

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency  
1001 I Street, Byron Sher Auditorium  
Sacramento, California 95814  
December 17, 2004

**PANEL MEMBERS**

Marsha Kwalwasser  
Chairperson

Aram Hodess  
Vice Chair

Barry Broad  
Member

Tyrone Freeman  
Member

Paul Kiesel  
Member

Robert Lennox  
Member

Tom Rankin  
Member

**Executive Staff**

Ada Carrillo  
Acting Executive Director

Susan Bobrow  
Acting General Counsel

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**I. PUBLIC PANEL MEETING CALL TO ORDER**

Marsha Kwalwasser, Chair, called the public Panel meeting to order at 9:30 a.m.

**II. ROLL CALL**

Members Present

Marsha Kwalwasser, Chair  
Aram Hodess, Vice Chair  
Paul Kiesel  
Tom Rankin

Members Absent

Barry Broad  
Tyrone Freeman  
Robert Lennox

Executive Staff Present

Ada Carrillo, Acting Executive Director  
Susan Bobrow, Acting General Counsel

**III. APPROVAL OF AGENDA**

ACTION: Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the Agenda.

Motion carried, 4 - 0.

**IV. APPROVAL OF MINUTES**

Ms. Kwalwasser requested follow up on question raised at the last Panel meeting regarding government funding for Korea Radio. Ms. Bobrow reported that ETP research found no governmental funding involvement.

ACTION: Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the Panel Meeting Minutes of October 29, 2004.

Motion carried, 4 - 0.

## **V. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS**

Ms. Kwalwasser announced the retirement from the Panel of herself and Tom Rankin. She spoke on the merits of Mr. Rankin and complimented staff on their "awesome" performance.

Mr. Rankin spoke on his retirement. He thanked Ms. Kwalwasser for being the Chair and for her dedication to ETP's program.

Victoria Bradshaw, Secretary of Labor and Workforce Development Agency, thanked Ms. Kwalwasser and Mr. Rankin for their dedicated service to ETP. Ms. Bradshaw spoke on the financial condition of the ETP program and her continued support. She stated there will be an Executive Order issued soon releasing money for this fiscal year from Workers' Compensation savings.

## **VI. REPORT OF THE ACTING ASSISTANT DIRECTOR**

Ms. Carrillo extended her thanks to Ms. Kwalwasser and Mr. Rankin for their support, dedication, and commitment to ETP.

Ms. Carrillo asked for a motion to delegate to the Acting Executive Director the authority to approve items for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

ACTION: Mr. Rankin moved and Mr. Hodess seconded the Panel delegate to the Acting Executive Director the authority to approve items for which a quorum does not exist in consultation with the Panel Chair or Vice Chair for which a quorum does not exist.

Motion carried, 4 - 0.

### Fund Status

Ms. Carrillo reported that ETP should be receiving approximately \$16 million within the next month as a result of savings from Workers' Compensation. She stated the projects presented for consideration at today's meeting would be approved contingent on available funding. She stated the terms of the contracts would be consistent with the release of the Executive Order. Contractors may want their ETP contract term to begin by December 31, 2004, in order to utilize the current year's wage requirements. However, no training can commence until ETP receives further funding.

Consent Calendar Projects

Ms. Carrillo asked for a motion to approve those single employer contracts that have been placed on Consent that are less than \$500,000 and do not appear to have any controversial issues.

Ms. Kwalwasser recused herself from discussion and participation on the Medtronic Neurosurgery proposal. Mr. Rankin requested Safeway Merced Grocery Plant be discussed separately.

ACTION: Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the following proposals:

Abbott Diabetes Care .....	\$660,000
Advanced Electromagnetics, Inc.....	\$14,400
Aldik Artificial Flower Company Incorporated.....	\$82,160
Balboa Instruments Incorporated .....	\$142,740
Fluidmaster Inc. ....	\$175,032
H. Hendy & Associates .....	\$21,460
Hi-Tech Electronic Manufacturing, Inc. ....	\$57,400
Innovative Micro Technology .....	\$49,920
Konoike-Pacific California, Inc. ....	\$60,775
MedicAlert Foundation .....	\$94,874
Menlo Logistics .....	\$126,672
Overture, a Yahoo! Company .....	\$234,520
Ray Products, Inc. d.b.a. Ray Plastics .....	\$16,000
Reborne Inc. ....	\$150,700
Southland Stone USA, Inc. ....	\$25,200
Square Tree Software, Inc. ....	\$12,480
United Online, Incorporated d.b.a. NetZero/Juno.....	\$480,480
Varian, Inc. ....	\$97,500

Motion carried, 4 - 0.

