stated:

At any establishment where an apprentice is employed, the apprentice is an employee who must be covered by workers' compensation insurance (Lab. Code, §§ 3351, 3700) and paid at least the applicable wage package stated in the approved apprenticeship program standards. (Cal. Code of Regs, tit. 8, § 208.) Apprentices are being trained under a learn-and-earn model and their participation should not entail significant costs, because any costs incurred by an apprentice for their training must be "reasonable." (Lab. Code, § 3091.) Training programs for which participants must pay unreasonable sums are not apprenticeships as defined in the law.

Unfortunately, there is no clear limit on what an apprenticeship program can charge and the legal standard permitting "Reasonable costs" is difficult to enforce.

#2 Low Passage Rates (Especially Spanish Test Takers)

The apprentice program has struggled for years in educating individuals to meet the minimum standards of licensure. This is evident in the passage rates for each program. In a review of pass rates from 2019 to 2024, the following average pass rates were found:

License Type	Pass	Fail	Total	Pass %
Barber	947	1,630	2,577	37%
Cosmetology	1,346	2,185	3,531	32%

The apprentice program is often utilized by Spanish-speaking individuals. Based on the examination results from 2019 through 2024, 40% of apprentice cosmetology test takers are Spanish speaking, while 17% of apprentice barber test takers are Spanish speaking.

APPRENTICE SPANISH EXAMINATIONS 2024

License Type	Pass	Fail	Total	Pass %	
Barber	24	59	83	29%	
Cosmetology	63	229	292	22%	

License TypePassFailTotalPass %Barber29237266444%Cosmetology19933453337%

APPRENTICE NON-SPANISH EXAMINATIONS 2024

There are many factors that could be attributed to the low passage rates. One significant difference between the apprentice program and traditional schools is the theory education or the classroom education. Apprenticeship programs are required to conduct related training in the classroom and the requirement is 216 hours for barber and 220 hours for cosmetology.

The theory portion of any educational program is critical to the success of an applicant. This is where the apprentice will learn the "why" of a topic as opposed to just the "how". As the Board's main goal is consumer protection, there is a strong need for the theory education. The Board is concerned with how safe a licensee can perform a service and not necessarily how good the service is. For example, a client may want their hair a specific shade of blonde and the licensee was not able to fulfil this request but in providing the service, professional standards were followed, and no harm was caused.

In addition to the minimal time in the classroom and the minimal time learning the technical aspect of the profession, the following are also possible contributors to low pass rates:

- Lack of oversight of the related training and no instructor requirements
- No requirement for Spanish speaking students to be provided education in Spanish
- No requirement for Spanish speaking students to have the Spanish approved textbooks
- Sponsors are franchising out their approval (See Issue #3)

 Unknown if there are any pre-admittance requirements for an apprentice that is verified by a Sponsor (i.e. 10th Grade Education)

#3 Training Facilities/Academies

One of the most significant issues in the apprentice program is the increase of "training facilities". These are locations that have been approved by the program's LEA to provide the required related training (classroom theory education). Over the past several years, there have been more and more training facilities that are now operating as approved apprentice programs. These facilities claim to be a "franchise" or an "affiliate" of an approved Program Sponsor. The facilities are advertising, enrolling, contracting and charging potential apprentices under their own business name and not under the approved Program Sponsor. In fact, most apprentices that have contracted with these training facilities have no idea who the approved Program Sponsor is. These training facilities are operating as Approved Sponsors, and many are targeting Spanish-speaking individuals.

Most of these training facilities are licensed establishments. Therefore, when the Board does an inspection there are licensed apprentices working with trainers and there are no violations. If the BPPE does an inspection to determine if it is an unlicensed school, the facility states they are affiliated with an approved Program Sponsor and are not a school.

On August 7, 2024, a letter was sent to all of the identified training facilities to advise them that they cannot operate as an approved apprentice Program Sponsor unless approved by the Board and the DAS. It is acceptable for these facilities to provide the related training, however they have no authority to advertise, enroll via a contract or charge a fee to a potential apprentice. The Board mailed 29 letters and did not receive any responses. The Board also sent a letter to all approved Program Sponsors advising them there is no authority that allows them to franchise out their approval.

