

**STATE OF CALIFORNIA**  
**EMPLOYMENT TRAINING PANEL MEETING**  
California Environmental Protection Agency  
Sierra Hearing Room, 2<sup>nd</sup> Floor  
1001 "I" Street  
Sacramento, CA 95814  
October 17, 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**

Barry Broad, Acting Chairperson, called the public Panel meeting to order at 9:42 a.m.

**II. ROLL CALL**

Members Present

Barry Broad  
Greg Campbell  
Scott Gordon  
Brian McGowan  
Edward Rendon (arrived at 9:48 a.m., after initial roll call)  
Janice Roberts

Members Absent

Barton Florence

Executive Staff Present

Brian McMahon, Executive Director  
Maureen Reilly, General Counsel

**III. APPROVAL OF AGENDA**

ACTION: Ms. Roberts moved and Mr. Campbell seconded the Panel approve the Agenda.

Motion carried, 5 – 0.

**IV. APPROVAL OF MINUTES**

ACTION: Ms. Roberts moved and Mr. Campbell seconded approval of the Panel Minutes of July 25, 2008.

Motion carried, 5 – 0.

## V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, thanked the companies for their patience in waiting to present their projects to the Panel, in the absence of a Budget. He also thanked current contractors who had been waiting for training cost reimbursement.

Mr. McMahon said the recently approved Budget gave ETP the full appropriation as introduced at the beginning of the year by the Governor. He said he believes this is a testament to the strong support the program has from its partners, the business community, the Legislature and the Labor and Workforce Development Agency. However, he said, two weeks after the appropriation was approved, ETP learned of a \$10.2 million shortfall to the Employment Training Fund that would have to be absorbed this Fiscal Year 2008-09. He said the shortfall in collecting the Employment Training Tax could be traced to a rise in the number of employers that fall into a negative reserve status, and a reduction in interest earnings on the Fund. Mr. McMahon referred to the Administrative Budget Adjustment in the Fund Status Report in the Panel Packet, showing a \$10.2 million reduction, bringing training fund availability down to \$32,823. He said staff will take steps to mitigate the shortfall such as quicker processing and dis-encumbrance of funds for projects that have completed training. He said staff will consider projects that are significantly under-performing for this purpose.

Mr. McMahon said another step is to reduce the percentage of encumbrance for current projects. He said ETP had been encumbering funds at approximately 35 percent for projects greater than \$100,000, which will move to 30 percent beginning with the projects approved today. He also explained that projects of less than \$100,000 will shift from a 100 percent encumbrance to 75 percent. He said this will help, but cannot make up for the entire \$10.2 million shortfall, so ETP may need to reduce the overall level of funding in the near future. Mr. McMahon said the Panel approved approximately \$101 million last year, which may drop to approximately \$95 to \$96 million this year. He said the goal will always be to fund as many projects as possible. He said staff will bring a more specific plan to offset deficits to the Panel, as the need arises.

Mr. McMahon said it is important for the Panel to be aware that conservative projections for Fiscal Year 2009-10 show yet another shortfall of approximately \$16 million again due to under-collection of the Employment Training Tax. He said it is not clear what the impact will be until we know more about the level of appropriation in the Governor's Budget between ETP and other agencies such as the Department of Social Services and the Department of Industrial Relations. However, he said, there is the potential for a positive outcome if the Legislature acts in Special Session to correct an even more severe shortfall to the Unemployment Insurance Fund that could increase wage base for collection of the Employment Training Tax.

Mr. McMahon said if all projects are encumbered today for a total of \$17.3 million, there will be approximately \$45 to \$46 million remaining to approve new projects for the remaining FY.

Mr. McMahon said AB 2570, the Bill introduced by ETP, was signed by the Governor and is chaptered for 97. He said staff is taking the necessary steps to implement changes mandated by the Bill. He said the most significant changes are an increase in available funds for Special Employment Training, from 10 to 15 percent; and a broader definition of eligibility for new-hire trainees.

### Overview of Two New Pilot Programs

Mr. McMahon also announced two new Pilot Programs. He said ETP works under a pilot program structure when addressing a strategic need. He said it gives staff the ability to take a flexible approach in testing the merits of a pilot program. He referred the Panel to the two documents in the Packet discussing Medical Skills Training and Veterans Training.

### Veterans Training Pilot

Mr. McMahon said the Panel may approve up to \$2 million in FY 2008-09 for the training of recently discharged Veterans. He said an important element of success in targeting such a special population, is outreach. He said staff will be working with the Department of Veterans Affairs and a number of ground-level organizations. He said staff will also work with Workforce Investment Act grant recipients that are serving Veterans, to reach this target population. He said outreach will be directed to the Veteran that has been recently discharged, is unemployed, and has had difficulty re-entering the workforce. Mr. McMahon said ETP defines a Veteran in existing regulations as any individual who has served a full tour of duty in the Armed Forces; or, who was honorably discharged or released from active duty because of a service-connected disability. For purposes of the Pilot, however, Veterans will also include reservists who have served on active full-time duty; and, members of the California National Guard. He said the usual new-hire eligibility standard will apply, although staff will allow for Unemployment Insurance benefits funded by the Federal government. He said the new-hire cap on cost-per-trainee will be waived, and a new reimbursement rate of \$20.00 per hour will be tested.

### Medical Skills Training Pilot

Mr. McMahon said the Medical Skills Training Pilot is designed to allow the Panel to develop nurse clinical training in a more standardized and efficient way. This pilot will recognize the uniqueness of preceptor-based training, which is a substantial element of these projects, although technicians may be included on a case-by-case basis. He said the pilot will test a "blended rate" for nurse clinical training. In the past, he said, ETP has funded most preceptor training under the Advanced Technology (AT) rate. He said the AT rate was not designed for the preceptor training model.

Mr. McMahon said the method of training delivery may be didactic, which is standard classroom instruction at a 1:20 ratio; and preceptor, which is a form of laboratory instruction at a 1:1 ratio. Typically, the trainee will observe the preceptor and then a transition will occur where the preceptor observes the trainee as they pick up and execute skills, on the hospital floor or other clinical setting. He said the real essence of preceptor training is that it is

competency-based and driven by the delivery of nursing skills to a patient population. He said the pilot will test a \$22.00 per hour reimbursement rate, blended between the current Priority Industry and AT rates. He said one of the projects before the Panel this month uses the blended rate. As an outcome, he said, the project will be funded at \$20,000 or \$30,000 more than it would have been under the current rates. He said this will not always be the case, but staff believes there will be similar costing for these types of projects.

Mr. McMahon said there will be a six-to-twelve month period of testing the effectiveness of the blended rate, and how the pilot improves development of medical skills training. He said the curriculum will continue to include the 200-hour maximum per trainee, with no ratio of didactic relative to preceptor training. He said as the curriculum is developed, staff would like to see that it does not include orientation training, even with the preceptor method of delivery.

Mr. McMahon said the Pilot Programs will be posted on the ETP website under a “What’s New” category, so that potential contractors can review the details of the program.

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. McGowan 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, 6 – 0.

