

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Hyatt Regency Islandia
1441 Quivira Road
San Diego, California
January 24, 2002

PANEL MEMBERS

Marsha Kwalwasser
Acting Chairperson

Barry Broad
Member

David Brown
Member

Aram Hodess
Member

Robert Lennox
Member

Patricia Murphy
Member

Tom Rankin
Member

Executive Staff

Peter McNamee
Executive Director

Ada Carrillo
Acting Assistant Director

Peter G. DeMauro
General Counsel

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I. LEGISLATIVE SUBCOMMITTEE

Marsha Kwalwasser, Acting Chair, called the Legislative Subcommittee to order at 8:35 a.m. Members present were: Marsha Kwalwasser and David Brown. Panel Members present: Robert Lennox, Aram Hodess, and Barry Broad. Also present: Peter McNamee, Executive Director; Ada Carrillo, Acting Assistant Director; and Peter DeMauro, General Counsel.

Ms. Kwalwasser introduced the Panel's new member, Barry Broad. He was appointed by Senator Burton, and replaces Robert Holstein. Mr. Broad stated he has a lobbying and administrative law practice in Sacramento. He stated he represents labor unions, employers, and recreational groups. He recently served on the Industrial Welfare Commission.

Mr. McNamee reported on the Budget and Reorganization. He stated he has been meeting with legislative staff as well as policy and budget committee persons. He stated Senator Chesbro impressed upon him the fact that the State has very dire fiscal issues to confront, both in the current year and the upcoming budget year. He stated legislators are discussing reductions in program funding not only in next year's budget cycle, but in the current budget cycle as well. Mr. McNamee stated that Senator Chesbro is very supportive of ETP, and will be participating in the budget discussions affecting ETP.

Ms. Kwalwasser requested staff to prepare a presentation on basic ETP information that can be relayed to a legislator or prospective advocate at short notice or in the event of an anticipated meeting. Mr. McNamee stated he would have staff prepare a one-page information sheet highlighting ETP's major points, i.e., number of companies funded per year, number of incumbent workers that have been trained, etc.

Mr. McNamee stated that the Governor has requested the Legislative Analyst's Office for an analysis reexamining State agencies with a focus on how programs can be consolidated. He stated it is very critical that as many persons as possible inform legislators about the importance of ETP.

Mr. McNamee reported ETP has had discussions with both the Department of Finance and the Legislative Analyst's Office. He stated moneys that accumulate in budgets could be targeted to resolve current year and next year budget problems.

He stated the Panel has done an excellent job moving a very aggressive agenda encumbering the ETP training funds. He stated that companies, because of attractive low interest rates, now have incentives to make more capital expenditures, but need to match those expenditures with an expanded trained workforce to take advantage of the advanced technologies in the production process. The slowdown in the economy offers the employer the opportunity to place employees into a training program without jeopardizing production.

Ms. Kwalwasser requested the Legislative Subcommittee meet for an hour at the February Panel meeting to discuss strategies in meeting legislative deadlines as well as an update on budget hearings.

Steve Duscha, Alliance for ETP, reported the Alliance is in the process of preparing a document that will survey the effects of training which is in compliance with the Governor's reorganization proposal, which in part says we should begin to use data that the State has collected through the "report card" on State training programs to compare and contrast the State's training programs.

Mr. McNamee requested those who are advocating for ETP with members of the Legislature to please let staff know so we are aware of who is contacting whom.

Ms. Kwalwasser adjourned the Legislative Subcommittee meeting at 9:05 a.m.

II. PUBLIC PANEL MEETING CALL TO ORDER

Ms. Kwalwasser, Acting Chairperson, called the public Panel meeting to order at 9:05 a.m.

III. ROLL CALL

Members Present

Marsha Kwalwasser, Acting Chair

Barry Broad (left at 2:10 p.m.)

David Brown

Aram Hodess

Robert Lennox

Pat Murphy

Members Absent

Tom Rankin

Executive Staff Present

Peter McNamee, Executive Director

Ada Carrillo, Acting Assistant Director

Peter DeMauro, General Counsel

IV. AGENDA

Ms. Kwalwasser proposed the policy discussion on Wages as Tips be postponed until the February 21 Panel meeting when the full Panel could participate.

ACTION: David Brown moved and Barry Broad seconded the Panel approve the Agenda as corrected.

Motion carried, 6 – 0.

V. APPROVAL OF MINUTES

Mr. Hodess noted that he wished to add his thanks to Peter DeMauro, Ada Carrillo, and the entire ETP staff for all their work during a difficult period of operating without a permanent Executive Director.

ACTION: Mr. Hodess moved and Ms. Murphy seconded the Panel approve the minutes of December 13, 2001, with the addition of Mr. Hodess' thank you to the entire staff for all their work during the absence of a permanent Executive Director.

Motion carried, 6 – 0.

VI. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS

Ms. Kwalwasser reported she is a member of the Workforce Investment Board, which will be meeting in February. She stated one of the major discussions would be workforce training. She will report on that meeting at the February 21 Panel meeting.

VII. REPORT OF THE GENERAL COUNSEL

Mr. DeMauro reported each year the Office of Administrative Law requires each State agency to provide a calendar of anticipated regulatory action during that year. He stated in accordance with the implementation plan, the staff has undertaken the review of each regulation. Mr. DeMauro stated throughout the year staff will be presenting the regulations to the Panel for consideration. The regulations will also be posted on the website for public review and comment.

VIII. ETP MARKETING CONTRACT WITH CALIFORNIA CHAMBER OF COMMERCE

Charles Lundberg, manager of ETP's Marketing Unit, introduced David Kilby, Vice President, California Chamber of Commerce. Mr. Kilby reported the Chamber had submitted six training contracts that were approved in 2000. The Chamber has submitted five training contracts within the last five months and has nine or ten applications or requests for eligibility in the pipeline for the remainder of 2002. He stated the Chamber is very aggressive in its marketing efforts through mailings, flyers, newsletters, or Email to selected targeted businesses. He stated targeting specific State Identification Codes (SIC) via Email has proved to be extremely successful. He noted the one-on-one communication through the Email has had excellent results. Mr. Kilby stated he is available at any time to visit with legislators and/or other prospective ETP advocates.

