



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**
Sacramento City Hall
California Environmental Protection Agency
1001 I Street, Sierra Hearing Room
Sacramento, CA 95814
March 24, 2017

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Will Koch
Ex-Officio Member

Gretchen Newsom
Member

Edward Rendon
Member

Jeff Robinette
Member

Sam Rodriguez
Member

Executive Staff

Stewart Knox
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Chairman Broad called the meeting to order at 9:33 a.m.

II. ROLL CALL

Present

Barry Broad
Gloria Bell
Will Koch
Janice Roberts
Jeff Robinette
Sam Rodriguez

Absent

Gretchen Newsom
Edward Rendon

Executive Staff Present

Stewart Knox, Executive Director
Maureen Reilly, General Counsel

Mr. Broad introduced Jeff Robinette, Panel member.

Mr. Robinette said, I come from the Laborers International Union of North America. I am excited to be here. I would like to thank Governor Brown, David Lanier, and the rest of the Go-Biz staff for giving me this opportunity. I also would like to thank my bosses and my family for giving me the time to be here.

Mr. Broad said, welcome aboard. Mr. Robinette will replace Panel member Sonia Fernandez. She was a great member of this Panel, and we thank her for her service.

III. AGENDA

Chairman Broad asked for a motion to approve the Agenda.

Mr. Knox said, we are going to move up Tab# 23, Sacramento Employment and Training Agency. Mayor Darrell Steinberg has a prior engagement, so we will present their proposal right after my presentation.

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Agenda.

Motion carried, 6 - 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded the motion that the Panel approve the Minutes from the February 23, 2017 meeting.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, said, welcome and good morning Panel members, applicants, and stakeholders. Following the Panel meeting in February, we have a smaller Panel meeting today with approximately \$9.7M in projects with another \$585,000 in Delegation Order for a total of just over \$10.3M.

We recently had a rotation and change of managers. Mark Mazzone will represent the Sacramento Regional Office (SRO), and Willie Atkinson will have oversight of the Applications and Assessment Unit (AAU).

Today we have a mix of Single Employer and Multiple Employer Projects. Gregg Griffin, North Hollywood Regional Office Manager, Anna Nastari, Foster City Regional Office Manager, and Mark Mazzone, Sacramento Regional Office Manager, are here today to present the Proposals.

Regarding the Budget for Alternative Fuels and Vehicle Technology Program, \$2M was approved through an Interagency Agreement in partnership with the California Energy Commission. We have approved two proposals, and we have two projects that will be coming to the Panel, which will take up most of those funds.

In regards to Core Funds for FY 2016/17, today the Panel will consider \$9.7M in projects with an additional \$585,000 approved by Delegation Order. Should the Panel approve all the projects today, ETP will have approximately \$4M for the remainder of the Fiscal Year (FY) 2016/17.

Under Delegation Order, all project proposals are capped at \$100,000 to be approved by the Executive Director on a continuous flow basis, and as of today, 12 projects were approved totaling over \$585,000.

For FY 2016/17 program funding to date, we have approximately 549 projects submitted, with a value of just over \$100M. If all the projects are approved today, the Panel will have approved 396 projects with a value of under \$90M in proposals. We will not have a Panel meeting in April, and as we move to the May meeting, we will have about \$4M remaining for the year.

For the Funding Preview 2017/18, the funds are about the same as the previous year. However, it may increase to a little over \$94M going into the next FY. I will bring more details regarding the approval of caps and budget at our May meeting.

Regarding applications for contracts that are remaining in the Regional Offices: Single Employer Contract requests are at \$28M; \$2M in allocation. Multiple Employer Contract (MEC) requests are at \$7M; \$4.5M in allocations. Small Business has \$3M in demand; \$2.8M in allocations. Critical Proposals are at \$470,000 in demand; \$6.4M in allocations. Apprenticeships are at \$2.4M in demand; \$1M in allocations. Overall demand is approximately \$40M. We still have a high demand rate, which is good news.

The number of projects remaining in the Regional Offices: Single Employers 86, MECs 14, Small Business 59, Critical Proposals 0, and Apprenticeships 7; total of 166. AAU by category: Single Employers 31, MECs 6, Small Business 13, Critical Proposals 0, and Apprenticeships 1; total of 51. Eighty-five percent of the projects have already been to the Regional Offices.