Request Motion to Adopt Consent Calendar Projects/Action

Mr. McMahon asked for a motion to adopt Consent Calendar Items #1 through #72.

|   |          |
|---|----------|
| Advance Data Communications, Incorporated ..... | \$7,920  |
| Air Conditioning Trade Association.....         | \$41,700 |
| Alpha Research & Technology, Inc. ....          | \$72,800 |
| American Electronic Resource, Inc. ....         | \$22,264 |
| Ampro ADLINK Technology, Inc. ....              | \$41,040 |
| Architects Orange.....                          | \$68,728 |
| Assembly Masters Ltd. ....                      | \$24,960 |
| Auburn Printers, Inc. ....                      | \$46,800 |
| Berberian European Motors .....                 | \$55,000 |
| Biosphere Industries, L.L.C. ....               | \$17,160 |
| Caseworx, Inc. ....                             | \$43,264 |
| Certified Coatings Company.....                 | \$41,340 |
| Coated Fabrics Company .....                    | \$74,620 |
| CTSI Logistics, Inc. ....                       | \$74,880 |
| Delphon Industries, L.L.C. ....                 | \$98,262 |

|  |           |
|--|-----------|
| EBTA Architects, Inc. ....                                 | \$30,976  |
| EI Clasificado.....  | \$36,938  |
| Engineering & Testing Services Corporation.....            | \$221,400 |
| Fong Brothers Printing, Inc. ....                          | \$74,520  |
| FullBloom Baking Company, Inc. ....                        | \$51,120  |
| Genesis Engineering Services, Inc. ....                    | \$64,480  |
| GNI Waterman, L.L.C., dba Waterman Industries .....        | \$142,560 |
| Gold Crown Electronics, Inc. ....                          | \$20,280  |
| GreSean Industries, Inc. ....                              | \$62,400  |
| Group 4 Architecture Research and Planning, Inc. ....      | \$8,448   |
| Hallmark Metals, Inc. ....                                 | \$38,480  |
| Harbor Packaging, Inc. ....                                | \$73,800  |
| Hayden Industrial Products, L.L.C. ....                    | \$146,146 |
| Icon Identity Solutions, Inc. ....                         | \$11,520  |
| International Paper Company dba Kirk Paper .....           | \$72,900  |
| IRIS International, Inc. ....                              | \$74,448  |
| Jacob Moss, Inc., dba Moss Electrical Contracting .....    | \$28,080  |
| Khoo's Inc. ....   | \$25,792  |
| Kokatat, Inc. ....   | \$44,064  |
| KRM Risk Management Services, Inc. ....                    | \$61,600  |
| Lightworks Optics, Inc. ....                               | \$60,632  |
| Lindamar Industries, Inc. ....                             | \$41,496  |
| Lindy Office Products .....                                | \$54,120  |
| Liquid Container LP .....                                  | \$69,120  |
| LSI Products, Inc. dba ProArmor.....                       | \$59,280  |
| Majack Services Inc. dba Stanley Steemer .....             | \$8,448   |
| MAR Engineering Company .....                              | \$65,286  |
| Medway Plastics Corporation .....                          | \$74,100  |
| MJ Avila Company, Inc. ....                                | \$14,144  |
| Natural Selection Foods, L.L.C. dba Earthbound Farm.....   | \$173,160 |
| North American Scientific, Inc. ....                       | \$72,488  |
| Northern Video Systems, Inc. ....                          | \$101,250 |
| Organic Mattresses, Inc. ....                              | \$21,060  |
| PC Specialist, Inc. dba Technology Integration Group ..... | \$200,646 |
| Pilkington North America, Inc. ....                        | \$131,760 |
| Postcard Press .....                                       | \$158,522 |
| PT Systems, Inc. ....                                      | \$43,524  |
| Ramar International Corporation .....                      | \$38,304  |
| Recycling Industries, Inc. ....                            | \$15,600  |
| Redwood Empire Electrical Training Trust .....             | \$73,380  |
| Reinhold Industries, Inc. ....                             | \$103,500 |
| Ring Container Technologies, Inc. ....                     | \$57,420  |
| Ross Engineering Corporation.....                          | \$17,472  |
| Sears Logistics Services, Inc. ....                        | \$190,400 |
| Severn Trent Services, Inc. ....                           | \$156,870 |
| Solar Link Technologies, Inc. ....                         | \$74,520  |

|  |                  |
|--|------------------|
| Southern California Gas Company .....            | <b>WITHDRAWN</b> |
| Sweet People Apparel, Inc. ....                  | \$74,008         |
| Synectic Solutions, Inc. ....                    | \$63,232         |
| Telirite Technical Services, Inc. ....           | \$23,296         |
| Tempest Technology Corporation .....             | \$38,220         |
| The Attivo Group, Inc. ....                      | \$12,480         |
| Torosian & Walter, L.L.P. ....                   | \$88,000         |
| Toshiba America Electronic Components, Inc. .... | \$99,360         |
| Van Dorpe Chou Associates, Inc. ....             | \$57,720         |
| W Machine Works, Inc. ....                       | \$149,500        |
| Wolfe Video, L.L.C. ....                         | \$53,560         |

Ms. Roberts said there were many items on the Consent Calendar that allowed turnover of more than 25 percent in the second year of the contract. Mr. McMahon said the turnover rate that would trigger a penalty (loss of payment earned) is often higher than 25 percent for a small business, where turnover can be disproportionate due to the overall small staff size. He said ETP studies and recognizes the industry standards volatility of turnover at these companies.

Mr. Broad anticipated that next year’s Budget will be difficult, keyed to the likelihood of recession. He said there appears to be a pattern in Multiple Employer Contracts (MEC) in which trainees enroll for a certain type of training, then get another kind of training, and yet a third kind of training. He said the theory is that you are building training, upon training, upon training--but there is a potential for abuse with people getting more training than makes sense. He said it would not affect any proposals coming forward today for funding, but he thought this would be one way to save money given the funding shortfall. He said the Panel may also need to consider a \$1 million dollar cap on large contracts.

Mr. Broad said we are going to have to “tighten our belts” and may be looking at some hard times to come. He said if the Panel had no objection, he would ask staff to come back to come back to the next meeting with a recommendation, such as capping the amount of multiple training by hour or Job Number; or, requiring pre-approval before there is a second or third round of training in a particular multiple employer contract. He asked if there is a possibility that we may deplete funds by March or April of 2009. Mr. McMahon agreed there is a possibility that funds may be depleted by then.

**VI. REPORT OF THE GENERAL COUNSEL**

Maureen Reilly, General Counsel, had nothing to report.

**VII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS**

**Single Employer Contractors**

**Ariba, Inc.**

Creighton Chan, Manager of the Bay Area Regional Office, presented a funding proposal for Ariba, Inc. (Ariba), in the amount of \$224,460. She said Ariba designs and delivers procurement software used by manufacturers, retailers, and distributors to connect with suppliers and manage procurement.

Mr. Chan noted that although the employer provides health benefits, they are not going to be used to meet the post-retention ETP wage.

Mr. Chan introduced Doug Folden, Director of HR Business Partners.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Ariba in the amount of \$224,460.

Motion carried, 6 – 0.

Mr. Broad announced that the Panel neglected to vote on approving the Consent Calendar items.

**ACTION:** The Panel unanimously approved Consent Calendar Items #1 through #72, with the exception of Tab #62, Southern California Gas Company, which had been previously withdrawn.

Motion carried, 6 – 0.

