

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING
California Environmental Protection Agency
Coastal Hearing Room, 2nd Floor
1001 I Street
Sacramento, CA 95814
June 27, 2008

PANEL MEMBERS

Barry Broad
Acting Chair

Greg Campbell
Member

Barton Florence
Member

Scott Gordon
Member

Brian McGowan
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Executive Staff

Brian McMahon
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Acting Chair, called the public Panel meeting to order at 9:35 a.m.

II. ROLL CALL

Members Present

Janice Roberts
Brian McGowan
Scott Gordon
Barton Florence
Edward Rendon
Greg Campbell (arrived after roll call)

Members Absent

Barry Broad

Executive Staff Present

Brian McMahan, Executive Director
Maureen Reilly, General Counsel

III. APPROVAL OF AGENDA

ACTION: Mr. Rendon moved and Mr. Florence seconded the Panel approve the Agenda.

Motion carried, 5 – 0.

IV. APPROVAL OF MINUTES

ACTION: Mr. Florence moved and Mr. Rendon seconded approval of the Panel Minutes of April 25, 2008.

Motion carried, 5 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, said the ETP appropriation has successfully passed through both the Senate and Assembly Budget Subcommittees and is currently in Conference Committee. He said the Assembly inserted language in the Budget Act asking the Panel to establish a strategic planning priority on projects serving the clean technology sector. He said there is a degree of risk around our appropriation until the Budget is approved.

Mr. McMahon thanked Greg Campbell, Panel Member, for scheduling an appointment with Assembly Speaker Bass' office to discuss the clean technology sector. So far, ETP has funded over 50 clean technology projects amounting to \$23 million.

Mr. McMahon said ETP fully expended the \$39.7 million appropriation in FY 2007-08. This included 391 new projects, training over 82,000 workers. He said this was the highest number of projects ETP has ever funded.

Mr. McMahon referred to the Fund Status Report in the Panel Packet. He said the report has been approved by the Department of Finance, Legislative Analysts, and the two Subcommittees of the Legislature and reflects the appropriation figures included in the Governor's Budget as introduced. He said there is an inverse relationship to collecting the Employment Training Fund versus the unemployment rate. He said as the unemployment rate increases, collections go down as more employers move into a negative-reserve status. Overall, the FY 2008-09 forecast is \$70,924 million available before subtracting ETP's administration of \$9.1 million. Since funding is on an incremental basis, there is an estimated \$17.5 million in installment payments due, resulting in slightly more than \$42 million for project funding availability.

Mr. McMahon said if all projects are approved this month, it would amount to approximately \$15 million in contract value, leaving approximately \$36.5 million going forward.

Mr. McMahon said ETP introduced Bill AB2570 (Silva), to update the ETP statute and make improvements to the program. He said the Bill is out of Assembly and next goes to the Senate Appropriations. He said there were no opposing votes and no opposition to measures, so it is likely the Bill will pass out of the Legislature and be signed by the Governor. He said the most significant amendment is the increase from 10 to 15 percent for the amount of funding made available for Special Employment Training (SET). He said this will give the Panel more flexibility to approve projects in priority industry sectors that may not face out-of-state competition, but are key to the state's economy, such as construction, healthcare and clean technology.

Mr. McMahon said AB2570 will consolidate references to workforce investment partnering and made this part of the strategic planning process. He said this will give the Panel the needed flexibility to ensure there is an integration of overall workforce development resources.

Mr. McMahon said the Bill will also revise the definition of eligible retrainee, eliminating the requirement for a prior employment history of 90 days. He said this will apply to projects brought to the Panel by a state or local economic development agency, but will be capped at 10 percent of annual trainees.

Mr. McMahon said a bill directly impacting ETP, AB2622 (Hayashi), was approved in the Senate Labor and Industrial Relations Committee this week. He said it will make clean technology a mandated element of strategic planning. Since the 2008-09 Strategic Plan already includes a focus on clean technology companies, this is consistent with the direction the program is heading.

Mr. McMahon said another bill that directly impacts ETP is AB3066. He said the Bill has moved through the Assembly and is headed for the Senate Appropriations Committee. He said the Bill creates a statutory priority for Veteran's training.

Mr. McMahon directed the Panel's attention to a Legislative Update Memo listing a number of other bills that either directly or indirectly impact ETP. Mr. McMahon proceeded to explain that an action item on the Agenda, for review of a proposed ruling in the consolidated appeals by GoTrain Inc., will be rescheduled for next month when Chairman Barry Broad will be present. He said, Mr. Broad acted as the hearing officer, and his presence was needed if there were questions about the proposed ruling.

Mr. McMahon noted that there were some other changes to the Agenda: ABCO Technology will be removed from the Consent Calendar and become the first item heard under the MEC section; and Veolia Transportation will be rescheduled for July along with Citibank, N.A.

Request Motion to Delegate in Event of Loss of Quorum

Mr. McMahon asked for a motion to delegate to the Executive Director the authority to approve items noticed for action at this meeting, in consultation with the Panel Chair or Vice Chair, if a quorum does not exist.

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

Motion carried, 5 – 0.

Request Motion to Adopt Consent Calendar Projects/Action

Mr. McMahon asked for a motion to adopt Consent Calendar Items #1 through #57, with the revisions that Tab #1, ABCO Technology Inc., be removed from Consent Calendar to the first project to be heard under Multiple Employer Contracts and Tab #56, Veolia Transportation Services, Inc., is withdrawn and would likely return to the July Panel meeting.