Regarding the legislative update, we have provided some copies for the Panel members. It has been a hot year for workforce topics; I would be happy to answer any questions.

Funding Preview 2017/18

Mr. Knox said, we look strong going into the next Fiscal Year (FY). The employers in the state of California are doing well, and this brings in more tax for the Employment Training Panel, which is good news for us.

In terms of funding allocation, I will not make any recommendation today. However, I want to present a few ideas at the next meeting regarding the items below as we move forward.

Health Benefits – Standard Cap

We discussed this briefly last month, and we looked at the \$2.50 an hour option. The other option is to table this, or apply it to employers who only pay more than \$2.50 an hour, or other incentives for those who go above and beyond the minimum.

Priority Setting

At the last Panel meeting, we talked about looking at the dollar allocations that are remaining, and present the non-priority projects before the Panel in December. I will present some more information regarding this issue at the next meeting, with public input, of course.

Substantial Contribution

California is a much larger state compared to others, and we are looking at some options on how to apply substantial contribution in the future. Our funds are so much larger, so the capacity to get that dollar amount is critical for us. We are looking at nine others states that have a funding program that is similar to ETP, and Massachusetts is the closest to us in terms of funding; \$18 to \$20M.

High Unemployment Area

The Panel has the authority to define the wages by region. There are different data points and tables to determine the wages, and that is partially built into the new Employment Training Management System (ETMS), which is very complex. The Panel has the authority to redefine the regions, so we could look at that.

The other piece that I would like to look at is the way we set the cap on the wages. We look at a floor for wages, versus based on the ZIP code, and the varying degrees that we currently have. Those are just some of the ideas I would like to bring back to the Panel at the next meeting. It should be a short meeting, since we have a little less than \$4M remaining, and if the Panel agrees to that, we would like to bring back some options, and bring it to the public for comment.

Mr. Broad said, we should probably schedule some time for us to have an extended discussion on these issues in May. We will issue a notification to the public in advance to allow the public to make comments, and have a workshop type of approach. Mr. Knox said, OK.

Mr. Broad said, I would like the staff to think about a strategy on how to allocate funds when the economy hits a recession. The economy is humming along right now, but eventually, the business cycle will slow down. We should have a prudent reserve so that we can maintain a level of higher funding, because when our funding suddenly drops, that creates a friction in our system. I do not know if that is doable, but it would be helpful so that we are not dropping off a cliff. We do not have to discuss it in May, but we will need to talk about it.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #7.

Butte-Glenn Community College.....	\$180,936
Califia Farms, LLC.....	\$230,220
Heritage Interests, LLC.....	\$186,780
Mariani Packing Company, Inc.....	\$203,128
New Technology Training Institute.....	\$56,712
Orange Coast Title Company.....	\$246,750
Wei-Chuan U.S.A., Inc.....	\$162,000

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of Consent Calendar Items #1 through #7.

Motion carried, 6 – 0.

VII. REQUEST MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

Mr. Knox asked for a motion for the Panel to delegate authority to the Executive Director to approve Proposals and other action items on the Agenda in consultation with the Panel Chair or Vice Chair.

ACTION: Ms. Roberts moved and Ms. Bell seconded the approval to delegate authority to the Executive Director in event of loss of quorum.

Motion carried, 6 – 0.

VIII. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel, had nothing to report.

IX. REVIEW AND ACTION ON PROPOSALS

Multiple Employer Proposal

(Presented out-of-order)

Sacramento Employment Training and Agency

Willie Atkinson, Applications and Assessment Unit Manager, presented a Proposal for Sacramento Employment Training and Agency in the amount of \$928,000.

This is the first proposal to come forward under the new Career Workforce Education (CWE) pilot program. The Panel approved guidelines for CWE at its meeting on December 16, 2016.

CWE is designed to complement an education/workforce initiative sponsored by the City of Sacramento under Mayor Darrell Steinberg, in cooperation with the Sacramento Employment and Training Agency (SETA). Under this initiative, SETA will work with the Sacramento City Unified School District and affiliated districts in the greater Sacramento area. ETP-funded training will assist high school students in a population that tends to have delayed entry into the job market.