Safeway Merced Grocery Plant proposal was postponed until such time when the Contractor could be present to address turnover issues. Medtronic Neurosurgery was not considered at this time due to lack of a quorum.

**VII. REPORT OF THE ACTING GENERAL COUNSEL**

Ms. Bobrow reported that under the direction of the Panel at the October 2004 meeting, the Critical Proposal Amendment went forward to the Office of Administrative Law to be approved as a permanent regulation.

Ms. Bobrow stated that those Panel members whose terms are not expiring will be receiving information from ETP about the computer-based ethics training, which is required of public officials every two years.

Ms. Bobrow announced that a Panel Appeal has been sent to the Panel Chair to appoint a Hearing Officer.

## **VIII. AGREEMENTS AND AMENDMENTS**

### **Critical Proposals**

#### **Edwards Life Sciences**

The Edwards Life Sciences proposal was withdrawn from consideration at this month's Panel meeting.

#### **Virgin America**

Creighton Chan, manager of ETP's San Mateo field office, presented a Proposed Agreement for Virgin America in the amount of \$10,000,000. This project is a "Critical Proposal" because it is part of a highly collaborative economic development effort that involved numerous State and local agencies. The availability of ETP funds for customized training of Virgin America's California workforce was an important factor leading to the decision to locate the new airline operations in the San Francisco International Airport area. Virgin America is requesting ETP funds to assist in providing training to 1,182 new workers. Virgin America estimates that it will incur an additional \$4.3 million in training costs which is above and beyond Virgin's in-kind contribution of \$15.1 million and ETP funding of \$10 million.

According to a report prepared by the Bay Area Economic Forum, Virgin America's decision to locate in California will stimulate significant economic growth for the San Francisco Bay Area. The report estimated that at 70 flights per week, the new domestic air service is expected to generate 3,891 jobs (1,692 at the airport site and 2,199 with the visitor industry), \$146.9 million in wage and salary income (\$94.9 million at the airport site and \$51.9 with the visitor industry), and \$23.9 million in state and local taxes (\$10.4 million at the airport site and \$13.5 million with the visitor industry).

Staff recommended that the Panel approve this Proposed Agreement if funding is available and the project meets Panel priorities, and recommended approval to modify the definition of laboratory training to concur with Federal Aviation Administration-mandated criteria for the delivery of training, modify the training recordkeeping requirements, waive the Panel's limitation of 200 hours of training per retrainee, approve the use of an out-of-state vendor and training location for a portion of the training, and delegate approval of the Final Agreement to the Acting Executive Director. Approval of the Final Agreement will be contingent upon the submission and approval of the final curriculum, the submission and approval of mutually-agreed upon documentation to justify the cost of simulator training for pilots, and verification of the

training hours per occupation and/or other necessary details to prepare the Final Agreement.

Mr. Chan introduced Todd Pawlowski, Bob Weatherly, SVP Flight Operations, and Joe Houghton, Chief Pilot. Ms. Kwalwasser questioned the percentage of encumbrance. Ms. Carrillo replied that this year ETP expects to encumber 35 percent of the contract amount to cover estimated first year contract expenses. However, on economic development contracts where the training proposed is very concentrated, up to 50 percent of the contract amount may be encumbered.

ACTION: Mr. Hodess moved and Mr. Kiesel seconded the Panel approve the Proposed Agreement for Virgin America.

Motion carried, 4 - 0.

### **Single Employer Proposals (Presented out of order)**

Pac-West Telecomm, Inc. (Presented out of order)

Rudy Cohen, manager of Sacramento's field office, presented a One-Step Agreement for Pac-West Telecomm, Inc., in the amount of \$192,324. Pac-West is a provider of voice and data services to Internet service provider customers and enterprise customers throughout the western United States. The Company is requesting ETP training funds to retrain 341 employees in the skills necessary to transition to a high performance workplace.