ABCO Technology, Inc.REMOVED FROM CONSENT CALENDAR
Able Industrial Products, Inc. \$26,520

ABS Global, Inc.	\$68,640
Acme Bioscience, Inc.	\$23,400
ACSCO Products, Inc.	\$42,120
Action Sports Division, Inc.	\$40,768
Akra Plastic Products, Inc.	\$74,958
Ancor PET Packaging, USA, Inc.	\$141,750
ANCJ, L.L.C. dba Direct Buy East Bay.....	\$23,760
Arma Design, Inc.	\$19,448
Bio-Med Services, Inc.	\$54,000
Bishop Wisecarver Corporation.....	\$74,256
Cactus Media Group, Inc. dba Fresno Magazine	\$20,280
Cambio Enterprises, Incorporated dba Buggy World.....	\$5,940
Capire, L.L.C. dba Direct Buy Sacramento.....	\$39,600
Celprogen Inc.	\$4,680
Combustion Associates, Inc.	\$52,000
Conceptual Design and Planning Company	\$19,800
Distinctive Signs, Inc. dba Signs Pacific	\$24,960
Exact Staff, Inc.	\$41,360
Excalibur Engineering, Inc.	\$49,920
Fidelis Brothers, Inc. dba Denny's Electric and Home Services	\$18,720
Gateway Engineering, Inc.	\$23,400
Gimbal Brothers, Inc.	\$60,736
GNB Corporation.....	\$58,240
HannahMax Baking, Inc.	\$36,000
Hunter Technology Corporation.....	\$167,400
Integrated Digital Technologies	\$199,530
J.M. Califf AIA & Partners, Inc.	\$4,400
Keeley Aerospace, Ltd.	\$59,280
Kelsey National Corporation.....	\$56,760
Korean Air Lines Co., LTD., dba Korean Air.....	\$60,000
Lalanne Brothers, Inc.	\$18,480
LifeLong Medical Care.....	\$133,236
MIRO Technologies, Inc.	\$74,360
Nypro San Diego, a Division of Nypro, Inc.	\$58,320
Pacific Advanced Engineering, Inc.	\$46,800
PSM Industries, Inc.	\$74,970
"R" Rooter & Plumbing	\$21,840
RANCJ, L.L.C. dba Direct Buy North Bay.....	\$15,840
Raymar Information Technology, Inc.	\$71,760
Rodney Musson dba Musson General Contracting	\$18,200
Santa Clarita Association Management, Inc. dba Valencia Management Group	\$6,600
Scaled Composites, LLC	\$28,350
Schrillo Company L.L.C.	\$43,680
Sebastian Enterprises, Inc. dba Foresthill Telephone Company	\$39,600
Silicon Valley Dream Homes dba DirectBuy of Silicon Valley.....	\$71,280
Stanford Medical Billing Services, Inc.	\$53,460

Summer of 42 Restaurant Enterprises dba Sal's Mexican Restaurants	\$52,800
Technical Consumer Products, Inc.	\$115,200
The Dow Chemical Company	\$126,900
The Pension Group, Inc.	\$34,320
Therm-X of California, Inc.	\$145,080
Timothy Stewart & Lekos Seed Company dba TS&L Seed Company.....	\$17,820
Universal Propulsion Company, Inc., dba Aircraft Inter Products, Propulsion Systems CA.....	\$56,160
Veolia Transportation Services, Inc.	WITHDRAWN
West Coast Industrial Flooring, Inc.	\$35,880

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of Consent Calendar Items #1 through #57, with the revisions that Tab #1, ABCO Technology Inc., be removed from Consent Calendar to the first project to be heard under Multiple Employer Contracts and Tab #56, Veolia Transportation Services, Inc., is withdrawn and would likely return to the July Panel meeting.

Motion carried, 5 – 0.

VI. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel, had nothing to report.

Ms. Roberts noted the arrival of Greg Campbell, Panel Member. Mr. McMahon thanked Mr. Campbell for giving him the opportunity to meet with Speaker Karen Bass' staff regarding the clean technology sector.

VII. REVIEW AND ACTION ON FY 2008-09 STRATEGIC PLAN

Michael Rice, Chief of the Administration, presented the proposed Strategic Plan for FY 2008-09. He referred to the Strategic Plan Tab in the Panel Packet. The enabling legislation requires the Panel to update its Plan annually based on employer demand of skilled workers, changes in the economy and labor market and a continuous review of the program. He explained this Plan covers the period of July 1, 2008 through June 30, 2009.

Mr. Rice said the Plan includes the following:

- An assessment of the Panel's progress on last year's goals and objectives;
- A snapshot of the California economy, workforce trends, key industries and initiatives;
- An overview of the Employment Training Panel's (ETP) anticipated budget and resources for the upcoming fiscal year; and,

- A description of ETP's funding priorities for 2008-09, including priority industries and initiatives, and accompanying goals and objectives. In addition to a number of ongoing priorities (such as small business, priority industries, nurse training, Career Technical Education, and Clean Technology), the updated Plan also focuses on enhancing the role of multiple employer contractors (MEC), increasing services to Veterans, and support for the Talent Transfer Strategic Growth Plan.

Ms. Roberts asked if the Panel had any questions. There were no questions from the Panel. Ms. Roberts thanked staff for preparing the Strategic Plan and said they did a great job.

ACTION: Mr. Rendon moved and Mr. McGowan seconded approval of the FY 2008-09 Strategic Plan, with direction to staff to incorporate any requested changes, and delegation of authority to the Executive Director for final approval, prior to submitting the Plan to the Administration and Legislature.