IX. AGREEMENTS AND AMENDMENTS

Ball Western Can Company, LLC

Ms. Kwalwasser recused herself from discussion and action on the Bell Western Can Company proposal. The gavel was turned over to Mr. Hodess to preside.

ACTION: Mr. Brown moved and Ms. Murphy seconded the Panel approve, if a lack of a quorum exists at today's Panel meeting, a delegation to the Executive Director the authority to approve of any project in consultation with the Chair and/or the Vice Chair.

Motion carried, 6 – 0

Charles Rufo, manager of ETP's Sacramento field office, presented a One-Step Agreement for Ball Western Can Company, LLC, in the amount of \$266,800 to train 230 employees in Manufacturing Skills, Continuous Improvement, Computer Skills. Ball Western Can Company. This project was brought to the Panel's attention through the marketing efforts of the Technology, Trade and Commerce Agency. The International Brotherhood of Teamsters, Cannery Warehousemen, Food Processors, Drivers and Helpers, Union Local #748 support the proposed training. Ball Western Can Company was formed in February 2000 as a joint venture between Ball Corporation and ConAgra Grocery Products Company. As a joint venture, Ball Western Can Company supplies approximately one billion two-part metal food containers to ConAgra Grocery Products Company per year. The Company is implementing measures to improve product quality and productivity in order to remain competitive in the global marketplace.

Mr. Rufo introduced Chip Martin, General Manager, and Bob Allen, Maintenance Coordinator, Teamsters Local #748.

ACTION: Mr. Brown moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 – 1 (Ms. Kwalwasser recused herself from discussion and vote).

Ms. Kwalwasser resumed her authority.

Cheese & Protein International LLC

Mr. Rufo presented a One-Step Agreement for Cheese & Protein International (CPI), LLC. in the amount of \$245,990 to retrain 125 employees in Computer Skills, Hazardous Material, Continuous Improvement, Management Skills, Manufacturing Skills, and Maintenance Skills. CPI is eligible for ETP funding as a manufacturing facility. CPI has built a state-of-the art, 187,000 square foot manufacturing facility in Tulare, California. Three million pounds of milk will be processed per day to make mozzarella cheese, dried whey, and whey fractions. A second phase of construction will bring the plant's capacity up to six million pounds of milk per day by 2003. Once construction is completed, CPI will have invested \$145 million in new equipment and technology. The facility's full-time year-round employees, currently 16, will increase to approximately 130 full-time employees by April 2002. CPI officials stated ETP funding would aid the Company in the start up of the new Tulare facility and in developing a high performance workplace. CPI officials further stated that the Company is committed to continually providing training for its employees and all employees will be provided annual refresher courses.

Mr. Rufo introduced Lee Blakely, Vice President of Operations and Product Development, and Trish Arnold, Human Resource Manager. Ms. Kwalwasser questioned the method of encumbering training funds to train 125 employees when the Company currently has only 16 employees. Ms. Carrillo stated the ETP training funds would be released for the current trainees and additional money would be released as employees are hired and placed into training.

ACTION: Mr. Murphy moved and Mr. Brown seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

E*TRADE Group, Incorporated

Mr. Rufo presented an Amendment to an Agreement for E*TRADE Group, Inc., in the amount of \$197,600. E*TRADE's Agreement was approved by the Panel in September 2001. The Contractor is requesting to add 100 Financial Service Associates for 152 hours of class/lab training in Business Skills. The Business Skills training will coincide with the progression of building E*TRADE into a high performance workplace. E*TRADE provides online personal financial services, investing, banking, research, and customer service.

The Contractor estimated that \$182,000 in wages will be paid to trainees during ETP training, and approximately \$15,200 will be spent for training materials and supplies.

Mr. Rufo introduced Tatia Ammerman, Director of Loyalty, Leverage and Talent, and Robert Woolley, Training and Operational Development Specialist. Mr. Broad stated he had heard on radio that E*TRADE was doing layoffs. Ms. Ammerman replied E*TRADE has done some facilities consolidation. She stated the Company purchased an ATM network in Oregon and moved those facilities and majority of employees at those facilities to California. Mr. Hodess requested staff to include in future Amendment narratives the ongoing in-kind contribution.

ACTION: Mr. Lennox moved and Mr. Brown seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

Exide Technologies Corporation

Mr. Lennox recused himself from discussion and vote on the Exide Technologies Corporation proposal.

Mr. Rufo presented a One-Step Agreement for Exide Technologies Corporation in the amount of \$460,352 to train 230 employees. This Agreement has the full support of the Teamsters Automotive, Industrial and Allied Workers Local 495, and

the United Steelworkers of America, A.F.L.-C.I.O., Local 2018. Exide Technologies is eligible for ETP funding as a manufacturing facility for standard retraining. Exide is the leader in motive power battery and charger systems for electric lift trucks and other material handling equipment sold worldwide. The ETP funded training will comprehensively emphasize and support the continuous improvement environment, the high performance workplace, and an increased competitiveness through successful implementation of the new Exide lean manufacturing system through Management Skills, Continuous Improvement, and Manufacturing Skills training.

The Exide Corporation had announced a layoff for the City of Industry facility as part of an overall corporate restructuring due to the recent downturn in the economy. The City of Industry facility is the only California Exide location affected by the corporate restructuring. Due to the late notification of the announced layoff, the Company is not currently able to identify the final number of trainees to be included in the ETP One-Step Agreement. Because the training program has a rigid implementation schedule, the Company needs to begin training on February 4, 2002, and is requesting consideration of the proposal as developed until the size and scope of the City of Industry facility layoff can be fully identified.

Mr. Rufo introduced Gerald Kranz, Manufacturing Manager; Felipe Contreros, Union Stewart, Local 495; and Ricardo Viramontes, LEAN Champion, Local 495. Mr. Hodess questioned the layoff issue. Mr. Kranz stated the Company is producing fewer batteries as a result of the downturn in the economy and there is a good possibility those workers who were laid off will be rehired when the economy improves. Mr. Hodess asked if training those workers still employed would provide increased productivity thus eliminating the need to rehire those who were laid off. Mr. Kranz replied no. Mr. Brown questioned the lack of performance on the Company's prior ETP training Agreement. Mr. Kranz replied the Company's employees within the driver occupations were transferred to another Division and 50 trainees were unable to complete the training outlined in the Agreement. The prior Agreement was developed by GNB Technologies, Inc. The Agreement was terminated when GNB Technologies was purchased by Exide Technologies Corporation. Mr. Kranz stated the entire Exide corporate management supports the training program.