Ms. Cohen introduced Nichole Welch, Corporate Training Manager, and Eddie Hernandez, Senior Corporate Trainer. Mr. Rankin inquired about the current training contract. Ms. Welch explained that there had been a substantial turnover in the training department and training was not completed. She stated that the Company has dedicated two full-time staff to the training project. Mr. Hodess voiced concern regarding in-kind contributions. He stated capital assets should not be considered as in-kind contributions.

ACTION: Mr. Kiesel moved and Mr. Hodess seconded the Panel approve the One-Step Agreement for Pac-West Telecomm, Inc., in the amount of \$192,324.

Motion carried, 4 – 0.

### **Multiple Employer Contractor (MEC) Proposals**

**E-Gate College, Inc.**

Diana Torres, manager of San Diego's field office, presented a One-Step Agreement for E-Gate College, Inc., in the amount of \$101,555. E-Gate is a private, for-profit, training and educational school that specializes in a variety of Business and

Information Technology disciplines. E-Gate College representatives state that their recent market research and assessment analysis shows that many small businesses continuously experience pressure to reduce costs and improve productivity. These companies state that they cannot compete in world markets unless they boost productivity and invest in a better trained and more skilled workforce. E-Gate College has found, through its formal assessment processes, that there is a demand from many of these small businesses for Business, Computer, Continuous Improvement, Management, and Manufacturing Skills in order to compete in the national and international marketplace. E-Gate plans to train 95 incumbent workers from various participating employers using a Class/lab Menu Curriculum customized to meet the needs of each participating employer. Training will take place exclusively at each employer's worksite during regular business hours.

Ms. Torres introduced Armin Zehtabchi, President/CEO. There were no questions from Panel members.

**ACTION:** Mr. Hodess moved and Mr. Rankin seconded the Panel approve the One-Step Agreement for E-Gate College, Inc., in the amount of \$101,555.

Motion carried, 4 - 0.

## **Westech College**

Ms. Torres presented a One-Step Agreement for Westech College in the amount of \$764,470. This proposal was first presented to the Panel at the August 27, 2004, Panel meeting. The Panel at that time expressed concerns regarding several issues, and tabled action on the project so that the applicant could have time to clarify those issues. Staff has found that the concerns raised by the Panel have been addressed.

Due to rapidly changing technology in the design engineering industry, trainees require greater technical skills training in the use of high technology computerized systems and software. Westech College proposes to retrain 628 employees of eligible participating employers in CADD drafting and design and other computerized drafting and design programs targeted to engineering, architectural and manufacturing firms. Subsequent to the August Panel meeting, Westech revised its proposed training plan to include a 40 hour curriculum of on-site training for 158 retrainees (25 percent of the number to be retrained). Given that the 40-hour on-site training program is new, Westech will be adding new participating employers as the project progresses.

Ms. Torres introduced Barry Maleki, Ed.D., representing Westech College, and Steve Duscha of Steve Duscha Advisories. Ms. Kwalwasser requested the Contractor address the Panel's concerns. Mr. Maleki stated that 25 percent of the contract is on-site and customized to the employer's need. The balance of training is conducted at Westech College. He stated that each participating employer is given information regarding the rules and regulations of the Labor Commission and they are requested to submit a statement as to whether the training is voluntary or mandatory. Mr. Rankin

voiced concern regarding non-compensated voluntary training. Ms. Carrillo stated that staff will closely monitor the training for assurance that each trainee is being compensated while attending mandatory training. If findings show that trainees are not being compensated, staff will refer action to the Labor Commissioner. Mr. Hodess voiced his concern regarding ETP funding training that is voluntary and not related to trainee's job.

**ACTION:** Ms. Kwalwasser requested the Contractor return for action on the proposal after taking some time to consider Panel suggestions.