Mr. Atkinson introduced Mayor Darrell Steinberg.

Mayor Steinberg said, it's good to be back. The proposal that we have before the Panel today is going to prove transformational. What we are doing here is going to spread to other cities and counties throughout California. In order to demonstrate to you that we are serious about this, we would have to put our own skin in the game, and make this transformation a reality.

The city Council approved \$950,000 to go into this project. In addition, we have reached out to various school districts in Sacramento, and I am confident that if we do not get the full \$950,000 in partnership from the school district, we will come close. We are currently working with a number of school districts in our city, and Natomas School District has already

allocated \$150,000. Our next goal is to work with the Metropolitan Chamber of Commerce and other business organizations.

Essentially, with this grant, we hope to place thousands of students in broadband technology. Our goal is audacious, and we are going to do our best to employ a thousand high school students in the summer, and prepare them for college and career. Most of them are juniors going into their senior year, and our plan is to provide at least eight weeks of paid training for workforce, and life skill training which is consistent with the principles of the Employment Training Panel.

We intend to target the students from Luther Burbank High School, Hiram Johnson High School, Health Profession High School, Sacramento High School, and American Legion. Those schools have many young people from different backgrounds, and they have never been exposed to anything like this; this is going to be transformational.

Our job now is to recruit employers who are willing to commit to the program. It won't be easy, but we are going to do it in a way that will set a standard, and we will launch something that will change the city. I want to grow this high wage job force in Sacramento, and it is going to be great. We will have our stumbles along the way, but I am excited about this, and I thank you for helping us launch this program.

Mr. Broad said, thank you, Mayor Steinberg. I am excited about this program, and I am hopeful that it will succeed. Oftentimes, a kid in high school won't see the relevancy of what they are learning, that is why they drop out of school.

There are multiple barriers as people enter the workforce, and the idea is to expose these kids to something that they love, and if they want to turn that into a career, they will need to stay in school. I have been around the labor movement for 35 years, and there is a perfect person for every job. For every job, there is that one person that will love that job, no matter what job it is. That is the core of this, and that is why I am excited about this program.

Ms. Roberts said, I understand the passion that you have around this project. I will approve this proposal, because it is doable. However, in looking at the Panel packet, and I want to be on the record, from a consistency standpoint, we need to look at the previous projects from the past with high-risk youth; they were not very successful. You are going to have to get businesses involved, and get them to hire and train these youth. We will have to coach them, and teach them social skills. Mayor Steinberg said, this summer is going to be devoted to life skill and job training to prepare young people for real jobs. Ms. Roberts said, I am happy to assist if you need any help.

Mr. Rodriguez said, Mayor Steinberg, we had a similar program in Mission High School, a predominantly Latino immigrant school in San Francisco, and that was a creation of what you are doing here, which is cluster learning. If your staff need to talk to anyone in the San Francisco area, I would be happy to make the arrangements. We stand here to help. Mayor Steinberg said, thank you.

Ms. Bell said, thank you for your time. I am a recipient of a summer youth program. If it wasn't for a program like this, I would not be here today. If I could do anything to help, please let me know.

Mayor Steinberg said, I would like to invite Mr. Knox and all the Panel members to come to the city Council meeting on Tuesday night, so that we can publicly thank you. Mr. Broad said, thank you for the invitation; we would be happy to come.

ACTION: Mr. Rodriguez moved and Ms. Bell seconded approval of the proposal for Sacramento Employment and Training Agency in the amount of \$928,000.

Motion carried, 6 – 0.

Single Employer Proposals

American Medical Response of Southern California

Gregg Griffin, North Hollywood Regional Office Manager, presented a Proposal for American Medical Response of Southern California (AMR SoCal) in the amount of \$745,800. AMR SoCal is headquartered in Riverside. AMR SoCal will be the lead employer with affiliate American Medical Response West (AMR West). Both AMR SoCal and AMR West are eligible for funding under Special Employment Training (SET) for frontline workers.