Motion carried, 6 – 0.

Ms. Reilly commended Michael Rice and his staff for all of the work they did to draw upon research and source data.

VIII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

Single Employer Contractors

AHMC Healthcare, Inc. dba Garfield Medical Center

Dolores Kendrick, Manager of the North Hollywood Field Office, presented a funding proposal for AHMC Healthcare, Inc. dba Garfield Medical Center (Garfield Medical Center), in the amount of \$496,296. She said Garfield Medical Center's services include diagnostic imaging, critical care, cardiology, inpatient/outpatient surgery, emergency, medical/surgical, maternity and child services, and rehabilitation.

Ms. Kendrick introduced James Ting, R.N., Education/In-Service Department.

There were no questions from the Panel.

ACTION: Mr. Campbell moved and Mr. Florence seconded approval of the funding proposal for Garfield Medical Center in the amount of \$496,296.

Motion carried, 6 – 0.

Dreyer's Grand Ice Cream Holdings Inc., Bakersfield Operations Center

Ms. Kendrick presented a funding proposal for Dreyer's Grand Ice Cream Holdings Inc., Bakersfield Operations Center (Dreyer's), in the amount of \$1,135,728. Dreyer's is the largest ice cream and frozen dessert plant in the United States.

Ms. Kendrick introduced Timothy Selgelid, Finance Manager and Steve Duscha, representing Duscha Advisories.

Ms. Roberts said it appeared Dreyer's was opting out of a substantial contribution because they have two different facilities. She suggested that in the future if Dreyer's returns to the Panel, that the company consolidate the facilities. Mr. Duscha said two distribution facilities are included in this proposal.

ACTION: Mr. Gordon moved and Mr. McGowan seconded approval of the funding proposal for Dreyer's in the amount of \$1,135,728.

Motion carried, 6 – 0.

Intercare Health Systems, Inc. dba City of Angels Medical Center

Ms. Kendrick presented a funding proposal for Intercare Health Systems, Inc. dba City of Angels Medical Center (City of Angels), in the amount of \$475,200. She said City of Angels' services include same-day surgery, radiology, laboratory services, cardio diagnosis, gastrointestinal lab, physical rehabilitation, and a 24-hour urgent care center.

Ms. Kendrick introduced Vicki Gant, Chief Executive Officer and William Parker, representing National Training Systems Inc.

There were no questions from the Panel.

ACTION: Mr. Florence moved and Mr. Campbell seconded approval of the funding proposal for City of Angels in the amount of \$475,200.

Motion carried, 6 – 0.

Los Robles Hospital & Medical Center

Ms. Kendrick presented a funding proposal for Los Robles Hospital & Medical Center (Los Robles), in the amount of \$327,600. Los Robles offers a full array of medical services including a 24-hour emergency department, intensive care unit/critical care unit, maternity, neonatal intensive care unit, medical and surgical departments, comprehensive cancer center, heart center, same day surgery, transitional care unit, and rehab center.

Ms. Kendrick introduced Nancy Seck, Vice President of Patient Care Services.

There were no questions from the Panel.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for Los Robles in the amount of \$327,600.

Motion carried, 6 – 0.

Nexus IS, Inc.

Ms. Kendrick presented a funding proposal for Nexus IS, Inc. (Nexus), in the amount of \$251,100. She said Nexus specializes in the design, sales, installation and service of: PBX and voice over IP communications systems; voice and transaction processing systems; copper and fiber-optic cabling systems; local and wide-area network systems; and peripheral voice and data communications products and services.

Ms. Kendrick introduced Rebecca Sweeney, Human Resources Director.

Mr. Florence asked about the 29 percent completion in the prior project and if Nexus was unable to meet its goals due to company growth and increased business. Since the company was continuing to grow, he asked how it planned to meet its goals this time around. Ms. Sweeney said, although growth is continuing, they have more of an understanding for their business needs and can put more individuals into training. She said they anticipate an additional 30 percent of growth for employees through this next contract, and then those individuals will go into training as well.

Ms. Roberts said the two prior projects amounted to \$246,000 earned, which is only \$4,000 short of a 30 percent substantial contribution requirement. She said it appeared they were trying to come in under the wire and asked what would happen if they earn another \$4,000. Ms. Kendrick said at this point, they were unable to ascertain whether or not they would reach the \$4,000. She said based on all the information they obtained and that training had ended, they would be qualified for reimbursement and should be below the \$250,000 cap. Ms. Roberts said the figure was so close to the substantial contribution requirement. Ms. Kendrick said she did not believe she has experienced this situation before where the substantial contribution requirement has fallen this close. Ms. Reilly apologized for not including this information in the training proposal. Ms. Kendrick said, in looking at the information in terms of the hours entered in the system and it being too late to offer any more training, it doesn't appear that they would exceed the \$250,000. Mr. McMahon said the new regulations effective after July 1 will allow the Panel to look at projects in progress, estimate their completion date, and calculate a substantial contribution.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for Nexus in the amount of \$251,100.

Motion carried, 6 – 0.

CertainTeed Corporation

Ruby Cohen, Manager of the Sacramento Field Office, presented a funding proposal for CertainTeed Corporation (CertainTeed), in the amount of \$267,300. She said CertainTeed is a manufacturer of building materials which includes roofing, siding, insulation, windows and patio doors, fencing, decking, railing, foundations, and pipe.

Ms. Cohen introduced Gus Maya, Quality Manager.