### **California State University Dominguez Hills Foundation**

Dolores Kendrick, manager of ETP's North Hollywood field office, presented a One-Step Agreement for California State University Dominguez Hills Foundation (CSUDH) in the amount of \$66,000. CSUDH is a four-year university accredited by the Western Association of Schools and Colleges. Through its extended education program, CSUDH has successfully offered training in workplace skills to thousands of students and companies over the last 22 years. Although CSUDH has routinely offered training for the workplace, the proposed ETP training differs from its regular training because it is customized to the needs of each participating employer. CSUDH initially submitted a funding application to train 180 employees from participating employers. Due to the CSUDH's performance in its last two contracts and limited ETP funding in Fiscal Year 2004-05, ETP field staff and CSUDH representatives negotiated a reduced funding for 100 trainees. CSUDH may request an Amendment for a second phase of funding, once it demonstrates performance in this Agreement. The majority of the training (over 95 percent) will be conducted at the participating employers' worksites. Center-based training at CSUDH campus may occur if the participating employer does not have adequate facilities and/or equipment that is conducive to delivering an effective training program. To meet ETP's customization requirement, center-based training conducted at CSUDH will be limited to trainees from the same employer.

Ms. Kendrick introduced Angeli Logan, Director, Extension Programs. Mr. Hodess had concerns regarding the customization of computer skills training. Ms. Carrillo stated that all training will be provided at the employers' sites and customized to meet each individual employer's needs.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement for California State University Dominguez Hills Foundation in the amount of \$66,000.

Motion carried, 4 - 0.

### **Westech College (Revisited – Out of Order)**

**ACTION:** Mr. Rankin moved the Panel approve the Westech College Proposal with the caveat that ETP staff conduct exit interviews with the trainees, and if staff determine that the training was mandatory, they refer the employee to the Labor



Commissioner; and Staff would also report the matter directly to the Labor Commissioner. Mr. Maleki agreed to the proviso. Mr. Hodess seconded the motion.

Motion carried: 4 – 0.

### **GoTrain Inc.**

The GoTrain Inc. proposal was withdrawn from consideration at this month's Panel meeting.

### **J & R Film Co. Inc., d.b.a. Moviola Education Center**

Ms. Kendrick presented a One-Step Agreement for J & R Film Co., d.b.a. Moviola Education Center in the amount of \$547,300. Moviola is a "one-stop shopping" location for film editors, providing a full range of services for film and video production. Moviola is requesting Panel funds to retrain 500 incumbent workers from eligible participating employers. Participating employers will be from all facets of the entertainment industry, which includes production and post-production, technical support and consulting, distribution, news agencies, advertising, and equipment sales and rental. Initially, all training will be conducted at the Moviola facility. According to Moviola, center-based training enables access to training for participating employers who lack training facilities and/or equipment, and often lack the staff qualified to handle the logistics, technical support, and other training aids to support training. To meet ETP's customization requirement, center-based training conducted at Moviola will be limited to workers from the same industry. Moviola performs formal assessments on skill levels, topics, and training delivery methods to ensure training is customized to the employer's needs and specifications. The applicant states that Moviola's marketing plan for the next calendar year will include on-site training programs for companies with 50 or more employees. They expect 15 percent of the training will be conducted at the participating employer's worksite.

Ms. Kendrick introduced Michael Mostin, Vice President, and Donna Bartlett, President of Spectra Consulting. Mr. Hodess voiced concern regarding employer contributions. Ms. Bartlett stated the contributions were either from assessments of the employees or payments to do the work of the production people while they are in training.

**ACTION:** Mr. Hodess moved and Mr. Rankin seconded the Panel approve the One-Step Agreement for J & R Film Co. Inc., d.b.a. Moviola Education Center in the amount of \$547,300.

Motion carried, 3 – 0 – 1 (Mr. Kiesel abstained).

### **Santa Clarita Community College District**

Ms. Kendrick presented a One-Step Agreement for Santa Clarita Community College District in the amount of \$499,783. Santa Clarita Community College District, also known as College of the Canyons (COC), is a two year, fully accredited community

college offering a full range of vocational education programs as well as academic programs necessary for transfer to four year institutions. COC is requesting ETP funds to assist each participating company to retrain 717 of its workforce in the skills necessary to promote California's manufacturing workforce, transition to a high performance workplace and prevent the displacement of workers.