In 2024, the Board documented 76 "training facilities" listed as an RSI locations for approved programs. Approximately 40% of these training facilities are enrolling their own apprentices, under their own business names and collecting monies paid by the apprentice.

#4 On the Job Training Concerns

An integral part of being an apprentice is to earn while you learn. An apprentice is a full-time employee who should be regularly supervised. An apprentice program for many other industries is established to hire an individual as an apprentice and then ultimately hire them once their apprenticeship is completed. In the barbering and cosmetology industry, one of the main forms of workforce is booth rental which means that often these employers are bringing on an apprentice knowing that they will only have them for a short amount of time.

Board staff is finding that, often, the apprentice is not receiving training on the job at all and is being utilized as a full-time licensed employee. The staff regularly finds:

- Apprentices left alone in establishments providing services
- No required on-the-job training logs are available

- Required on-the-job training logs are being pre-filled out
- On-the-job training logs are being completed at the end of the program as opposed to throughout.
- No supervision or training is being provided.

In addition, the only requirement for a trainer is that they hold a valid license and that they have no outstanding fines or formal discipline. The trainer often does not understand that they are agreeing to provide training and simply sign off to bring the apprentice on board.

<u>#5 Funding</u>

There are various opportunities for funding for apprenticeship programs. These range from federal funds and state funds that are intended to off-set the cost of administering the program. Additional research is being conducted by Board staff to fully understand and document the various types of funding. This information will be provided at a later date.

#6 Wages and Workers Compensation

All apprentice employers are required to provide an hourly wage to the apprentice and the establishments are required to maintain workers compensation insurance. During several interviews with licensed apprentices, the Board learned that apprentices are:

- Paid under the table
- Paid only based on the services provided
- Establishments do not have workers compensation insurance

The Board's statutes and regulations have no requirements for an establishment to provide proof of insurance or proof that an apprentice is an employee receiving a hourly wage.

#7 Overall Success of the Program

The issues addressed in this report raise the concern regarding the overall success of the program. In a review of the data, it was found that very few individuals that receive an apprentice license ever apply for the examination.

From 2018 to 2021, 47% of individuals that received a barber apprentice license, never applied for the examination.

BARBERS	2018	2019	2020	2021
Apprentice Licenses Issued	882	804	764	1224
# That Applied for Exam	432	377	436	689
# That Never Applied for Exam	450 (51%)	427 (53%)	328 (43%)	535 (44%)

From 2018 to 2021, 42% of individuals that received a cosmetology apprentice license, never applied for the examination.

COSMOTOLOGY	2018	2019	2020	2021
Apprentice Licenses Issued	725	771	533	788
# That Applied for Exam	394	402	350	499
# That Never Applied for Exam	331 (46%)	369 (48%)	183 (34%)	289 (37%)

<u>#8 Board Dedicated Resources</u>

The Board must dedicate a significant number of staff to address the apprentice program. The Board currently has 51 complaint cases under investigation. There is one full-time Special Investigator that handles these investigations. The Board has 2 full time staff dedicated to the licensing functions of the program. In addition, one manager, the Deputy Executive Officer and the Executive Officer are dedicating 50%-90% of their time to dealing with apprentice program issues.

Conclusion

Apprenticeship programs have been operating for many years in various industries. It can be a valuable tool for an individual to earn while they learn to ultimately achieve lasting employment. The Board may wish to discuss the future of the apprenticeship program and if there should be a recommendation in the upcoming Sunset Report to address these issues. There may be a legislative change that could strengthen the program. Those changes may be (but not limited to):

- Statutory language limiting what a program can charge.
- Funding for the Board staff dedicated to this program.
- Pass rate minimum requirement.

The Board does have some authority to develop stronger regulations for the program, however, resources must be considered. Board staff are currently re-directed from other mission critical programs to handle the issues and investigations that are generated from the apprentice program.