Mr. Griffin introduced Shannon Marshall, Director of Clinical Services.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for American Medical Response of Southern California in the amount of \$745,800.

Motion carried, 6 – 0.

Balfour Beatty Construction, LLC

Mr. Griffin presented a Proposal for Balfour Beatty Construction, LLC (Balfour) in the amount of \$302,296. Balfour is a professional construction management company that provides a full range of construction management, general contracting, design build, integrated delivery, and pre- construction services. Balfour's customers include private developers and public entities such as K-12 school districts, community colleges and universities

Mr. Griffin introduced Brian Cahill, President, and Kyle Frandsen, Sustainability Project Manager.

Mr. Koch said, with the new format, I don't see any support letters from the union. Will that be included in the Panel packet for future proposals that will come before the Panel? Mr. Knox said, they would be included in the future. Mr. Broad said, the support letters should be there by the time the proposal is approved.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded the approval of the proposal for Balfour Beatty construction, LLC in the amount of \$302,296.

Motion carried, 6 – 0.

Glanbia Nutritionals (NA), Inc.

Mr. Griffin presented a Proposal for Glanbia Nutritionals (NA), Inc. (Glanbia) in the amount of \$261,700. Glanbia, located in Carlsbad and founded in 2006, is a wholly owned subsidiary of Glanbia plc, a global performance nutrition and ingredients group with a worldwide presence. Glanbia will act as the lead employer with an affiliate, Aseptic Solutions USA Ventures, LLC (Aseptic Solutions), located in Corona. This will be the first ETP Agreement for the Company.

Mr. Griffin introduced Carl Garcia, Senior Site Director

Ms. Roberts said, in the Panel packet, it shows that they have 121 employees in California, but they are training 325 trainees; there is a discrepancy. Mr. Griffin said, it's a typographical error. The retrainee component is 325.

Mr. Griffin asked, Mr. Garcia, what is your total employee count in the state of California? Mr. Garcia said, 450 people.

Ms. Bell asked, could you explain a little bit more about your hiring process for temporary to permanent workers? Mr. Garcia said, we utilize the temp-to-hire process when we bring them on board. We bring them on site to gauge their work efficiency, and see how they mesh with the company and core values.

Ms. Bell asked, is there an evaluation process during that six-month period? Mr. Garcia said, absolutely. Ms. Bell said, thank you.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Glanbia Nutritionals (NA), Inc. in the amount of \$261,700.

Motion carried, 6 – 0.

Life Generations Healthcare LLC dba Generations Healthcare

Mr. Griffin presented a Proposal for Life Generations Healthcare LLC dba Generations Healthcare (Generations Healthcare) in the amount of \$651,960. Generations Healthcare began its operations in January 1998 with a single 89-bed skilled nursing facility. Today, the Company owns and operates multiple affiliated LLC facilities in California specializing in geriatrics, post-hospital, and transitional care.

Mr. Griffin introduced Merry Rogers, Director of Human Resources.

Ms. Roberts asked, where you involved in the previous contract? Ms. Rogers said, yes. Ms. Roberts said, your performance rate was at 70%, it's ok, but it's not great. Can you tell me

the reason behind the discrepancy? Ms. Rogers said, it was our first grant, and we were in the process of learning the system, and Mr. Parker worked with us as our third-party administrator. We had to deal with individuals externally with the paperwork process. We are much better now. Ms. Roberts said, this is the admonition I give to all first-time projects with multiple locations. 70% is not bad, but it's not great either. We want the performance level at 100%. Mr. Rogers said, our electronic medical record process was around 10,000 hours, but there was a delay when we combined all the hours, which was 30%.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Life Generations Healthcare LLC dba Generation Healthcare in the amount of \$651,960.

Motion carried, 6 – 0.

Medtronic, Inc. dba Medtronic Neurovascular

Mr. Griffin presented a Proposal for Medtronic, Inc. dba Medtronic Neurovascular (Medtronic NV) in the amount of \$589,950. Medtronic NV, headquartered in Irvine, manufactures neurovascular products treating strokes and other neurological issues. Its Pipeline Device was the first flow diversion product approved by the US Food and Drug Administration (FDA.) The Company's customer base includes hospitals, clinics, third-party health care providers, distributors, and other institutions, including governmental health care programs and group purchasing organizations (GPOs).