### **Brocade Communications Systems, Inc.**

Mr. Chan presented a funding proposal for Brocade Communications Systems, Inc. (Brocade) amount of \$874,800. Brocade designs and manufactures storage networking solutions and management applications for storage area networks and file area networks.

Mr. Chan introduced Robert Jones, Director of Organization Development and Kristina Wegscheider, Learning Specialist.

Ms. Roberts asked if all 1,200 employees are located in Santa Clara only, or throughout the state. Mr. Jones said all employees are in Santa Clara, which is the reason for their new building, in order to consolidate. Mr. McGowan asked when the company intends to break ground on the new building. Mr. Jones said they have already broken ground. Mr. McGowan asked about the anticipated ribbon cutting date, and Ms. Wegscheider said it is set for the summer of 2010.

**ACTION:** Mr. Campbell moved and Mr. Rendon seconded approval of the funding proposal for Brocade in the amount of \$874,800.

Motion carried, 6 – 0.



## **Ixia**

Mr. Chan presented a funding proposal for Ixia, in the amount of \$399,600. He said Ixia is a computer technology corporation that develops and manufactures specialized testing equipment known with the industry as Internet Protocol (IP) Service Verification Platforms.

Mr. Chan introduced Dick Laforge, Director of WW Education Services.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Campbell seconded approval of the funding proposal for Ixia in the amount of \$399,600.

Motion carried, 6 – 0.

## **Lockheed Martin Space Systems Company**

Mr. Chan presented a funding proposal for Lockheed Martin Space Systems Company (Lockheed Martin), in the amount of \$508,950. She said Lockheed Martin designs and manufactures launch vehicles and systems, spacecraft for telecommunications, remote sensing and space science, as well as missile systems for defensive and strategic missions.

Mr. Chan introduced J.T. (Tim) Fennell, Senior Manager of Learning & Development and Jerry Ockerman, Training & Development Representative.

Ms. Roberts asked about the active ETP Agreement, which is now 25 percent complete and only 6 to 7 months remain on the contract. Mr. Fennell said he is involved in the “space systems” side of Lockheed Martin and the active contract is on the airplane side with a completely different training organization and workforce. The two sides do not use the same engineering tools and processes. He said the contracts have the same administrative consultant because the active contract has been successful. Ms. Roberts asked if any employees that were trained in Los Angeles under the active contract will also be trained in Santa Clara under this proposal. Mr. Fennell said “no” because it is a completely different workforce, product, and training organization. Ms. Roberts noted that Lockheed Martin has a very low company turnover.

Mr. McGowan asked if the company has difficulty recruiting new employees because of the skill level of engineering jobs. Mr. Fennell said yes, they have put much effort into recruiting and hire many entry-level engineers. He said the largest difficulty with recruitment in the Silicon Valley is the cost of housing. Mr. McGowan asked if many employees are recruited from out-of-state. Mr. Fennell said yes, they recruit from all over the country and have many employees from out-of-state. He said once an employee is with them for five years, they usually remain there for the remainder of their career.

He said they have a very large, robust training program and employ many individuals with graduate degrees and PhD's.

**ACTION:** Ms. Roberts moved and Mr. Campbell seconded approval of the funding proposal for Lockheed Martin in the amount of \$508,950.

Motion carried, 6 – 0.

### **CoxCom, Inc.**

Diana Torres, Manager of the San Diego Regional Office, presented a funding proposal for CoxCom, Inc. (CoxCom), in the amount of \$612,000. CoxCom offers advanced digital video, high-speed Internet and telephone services over its own nationwide Internet Protocol (IP) network, as well as integrated wireless services in partnership with Sprint.

Ms. Torres introduced Sharon Smith, Vice President of Human Resources and Delvin Diaz, Manager of Learning Technology.

Mr. Broad asked about the active project and where that facility was located. Ms. Torres said it is the same company, but the active project is located in San Diego.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for CoxCom in the amount of \$612,000.

Motion carried, 6 – 0.

### **General Dynamics NASSCO**

Ms. Torres presented a funding proposal for General Dynamics NASSCO (NASSCO), in the amount of \$612,000. She said NASSCO designs, builds and repairs ocean-going, auxiliary and support ships for the U.S. Navy, and oil tankers and dry cargo carriers for commercial markets.

Ms. Torres introduced Donald Dame, Vice President of Human Resources and Valerie Houlihan, Manager of Employee Development.

Ms. Roberts asked if NASSCO reduced their funding request based on poor performance under the last contract. She was concerned about only earning 50 percent so far in that contract and said, with increased volume in the ship building business, they could be faced with the same situation as before. Ms. Torres said the proposal is for more than the company's projected earnings under the active contract, but is a lower amount than had been requested. She said ETP worked very closely with NASSCO to negotiate the request down to an amount that was more conservative and workable, but to remember that the company is in a growth mode. She said the last contract did not have approval from one of the unions; therefore, they were unable to receive progress payments until they obtained union approval, which did occur. However, this may account for the low projected earnings.

Ms. Roberts asked what the company plans to do differently in the proposed contract. Mr. Dame said they experienced a learning curve and over the last couple of years they implemented an effective system where they schedule with the trade worker and superintendants in order to pull people off the line in a sequential manner and they believe they will earn the projected numbers.

**ACTION:** Mr. Campbell moved and Mr. Rendon seconded approval of the funding proposal for NASSCO in the amount of \$612,000.

Motion carried, 6 – 0.

### **LPA, Inc.**

Ms. Torres presented a funding proposal for LPA, Inc. (LPA), in the amount of \$252,525. LPA is an architectural, planning, landscape, engineering, and interior design firm.

Ms. Torres introduced Laura Nelson, Office Manager and Human Resource Director.

Ms. Roberts asked if all employees were in one location and in one building. Ms. Nelson said no, approximately 220 employees are in Irvine and the remainder of employees are in Roseville. Ms. Roberts asked if employees at both facilities would be trained. Ms. Nelson said yes, all employees would be trained. Ms. Roberts asked about the coordination of training at both facilities. Ms. Nelson said staff travels back and forth between the facilities and they have an expert in the Roseville office.

**ACTION:** Mr. McGowan moved and Ms. Roberts seconded approval of the funding proposal for LPA in the amount of \$252,525.

Motion carried, 6 – 0.

### **Pacific Dental Services, Inc.**

Ms. Torres presented a funding proposal for Pacific Dental Services, Inc. (PDS), in the amount of \$490,305. She said PDS offers office design/lease negotiation, human resources/employee staffing, marketing, tax strategies, managed care contracting, and operating budgeting strategies.

Ms. Torres introduced Gary Tinseth, VP of Administration and Jennifer Fletcher, Education Development Manager.

Mr. Broad asked about the relationship between individual dentist practices and PDS. Mr. Tinseth said dentists and hygienists are professionals, so under corporate practice and medicine laws, they cannot be employed by PDS. He said they provide all of the services that dentists and hygienists require to do business under a management contract. He said this allows them to focus their efforts on the patient without the worry of

administrative services, billing or scheduling appointments. Mr. Broad asked if the buildings have the PDS logo or the name of a private dentist. Mr. Tinseth said their dental offices do not have the PDS name, but rather the individual dentist. He said it is the dentist's practice and their name is on the building. Mr. Broad asked if the proposal includes training any dentists or hygienists. Mr. Tinseth said they are only training PDS employees.