ACTION: Mr. Brown moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Ms. Kwalwasser asked for clarification on approving this Agreement "in concept." Mr. DeMauro replied staff had hoped to receive specifics as to the number of trainees to be enrolled in the training program that would be unaffected by any further layoffs. He stated the dollar amount would not be more than what the Panel approves, it would more likely be less. Mr. DeMauro stated staff is requesting the Panel delegate to the Executive Director the authority to determine the final number of trainees that will be trained under this project. Mr. Hodess

asked if Exide Technologies would extend the retention period to six months. Mr. Kranz agreed.

Motion carried with the agreed six month retention period, 5 – 0 – 1
(Mr. Lennox recused himself from discussion and vote).

Gottschalks, Incorporated

Mr. Rufo presented a One-Step Agreement for Gottschalks, Inc., in the amount of \$443,456 to train 310 employees. This Agreement was brought to the Panel through the efforts of the Technology, Trade and Commerce Agency. Gottschalks is eligible for ETP funding as the Corporate Headquarters of a company that does significant business outside of California and additionally provides significant support services to the company's offices, operations, divisions, branches, stores, or franchises located outside of California. Gottschalks is a publicly held regional department store chain headquartered in Fresno, California, maintaining 74 department stores and 17 specialty stores in California, Nevada, Washington, Alaska, Idaho, and Oregon. Gottschalks is transitioning its infrastructure from a mainframe-based system to a client server environment. Employees will receive training in areas critical to demand and supply chain management. The training plan developed is a five-year plan. Panel funds will assist with the initial phase, the first two years of the plan. The Company is committed to carrying the training forward beyond the term of the ETP Agreement to ensure that its goals are achieved. This Agreement will affect workers in Fresno and Madera Counties that are among California counties with a significantly high unemployment rate. The Contractor is not requesting a waiver of existing ETP minimum wage policy because wages to be paid to trainees meet the ETP minimum wage rate.

Mr. Rufo introduced Marci Madsen, Director of Human Resources with Gottschalks, and Linda Balabanian and Judy Turner, Senior Managers with Deloitte & Touche, LLP.

ACTION: Mr. Brown moved and Ms. Murphy seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

Grimmway Enterprises, Incorporated d.b.a. Grimmway Farms

Mr. Rufo presented a One-Step Agreement for Grimmway Enterprises, d.b.a. Grimmway Farms, in the amount of \$5,015,000 to train 4,427 employees. Grimmway Enterprises is eligible for ETP funded standard retraining for food product manufacturing and related activities, producing a product sold out of state and/or producing a product sold in-state which competes with products produced out of state. Grimmway Farms is one of the world's largest growers, packers and shippers of fresh, processed, and frozen carrots and one of the leading suppliers of organic

carrots, carrot juice concentrates, fresh citrus, frozen green beans, and bell peppers. The Company processes approximately 80 percent of the nation's carrots. Production has increased since 1996 from 266 million to over 700 million pounds of product per year. Grimmway Enterprises has invested over \$1 million within the last two years in facilities expansion, new equipment, and manufacturing software at the facilities in Arvin, Lamont, Edison, and Shafter. The Company competes directly with out-of-state competitors. While customers are demanding competitive prices, most of Grimmway's costs are fixed. Company officials have determined that the optimal way to achieve cost reductions and remain competitive is to reduce overhead and production costs through the implementation of cost-effective manufacturing techniques. Grimmway is, therefore, transitioning to a high performance workplace.

Grimmway Enterprises is requesting a waiver of the ETP minimum wage of \$11.15 to \$8.22 for Kern County, which is recognized as an area in California with a significantly high unemployment rate and entry-level base wages of \$6.75 – \$9.05 per hour. Grimmway representatives have stated that trainees receiving less than \$11.15 per hour will receive pay increases of at least 5 percent, including health, dental, and/or vision benefits, at the end of the 90-day retention.

Mr. Rufo introduced Sean McNally, Vice President of Human Resources and Legal Counsel, and Dolores Neira, Training Manager. Mr. McNally stated the two Grimm brothers started the Company immediately upon completing high school in 1986 and 1987 by selling produce at a roadside stand in Orange County. Mr. McNally stated the Company's policy is to promote from within. He said many of the employees have been with the Company for a long time.

ACTION: Mr. Brown moved and Ms. Murphy seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

Mitsubishi Motor Sales of America, Incorporated

Mr. Rufo presented a One-Step Agreement for Mitsubishi Motor Sales of America, Inc., in the amount of \$1,106,423 to retrain 758 employees in Business Skills, Manufacturing Skills, Continuous Improvement, Computer Skills, Commercial Skills, and Management Skills. Mitsubishi Motor Sales qualifies for ETP funding as the Corporate Headquarters of a company that does significant business outside of California and if it provides significant support services to the company's offices, operations, divisions, branches, stores or franchises located outside of California. The Corporate Headquarters provides design, sales support, distribution and technical support for the entire North American network of regional offices plus over 500 retail dealers across the United States and Canada. Over 85 percent of Mitsubishi's revenues are derived from out-of-state sales. The Company's intention is to broaden the knowledge base of all employees through cross-training creating a

high performance organization that will improve efficiency and the Company's ability to grow.

Mr. Rufo introduced Jackie DeMaria, Vice President of Human Resources and General Administration; Erika Cruz, Manager Organizational Development; and Tom Kristy, President & CEO of VeriLogix.