Mr. Griffin introduced Maura Halpenny, Training Manager.

Ms. Roberts asked, do you have anyone assisting you with this project? Ms. Halpenny said, I have two team members who will be supporting me with our training. Ms. Roberts said, please leverage ETP staff because we want you to succeed.

Mr. Rodriguez asked, what is the in-kind contribution on this contract? Mr. Griffin said, the total is \$940,500.

Mr. Rodriguez asked, is Medtronic a California company? Ms. Halpenny said, our headquarters is located in Indianapolis, and we have an office in Dublin. However, from a neurovascular standpoint, we stand-alone. We do not have any other sites besides California. Mr. Rodriguez said, thank you.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Medtronic, Inc. dba Medtronic Neurovascular in the amount of \$589,950.

Motion carried, 6 – 0.

Informatica LLC

Anna Nastari, Foster City Regional Office Manager, presented a Proposal for Informatica LLC (Informatica) in the amount of \$357,552. Informatica develops a wide range of data management software, to help companies gather and manage information from a variety of

sources, verify and ensure the quality and security of data, and synthesize data in one location.

Ms. Nastari introduced David Sarkis, Talent Development Specialist.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Informatica LLC in the amount of \$357,552.

Motion carried, 6 – 0.

On-Site Manager, Inc.

Ms. Nastari presented a Proposal for On-Site Manager, Inc. (On-Site) in the amount of \$333,852. On-Site is a provider of cloud-based software solutions for the rental real estate business. On-Site's product is a software-as-a-service property management platform for property owners, managers and renters. This platform helps property owners and managers maximize occupancy, operational efficiency and operating income. On-Site qualifies for standard retraining as a priority-industry software publisher.

Ms. Nastari introduced Teresita Camacho, Training Specialist, and Mike Snead, Sierra Consulting.

Mr. Broad asked, are the employees who will be training in this proposal provide support for the property owners or tenants? Ms. Camacho said, it is for the property management companies; the owners and managers. Mr. Broad said, OK.

Mr. Broad said, you mentioned property relocation services. Are you expanding into an area where you provide services to the tenants of the properties that you are managing? Ms. Camacho said, yes. It is a new service, but we do not provide it directly; it's a management software that accommodates the tenant coming into the property. Our company can assist with processing applications, and assist with the move-in process.

Ms. Roberts asked, will all the trainees be working in a call center? Ms. Camacho said, yes; the vast majority. We will have a couple of managers here and there, but they generally start right in the call center.

Ms. Roberts asked, the employees who were trained from the previous contract, have they moved on to a different position? Ms. Camacho said, the majority of our entry-level position start at the call center, and they have the ability to move throughout the center. We also have some individuals who start in sales and product management, and they work closely with our engineers. We have four branches, and there are employees that move up. However, a small percentage that have not moved at all; it all depends on the individual on how quickly they want to move up.

Ms. Roberts said, I just want to be sure that we are not funding the same training for the same employees from the previous contract. Ms. Camacho said, the training is for specialized areas.

Mr. Rodriguez asked, do you hire temporary employees? Ms. Camacho said, yes; we utilize a staffing agency, and our goal is to convert temporary employees to full-time employees within three months. Mr. Rodriguez said, thank you.

Mr. Broad said, if the training is for sales and marketing, rather than the call center, then that would be considered a low priority. Our staff needs to be able to differentiate between the two.

Mr. Rodriguez asked, what type of services do you provide? Ms. Camacho said, we started out as a leasing software, but now we qualify as a property management software. Mr. Rodriguez asked, how do you make money? Ms. Camacho said, the property management companies pay for different products and services. Currently, we have over 16 products, and we also offer a stand-alone service where we perform a criminal background check on applicants. Mr. Rodriguez said, OK.

There were no further questions from the Panel.

ACTION: Mr. Rodriguez moved and Mr. Koch seconded approval of the proposal for on-site manager Inc. in the amount of \$333,852.

Motion carried, 6 – 0.