**ACTION:** Mr. Rendon moved and Mr. McGowan seconded approval of the funding proposal for PDS in the amount of \$490,305.

Motion carried, 6 – 0.

### **The Pep Boys Manny, Moe & Jack of California**

Ms. Torres presented a funding proposal for The Pep Boys Manny, Moe & Jack of California (Pep Boys), in the amount of \$210,000. Pep Boys is a one-stop shopping format for accessories, parts, tires, and repair services.

Ms. Torres introduced John Rodriguez, Distribution Center Manager.

Ms. Roberts asked about the training manager and the administrative subcontractor's departure in the prior contract, in relation to performance. Mr. Rodriguez said the plan was to use a training manager in-house, although they hired a consultant to develop the ETP proposal. He said with the tremendous undertaking of a start-up operation, they unfortunately lost their training manager and eventually hired Spectra Consulting to administer the contract. Ms. Roberts asked if Spectra Consulting would administer the proposed contract. Mr. Rodriguez answered in the affirmative. Ms. Roberts said the curriculum was very minimal in comparison to an average of 70 hours of training. She asked if there was any technical aspect of the business or other training that would be added. Mr. Rodriguez said there would be training to utilize voice technology in addition to RF processing. Ms. Roberts asked why this was not included in the curriculum.

Mr. Broad said the prior proposal of approximately the same dollar amount had a much more detailed curriculum. He said, given what happened in the last contract, he would be more comfortable if Pep Boys returned next month and expanded their curriculum. He asked if the subject of "customer relations" for a distribution warehouse meant the customer is their own retail store. Mr. Rodriguez answered in the affirmative. Mr. Broad said in actuality then, it is really not customer relations. He said this curriculum was about as "bare bones" as he has ever seen. He asked Pep Boys to work with staff to strengthen the curriculum and return next month. Ms. Roberts said Pep Boys should consider that training 50 new-hires in 70 hours is a large task.

Mr. McGowan asked if intensifying competition from worldwide sources are more technologically equipped and savvy than Pep Boys. Mr. Rodriguez said they strive to stay on the cutting-edge with systems and technology for the distribution environment. Mr. McGowan asked if Pep Boys is ahead of their competition in their systems and

technology. Mr. Rodriguez said he did not know if they are ahead, but it is Pep Boys endeavor to at least maintain their position.

Mr. Broad said, without objection from the Panel, we will put the Pep Boys proposal over for a month. There was no objection by Panel members.

### **United Parcel Service, Inc.**

Ms. Torres presented a funding proposal for United Parcel Service, Inc. (UPS), in the amount of \$1,360,565. She said UPS is a package delivery company and a global provider of specialized transportation and logistics services, managing flows of goods, funds, and information in more than 200 countries and territories.

Ms. Torres introduced Brenda Fountain, Tax Manager and William Parker, President of National Training Systems Inc.

Mr. Broad asked if the substantial contribution applies to two facilities and how ETP arrived at the \$25,600 substantial contribution. Ms. Torres said it is based on the fact that only two of the four Job Numbers are at the same facilities where payment was earned under the prior contract. She further explained, training will be provided at the same facilities under this proposal in Job Number 2 (52 trainees) and Job Number 4 (98 trainees). She said ETP reduced the cost-per-trainee for those 150 individuals to arrive at the substantial contribution amount. Mr. Broad asked if the trainees in Job Number 1 and Job Number 3 had received any training at those facilities in the past. Ms. Torres said there may have been training at those facilities but not in excess of \$250,000. Mr. Broad said he is "underwhelmed" by the substantial contribution because ETP is trying to increase the company's support for repeat projects. Ms. Torres agreed, and pointed out that the new regulation imposes a first-time substantial contribution of not less than 15 percent.

Ms. Reilly said the substantial contribution regulation has a 15 percent "default" for the first contract and 30 percent for the second. She said a company that has already had a 30 percent contribution would not go back to a 15 percent contribution. She said UPS is at 15 percent because it is the first hit for the two facilities in Job Number 2 and Job Number 4. She said as Ms. Torres stated, it would be adjusted on the cost-per-trainee for the number of trainees. She said ETP allocates funds by Job Number from the total dollar amount approved for training, so each Job Number is discrete. Here, each Job Number reflects a facility. Mr. Broad said in the future if we start seeing substantial contributions in underwhelming numbers, he is going to suggest the regulation be looked at again. Mr. McMahan said the Panel has the ability to adjust the second substantial contribution as there is a range available to the Panel between 15 to 50 percent. Mr. Broad said he has all the respect in the world for UPS as a company, but that they can afford to pay more than \$25,000 for a substantial contribution, as they are a very large, well managed company.

Ms. Roberts said it was her understanding the substantial contribution was based on the amount of past contracts, and not whether it was the first time they had a substantial contribution, and asked for clarification. Ms. Reilly said the substantial contribution is tripped off if there is \$250,000 in payment earned, by facility, within the prior five-year time period. She said this is a rolling five-year time period, so once there is a first substantial contribution the next one is not less than 30 percent, but it is still by facility. She said that "by facility" is statutory. When a company is first assessed, the substantial contribution is no less than 15 percent. In the next contract, it is no less than 30 percent. She said at either level, the Panel has the discretion to assess a higher substantial contribution; the first time it can go up to 30 percent.

Mr. Broad asked if UPS would agree to increase the substantial contribution to 50 percent. He said UPS has received a number of ETP contracts and realizes they have also contributed quite a bit of their own money for training. Ms. Fountain said they are asking for a very small percentage of the actual training they pay for. She said that in the last three years they have had over \$1.3 million hours of training and are requesting funding of approximately 75,000 hours. Mr. Broad said ETP will have given approximately \$5 million to UPS in prior contracts and the proposed contract, when all facilities are considered. He said if raising the substantial contribution is within the Panel's authority to go up to 30 percent that UPS can afford it. He asked the Panel if they had any objections, and there were none. Mr. Broad asked if UPS was agreeable to increasing the substantial contribution from 15 percent to 30 percent and Ms. Fountain agreed.

**ACTION:** Mr. Broad moved and Mr. Rendon seconded approval of the funding proposal for UPS in the amount of \$1,360,565, with the modification that the substantial contribution is increased from 15 percent to 30 percent.

Motion carried, 6 – 0.

### **Universal Health Services of Rancho Springs, Inc., dba Southwest Healthcare System**

Ms. Torres presented a funding proposal for Universal Health Services of Rancho Springs, Inc., dba Southwest Healthcare System (Southwest Healthcare), in the amount of \$458,382. Universal Health Services is a healthcare management company that operates behavioral health facilities, acute care hospitals, and ambulatory surgery and radiation centers nationwide. She said Southwest Healthcare operates two acute care hospitals.

Ms. Torres introduced Katie Didonato, Director of Education and Steve Duscha, representing Duscha Advisories.

Ms. Roberts asked if ETP was funding \$500,000 based on the five hospitals. Ms. Didonato agreed. Ms. Roberts asked if the payment earned of \$131,000 in the prior proposal was earned by two hospitals. Ms. Didonato said two other hospitals had participated, Corona and Lancaster, and each earned a total of about \$15,000, but Southwest earned the majority of the money. Ms. Roberts asked how many employees

were trained from the two hospitals that earned \$131,000. Ms. Didonato said she did not have that information available. Ms. Roberts asked if only two hospitals are being funded in the proposed contract. Ms. Didonato said that was correct, and that both were under Southwest Healthcare. Ms. Roberts questioned why the company was now requesting \$500,000 just for the two hospitals, for the same amount of employees as received training previously. Ms. Didonato said the question could be better answered if she explained the training and why they are requesting that amount.