ACTION: Mr. Lennox moved and Mr. Hodess seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

Sunrise Medical Incorporated

Mr. Rufo presented a One-Step Agreement for Sunrise Medical, Inc., in the amount of \$688,052 to train 613 employees in Continuous Improvement, Computer Skills, Manufacturing Skills, Business Skills, Management Skills, and Advanced Technology. Sunrise Medical qualifies for ETP funds for industrially classified manufacturers retraining current employees and corporate headquarters of a company that does significant business outside of California. Sunrise Medical manufactures homecare and extended care products. Sunrise Medical is seeking ETP funds to become a high performance workplace by upgrading employees' skills in Customer Service, Innovative System Design, Advanced Computer Technology, Lean Manufacturing, Kaizen, Sales Techniques, and Technician Skills. Sunrise Medical requests funding 19 training topics under the Advanced Technology Fixed-Fee cost reimbursement rate of \$20 per hour for 76 employees in Jobs 2, 5, and 6 consisting of IT staff, Managers, Supervisors, Engineers, Maintenance Engineers, Schedulers, and Quality Control Personnel. The Advanced Technology training is highly specialized training customized to the Sunrise Medical facility and the medical device industry. Staff recommends approval at the normal \$13 per hour rate for the additional 19 requested Advanced Technology training topics that focus on the design of processes and procedures and the utilization of advanced concepts and software. Staff requests that the Panel delegate to the Executive Director the authority to approve these 19 training topics at the Advanced Technology rate if the higher cost can be substantiated.

Mr. Rufo introduced Heather Hand, Vice President Global Human Resources, Rich Fierson, Director of Human Resources North American Operations, and Ann Sinclair, Manager of Human Resources. Ms. Hand stated Sunrise Medical would be providing training in Lean Manufacturing, Advanced Six Sigma Techniques, Quality Function Design, Design for Manufacture Ability, higher level Computer Skills. Mr. DeMauro stated staff did have enough information to substantiate the higher reimbursement rate of 19 training topics classified as Advanced Technology training, but did not want to refrain from bringing the entire project forward to the Panel just because of the Advanced Technology reimbursement rate issue, which is a small component of \$45,000. He asked the Panel to allow the Contractor extra time to

provide substantiation that the 19 topics are Advanced Technology and delegate to the Executive Director the discretion to determine if they are.

ACTION: Mr. Hodess moved the Panel approve the One-Step Agreement delegating authority to the Executive Director to use his discretion in approving the 19 training topics at the higher fixed fee rate of \$20 for Advanced Technology training. Ms. Murphy seconded.

Motion carried, 6 – 0.

Agrilink Foods, Incorporated – Watsonville

Creighton Chan, manager of ETP's San Mateo field office, presented a One-Step Agreement for Agrilink Foods, Watsonville in the amount of \$220,806. Agrilink processes frozen vegetables in its facilities throughout the United States and Mexico. This training project involves only the Watsonville plant. Agrilink Foods is requesting ETP funding to retain 136 employees in Management Skills, Continuous Improvement, Computer Skills, Business Skills, and Manufacturing Skills which will assist the Watsonville plant implement its strategic plan to convert to a high-performance workplace. This project is supported by the General Teamsters of Santa Cruz County Cannery, Warehouse Workers and Food Processors of Santa Clara and Alameda Counties, AFL-CIO Local 912.

Mr. Chan introduced Peter Zahos, Human Resources Manager for Agrilink, and William Parker, President, National Training Systems.

ACTION: Mr. Lennox moved and Mr. Brown seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

Medtronic AVE, Inc.

Ms. Kwalwasser recused herself from discussion and action on the Medtronic AVE, Inc., proposal. The gavel was turned over to Mr. Hodess to preside.

Mr. Chan presented a One-Step Agreement for Medtronic AVE, Inc., in the amount of \$900,000. Medtronic AVE, Inc., is a biomedical engineering company that specializes in manufacturing minimally invasive products for cardiac and peripheral vascular conditions, such as: angioplasty balloons, catheters, coronary, peripheral, and neurovascular stents, and stent grafts. Medtronic AVE is requesting ETP funding to retrain 500 production workers located at its Santa Rosa sites in Biotechnological Production Skills, Business Skills, and Continuous Improvement. Medtronic will provide an array of general business skills to its frontline manufacturing personnel to provide more opportunity for career advancement and the skills necessary to make greater contributions to the overall success of the

business. Medtronic's goals are to manufacture more sophisticated, less invasive products, shorten the planning and production cycle of new products, and provide its frontline manufacturing workforce with skills necessary to operate in its professional and technologically advanced environment.

Mr. Chan introduced John Wilson, Director of Manufacturing, and Catherine Szyman, Vice President of Finance and Information Technology.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 – 1 (Ms. Kwalwasser recused herself from discussion and vote).

Ms. Kwalwasser resumed her participation.

Simmons Company

Mr. Chan presented a One-Step Agreement for Simmons Company in the amount of \$256,960. This project was brought to the Panel through the marketing efforts of the California Technology, Trade, and Commerce Agency. Simmons Company manufactures mattresses. To remain competitive in the marketplace and sustain the viability of its California facilities located in Compton and San Leandro, Simmons Company is embarking on new initiatives to improve quality, reduce cycle time, minimize waste, and provide retraining of frontline workers via the proposed structured training process. This proposal will assist the Company provide training across the workforce to 375 production workers, administrative support and sales staff, managers, and supervisors to encourage employee involvement, team-building, problem-solving, maximize communications, understand new processes, and cross train on production equipment to provide greater skills and added flexibility. Simmons training plan has the support of the United Steelworkers of America, Upholstery & Allied Industries Division, Local 515, the International Brotherhood of Teamsters, Local 986, and the United Furniture Workers of America, Local 262.

Mr. Chan introduced Marjanna Garvin, Human Resources Director, John Woosley, Operations Manager, and Judy Turner from Deloitte & Touche. Ms. Kwalwasser asked for a definition of a frontline worker. Mr. DeMauro stated frontline worker is defined by the Legislature and further defined by the Panel as a worker who directly produces or delivers goods or services. A frontline worker is one who meets the following criteria: is not exempt from overtime under State or Federal law providing he or she directly produces or delivers goods or services; meets one of the following: is covered by a collective bargaining agreement, provided he or she directly produces or delivers goods or services; exempt from overtime under State or Federal law and not covered by a collective bargaining agreement if his or her primary job responsibility is directly producing or delivering goods or services.

ACTION: Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

Computer Consulting Operations Specialists, Incorporated d.b.a. CC-OPS

Ms. Kwalwasser recused herself from discussion and action on the Computer Consulting Operations Specialists, Inc., proposal. The gavel was turned over to Mr. Hodess to preside.