Ms. Roberts asked who would lead the Lean Six Sigma training and Mr. Maya said he would. Ms. Roberts asked if he was Black Belt certified. Mr. Maya said he has a Black Belt in Six Sigma and is working with TBM to implement Lean Manufacturing, which is a subsidiary of a General Electric Six Sigma.

Ms. Roberts said this was a great proposal with high wages.

ACTION: Mr. McGowan moved and Mr. Florence seconded approval of the funding proposal for CertainTeed in the amount of \$267,300.

Motion carried, 5 – 0. (Greg Campbell departed the meeting and was not present for the remainder of votes)

Hilmar Cheese Company, Inc.

Ms. Cohen presented a funding proposal for Hilmar Cheese Company, Inc. (Hilmar Cheese), in the amount of \$599,348. She said Hilmar Cheese produces whey protein concentrates, whey protein hydrolysates and edible lactose.

She introduced Theresa Miller, Training & Development Manager and Beth Ingle, General Manager of BLI Company.

Mr. McGowan asked about out-of-state competition and said he believed import costs would offset any expenses incurred. Ms. Miller said there is tremendous competition in the whey industry. She said whey products are widely used throughout the world, and they must have a competitive edge to retain customers who pay their cost to ship products. Mr. McGowan asked if their competition is in exports rather than companies importing and competing in the market. Ms. Miller agreed.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the funding proposal for Hilmar Cheese in the amount of \$599,348.

Motion carried, 5 – 0.

Tesco Controls, Inc.

Ms. Cohen presented a funding proposal for Tesco Controls, Inc. (Tesco), in the amount of \$252,000. Tesco began its business with a product called the “Slimline” Pedestal, a product that distributes underground electrical power to a wide variety of municipal applications, such as street lighting, park lighting, irrigation, and battery backup systems for traffic signal installations. Tesco has expanded its business over the years to include: designing and manufacturing programmable logic controllers (PLCs), process

instrumentation, integrated pump control panels, motor control, and supervisory control and data acquisition systems (SCADA).

Ms. Cohen introduced Bob Couch, Human Resource Manager and Andrea Ah Po, HR Department.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for Tesco in the amount of \$252,000.

Motion carried, 5 – 0.

Citibank N.A.

This proposal was withdrawn from consideration.

Simpson Strong-Tie Company, Inc.

Mr. Chan presented a funding proposal for Simpson Strong-Tie Company, Inc. (Simpson), in the amount of \$403,560. He said Simpson manufactures steel connectors for wood, concrete, and masonry for building construction. The company's reinforcement products include anchors, angles, bases, caps, connectors, fasteners, and hangers. Simpson also offers pre-fabricated shearwalls, powder-actuated tools and adhesives.

Mr. Chan introduced Charlie Roesset, Company Wide Training Manager.

Ms. Roberts asked if Simpson is affiliated with Simpson Lumber. Mr. Roessett said Simpson Lumber is a completely separate company.

ACTION: Mr. Florence moved and Mr. McGowan seconded approval of the funding proposal for Simpson in the amount of \$403,560.

Motion carried, 5 – 0.

Synaptics Incorporated

Mr. Chan presented a funding proposal for Synaptics Incorporated (Synaptics), in the amount of \$263,520. He said Synaptics is a manufacturer of custom designed graphical, textual, and auditory computer components that enable people to interact with a variety of mobile computing, communications, entertainment, and other electronic devices.

Mr. Chan introduced Darryl Carson, Manager of Learning and Development.

There were no questions from the Panel.

ACTION: Mr. McGowan moved and Mr. Florence seconded approval of the funding proposal for Synaptics in the amount of \$263,520.

Motion carried, 5 – 0.

Varian Medical Systems, Inc.

Mr. Chan presented a funding proposal for Varian Medical Systems, Inc. (Varian Medical Systems), in the amount of \$915,372. He said Varian Medical Systems designs and manufactures products in: 1) oncology systems, with products and software for treatment of cancer through radiotherapy, radiosurgery, proton therapy and brachytherapy; 2) x-ray products such as imaging tubes and digital detectors used for medical diagnostics used in medical mammography, dental CT scanning, and veterinary x-ray imaging; and 3) security and inspection products for industrial applications in air and sea cargo screening, various military inspections, and non-destructive examination of objects.

Mr. Chan noted a correction on page 3 of 5, insofar as Varian Medical Systems is not a division of Varian, Inc.; it is a stand-alone company.

He introduced Wendy Reitherman, Vice President of Human Resources; Donald Hill, Corporate Training Manager; and Sarah Joung, Manager of Deloitte.

There were no questions from the Panel.

ACTION: Mr. Florence moved and Mr. Gordon seconded approval of the funding proposal for Varian Medical Systems in the amount of \$915,372.

Motion carried, 5 – 0.

SureFire, L.L.C.

Diana Torres, Manager of the San Diego Field Office, presented a funding proposal for SureFire, L.L.C. (SureFire), in the amount of \$307,800. Ms. Torres said SureFire is a major provider of laser sights for guns, rifles, and high-tech lighting equipment for the U.S. Military and law enforcement agencies. The company also manufactures advanced communication equipment and nearly 30 different illumination tools.

She introduced Sheryl Greenberg, Director of Human Resources.

Ms. Roberts commented on the low performance of SureFire's previous contract and asked how the company plans to improve. Ms. Greenberg said there are now two full-time individuals dedicated to this training effort to ensure that all documentation is completed, which was a problem in the past. She said there are facilities dedicated to this training effort, that were not there in the past. She said due to the delay in technology implementation, they had a slow ramp-up. Ms. Roberts asked if there is now technology in place, and Ms. Greenberg answered in the affirmative.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for SureFire in the amount of \$307,800.