According to COC representatives, 75 percent of ETP training will be conducted at the employers' premises (on-site) and 25 percent will be conducted at COC facilities (center-based) for companies who do not have the appropriate facilities to conduct classroom training. All center-based training will be customized to the specific needs of each participating company. Before training begins, meetings will be conducted and the curriculum will be planned based on input from representatives of each employer. Trainees will complete a pre-training assessment before class begins to ensure that the training addresses their specific learning objectives. Both trainees and supervisors are interviewed to determine what skills are used in the trainee's specific job. Center-based classes will then be comprised of workers from those companies in a specific industry such as manufacturing and/or aerospace industry.

Ms. Kendrick introduced Dena Maloney, Dean, Economic Development, and Pamela Welden, Director, Employee Training Institute. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement for Santa Clarita Community College District in the amount of \$499,783.

Motion carried, 4 - 0.

### **Video Symphony EnterTraining, Inc.**

Ms. Kendrick presented a One-Step Agreement for Video Symphony EnterTraining, Inc., in the amount of \$492,000. Video Symphony began as a motion picture editing products rental company. Based on customer demand, it began providing computer-based, nonlinear editing system training used to create rough edits for motion pictures. The school has become a television, film, and video training center for a variety of software publishers, and trains media professionals on the latest digital production tools used in the entertainment industry. Video Symphony proposes to retrain 500 incumbent workers from eligible participating employers primarily located in the Southern California area. Participating employers will be from the entertainment industry: production and post-production; technical support and consulting; distribution; news agencies; advertising; and equipment sales and rental. Initially, all training will be conducted at the Video Symphony facility. Center-based training provides access to training for employers who cannot take equipment and staff out of production to utilize for training purposes, or who lack adequate training facilities, equipment, and/or administrative staff. To meet ETP's customization requirement, center-based training conducted at Video Symphony will be limited to workers from the entertainment industry. The school performs formal assessments on skill levels, topics, and training delivery methods to ensure training is customized to the

employers' needs and specifications. Video Symphony's marketing plan for the next calendar year will include on-site training programs for companies with 50 or more employees. They expect at least 15 percent of the training will be conducted at the participating employer's worksite.

Ms. Kendrick introduced Mike Flanagan, President. Mr. Hodess congratulated the industry employers for recognizing the value of funding their share of training.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement for Video Symphony EnterTraining, Inc., in the amount of \$492,000.

Motion carried, 4 - 0.

### **California Community Colleges Chancellor's Office**

Ruby Cohen, manager of ETP's Sacramento field office, presented a One-Step Agreement for California Community Colleges Chancellor's Office in the amount of \$301,700. The California Community Colleges Chancellor's Office is the State's oversight agency for the Community College system, including administration of the Small Business Development Centers (SBDC) that partner with local Community Colleges in each county. The SBDC Centers in California are part of a national delivery system dedicated to positive economic impact through business management education for the entrepreneur. The Centers provide both training and technical assistance to existing and prospective small business owners. The SBDC Centers propose training 350 incumbent workers utilizing a menu style of seminar offerings designed to be particularly relevant to the participating employers. Through one-on-one counseling, an assessment will take place of the employer's needs and a scope of work will be created outlining the series of needed trainings and lab work. The trainee will then immediately begin participating in a minimum of 24 hours of selected customized training courses. The topics will be strictly business management-related and will meet ETP criteria. This proposal is targeted for small businesses in high unemployment rural areas of the State.

Ms. Cohen introduced Teresa Parkinson, Specialist, Economic and Workforce Development, and Mary Wollesen, Statewide Director, Small Business Programs. Ms. Parkinson stated that the Chancellor's Office of California Community Colleges is monitoring a special program called Economic and Workforce Development. She stated the Small Business Development Center program focuses on the training and counseling of the workforce of small business owners.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement for California Community Colleges Chancellor's Office in the amount of \$301,700.

Motion carried, 4 - 0.