Ms. Didonato said their system had recently opened a 44-bed unit and in January 2009. She said they will open a two-story building expansion of their emergency department from 8 to 27 beds. She said this also includes women's services and an 11-bed neo-natal intensive care unit, the first one in their area. She said in April 2009 they will open an 11-bed extension of their adult ICU; later in the year they will implement a cardiac care and an open heart program with a cardiac cath lab. She said requested funds are designed to help them with the much needed growth and expansion in the Valley. Mr. Duscha said the training is heavily-weighted toward longer training including the clinical preceptor training that Mr. McMahon discussed earlier. He said each person trained will receive many more training hours, to be funded by the employer. Ms. Didonato said Mr. Duscha brought up an important point since their training primarily falls under a framework where they have extended training that is a blend of didactic classroom work and clinical experience.

**ACTION:** Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for Southwest Healthcare in the amount of \$458,382.

Motion carried, 5 – 0.

Greg Campbell departed the meeting at 11:25 a.m. and was not present for the remainder of votes.

### **Williams Furnace Company**

Ms. Torres presented a funding proposal for Williams Furnace Company (Williams Furnace), in the amount of \$521,730. Williams Furnace manufactures residential gas-fired wall furnaces and custom fan coil systems that use hydronics. The company's products are used in residential, retail, and commercial buildings and are custom manufactured to meet customer specifications.

Ms. Torres introduced Gary Burt, Director/Human Resource Services and Gordon Kirkpatrick, from Kirkpatrick Enterprises, Intl.

Mr. Broad was concerned that our substantial contribution regulation appears to be very favorable to large corporations with multiple locations, which is why the Panel doubled the substantial contribution of UPS, which still only brought it to \$50,000. By comparison, he said, Williams Furnace is a small company with a \$92,000 substantial contribution. He said they are in one facility, and he questioned whether we should have a facility-based

regulation. He said we should be looking at everything the company received because this is clearly not equitable. Mr. McMahon said the facility aspect of substantial contributions is in the ETP statute. Mr. Broad suggested adding substantial contribution as a discussion item next month, to consider introducing legislation to deal with the inequity. Mr. Kirkpatrick reminded the Panel that this is a company that is hiring directly from prisons, individuals with special needs, and homeless people. He said they ran into the 200-hour cap because realistically, some of the people needed more than 200 training hours. He said this is a continuity project, more than anything else. Ms. Roberts said the substantial contribution amount was large for such a small company.

Mr. Broad said Maureen Reilly, General Counsel, informed him that the Panel cannot do anything to remove the by facility standard from the substantial contribution regulation due to the statute. He said if he could, he would suggest cutting it in half. He said Williams Furnace is reaching out to the community and hiring ex-felons and suggested the company could return to the Panel to modify their contract to exceed the 200-hour cap, if it was helpful. Mr. Broad said the substantial contribution was not working out the way it was designed, and it should be changed.

Ms. Reilly said it is unlikely we will get the statute changed in a timely manner, but we can still take another look at the regulation. Mr. McMahon observed that the new regulation applies the substantial contribution at an earlier stage than had existed previously. Mr. Broad said it does not make sense that large companies with the greatest ability to pay for training, and that naturally have multiple locations, come in lower on substantial contributions because they move training around to their different facilities. He said it appears we are working with a rule that inherently discriminates against a certain size of company. Mr. McMahon said the regulation was recently amended for flexibility with a range of a 15 to 50 percent substantial contribution to give the Panel the ability to take multiple factors into consideration. Mr. Broad said he understood.

**ACTION:** Mr. Gordon moved and Ms. Roberts seconded approval of the funding proposal for Williams Furnace in the amount of \$521,730.

Motion carried, 5 – 0.

### **AHMC Healthcare, Inc. dba Greater El Monte Community Hospital**

Dolores Kendrick, Manager of the North Hollywood Regional Office, presented a funding proposal for AHMC Healthcare, Inc. dba Greater El Monte Community Hospital (El Monte Hospital), in the amount of \$367,200. She said El Monte Hospital provides obstetric care, general surgery, diagnostic services, critical care services, cardiology services, vascular services, emergency care, medical/surgical services, pediatric services, and adult sub-acute care services.

Ms. Kendrick introduced Loreta Tolentino, Chief Nursing Officer.

There were no questions from the Panel.



**ACTION:** Mr. Gordon moved and Mr. Rendon seconded approval of the funding proposal for El Monte Hospital in the amount of \$367,200.

Motion carried, 5 – 0.

### **COHR Inc. dba Masterplan**

Ms. Kendrick presented a funding proposal for COHR Inc. dba Masterplan (Masterplan), in the amount of \$374,625. Masterplan is a shared service subsidiary of the Healthcare Association of Southern California (HASC) that represents a variety of healthcare organizations including hospitals, hospital systems, and integrated delivery networks systems. The company helped HASC's members address new technical challenges such as electrical safety for catheterized patients, computerized patient monitoring systems, efficient management of scheduled equipment maintenance, and energy conservation.

Ms. Kendrick introduced Deborah Allen, Director of Talent Development.

Mr. Broad asked if Masterplan maintains and services the equipment in hospitals. Ms. Allen agreed.

Ms. Roberts asked if the in-kind contribution of approximately \$1 million in training is for the 200 California employees only, or if it is a worldwide number. Ms. Allen said it is a worldwide number. Ms. Roberts asked if in-kind contributions are typically only for California. Ms. Kendrick said the in-kind contribution is only for California. Ms. Allen said yes, it is only for the California employees. Ms. Roberts said an in-kind contribution of \$1 million annually for 200 employees seems excessive. Ms. Allen said maintaining their technology training requires several hours of training since new technology is constantly being added to the machines in the hospital.

**ACTION:** Mr. Rendon moved and Mr. McGowan seconded approval of the funding proposal for Masterplan in the amount of \$374,625.

Motion carried, 5 – 0.

### **Decore-Ative Specialties, Inc.**

Ms. Kendrick presented a funding proposal for Decore-Ative Specialties, Inc. (Decore-Ative), in the amount of \$858,240. Decore-Ative is a manufacturer of custom cabinet doors in over 250 standard styles, using a wide variety of materials.

Ms. Kendrick introduced Dave Wallace, Training & Development Specialist.

Mr. Gordon asked if the company has a union support letter. Mr. Wallace said they are not a union company. Ms. Kendrick said they do not have a union at the facility.

Ms. Roberts said since this was a first time contract, it was important to ensure staff and infrastructure is in place to support the commitment by management. Mr. Wallace said the owners are very excited about the opportunity to partner with ETP in this effort to streamline operations and build the skill level of their frontline workers. He said they have already begun training because they could not wait for this; it was a business imperative. He said they have already logged thousands of hours already this year in training. He said they developed and designed their own in-house learning management system which is up to industry standards. He said they are very good at collecting the data they need and they were not able to include it in the proposal, but it will help them to track as they move forward.