Motion carried, 5 – 0.

Synteract, Inc.

Ms. Torres presented a funding proposal for Synteract, Inc. (Synteract), in the amount of \$205,800. She said Synteract provides clinical research services to the biotechnology industry. The company assists firms in the clinical trials process, from study design to FDA submission. It also offers services in biostatistics, clinical operations, data management, medical monitoring, medical writing, project management, regulatory affairs, drug safety surveillance, and systems validation. Synteract offers its services to the pharmaceutical, biotechnology, and medical device industries.

She introduced R. Craig Spitz, Chief Financial Officer and Kathleen Demarest, Senior Manager of Human Resources.

Mr. McGowan asked how difficult it is to find employees. Ms. Demarest said it is extremely difficult. She said their clients expect qualified employees that are ready to go and there is no training time or learning curve allowed. She said when individuals come in they are assigned to a project and begin submitting bids to clients. She said whether they get the bid or not is dependent on the skills identified in that individual's resume. She said it is essential that these individuals are certified, and receive annual training. She said the company's existing training budget is for compliance and business skills.

Mr. McGowan asked where Synteract typically recruits their employees from. Ms. Demarest said they try to recruit employees from California, but it is very difficult. She said they cannot recruit from Los Angeles or the Bay Area because individuals do not want to pay the "sunshine tax" in San Diego. She said many relocate from Pennsylvania, North Carolina and New Jersey.

ACTION: Mr. McGowan moved and Mr. Gordon seconded approval of the funding proposal for Synteract in the amount of \$205,800.

Motion carried, 5 – 0.

UHS of Delaware, Inc. (UHS) dba Corona Regional Medical Center

Ms. Torres presented a funding proposal for UHS of Delaware, Inc. (UHS) dba Corona Regional Medical Center (Corona Medical), in the amount of \$264,600. Corona Medical is a healthcare management company that operates behavioral health facilities, acute care hospitals, and ambulatory surgery and radiation centers nationwide.

Ms. Torres introduced Ruth Battles, Administrative Director of Human Resources and Steve Duscha, representing Duscha Advisories.

Ms. Roberts asked if the 100 trainees included in the proposed contract all work at the Corona facility. Ms. Battles answered in the affirmative. Ms. Roberts asked if training in the previous contract took place only at the Murrieta facility. Ms. Battles agreed and said Rancho Springs Medical Center in Murrieta is a sister hospital.

ACTION: Mr. Florence moved and Mr. Rendon seconded approval of the funding proposal for Corona Medical in the amount of \$264,600.

Motion carried, 5 – 0.

Village Nurseries Wholesale L.L.C.

Ms. Torres presented a funding proposal for Village Nurseries Wholesale L.L.C. (Village Nurseries), in the amount of \$225,720. Village Nurseries is a wholesale nursery whose products include shrubs, vines, and trees in color, native, and drought tolerant species.

Ms. Torres presented Terri Cook, Vice President of Human Resources and Risk Management.

Ms. Roberts asked about the minimum wage by county, since there were various locations included in different counties. Ms. Cook said minimum wage varies by county and classification and who they plan to train, but falls within the guidelines. Ms. Roberts said the numbers did not match up with the minimum wage requirements. Ms. Torres referred to the training plan table on page 2 of 5 and said since there were so many counties, the \$12.85 minimum wage would be the lowest county wage, which is in Riverside County. However, she said, the minimum wage for trainees in Contra Costa County is \$14.02. Ms. Roberts thanked Ms. Torres for the clarification.

Mr. Gordon asked if this is Village Nurseries first ETP agreement. Ms. Cook answered in the affirmative. Mr. Gordon asked if the training vendors have been determined. Ms. Cook said they have not yet chosen the training vendors. Mr. Gordon asked if they would use train-the-trainers and Ms. Cook said they would. Mr. Gordon asked how many trainers they have on staff. Ms. Cook said there are five people trained as train-the-trainers.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the funding proposal for Village Nurseries in the amount of \$225,720.

Motion carried, 5 – 0.

Western Digital Corporation

Ms. Torres presented a funding proposal for Western Digital Corporation (Western Digital), in the amount of \$486,000. Ms. Torres said Western Digital designs and manufactures hard drives used to record, store, and recall data for personal computers (PCs), entry-level servers, and home entertainment products.

Ms. Torres presented Michael Ray, Vice President of Corporate Law and Yesmean Rihbany, Senior Director of Employee & Organization Development.

Mr. McGowan asked where the company's competition is from primarily. Mr. Ray said they compete against Hitachi, Samsung and Fujitsu, located in Japan and Korean. Mr. McGowan asked if they are competing against low-cost employees in those countries. Mr. Ray agreed and said it was especially true in their engineering base, located entirely in California and sourced throughout Asia into India.

Ms. Roberts asked about trainees identified as company Directors, and if they were in charge of one of the facilities. Ms. Yesmean said no, this was a title of recognition of performance, more than scope of responsibility. She said many Directors have been promoted into that role to acknowledge what their contribution has been, but they are really technical experts in their field. Ms. Roberts asked who the Directors would report to. Ms. Yesmean said they could report to another Director, Vice President, or a Senior Director. Ms. Roberts asked if Directors would be the only ones that would operate a facility. Ms. Yesmean said a Director would not operate a facility, but would be responsible for a function or technical expertise. Typically, she said, they do not have any employees reporting to them.