## **Special Employment Training (SET) Proposals**

### **SYSCO Food Services of Los Angeles, Inc.**

Ms. Kendrick presented a One-Step Agreement for SYSCO Food Services of Los Angeles, Inc., in the amount of \$688,031. In this proposal, four California SYSCO subsidiaries combined efforts and formed an employer consortium: SYSCO Food Services of Los Angeles - a marketer and distributor of food service products, which include fresh and frozen meats, seafood, poultry, fruits, vegetables, canned and dry products, paper and disposables, sanitation items, dairy foods, beverages, kitchen and tabletop equipment, and medical and surgical supplies; Newport Meat Company - a distributor of Certified Angus Beef products and supplier of fresh aged beef, pork, lamb, veal, poultry, game meats and seafood; Freshpoint of Southern California - a distributor of fresh fruits, vegetables, perishable products, including dairy, center of the plate, frozen entrees, desserts, dressings and juices; SYGMA Network, Inc. - a distribution center for chain restaurants. SYSCO Food Services of Los Angeles will be the Contractor for this Agreement and will assume responsibility for the performance of the project. The consortium proposes to train 650 incumbent workers in computer skills, continuous improvement, manufacturing skills, and business skills.

Ms. Kendrick introduced Elliott Levin, Vice President of Human Resources, and Tom Ross, Director of Sales Training.

ACTION: Mr. Rankin moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement for SYSCO Food Services of Los Angeles, Inc., in the amount of \$688,031.

Motion carried, 4 - 0.

### **Service Corporation International**

The Service Corporation International proposal was withdrawn from consideration at this month's Panel meeting.

### **Single Employer Contractor Proposals**

### **PacifiCare Health Systems, Inc.**

Ms. Torres presented a One-Step Agreement for PacifiCare Health Systems, Inc., in the amount of \$582,660. PacifiCare Health Systems, Inc., is a health care services company providing health insurance, behavioral health, dental, vision, and pharmacy benefit management services for individuals, employer and union groups, and Medicare beneficiaries. PacifiCare proposes to retrain 1,660 full-time employees with the skills to enable the Company to achieve corporate productivity, quality, and customer service goals.

Ms. Torres introduced Carol Black, Vice President of Human Resources and Organizational Development and Monika Ebert, Senior Training Consultant Education and Development. There were no questions from Panel members.

**ACTION:** Mr. Kiesel moved and Mr. Rankin seconded the Panel approve the One-Step Agreement for PacifiCare Health Systems, Inc., in the amount of \$582,660.

Motion carried, 4 – 0.

### **GNP Computers, Inc.**

Ms. Kendrick presented a One-Step Agreement for GNP Computers, Inc., in the amount of \$74,000. GNP is a provider of complete systems manufacturing in the telecommunications industry. GNP proposes to retrain 74 workers in skills necessary to transition to a high performance workplace. GNP's proposed ETP training was originally on the agenda for the October Panel Meeting but was withdrawn due to Company reorganization resulting in a reduction of its workforce. GNP representatives requested the withdrawal to reassess training needs and resubmit the proposal. GNP is requesting approval for an out-of-state vendor (Stat-A-Matrix located in New Jersey) to provide the TL9000 training. The GNP representative advises that The Quality Excellence for Supplies of Telecommunications Forum (QuEST) is the entity responsible for maintaining TL9000 Quality Management System handbooks, and QuEST developed sanctioned training materials that are provided by Stat-A-Matrix.

Ms. Kendrick introduced Douglas Baar, Vice President of Product Realization & Engineering. Ms. Kwalwasser voiced concern regarding turnover. Mr. Baar stated there was a major slowdown in the telecommunications industry resulting in the Company operating at a loss. He stated rather than going out of business, the Company decided to reduce the workforce and provide training to the existing workforce that will assist the Company in obtaining TL9000 certification that will attract more customers and generate more revenue thus enabling the Company to provide secure jobs.

**ACTION:** Mr. Hodess moved the Panel approve the One-Step Agreement for GNP Computers, Inc., in the amount of \$74,000, provided the retention period is extended to six months. Mr. Baar agreed. Mr. Kiesel seconded.

Motion carried, 4 – 0.