Dycora Transitional Health-Manchester LLC

Ms. Nastari presented a Proposal for Dycora Transitional Health-Manchester LLC (Dycora) in the amount of \$438,560. Dycora was established in 2016 and is headquartered in Fresno. Dycora and its affiliated entities employ 30,000 healthcare professionals nationwide. Dycora and its affiliates specialize in short-term care for patients recovering from illness, injury, and/or surgery and long-term care for patients in intermediate and late stages of Dementia. Dycora Transitional Health-Manchester LLC will be the contract holder for this Agreement, but 14 other affiliated California LLC's will participate in training under this Agreement.

Ms. Nastari introduced Kristine Williams, Area Vice President, and Sue Montgomery, San Joaquin Valley College.

Mr. Broad said, your company was established in 2016, and you have 30,000 employees in the United States, and 2000 of those employees are in California; that is an ambitious hiring. Ms. Williams said, the nursing facilities that we operate have been in business for over 53 years. My sister-in-law bought Golden Living in December, and we kept all the employees and patients; same properties, just a different name.

Mr. Broad asked, what does the word "Dycora" mean? Ms. Williams said, it's a Latin word which means strength and hope.

Ms. Roberts asked, where is your facility located? Ms. Williams said, we are located in Fresno on the campus of Fresno Community Regional Medical Center.

Mr. Rodriguez asked, how many employees do you intend to hire in the next couple of years? Ms. Williams said, 15 employees for each site, and we plan on training 11 to 14 employees. Electronic medical record keeping is very complex, and we lose many of our employees during the first three months, so we would like to continue training our incumbent workers.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the proposal for Dycorah Transitional Health-Manchester LLC in the amount of \$438,560.

Motion carried, 6 – 0.

MedAmerica Billing Services, Inc.

Mark Mazzone, Sacramento Regional Office Manager, presented a Proposal for MedAmerica Billing Services, Inc. (MBSI) in the amount of \$425,000. MBSI provides medical coding and billing services. MBSI serves over 190 clients in sixteen states, which account for 5.5 million patients and over \$3 billion in physician charges per year. Training will take place at MBSI's locations in Modesto and Ontario.

Mr. Mazzone introduced Stephanie Montanez, Director of Human Resources.

Ms. Roberts said, this is a non-priority industry, we have funded you five times, and your turnover rate is 17%. Are we re-training the same employees; why are people leaving your company? It seems like all we do is train new people. Ms. Montanez said, we have about 150 new employees during the training period. Ms. Roberts asked, when you started out, how many employees did you have? Ms. Montanez said, we had 899, and now we have 1054.

Ms. Roberts asked, after the initial training, how many of the employees left the company? I'm not real excited about funding a non-priority industry over and over again, even though they are new hires. Ms. Montanez said, medical billing companies are highly regulated. Our primary clients are emergency room physicians, and most of their patients do not have medical insurance, and our job is to collect payment on their behalf. Our company is growing, and we are implementing a new system.

Mr. Broad asked, Ms. Roberts, are you satisfied with Ms. Montanez's reply? Ms. Roberts said, not really. Mr. Broad said, we could raise the amount of substantial contribution, or we could vote yes or no; we have options. Ms. Roberts said, if I approve this contract, it would be the last time, because we have funded them five times, and they are a non-priority industry.

Mr. Broad said, we should not be considered as a permanent training budget for any company. Ms. Roberts said, the wages on this proposal is not spectacular. They are just meeting the minimum wage requirement in a high unemployment area, and the career path is not great.

Mr. Broad asked, are you providing basic training or supplemental training for your employees? Ms. Montanez said, we are providing basic training to individuals who do not have a background in medical billing, and we give them a career. We have some employees that promote within our company, and the funding will support our growth.

Mr. Broad said, I am prepared to support this proposal, but I do share some of the vice-chair's concerns. If I were you, I would not come back for a while, and I would let somebody else in your region get that fund.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for MedAmerica billing services Inc. in the amount of \$425,000

Motion carried, 6 – 0.

Paychex North America Inc.