Mr. McGowan asked if Western Digital is a growing company. Mr. Ray said yes, they are growing and have added both research and development, engineering, and manufacturing jobs in California. Ms. Rihbany said they had many open jobs for engineers.

Mr. Gordon asked how many training staff there is. Ms. Rihbany said they have three employees on their training staff; their technical engineers do much of the training and they use outside contractors as needed. Mr. Gordon asked if the company is looking to train those instructors from their own budget. Ms. Rihbany said they provide comprehensive train-the-trainer skills for their engineers so they can effectively pass on their knowledge of technology.

Ms. Roberts asked about poor past performance and what the company plans to do different this time around. Ms. Rihbany said they had under-estimated the needs of administering the contract and have since hired an individual to assist them. She said they had an increase in product demands, and have now scaled back. She believes they can now easily manage to deliver the minimum training hours and meet that commitment. Ms. Roberts said performance is a key priority and would be considered should Western Digital return to the Panel.

ACTION: Mr. Gordon moved and Mr. McGowan seconded approval of the funding proposal for Western Digital in the amount of \$486,000.

Motion carried, 5 – 0.

Multiple Employer Contractors

J & R Film Co., dba Moviola Education Center

Ms. Kendrick presented a funding proposal for J & R Film Co., dba Moviola Education Center (Moviola), in the amount of \$873,470. Moviola is a private, for profit, training and educational center.

Ms Kendrick introduced Michael Mostin, Vice President.

Ms. Roberts asked if all training is in advanced technology. Mr. Mostin agreed and said it is constantly changing because the suppliers that manufacture equipment for television or films are constantly changing technology, and they need to keep up.

Mr. McGowan said he is very happy to see this project and that the Film Commission comes under his portfolio as the Deputy Secretary for Economic Development. He said both the Governor and the Secretary of Business, Transportation & Housing have been watching the "film flight" issue very closely. He said this industry was born in California but we are in danger of losing it not only to other countries, but other states. He said he knows there is an emerging electronic media industry in Los Angeles that we need to nurture because it could easily end up in India or someplace else in the world. He said there has been much discussion of productions that are leaving California, and other states that are offering tremendous incentives to lure these businesses away. He suggested promoting ETP-funded training as one of the incentives in California, when it comes to the film industry. Mr. Mostin said they work very hard within the industry to get them to send their employees to them early on in their careers, so they can keep them in Southern California and continue to upgrade their skills as the technology changes.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for Moviola in the amount of \$873,470.

Motion carried, 5 – 0.

ABCO Technology, Inc. (Presented Out-of-Order and Removed from Consent Calendar)

Ms. Kendrick presented a funding proposal for ABCO Technology, Inc. (ABCO), in the amount of \$199,481. ABCO is a private training agency that offers advanced computer training and consulting.

Ms. Kendrick introduced Carnley Panayiotou, Business Development Specialist.

Ms. Roberts noted the high cost of training of Job Number 3 in the Training Plan Table and asked about the difference in training between Job Number 2 and Job Number 3. Ms. Panayiotou said Job Number 3 trainees are in a unique market. She said they offer high-definition graphics machines for ESPN, Fox Sports, CBS, Direct TV, and Nascar Hot

Pass. She said they are offering their employees advanced training in order to remain competitive in their industry. Ms. Roberts asked why the Job Number 3 post-retention rate is not higher. She said the post retention wage is the same in Job Numbers 1 and 2 at \$14.02 per hour. She said they would be receiving additional high-expert training but yet we are only paying the same as we would if we were using \$18.00 per trainer. Ms. Kendrick apologized, and said this is all for Advanced Technology training so staff should have questioned the wage when they developed the project. Ms. Panayiotou said the wages for Job Number 3 range from \$16.82 to \$28.84 per hour. Ms. Roberts said she questioned the wages because we were paying so much for training but not seeing the wage increase. Ms. Reilly said the contract would specify that the minimum wage is \$16.82 per hour.

Mr. Gordon asked how comfortable ABCO is with recording the training and documentation. Ms. Panayiotou said she was designated to the proposal and comfortable with recording the training and documentation.

ACTION: Mr. Florence moved and Mr. Rendon seconded approval of the funding proposal for ABCO in the amount of \$199,481.

Motion carried, 5 – 0.

Latis Career College, Inc. dba Latis Career College

Ms. Kendrick presented a funding proposal for Latis Career College, Inc. dba Latis Career College (LCC), in the amount of \$113,050. LCC was founded in 1994 as a Travel College and in 1995 expanded its program to include computers, floral and cake design, travel agent, and medical assistant skills.

Ms. Kendrick introduced Julieta Garcia, President/CEO and Julieta Panigua, Admission Director.

There were no questions from the Panel.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for LCC in the amount of \$113,050.

Motion carried, 5 – 0.

RWM Fiber Optics, Inc.

Ms. Kendrick presented a funding proposal for RWM Fiber Optics, Inc. (RWM), in the amount of \$276,950. RWM is a training agency that provides job training and placement assistance in the fiber optic broadband industry.

Ms. Kendrick introduced Paul Bonagura, Director and Walter Spires, Technical Services.