Ron Tagami, manager of ETP's North Hollywood field office, presented a One-Step Agreement for Computer Consulting Operations, d.b.a. CC-OPS, in the amount of \$250,000. CC-OPS is a minority, Women-Owned, small business that provides an array of Information Technology (IT) solutions and services to an extensive clientele. The Company has changed its strategy to become more of an IT solutions consulting firm to stay competitive in a marketplace where more entities are seeking IT service support. CC-OPS proposes to retrain 60 employees in advanced Computer Skills to keep abreast of the latest technology advancements and to meet customer needs and expectations.

Mr. Tagami introduced Brian Hardy, Chief Operating Officer, and Esi Beuyarku, Project Director.

ACTION: Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 – 1 (Ms. Kwalwasser recused herself from discussion and vote).

Ms. Kwalwasser resumed her participation.

Sears Logistics Services

Mr. Tagami presented an Amendment to an Agreement for Sears Logistics Services, Inc., located in Delano, in the amount of \$145,912 to provide additional training hours for 193 trainees who have completed training in the first phase of its Agreement. The additional training is needed due to a significant expansion to the current facility and will create approximately 300 new jobs. The Company's in-kind contribution for this second phase of training will total \$160,000 making a total in-kind contribution of \$345,962.

Mr. Tagami introduced Mike Velten, General Manager. Mr. Velten stated the reason for the Sears Logistics Group's decision to expand in California was due to the performance of the Delano facility and the success of the ETP funded training.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

21st Century Insurance Group

Mr. Tagami announced the Agreement for 21st Century Insurance Group has been withdrawn from consideration at this month's Panel meeting.

Ultimate Juice Company

Mr. Tagami presented a One-Step Agreement for the Ultimate Juice Company in the amount of \$422,344. Ultimate Juice Company manufactures and distributes a premium line of fresh juices, juice blends, and smoothies. Ultimate Juice Company operates four sites in California (Glendora, Azusa, San Diego, and Hayward). The Company has recently invested over \$2 million in pasteurizing equipment that will help to extend the shelf life, reduce customer returns, and produce substantial overall improvement. Ultimate Juice Company realizes that equipment alone cannot produce the transition to low cost manufacturing. The Company has determined that its workers must strive to achieve a high performance workplace and has committed to train 250 workers in Continuous Improvement, Manufacturing Skills, Management Skills, Business Skills, Computer Skills, and Literacy Skills.

Mr. Tagami introduced Gilbert Carbajal, Director of Human Resources.

ACTION: Ms. Murphy moved and Mr. Hodess seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 (Mr. Brown absent during vote).

BAX Global, Incorporated

Diana Torres, manager of ETP's San Diego field office, presented a One-Step Agreement for BAX Global, Inc., in the amount of \$611,650. This project is a Technology, Trade and Commerce Agency referral. BAX Global, Inc., a subsidiary of The Pittston Company, is headquartered in Irvine with six distribution centers throughout California. BAX provides multi-modal freight forwarding to business-to-business shippers worldwide and specialized in managing the movement of heavyweight packages and cargo of all shapes and sizes. BAX also offers expedited and standard airfreight, ocean forwarding, customs brokerage, documentation and banking services to its customers worldwide. BAX has reorganized its global customer service operations, increased its domestic ground transportation network, resized its air fleet and expanded product and service offerings. This broadened focus is a significant paradigm shift for BAX and the

Company must now make substantial changes to its current business processes and systems while moving to a high performance workplace. Workers must be able to perform multiple tasks and functions, thus increasing productivity and eliminating non-value added tasks. With assistance from ETP, 607 workers will receive training in Continuous Improvement, Business Skills, Commercial Skills, Computer and Management Skills. BAX Global's total in-kind contribution is estimated at \$1,691,807.

Ms. Torres introduced William Kieffer, Director of U.S. Field Training. Mr. Kieffer assured Mr. Kwalwasser that the Pittston Company supports the BAX Global training program.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve the One-Step Agreement.

Motion carried, 6 – 0.

National Marketing Services (presented out of order)

Mr. Torres presented a Proposed Amendment for National Marketing Services in the amount of \$46,200 for an additional 45 trainees. National Marketing Service (NMS) is an insurance industry telemarketing firm that provides customer satisfaction and retention surveys, cross sales of products and services, telephone marketing, and market research. During the development of the Agreement, NMS began the installation of a new and very intricate business operations software system. Forty-five trainees enrolled in the original Agreement will receive additional in-depth training to become proficient in navigating through the newly installed Sales Logix software system. NMS estimates its in-kind contribution for the Amendment will be \$243,970.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

X. PUBLIC COMMENT

There were no members of the public who wished to comment.

The Panel moved to the Garden F Room to hear from a panel of speakers on the state of local economic conditions.

XI. LOCAL ECONOMIC CONDITION

Charles Lundberg, manager of ETP's Marketing Unit, introduced Sundari Baru, Research Director at the Center on Policy Initiatives, Kelly Cunningham, Research Director, San Diego Regional Chamber of Commerce, and Gary Moss, Labor Market Information Coordinator with the San Diego Workforce Partnership. Mr. Lundberg asked the Panelists to give their perspective on the current state of the economy and how it is affecting business and employment in the San Diego area. Ms. Baru stated the San Diego unemployment rate is at 3.3 percent, which is 7 percent below California's statewide rate, but many of the workers in the lower wage range, namely those workers in the hotel industry, have had a reduction in their hours, which is not reflected in unemployment rates. Usually both adults in a family work in the hotels, and the family suffers when both have reduced work hours. She stated California needs some sort of an endowment for a local relief program to help workers supplement their wages during a period of reduced hours. She stated in the hotel industry there is very limited upward mobility unless the workers can develop other skills.

Mr. Cunningham stated that San Diego's economy has changed dramatically over the last 10 years. Southern California's economy had depended on defense-related activities. With the decline in the defense programs, the area has experienced a tremendous growth in the telecom and biotech industries. Mr. Moss cited a recent report that showed tourism was up about 2 percent in the Southern California region. He stated there are statewide campaigns promoting California for tourism and a destination resort area. Mr. Moss stated San Diego has six Career Centers, a network operating under the Workforce Investment Act, which includes a series of Career Centers throughout the county.