Anna Nastari, Foster City Regional Office Manager, presented a Proposal for Paychex North America Inc. (Paychex) in the amount of \$749,650. Paychex provides payroll tax administration, employee payment, regulatory compliance, human resource outsourcing services, management outsourcing and retirement services administration to small to medium-sized businesses. Paychex customers are located throughout the United States and Germany. ETP training will take place at 16 California locations in Riverside, Costa Mesa, Culver City, San Diego, Oxnard, Woodland Hills, San Luis Obispo, San Bruno, Folsom, Fresno, Bakersfield, Watsonville, San Jose, San Ramon, Petaluma and Glendale.

Ms. Nastari said, there is an error on Page 1 of 3, under Retrainee – Job Creation, second paragraph, first sentence; it should say \$2.2B to \$3B.

Ms. Nastari introduced Kevin Hardwick, Senior Manager Service-Core, and Terry Hansen, Principal, Hickey and Associates.

Ms. Bell asked, to what do you attribute your company's growth? Mr. Hardwick said, we invest in the employees and our company, and there is a hiring method to our growth. We can project the number of clients that will go out of business every year, so we have an idea of how many representatives we'll need, and include that in our forecast budget. We factor in at least 5% of growth ratio into our planning. Ms. Bell said, thank you.

Mr. Broad said, what is the function of the sales representative? Mr. Hardwick said, the sales representatives are the driving engine of our growth. The market has changed, and we have a human resource division; we're not just a payroll company. There are so many regulations that we have to comply to, and our sales representatives are educating our clients.

Mr. Broad said, does your sales representatives call on an existing customer and sell them the additional services that you provide? Mr. Hardwick said, we do that all day long, but we get the heaviest referrals from our CPA community.

Ms. Bell said, I have used your company in the past, and the best way to explain your services is outsourcing. Mr. Hardwick said, we also offer human resource services, and they will come out to your location and perform safety training.

Ms. Roberts asked, will Mr. Sanger from CMTA, assist you with this contract? Mr. Hardwick said yes. Ms. Roberts said, that gives me a little comfort.

Ms. Roberts said, tell me more about your training. Mr. Hardwick said, we have a call center, and we have folks who are out on the streets. We have cubicles and desks, but they are often empty because our staff is out working with clients face-to-face. We also have a team that can take calls 24-hours a day, seven days a week.

Ms. Roberts said, how do you plan to train the staff that are out of the office? Mr. Hardwick said, we have a training facility that is managed from our central location in Rochester, New York. We also have 38 trainers that are out in the field who will support our LMS, and we can conduct training via WebEx. All the trainees are assigned a mentor for nine months to help them stay on track, and I am notified if there are any snags along the way.

Ms. Roberts asked, are the trainers that are identified in the proposal located in California? Mr. Hardwick said, not all of them are in California. We do most of the training in the field, and we have some trainers in New York.

Ms. Roberts said, this is your first contract, it is a large amount, and I want this to be successful, although I am worried that you won't be able to complete the training. Mr. Hardwick said, the requested amount is substantial, and our company is going to invest four times as much on our own, and we have been doing this for years. I have been with the company for 17 years, I have never had a moment where we lost track of a trainee, and we hold our managers accountable for all the training that takes place.

Mr. Hansen said, as we were putting our application together, I encouraged Mr. Hardwick to look at a larger amount for the proposal. We have a robust LMS, and we have the support of CMTA. I have seen their operations, and they operate well. The maximum amount may seem daunting, but it's doable.

Ms. Roberts said, you have convinced me, and I'm glad that Mr. Sanger is on board to support you. I want this contract to be successful.

There were no further questions from the panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Paychex North America Inc. in the amount of \$749,650.

Motion carried, 6 – 0.

Multiple Employer Proposals

(Presented out-of-order)

Building Skills Partnership

Gregg Griffin, North Hollywood Regional Office Manager, presented a Proposal for Building Skills Partnership (BSP) in the amount of \$381,500. BSP is a statewide non-profit collaboration between the Service Employees International Union-United Service Workers West (SEIUUSWW) Local 1877, signatory employers, and community leaders. BSP's mission is to improve the quality of life of low-wage workers in the building service sector, by increasing their skills and opportunities for career advancement. BSP offers assistance to approximately 12,000 union Janitors and service workers in California, in six regions: Los Angeles, Orange County, San Diego, San Jose, Oakland/San Francisco, and Sacramento.