Ms. Roberts asked about low performance in previous contracts, encouraged RWM to improve performance and asked what systems are in place for the proposed training. Mr. Bonagura said in the beginning of the previous contract, there was a welfare-to-work component which they worked very hard at, but to no avail, as they only had two welfare-to-work trainees in Job Number 2. He said if you look at Job Number 1 they are at a 35 out of 40 retention, so perhaps the numbers are a little misleading. Ms. Roberts said it would have been helpful for the welfare-to-work component to be included in the agreement.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for RWM in the amount of \$276,950.

Motion carried, 5 – 0.

Technical School Inc. dba Technical College

Ms. Kendrick presented a funding proposal for Technical School Inc. dba Technical College (Technical College), in the amount of \$103,530. She said Technical College is a private, for-profit training and education center.

Ms. Kendrick introduced Pablo Artaza, Director of Student Services.

Mr. Florence asked if there is such high demand for CNAs, why do they only work 32 hours per week? Mr. Artaza said CNAs work four days on and two days off. He said CNAs are working full time but the hours only add up to 32 hours per week because of their schedules.

Ms. Roberts asked if \$8.76 is the starting wage for a CNA. Mr. Artaza said no, the current minimum wage for a CNA student is \$9.00 per hour, which is the base in Los Angeles County. He said if they started paying entry-level employees at higher than \$9.00 per hour, they would not have the flexibility to reward good performance. Ms. Roberts asked if it was a probationary wage, and then once CNAs meet a certain criteria they could move up. Mr. Artaza said yes, generally employees receive a wage increase 90 days from the starting wage, but since this will be more or less right after retention, they could not commit to offer the higher wage.

Ms. Roberts commended Mr. Artaza for having a school that takes a job that is likely not very desirable, getting people into the workforce and assisting them with moving from a CNA to an LVN.

Ms. Roberts said minimum wage in California is \$8.25 per hour and she could get a job working at a fast food restaurant without having to pay \$3,500 per employee. She said she realizes they are training at-risk youth and in low-income areas, but it is a lot of dollars going out to individuals not making much more than minimum wage. Mr. Artaza said the school, employers and referring agencies all see CNAs as the first rung on the nursing career ladder. He said they work with disadvantaged individuals in high

unemployment areas and there are not many options for these people. He said the CNA program is a beginning for them and once they are in the industry, they expect them to move up. He said there is a high demand for CNAs because many have become LVNs, leaving a void in the CNA job category. Ms. Roberts commended Mr. Artaza for their high retention and how many trainees were placed into jobs.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the funding proposal for Technical College in the amount of \$103,530.

Motion carried, 5 – 0.

West San Gabriel Valley Consortium dba Career Partners

Ms. Kendrick presented a funding proposal for West San Gabriel Valley Consortium dba Career Partners (Career Partners), in the amount of \$192,845. She said Career Partners is a one-stop career center providing services to employers and job seekers.

Ms. Kendrick introduced Lily Hoa, Business Services Representative and Martha Cerda, Business Services Specialist.

Mr. McGowan asked if Career Partners is a one-stop center working with their county Workforce Investment Board, or are a standalone company. Ms. Hoa said they work with the Los Angeles County Workforce Investment Board.

Ms. Roberts said all individuals are not enrolled in the active project and asked how Career Partners planned to fulfill the proposed contract. Ms. Hoa said the majority of trainees are enrolled and they expect to close their third contract at 88 percent. She said they are currently at the end of training for 78 trainees who are going into retention next week, which gives them 90 days before they finish their third contract. Ms. Roberts was concerned about poor past performance and the amount of funding under the proposed contract. Ms. Hoa said they are applying for funding now because they did not have sufficient funds to begin larger classes and employers are approaching them requesting needed training.

Mr. Florence asked about the post retention wage of \$12.85 per hour and the varying wages in other counties. Ms. Kendrick said that wage is listed because it is for the lowest county that will participate. She said there are some counties that allow \$12.85, but Alameda County allows \$14.02.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for Career Partners in the amount of \$192,845.

Motion carried, 5 – 0.

Fresno West Coalition for Economic Development

Ms. Cohen presented a funding proposal for Fresno West Coalition for Economic Development (FWCED), in the amount of \$54,235. FWCED is a non-profit organization

which provides multiple economic and community development opportunities for southwest Fresno. FWCED initiates business programs that create employment opportunities, stimulate entrepreneurship, and expand business.

Ms. Cohen introduced Javier Aguirre, Operation Manager.

Mr. McGowan asked if there are job vacancies in the solar industry. Mr. Aguirre said job opportunities are available and there are eleven companies in Fresno.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for FWCED in the amount of \$54,235.

Motion carried, 5 – 0.

Sacramento Employment and Training Agency

Ms. Cohen presented a funding proposal for Sacramento Employment and Training Agency (SETA), in the amount of \$1,058,625. SETA is a joint powers agency of the City and County of Sacramento. Sacramento Works, Inc., a Workforce Investment Act grant recipient operating in conjunction with SETA, provides the workforce development services. Sacramento Works is comprised of regional businesses, labor, education organizations, rehabilitation services, public assistance agencies, community-based organizations and local economic development entities.

Ms. Cohen said the staff recommendation outlined in the memo had been revised slightly. She said it states that staff recommends approval of this proposal on the condition that all WIBs outside of the Sacramento Region will provide SETA with a written agreement. Actually, she said, SETA will obtain written statements from the WIBs outside of the Sacramento region stating that the training they provide does not conflict with similar training programs operated by the WIBs.

Ms. Cohen introduced Gisela Weissman, Employment Services Supervisor and Scott King, Director of Tech Skills.