Ms. Roberts asked if he was the sole administrator of this project. Mr. Wallace said “no” because there were too trainees for one person to manage the program. Ms. Roberts stressed the importance of company infrastructure. Mr. Wallace said he is meeting with human resource and production managers to go over the details of the ETP program and how they can best utilize the funds available. He said staff has a unified vision on this project and it was his belief that they will be successful. He said they worked with an MEC to utilize similar funds last year and had an 85 percent completion rate.

Mr. McGowan asked, with the slow down in the economy, especially affecting the building trades industry, if Decore-Ative has had to lay off employees. Mr. Wallace said yes, which is why the turnover rate is high. He said the lay offs represent about half of the turnover rate, the result of a 30 percent decline in sales. Mr. McGowan asked how much they have had to cut back on their work force. Mr. Wallace said they had to lay off approximately 100 California employees.

Mr. Gordon asked if their cabinets are in public works projects or if they are predominately private. Mr. Wallace said they are predominately private, although they sell to contractors. Mr. Gordon asked about installation. Mr. Wallace said they do not install the cabinets, but rather, wholesale to the contractors and manufacture the doors.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for Decore-Ative in the amount of \$858,240.

Motion carried, 4 – 0 – 1 (Scott Gordon opposed the project).

### **DENSO Sales California, Inc.**

Ms. Kendrick presented a funding proposal for DENSO Sales California, Inc. (DENSO), in the amount of \$96,900. She said DENSO distributes original equipment, aftermarket and re-manufactured automotive parts, heavy-duty diesel and electrical components, portable commercial air-conditioning units, panel coolers, and industrial robots to warehouse distributors across the United States.

Ms. Kendrick introduced Izumi Koh, Assistant Manager of Associate Services and Administration.

Mr. Broad asked if the company only distributes certain parts and if they sell to the public. Ms. Koh said they sell to the public through warehouse distributors. She said they only sell to a handful of retail stores. Mr. Broad asked if they only manufacture parts for Toyota cars. Ms. Koh said yes, but they are trying to expand their product lines into other retail stores to include other car parts. She said they are at a point where with most of their projects, they are anywhere from 70 to 80 percent in their product lines or part numbers, so they are trying to fill those part numbers. Mr. Broad asked if DENSO would soon begin distributing the parts that are manufactured for all cars. Ms. Koh agreed.

**ACTION:** Mr. Rendon moved and Mr. McGowan seconded approval of the funding proposal for DENSO in the amount of \$96,900.

Motion carried, 5 – 0.

### **KS Industries LP**

Ms. Kendrick presented a funding proposal for KS Industries LP (KSI), in the amount of \$504,000. KSI provides engineering, fabrication, integrated maintenance, and construction services to a number of industries including upstream oil and gas production, natural gas treating and transportation, refining, cogeneration, heavy industrial and all types of pipelines.

Ms. Kendrick introduced Douglas Le Van, Director of Corporate Administration and Terry Madden, Training Manager.

Ms. Roberts asked if the company's ongoing training plan is primarily in safety. Mr. Madden said this proposal is different because it is primarily for craft training. He said it has a very small amount of safety training, as applicable to the line employees in their regular jobs. Mr. Le Van said they are training people to do actual tasks in the oil field such as rigging, mathematics and pipeline design. Ms. Roberts asked if the "tool use training" listed under commercial skills in the curriculum is required by OSHA. Mr. Madden said they already have a full training program in all of the areas legally mandated. He said the training listed under commercial skills is above-and-beyond and is application of craft skills at the field level.

Mr. Gordon asked if these are public works projects. Mr. Madden said they are not. Mr. Gordon asked if the company was having a hard time "partnering" with the established workforce. Mr. Madden said they have been involved in trying to recruit experienced employees in the field. He said most of the employees that are trained are already working. Mr. Gordon asked about scopes of work they perform in the field. Mr. Madden said they build facilities and place oil pipeline on the ground. Mr. Gordon asked if they lay pipe and Mr. Madden said they did.

Mr. Broad asked if their employees are located in Kern County and Mr. Madden said they are. Mr. Broad said wages appeared to be low, as he understood that oil work commanded higher wages. He was wondering whether there was a labor market issue. Mr. Madden said that is a portion of it, but their wages are competitive with other companies similar to theirs. Mr. Le Van said it is a very competitive market and they are trying to fit into it. Mr. Broad

said, with what oil prices have been, it seems this would be the basic \$20.00 per hour job. He said he would think the labor market would command higher wages even in the Central Valley for this type of work in an industry where people are making a lot of money. Mr. Madden said they are only a contractor and not Chevron or Shell and they are a business providing services to them.

Ms. Roberts questioned whether trainees would receive 80 hours of training after reviewing the curriculum. Mr. Broad said the menu curriculum was lacking in detail. Mr. Le Van showed the Panel a catalog that describes the full curriculum, as developed by the National Center for Construction Education and Research. Mr. Broad asked staff to give the Panel more detailed information in the curriculums.

Mr. Gordon asked if KSI is credentialed by the State of California, accredited through IES, or ACE. Mr. Madden said no, they are accredited through the University of Florida. Mr. Gordon asked about the benefit package offered. Mr. Madden said they offer medical, dental and life insurance. Mr. Gordon asked how long employees must work before they offer benefits. Mr. Madden said they must be employed for 90 days.

**ACTION:** Mr. Rendon moved and Mr. McGowan seconded approval of the funding proposal for KSI in the amount of \$504,000.

Motion carried, 4 – 0 – 1 (Scott Gordon opposed the project).

### **Lortz & Son Mfg Co.**

Ms. Kendrick presented a funding proposal for Lortz & Son Mfg Co. (Lortz), in the amount of \$401,004. She said Lortz is a custom steel fabrication, machining, and assembly firm that manufactures custom products such as metal expansion joints, process vessels, ducting, tooling platforms, corrugated pipe, and exhaust stacks for a variety of industries.

Ms. Kendrick noted a correction on page 4 under development services. She said it indicates it was not applicable, but it should reflect that there is a consultant, Patrick Collins, that did the development for a fee of approximately \$2,500. She said Mr. Collins is here to present the proposal on behalf of the company since the representatives were unable to attend the meeting. She said staff received a company letter from the President authorizing Mr. Collins to present the Lortz project. Mr. McMahon noted it was not typical to allow a consultant to present a project. He said this proposal was scheduled at an earlier date at one of our cancelled meetings and for an exception in this situation. Mr. Broad was agreeable to the exception and noted it was not a policy change.

Mr. McGowan asked why the company wishes to remain in California. Mr. Collins said the company was created in California and the employees wish to stay here. He said moving out-of-state because utilities are 20 percent less would not benefit the company, as not many staff would follow and they would have to go through the process of starting all over in finding qualified employees.

ACTION: Ms. Roberts moved and Mr. McGowan seconded approval of the funding proposal for Lortz in the amount of \$401,004.

Motion carried, 5 – 0.

### **Xerox Corporation**

Ms. Kendrick presented a funding proposal for Xerox Corporation (Xerox), in the amount of \$332,750. Xerox is a manufacturer of digital presses, multifunction devices, laser and solid ink network printers, copiers, and fax machines.

Ms. Kendrick introduced Mike Salfity, VP/GM, Workflow Business Unit and William Parker, President of National Training Systems, Inc.