Mr. Lundberg asked the Panelists to address both the declining and growing industries and occupations and to explain how job training could be used to help prevent layoffs and promote employment growth in the San Diego Area. Ms. Baru stated a strategy that has diversified the employment base in San Diego was a "Cluster Strategy," which is clusters or groups of companies that are somehow related because of common technology or a common customer base. The high tech clusters have been identified as being potential drivers in the economy because they have higher than average wages. She stated the element missing in the strategy is a lack of training for the lower wage workers to qualify for the higher wage jobs. She said many of the lower paid workers are immigrants with limited English skills, many with only sixth grade capabilities. She stated 82 percent of the jobs in San Diego County that are not in the high tech cluster and have little career mobility are in the wholesale and retail trade sector.

Mr. Moss and Mr. Cunningham stated projections indicate continued growth in the technology, communications, and biosciences areas. They added that the education, medical services, and construction industry clusters are extremely important in San Diego and will remain strong.

Mr. Cunningham commented that he sees San Diego's society as an hourglass with high paying jobs on one side, low paying jobs on the other side and not much in the middle. Ms. Baru agreed and stated the issues are not just about wages, but also about benefits. She noted approximately 600,000 San Diego residents have no healthcare.

Mr. Moss stated that there needs to be a more concentrated focus on education and training that will provide workers with the necessary skills to move into other types of jobs with higher pay and career opportunities. He stated that industry and education need to do a better job of marketing and outreach to the minority populations on the opportunities in occupations that do pay relatively well.

Mr. Moss stated that the overall scenario for San Diego is that about 95 percent of the businesses are small. He stated marketing efforts regarding training should concentrate on getting small businesses to collaborate through a trade association, or an organizational cluster of businesses in the same type of industry.

The Public Panel Meeting resumed business in the Islands Ballroom at 1:30 p.m.

XII. AGREEMENTS AND AMENDMENTS CONTINUED

Econolite Control Products, Incorporated (presented out of order)

Mr. Torres presented a One-Step Agreement for Econolite Control Products, Inc., for a total program cost of \$124,956. This proposal is supported by the National Brotherhood of Electrical Workers AFL/CIO Union Local 1710. Econolite Corporation was founded in 1933 and incorporated in California in 1977. The company's corporate headquarters and manufacturing plant is located in Anaheim, California. Econolite manufactures traffic control signal lights, ranging from mechanical components to sophisticated electronics that include traffic and master controllers, LED signs and signals systems. Econolite states that it must continually upgrade products and processes to compete effectively and improve its productivity. The Company further states that, in order to improve the efficiency of Econolite's manufacturing operations and techniques, it needs to provide its employees with the skills necessary to meet the quality requirements of its customers.

In order to address Econolite's increased customer quality demands and expand its market share, the Company's proposal includes a training plan to improve product quality, reduce manufacturing costs and improve customer service. The proposed training relates to the Six Sigma approach, a quality improvement initiative designed to help organizations lower costs and increase productivity through problem solving tools that lead to breakthrough improvements with measurable results. This ETP-funded training proposed for 103 trainees is expected to improve employee

knowledge and skills in problem solving techniques to improve the Company's ability to provide high quality products to remain competitive in a highly competitive market. Econolite's in-kind contribution is estimated at approximately \$286,900.

Ms. Torres introduced Jeannette Scalise, Director of Human Resources, Econolite and John W. Anderson, President of Leadership Consulting Associates. Mr. Anderson stated that the previous training improved the production efficiency significantly, but unfortunately they have recently experienced substantial problems with offshore producers. He stated Six Sigma takes a step beyond the continuous improvement that was previously provided.

ACTION: Mr. Brown moved and Mr. Broad seconded the Panel approve this One-Step Agreement as proposed.

Motion carried, 6 – 0.

Option One Mortgage Corporation

Ms. Torres presented a Proposed Amendment for Options One Mortgage Corporation for an additional \$28,600 bringing the total program cost to \$96,200. Founded in 1992, Option One Mortgage Corporation is a mortgage banking firm involved in the origination, purchase, sales, and servicing of residential mortgage loans. A wholly owned subsidiary of H&R Block, Option One Mortgage originates and services residential mortgage loans for credit borrowers in 47 states through a national network of brokers. Company representatives report that the economic downturns of 2001 and the events of September 11 have already begun to dramatically affect the mortgage loan servicing divisions of the Company. As the unemployment rate increases, the Company projects more loan delinquencies that offer significant customer service challenges for the technical servicing employees. These employees must have the necessary skills to handle increased job duties and interpersonal techniques to meet the increased customer service demands. This proposed amendment will provide 55 Technical Servicing employees with the added technical communications skills to successfully perform added responsibilities.

Option One Mortgage Company will invest approximately \$38,808 for the Amendment, Phase II, for ETP training related costs, which includes wages to be paid to trainees. This brings the employer's total in-kind contribution to \$165,896.

Ms. Torres stated this project meets the out-of-state competition category because loans can be serviced from and to any location. National competition exists for the same customer and product.

ACTION: Mr. Lennox moved and Mr. Brown seconded the Panel approve this Proposed Amendment as proposed.

Motion carried, 6 – 0.

Packard-Hughes Interconnect

Ms. Torres presented a One-Step Agreement for Packard-Hughes Interconnect, d.b.a. Delphi Connections Systems for a total program cost of \$423,998, a decrease from \$503,808 originally requested. The International Brotherhood of Electrical Workers AFL-CIO, Union Local 2295, and the Electronic and Space Technicians Union support this proposal.

Packard-Hughes Interconnect (PHI) is a designer and manufacturer of electrical connectors, fiber optic connectors, flexible printed circuit assembly and Gold Dot based products for both the military and commercial aviation and automotive industries. PHI is a wholly owned subsidiary of Delphi Automotive Corporation. PHI is in the process of changing its legal name to Delphi Connection Systems (DCS).

Delphi Automotive Corporation, DCS's parent company, has set forth a new strategic plan to diversify into non-automotive markets. DCS must respond to changing market conditions by implementing a set of appropriate business strategies and position the company to improve profitability as demand increases by transitioning its workforce to successfully operate a business line in commercial markets. DCS proposes to train 227 employees (a decrease from 270 originally proposed) in Continuous Improvement, Computer, Business Management, and Manufacturing Skills.