### **Health Net, Inc.**

Ms. Kendrick presented a One-Step Agreement for Health Net, Inc., in the amount of \$1,015,456. Health Net, Inc., is an integrated managed care organization that delivers managed health care services. Health Net is adding a new information system and is requesting ETP assistance to provide training to 2,441 employees in computer skills.

Ms. Kendrick introduced Patrick Ross, Health Plan Operations Officer. There were no questions from Panel members.

ACTION: Mr. Rankin moved and Mr. Hodess seconded the Panel approve the One-Step Agreement for Health Net, Inc., in the amount of \$1,015,456.

Motion carried, 4 – 0.

Ms. Kwalwasser moved that, due to a quorum issue, the consideration of Medtronic Neurosurgery be delegated to the Acting Executive Director. Mr. Rankin seconded.

Motion carried, 4 – 0.

### **Magnell Associates, d.b.a. ABS Computer Technologies, Inc.**

Ms. Kendrick presented a One-Step Agreement for Magnell Associates, d.b.a. ABS Computer Technologies, Inc., in the amount of \$104,832. ABS is a manufacturer of personal computers. The Company sells to the general public, wholesalers, non-profit organizations, retailers, commercial companies, and government agencies. According to ABS representatives, its internet sales and workforce have been doubling annually. Over the last three years, the Company experienced an excessive turnover rate due to ABS' inability to create the necessary leadership infrastructure to properly recruit and retain newly hired employees in entry level positions. Employees have been promoted to leadership positions without formally acquiring the interpersonal skills needed to motivate, coach, and retain employees. The Company is requesting ETP funding to provide training in business skills, continuous improvement, and management skills to 252 workers.

Ms. Kendrick introduced Jolsom Pham, Human Resources Director. Mr. Rankin requested a longer retention period of 180 days. Mr. Pham agreed.

ACTION: Mr. Rankin moved and Mr. Hodess seconded the Panel approve the One-Step Agreement for Magnell Associates d.b.a. ABS Computer Technologies, Inc., in the amount of \$104,832, with a retention period of 180 days.

Motion carried, 4 – 0.

### **Paul Evert's RV Country, Inc.**

Ms. Cohen presented a One-Step Agreement for Paul Evert's RV Country, Inc., in the amount of \$280,098. Paul Evert's RV Country, Inc., provides sales and services of recreational vehicles (RV) to customers within and outside of California. The Company's RV services include a large retail parts and accessories department. Paul Evert's RV Country, Inc., proposes to train 126 employees in a menu curriculum that includes Business Skills, Computer Skills, Commercial Skills, Continuous Improvement, and Management Skills in order to keep pace with a rapidly expanding business while ensuring quality products and services.

Ms. Cohen introduced John Marr, Director of Parts & Service. There were no questions from Panel members.

**ACTION:** Mr. Hodess moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement for Paul Evert's RV Country, Inc., in the amount of \$280,098.

Motion carried, 4 – 0.

## **IX. 2003-04 ANNUAL REPORT**

Mike Rice, manager of ETP's Planning and Research Unit, presented ETP's Annual Report for Fiscal Year (FY) 2003-04 which is required by ETP's enabling legislation to be submitted to the Legislature annually to address the prior fiscal year. The report includes information on Panel funding approvals and other activities during the report year, as well as results of contracts approved in prior years that were completed in FY 2003-04. During the report year, a number of program policies and regulations were updated. A highlight of the report year was ETP's increased role in new statewide economic development efforts aimed at business attraction and retention, and job creation. Working with the Administration, the Labor Agency, the California Business Investment Services Unit of Employment Development Department, and numerous statewide and local economic partners, the Panel streamlined program requirements to increase its ability to provide training incentives as part of larger efforts to grow businesses and create jobs in the State.

In light of the delegation made earlier to the Acting Executive Director, Mr. Rice will provide the Annual Report to the Acting Executive Director for final approval.

## **X. PUBLIC COMMENT**

Steve Duscha, Alliance for ETP, raised an issue on the fixed-fee rates for small business training and recommended the Panel review and update next year.

## **XI. EXECUTIVE SESSION**

There was no Executive Session at this month's Panel meeting.

## **XII. ADJOURN**

There being no further business and no objection, the Public Panel meeting was adjourned at 12:10 p.m.