Mr. Griffin introduced Andrew Gross-Gaitan and Christine Valdez.

Mr. Rodriguez asked, have you identified any new career path for your employees? Mr. Gross-Gaitan said, at this point, the employers have agreed to pay out bonuses. More and more building owners and managers expect the lead level service to increase. It is not necessarily a career ladder, but it is more of a job stability for the contractors. Mr. Rodriguez said, thank you.

Mr. Rodriguez asked, is there a possibility that robotic workers will replace human workers? Mr. Gross-Gaitan said, cleaning bathrooms require an actual person to do the job, especially for buildings that have switched to daytime cleaning, and we need a person to interact with the office tenants.

There were no further questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Building Skills Partnership in the amount of \$381,500.

Motion carried, 6 – 0.

Los Angeles Chapter of the National Tooling and Machining Association

Mr. Griffin presented a Proposal for Los Angeles Chapter of the National Tooling and Machining Association (NTMA) in the amount of \$949,788. NTMA trains the machining industry in Southern California. NTMA is headquartered in Santa Fe Springs, with training campuses located in Santa Fe Springs and Ontario. This will be NTMA's 35th ETP Agreement.

Mr. Griffin introduced Norma Meza.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Koch seconded approval of the proposal for Los Angeles Chapter of the National Tooling and Machining Association in the amount of \$949,788.

Motion carried, 6 – 0.

Murrieta Chamber of Commerce

Mr. Griffin presented a Proposal for Murrieta Chamber of Commerce (Murrieta Chamber) in the amount of \$499,602. Murrieta Chamber is a nonprofit membership organization whose mission is to create and foster a sustainable business environment in the Murrieta area through networking, promotion and advocacy, and to assist small businesses to grow and achieve their goals through education and mentorship. The Murrieta Chamber works in partnership with the City of Murrieta and with other Chambers in Southwest Riverside County that form the Southwest California Legislative Council.

Mr. Griffin introduced Patrick Ellis, President, CEO.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Murrieta Chamber of Commerce in the amount of \$499,602.

Motion carried, 6 – 0.

Riverside Community College District, Office of Economic Development

Mr. Griffin presented a Proposal for Riverside Community College District, Office of Economic Development (RCCD) in the amount of \$539,176. RCCD is a Western Association of Schools and Colleges approved public training agency that provides academic instruction leading to a degree, certificate or transfer to a four-year college. RCCD is comprised of three colleges: Moreno Valley College, Norco College and Riverside City College.

Mr. Griffin introduced Robert Grajeda, Director of Contract and Community Education.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Riverside Community College District, Office of Economic Development in the amount of \$539,176.

Motion carried, 6 – 0.

United Association Local Union 342 Joint Apprenticeship and Training Committee

Ms. Nastari presented a Proposal for United Association Local Union 342 Joint Apprenticeship and Training Committee (UA Local 342 JATC) in the amount of \$533,399. UA Local 342 JATC trains Apprentices and Journeymen for the piping industry in Northern California. The JATC serves 1,623 Journeymen and 381 Apprentices working primarily in

Alameda and Contra Costa counties. This will be the Panel's third Agreement with this JATC within the last five years.

Ms. Nastari introduced Al Garcia, Training Director.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for United Association Local Union 342 Joint Apprenticeship and Training Committee in the amount of \$533,399.

Motion carried, 6 – 0.

X. PUBLIC COMMENTS

Phil Herrera

Mr. Herrera said, the learning curve in the Employment Training Management System (ETMS) is a bit steep, and there are some advantages, but the platform itself was good. The new system eliminated some of the redundancy; there are glitches that need work, but from a consultant's standpoint, dealing with single employers, overall, it is good. It was easily accessible from an iPad and other various mobile device. On a scale from one to ten, I would give the command center support a rating of seven.

Mr. Broad said, it's good to know that things are calming down and working out with the ETMS. I'm sure there will be some kinks along the way, and someday, it will be a system that everyone will use, and it will be fine.

XI. MEETING ADJOURNMENT

Mr. Broad adjourned the meeting at 12:33 PM.