Ms. Torres introduced Frank Gango, Director of Operations, Karen M. Hill, Human Resources Manager, and Kevin Mahany, Training Director from the California Training Cooperative. Mr. Gango stated that within a month of receiving Panel approval on its prior Agreement, the Company went through top-level reorganization. The individuals who were placed into positions for carrying out that training Agreement did not support it. He stated he is now in a top-level position, and he and his staff are fully committed to this training proposal.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve this One-Step Agreement as proposed.

Motion carried, 6 – 0.

Mr. Broad left the Panel meeting at 2:10 p.m.

Techniform Metal Curving, Incorporated

Ms. Torres presented a One-Step Agreement for Techniform Metal Curving, Inc.(TMCI), for a total program cost of \$208,400 to train 67 employees in Business Skills, Computer Skills, Continuous Improvement, and Manufacturing Skills. Techniform Metal Curving, Inc. (TCMI), has its corporate headquarters and manufacturing plant in Rialto, California. Techniform is a stretch forming industry that involves the controlled manipulation of the elastic characteristics for various metals to

conform to a die and/or shape. The stretch forming process is used in construction, recreational vehicle manufacturing, trucks, aerospace, conveyers, escalators, and boats.

Forty-seven employees, Production Workers, Drivers, Quality Assurance Staff, Sales and Administrative Staff, Maintenance, Leads, Supervisors and Managers will be trained under regular ETP funding. Twenty of the trainees in the training plan, Operators, Operators/Drivers, Operator/Receivers, Helpers, Tool Makers, and Maintenance Workers, will be funded under 22 Cal. Code of Regulations, Section 4408, California Career Ladders to the Twenty-First Century Training. The Career Ladders portion has been endorsed by the Employment Development Department (EDD). Without ETP funding under Career Ladders, the Company would be unable to provide the critical training for entry-level employees to improve their job skills and enhance their careers with upward mobility.

TMCI must continually improve its products and quality to respond to domestic and overseas competitors. To improve product quality and customer service, the Company must improve frontline worker skills through a continuous improvement program, including adopting lean manufacturing principles. TMCI is also automating production machinery and processes, which requires employees to be cross-trained in all facets of TMCI's manufacturing processes.

TMCI's total in-kind contribution is approximately \$302,786.

Also pursuant to the Career Ladders regulation, the Panel may waive the ETP minimum wage requirement for workers in the Career Ladder project. TCMI requests a waiver to allow Career Ladder trainees to earn the base wage of \$7 per hour rather than the ETP minimum wage of \$11.15 per hour. The base hourly wage for these trainees will range from \$7 to \$8.50 per hour. TCMI provides its employees with health benefits in the amount of 9 percent of the hourly wages, which may be added to the \$7 base wage. All employees promoted within the Career Ladders job number will receive an 8-10 percent increase when they move into a new job title. This increase will be included into the Agreement's terms and conditions. 22 Cal. Code of Regulations, Section 4417, Secure Jobs, states in part, that the Panel shall fund training for employment that is stable and that an employer's turnover rate shall not exceed 20 percent annually. The Panel may accept a higher turnover rate if the employer provides evidence that the proposed training will significantly decrease the turnover rate.

Techniform's turnover rate for calendar year 2001 was 27 percent. Therefore, the Company is requesting a waiver in accordance with the above regulation. Company representatives state that the high turnover was a result of a change in senior management and the decline of the aerospace industry, which resulted in layoffs. ETP-funded training is expected to improve the processes and customer service resulting in increased business and decreased layoffs.

The Agreement includes the required language in the Agreement Terms and Conditions, stating that the final 25 percent progress payment for each trainee is earned only if the Contractor achieves a turnover rate of 20 percent or less for the last twelve months of the Agreement.

Ms. Torres introduced David A. Bishop, Chief Operating Officer and Michael Smith, Special Projects Manager of Techniform International. Ms. Kwalwasser asked Mr. Smith to describe TMCI's Career Ladders program. Mr. Smith explained that the stretch-forming machines are operated by one operator and assisted by entry-level "helpers." These "helpers" earn minimum wage and the training planned will provide the necessary skills to learn to operate the machines and also to develop skills of higher positions. After completing the training, trainees will be given an immediate 8-10 percent wage increase and they will be eligible for promotion to positions with higher wages.

Mr. Smith said that the turnover rate was incorrect. The Company had a 6 percent turnover rate last year and the current rate is 11.9 percent. The Company anticipates growth in the industry and plans to be hiring people, hopefully hiring back employees previously laid off.

ACTION: Mr. Brown moved and Ms. Kwalwasser seconded the Panel approve this One-Step Agreement as proposed.

Motion carried, 5 – 0 (Mr. Broad absent).

CCT Computer Learning Center

Mr. Chan announced the Agreement for CCT Computer Learning Center has been withdrawn from consideration at this month's Panel meeting.

Golden State Bulb Growers, Incorporated

Mr. Chan presented a One-Step Agreement for Golden State Bulb Growers, Inc., in the amount of \$160,424. Golden State Bulb Growers, Inc. is the world's largest grower of tuberous begonias and colored calla lilies. The Company is facing out-of-state competition from Holland, South America, and Israel. In order to remain competitive, the Company must move to a high performance workplace. This Agreement will be continuing the process with a previous ETP contract. In the previous ETP contract, the Company did not perform well because (1) the Company was in an expansion mode and many trainees could not be released from work to attend training; (2) a vendor did not deliver required software on a timely basis; and (3) the Company over-assessed the level of the writing abilities of some of its trainees, therefore, training took more time than originally anticipated.

This contract will also include a "high-unemployment area" component consisting of 110 trainees who are located in Monterey, Santa Cruz and Riverside Counties.

These counties exceed the ETP state average unemployment rate by at least 25 percent. The Company is requesting a wage waiver to the ETP minimum wage of \$11.15 per hour for these 110 trainees. These trainees will receive at least a 6 percent wage increase upon completion of training and required retention, which will increase the hourly wage to \$7.43 including \$1.69 for health benefits for a total of \$9.12 per hour. Thirty-five percent of the trainees are seasonal workers and will be given the opportunity to work year around.