Ms. Roberts asked how many employees are located at the El Segundo facility. Mr. Salfity said within his organization they have approximately 350 employees. He said the El Segundo campus has approximately 550 employees and 250 are pure software technologists and researchers. Ms. Roberts asked if they work with the Park facility in Palo Alto. Mr. Salfity said they were a satellite group of Park. He said he was a Park employee, and helped start this site in the mid 1980's when they were doing research in computer science during the evolution of computers. Mr. Salfity said he has watched their industry and the world evolve and grew up in the research ranks so he has been around in watching others do well with their technology.

Ms. Roberts asked if he anticipated training the Palo Alto facility. Mr. Salfity said no, he did not. He said he is primarily focused on the product development side of the world and Park is a research facility. Ms. Roberts noted this is the third Xerox contract and they only have a 15 percent substantial contribution. Mr. Salfity said he understood and the rationale he shared is that he is torn between Asia and New York, and trying to keep them here in California and staying on the forefront. He said they utilized 100 percent of the last grant they received and he is putting out over \$1 million per year in training to continue to be the best they can be.

ACTION: Mr. McGowan moved and Mr. Rendon seconded approval of the funding proposal for Xerox in the amount of \$332,750.

Motion carried, 5 – 0.

### **ConAgra Foods, Inc.**

Ruby Cohen, Manager of the Sacramento Office, presented a funding proposal for ConAgra Foods, Inc. (ConAgra), in the amount of \$1,183,608. She said ConAgra is a large manufacturing corporation engaged in preparing, marketing, and distributing packaged foods throughout North America.

Ms. Cohen introduced Doug Osborn, Regional CSD Lead; Maria McMullen, Human Resources Manager and Sharon Mosley, Business Agent/Safety representing Teamsters Union Local 948.

Ms. Roberts said it is a large contract and asked about the infrastructure that is in place to support the project. Mr. Osborn said they are creating an organization within each facility to assist them with implementation and execution. Ms. McMullen said she is at the plant level, familiar with day-to-day operations, and communicates with the plant manager and production managers. She said the plant managers and individuals have “bought into” the program as well as the union, and they will execute the training. She said they get along well with the union because the company does what they say they are going to do. She said it is important to train employees to remain competitive and stay in California.

Ms. Roberts asked if the human resources function has the responsibility of implementing the training or if that is done by a training manager. Ms. McMullen said she currently owns that responsibility but has many people that assist her in order to be efficient and effective at ensuring requirements are administered and completed in a quality manner.

**ACTION:** Ms. Roberts moved and Mr. Gordon seconded approval of the funding proposal for ConAgra in the amount of \$1,183,608.

Motion carried, 5 – 0.

### **Fresno Truck Center**

Ms. Cohen presented a funding proposal for Fresno Truck Center (FTC), in the amount of \$341,250. FTC is a freightliner dealer providing factory approved service and parts to support hundreds of small and large companies transporting commodities throughout the nation.

Ms. Cohen introduced Earl Wilson, Assistant Controller.

Mr. Broad asked if the company is seeing any demand for new clean truck programs in the ports of Los Angeles and Long Beach. Mr. Wilson said they have not yet experienced such a demand. He said most of their business is in new truck sales and new engines, which are much more clean and efficient. He said the retrofit program has not really changed and has not yet gone into effect.

Ms. Roberts asked if FTC has been in contact with the San Joaquin Valley Air Quality Control Board, as they are financing some of the retrofits up to \$25,000 for trucks registered in California. Mr. Wilson said he has not been in contact with them, but is aware of the program. He said they haven’t seen any business generated by the retrofits and the request would come from the operators rather than the dealers.

**ACTION:** Mr. Gordon moved and Mr. McGowan seconded approval of the funding proposal for FTC in the amount of \$341,250.

Motion carried, 5 – 0.

## **MedicAlert Foundation**

Ms. Cohen presented a funding proposal for MedicAlert Foundation (MedicAlert), in the amount of \$49,500. She said MedicAlert provides members with body-worn emblems, generally wristbands or necklaces, engraved with medical information intended to alert first responders and other medical personnel to any life-threatening conditions such as allergies to medications.

Ms. Cohen introduced Frank Perez, Director of Compliance and Training.

Mr. Broad asked if MedicAlert is a non-profit company. Mr. Perez said they were non-profit, founded by a family in Turlock and in business for 50 years. He said they are a leader in their industry, with approximately four million members wearing the MedicAlert bracelets with their medical records on file. Mr. Broad asked if company profits go back into the Foundation and what it serves. Mr. Perez said yes, company profits go back into the Foundation. He said they had a small profit this year, which they invested by fees for some members who can not afford to pay on their own. Mr. Broad asked if the profit subsidizes people who cannot afford membership. Mr. Perez agreed.

Mr. Broad asked about the high turnover rate, and if it was a one-time spike. Mr. Perez agreed, and said in past years it has been less than 20 percent and their best year was 17 percent. He said they received new leadership that decided to diversify into heavy technology-type products, but were not successful. He said as a result, they suffered financial losses and it was taken out of the workforce by neglect in training, salaries were frozen and they lost several good employees. Mr. Broad said, sometimes it is not a good idea to change something that has been working over 50 years. Mr. Perez said they are back to their bracelet which is an amazing product. He said, think about a piece of metal worn on your wrist that tells a paramedic if you have an allergy to a particular medicine. Mr. Broad said this is a very small contract and asked if the Panel had any objection. There were no objections from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for MedicAlert in the amount of \$49,500.

Motion carried, 5 – 0.

## **Multiple Employer Contractors**

Mr. Broad said they received a request for the Jewish Vocational Services contract to be taken out-of-order and presented first.

### **Jewish Vocational Services, Los Angeles (presented out-of-order)**

Ms. Kendrick presented a funding proposal for Jewish Vocational Services, Los Angeles (JVSLA), in the amount of \$198,935. JVSLA is an organization that meets the employment

and training needs of individuals with disabilities, public assistance recipients, dislocated workers, immigrants and refugees, high-risk youth, mature workers, and individuals with economic, social and psychological barriers to employment.

Ms. Kendrick introduced Claudia Finkel, Chief Operating Officer and Les Biller, Trustee of The Sheri and Les Biller Family Foundation.

Mr. Broad said this is an excellent project. Ms. Roberts agreed and wished them much success in their project. There were no questions from the Panel.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for JVSLA in the amount of \$198,935.

Motion carried, 5 – 0.

### **Bay Area Video Coalition**

Mr. Chan presented a funding proposal for Bay Area Video Coalition (BAVC), in the amount of \$1,403,502. BAVC is a private, non-profit training agency that provides retraining for diverse industries including services, arts and entertainment, multi-media, software development, manufacturing, and wholesale.

Mr. Chan introduced Dov Golodner, Head of Workforce Development Programs.

Ms. Roberts said there were two concurrently-funded projects, and it appeared that every six months BAVC returns to the Panel for funding. She asked if the trainees are new employees or if the same people are being trained. Mr. Golodner said they do not have the same employees going through the training, but some of the same employers. Mr. Chan said one project is an at-risk program and another is a new-hire program. He said they are not all re-training programs and the concurrent projects are different. He said that due to timing, they had to run concurrent agreements rather than only one. Ms. Roberts asked if the first agreement was a combination of at-risk and incumbent training. Mr. Chan said the first project was at-risk and new-hires, but not new training.