Ms. Roberts asked about the project that ended in March 2008 when zero percent of payment was earned. She asked if they terminated the contract early knowing they were not going to be able to place anyone. Ms. Weissman said no, they did not terminate early and the proposal provided CNA to LVN training. She said originally the employers they were working with qualified, but when trainees went to a new employer, the new employers would not qualify because they were non-profit. Ms. Roberts asked if they funded the training. Ms. Weissman said the students paid for the training. Ms. Roberts asked if they knew early on, that they were not going to complete the project or if they waited until the very end of the contract to terminate. Ms. Weissman said they had no idea they would not complete the project. She said they had two or three classes and were working on the last 175 hours of training, so they kept trying to see if any employers would qualify.

Mr. McMahon asked if students were informed during the course of their participation that they needed to go to a for-profit health care facility. Ms. Weissman said yes, students were informed they would be eligible for a tuition refund only if they went to work for an eligible, for-profit employer. She explained the criteria, but benefits and pay were so much higher in the non-profit sector that it was not successful.

Ms. Roberts asked if the entire curriculum under this proposal is advanced technology. Ms. Weissman answered in the affirmative.

Mr. McMahon asked, relative to training that may be occurring in other WIBs jurisdictions, if they would accept the special ETP funding requirement? Ms. Weissman said they were comfortable with the language and would work closely with the other WIBs.

ACTION: Mr. Rendon moved and Mr. McGowan seconded approval of the funding proposal for SETA in the amount of \$1,058,625.

Motion carried, 5 – 0.

Opportunities Industrialization Center West dba JobTrain

Mr. Chan presented a funding proposal for Opportunities Industrialization Center West dba JobTrain (JobTrain), in the amount of \$119,360. He said JobTrain is a non-profit educational and vocational training center whose mission is to assist those who are most in need to succeed through education, life skills training, job readiness preparation, career placement, and youth development programs for at-risk teens.

Mr. Chan introduced Sharon Williams, Executive Director.

Mr. Florence asked about pre-apprenticeship training and how individuals are moved into the apprenticeship program. Ms. Williams said they work closely with the unions.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for JobTrain in the amount of \$119,360.

Motion carried, 5 – 0.

San Mateo County Electrical Joint Apprenticeship and Training for the Electrical Construction Industry

Mr. Chan presented a funding proposal for San Mateo County Electrical Joint Apprenticeship and Training for the Electrical Construction Industry (SMJATC), in the amount of \$80,800. SMJATC is a joint effort by the International Brotherhood of Electrical Workers (IBEW) Local 617 and the National Electrical Contractors Association whose mission is to provide up-to-date industry skills training and secure high-quality job opportunities for its members.

Mr. Chan introduced Mark Leach, President of International Brotherhood of Electrical Workers, Local Union 617 and Jan Borunda, representing the California Labor Federation.

Ms. Roberts thanked SMJATC for reducing the amount of their original proposal, perhaps realizing it was over their capacity to complete it and said the Panel would consider a future amendment for funds. Mr. Leach thanked Ms. Roberts.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for SMJATC in the amount of \$80,800.

Motion carried, 5 – 0.

Greater Santa Ana Business Alliance

Ms. Torres presented a funding proposal for Greater Santa Ana Business Alliance (GSABA), in the amount of \$1,303,736. GSABA's on-going initiative is to help businesses succeed by developing the workplace of companies which have changing and more advanced training needs, based on current employer demands.

Ms. Torres introduced Marty Peterson, Chief Financial Officer and A.K. Thakore, President of Saisoft Inc.

There were no questions from the Panel.

ACTION: Mr. Florence moved and Mr. McGowan seconded approval of the funding proposal for GSABA in the amount of \$1,303,736.

Motion carried, 5 – 0.

Amendments

Glendale Community College Professional Development Center

Ms. Kendrick presented an amendment for Glendale Community College Professional Development Center (Glendale PDC), in the amount of \$818,924. Glendale PDC provides customized, job-specific training for business and workers through its Professional Development Center.

Ms. Kendrick introduced Kimberly Holland, Director and Pamela Welden, Program Manager.

Ms. Roberts was concerned about Glendale PDC having one year remaining to complete retention and now requesting double the original amount of funding. She asked if this is possible. Ms. Holland said they are 90 percent through their current contract and yes, it

can be done. Ms. Holland said their last contract was for \$1,700,000 and they are ending at 92 or 93 percent. Ms. Roberts said many times it takes three months just to plan the training before it begins, and then only nine months remain to complete training and retention. Ms. Holland said she understood.

ACTION: Mr. Rendon moved and Mr. McGowan seconded approval of the amendment for Glendale PDC in the amount of \$818,924.

Motion carried, 5 – 0.

Professional College Institute dba PCI College

Ms. Kendrick presented an amendment for Professional College Institute dba PCI College (PCI), in the amount of \$217,050. PCI is a public training agency with a history of providing training and placement services to the public.

Ms. Kendrick introduced Ray Khan, Director.

Ms. Roberts asked if it was a realistic number to double the amount of their previous contract, based on the fact they only have nine months before retention must begin. Mr. Khan said yes, it was realistic because they received a very good response from unemployed individuals and there is a large demand for new-hire training. He said the economy is bad and they were able to take unemployed individuals and put them into the job market. He said they are returning sooner because they trained all of their students, 26 are placed, and two under placement right now.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the amendment for PCI in the amount of \$217,050.

Motion carried, 5 – 0.

IX. PUBLIC COMMENT

There was no public comment.

X. ADJOURNMENT

Ms. Roberts adjourned the meeting at 12:25 p.m.