Mr. Chan introduced Justin Brown, Chairman of the Board of Golden State Bulb Growers, and Kelly Greer, President, Strategy Workplace Communications. Mr. Brown was asked to explain how the Company intended to do things differently to get above the 51 percent completion ratio in the last contract. He stated the Company has expanded its bulb storage facility and has purchased a 40-acre nursery in Riverside County and has developed a tissue culture lab at its site in Watsonville. The Company's goal is to provide cross training with its field and greenhouse workers on computer skills, lab skills, and warehousing so that ultimately the employees will be employed year round. Mr. Brown stated its product is unique because the Company has an extensive breeding program with breeders' rights, and is a leader in introducing new patented varieties into the trade.

ACTION: Mr. Brown moved and Ms. Murphy seconded the Panel approve this One-Step Agreement as proposed.

Motion carried, 5 – 0.

SYSCO Food Services of San Francisco, Incorporated

Mr. Chan presented a One-Step Agreement for SYSCO Food Services of San Francisco, Inc. in the amount of \$349,840. This is SYSCO Food's third Agreement within the last five years; therefore, a substantial contribution of \$150,100 is being applied. Current ETP regulations state that a contractor shall be funded with SET funds only once but the Panel, upon the showing of good cause by the contractor, may fund the same SET contractor for a subsequent project. The Contractor stated the event of September 11 caused an economic downturn in the computer industry that heavily affected their business. Because of the downturn in its business, SYSCO had to reevaluate the way it does business. The Company needs to evolve into an Internet-based operation, focus its computer applications from DOS to Internet driven platforms, and become more efficient by improving processes through continuous improvement. SYSCO Foods Services of San Francisco markets and distributes food service products to restaurants, major hotels, and other institutions located throughout Northern California. This project is supported by the Teamsters Local 78.

Mr. Chan introduced Elliott Levin, Vice President of Human Resources, SYSCO; and Dan Varela, Business Representative, Teamsters Local 78.

ACTION: Mr. Lennox moved and Mr. Hodess seconded the Panel approve this One-Step Agreement as proposed.

Motion carried, 5 – 0 (Mr. Broad absent)

XIII. APPROVAL OF PROJECTS LESS THAN \$100,000

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel delegate to the Executive the authority to approve the following proposals for projects less than \$100,000:

- Network Appliance Corporation
- Seascape Resort
- Agrilink Foods, Incorporated – Oxnard
- Loews Santa Monica Beach Hotel – WITHDRAWN
- Peerless Systems Corporation
- PerkinElmer Instruments – Detection Systems
- Performance Materials Corporation
- Plutus Enterprises
- Scrantom Engineering, Incorporated
- Johnson Matthey

Motion carried 5 – 0 (Mr. Broad absent).

XIV. PUBLIC COMMENT

There were no members of the public who wished to comment.

XV. SPECIAL EMPLOYMENT TRAINING FUNDS

Mr. DeMauro stated that the Fiscal Year 2001-02 Strategic Plan that the Panel previously adopted basically states that one of the Panel objectives under Special Employment Training Funds (SET) is to reevaluate the criteria for projects eligible under SET. Special Employment Training Funds are a specific allocation provided in the ETP statute separate and apart from the normal funding that is subject to out-of-state competition or the new hire components. There are three important aspects relevant to funding under the SET category: (1) the company need not show out-of-state competition; (2) the training primarily should be targeted to frontline workers who earn at least the State average wage (although there are other categories of SET); (3) trainees or new hires need not meet the standard eligibility criteria in the ETP statute, in that they are either unemployed and have been on UI insurance during the last 24 months, or have been currently employed for at least 90 days.

Mr. DeMauro stated the Legislature adopted the SET criteria funding to allow industries and occupations that do not meet the standard criteria the opportunity to receive training dollars from the Employment Training Fund that employers pay into via quarterly payroll taxes.

Last year, the Legislature significantly decreased the amount of Special Employment Training funds available to the Panel from 20 percent to 10 percent of available training funds. The Legislature has mandated the Panel address and target on an annual basis SET category industries and occupations.

Staff have reviewed the SET projects the Panel has previously funded and found the occupations primarily included production workers, construction workers, plumbers, electricians, sales staff, technicians, office workers, customer service representatives, hospitality workers, and small business owners. The primary industries previously funded under SET have been food services, construction trades, retail, and financial.

Staff recommend the Panel only slightly revise the barriers to full-time employment criteria to clarify that trainees must have at least two barriers to qualify, which quantifies “multiple” barriers.

The Career Ladders component was removed from the SET category when the Panel adopted an emergency regulation transferring the Career Ladder component to the Economic Development category, which is in the new hire normal funding category

Mr. DeMauro reported the rule for High Unemployment Areas is not consistent with respect to the normal statutory funding authority and the SET category. In the High Unemployment Areas under a SET contract, the contractor is not required to provide an increase in wages for trainees upon completion of training and required retention when requesting a waiver to the ETP minimum wage.

Based on staff’s review of the SET criteria, the following recommendations are offered to amend CCR Section 4409: remove the restriction that contractors be funded only once under SET; target at least 60 percent of annually available SET funds for training of frontline workers who earn at least the State average wage; clarify that workers qualifying under the SET barriers subcategory must have a least two barriers to employment; and revise the definition of “employee” for the purpose of small business skills training to stipulate that such employees need to be employed as of the start of training.

Panel members had concerns regarding the percentage of available SET funds for the training of frontline workers who earn at least the State average wage.

Mr. DeMauro reported that under CCR Section 4405, it states “...in order to make Panel funds available to the greatest number of trainees, the Panel may establish

funding restrictions on contracts and/or establish certain funding priorities. Any funding restrictions or applications or priorities shall reflect statutory criteria. That may include but are not limited to the following:" He stated that this section gives flexibility to the Panel from time to time to adjust priorities and spending allocations. He stated that section, by itself, is sufficient to allow the Panel flexibility to deal with percent issues.

Mr. DeMauro stated that staff would write language to present to the Panel, and that the proposed SET regulation changes will be placed on the Website for public notice and comment. The revised language will be presented to the Panel next month.

XVI. EXECUTIVE SESSION

Mr. DeMauro stated there would not be an Executive Session at this month's Panel meeting.

XVII. ADJOURN

There being no further business and no objection, the meeting was adjourned.