Mr. Broad said all of the potential employers listed do not have union contracts. He questioned whether “Pixar” has unionized employees. Mr. Golodner said Pixar employees participating in this agreement are non-union. He said they have television stations that have unions, but they did not have letters prepared and until they do, he will not submit them.

Mr. Broad agreed that BAVC has been before the Panel numerous times in the past. He said the Bay Area industry in this area is of a finite size, so it was important to ensure the same employees are not being trained. He said if the training is not producing changes for employees in wage levels and career advancement, then the Panel would be concerned. Mr. Golodner said, with the advancement of technology and the new software upgrades every year, companies are having a hard time keeping up. He said that many individuals will come back and train on the same software with a different version the next year, or with technology



that has changed. Mr. Broad said BAVC has a good reputation and historically, company representatives have provided very good answers to Panel questions, but noted that staff needs to review the issue of repeat training under Multiple Employer Contractors.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for BAVC in the amount of \$1,403,502.

Motion carried, 5 – 0.

### **The Corporation for Manufacturing Excellence dba Manex**

Mr. Chan presented a funding proposal for The Corporation for Manufacturing Excellence dba Manex (Manex), in the amount of \$1,499,775. He said Manex provides advisory and implementation service to increase growth, productivity, and quality that enables the companies to remain competitive and increase market share. Manex also provides services in corporate strategy and planning, marketing strategy, training and development, Lean Manufacturing, supply chain and logistics, Six Sigma, ISO, and performance management systems.

Mr. Chan introduced Brent Meyers, President and Chief Executive Officer and Jonathan Lee, Vice President.

Ms. Roberts said she appreciated all of the statistics Mr. Meyers gave during his presentation and wished all employers would approach the Panel with the advantages of their programs.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Manex in the amount of \$1,499,775.

Motion carried, 5 – 0.

### **El Camino Community College District, Center for Applied Competitive Technologies**

Ms. Kendrick presented a funding proposal for El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT), in the amount of \$849,392. El Camino CACT is a two-year community college offering academic and vocational educational programs. The goal of the program is to advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce development, technology deployment, and business development.

Ms. Kendrick introduced Cristallea Byun, Director of Training and Development and Deborah Imonti, ETP Training Coordinator.

There were no questions from the Panel.

**ACTION:** Mr. Gordon moved and Mr. McGowan seconded approval of the funding proposal for El Camino CACT in the amount of \$849,392.

Motion carried, 5 – 0.

## **NTMA Training Centers of Southern California**

Ms. Kendrick presented a funding proposal for NTMA Training Centers of Southern California (NTMA), in the amount of \$3,426,250. She said NTMA trains new and incumbent employees for small and medium-sized machine shops. These companies design and manufacture special tools and machines, dies, jigs, fixtures gauges, and precision-machined parts.

Ms. Kendrick introduced Michael Kerwin, President and Norma Meza, ETP Coordinator.

Ms. Roberts asked if the same people are receiving training. Ms. Meza said they may have a very small amount of trainees that come back, but if so it is because they are moving up a career ladder, but they are all new. Mr. Kerwin said yes, this pattern could occur. He said employees might take the basic program at first, and then return 4-5 months later and take the advanced portion.

Ms. Roberts asked how employees who earn \$12.00 to \$15.00 per hour move up to \$19.00 to \$30.00 per hour. Ms. Meza said employees who earn \$12.00 to \$15.00 per hour are new hires and the employees earning \$19.00 to \$30.00 have received advanced training and are retrainees. Ms. Roberts asked when new hires move up the ladder after they complete the training program. Ms. Meza new hires move up quickly due to the shortage in workforce they are experiencing in this industry. Mr. Kerwin said, after finishing the basic 700-hour program, they could return as quickly as 90 days to take an advanced training program.

Ms. Roberts said we are training many people with a large amount of funds and wanted to ensure the trainees are sustainable on their jobs. Ms. Meza said they are sustainable and return for additional training in order to continue and not return to unemployment. Mr. Kerwin said it is like any industry; you have to keep moving forward.

**ACTION:** Mr. Rendon moved and Mr. McGowan seconded approval of the funding proposal for NTMA in the amount of \$3,426,250.

Motion carried, 5 – 0.

## **Santa Clarita Community College District of the Canyons**

Ms. Kendrick presented a funding proposal for Santa Clarita Community College District College of the Canyons (COC), in the amount of \$471,420. She said COC is a two-year, fully accredited community college offering a full range of vocational education programs and academic programs necessary for transfer to four-year institutions.

Ms. Kendrick introduced Dr. Bruce Getzan, Dean of Economic Development and Kristin Houser, Director of the Employee Training Institute.

Mr. Broad asked for clarification on information supplied on page 7 of the proposal memo under prior projects (ET05-0247): COC has reversed its push to drive the types of courses

ETI offers from contract education to credit status. ETI is able to again pursue contract education and provide employers the proposed training program.” Ms. Houser said there was a shift in priorities during the time of that project, which terminated in December 2006. COC is now promoting its ability to develop courses for a particular employer, as compared to the more generic courses that are offered for credit to the general public. He said COC now realizes that specialty or contract education is important, a revenue generator, and provides a service to the community. Mr. Broad asked if their program was in jeopardy of being cut. Ms. Houser said no, now that they are returning to the old model.

**ACTION:** Mr. McGowan moved and Ms. Roberts seconded approval of the funding proposal for COC in the amount of \$471,420.

Motion carried, 5 – 0.

### **Southeast Los Angeles County Workforce Investment Board**

Ms. Kendrick presented a funding proposal for Southeast Los Angeles County Workforce Investment Board (SELACO WIB), in the amount of \$1,748,806. She said SELACO WIB is a non-profit organization formed pursuant to the federal Workforce Investment Act of 1998. It is governed by elected officials under a Joint Powers Agreement in coordination with private sector representatives including business owners, labor unions, corporate executives, various California state agencies, community-based organizations, public assistance agencies, rehabilitation, economic development, and public education agencies.

Ms. Kendrick introduced Larry Lee, Business Services Manager and Kevin Kucera, Organizer/Business Representative of the International Association of Machinists and Aerospace Workers.

Mr. Lee said as a WIB, they are sensitive by nature to the needs of the employer community and have had much success working with the manufacturing industry. He said they are beginning to make some great strides in the logistics industry, particularly in the ports of Long Beach and Los Angeles. Mr. Broad asked if he is working together with Larry Frank to discuss truck driver training at the Port of Los Angeles and related entry locations where goods movement presents logistical issues. Mr. Lee did not directly answer the question, but said they are considering installation maintenance and repair of green technology not only for the trucks, but other equipment and RFID identification systems.

Mr. Broad said, without any Panel objection, he would substitute the prior roll call and the SELACO WIB proposal was approved in the amount of \$1,748,806.

### **GreenPlumbersUSA**

Ms. Cohen presented a funding proposal for *GreenPlumbersUSA* (*GreenPlumbers*) in the amount of \$197,117. *GreenPlumbers* is a non-profit training organization dedicated to providing up-to-date industry skills and securing high-quality job opportunities for its members and non-members.

Ms. Cohen introduced Bill Lehtonen, Director of Public Outreach.

Mr. Broad asked about the relationship between *GreenPlumbers* and the union training programs and contractors. Mr. Lehtonen said they seek the broadest appeal possible, so they use the name *GreenPlumbers* instead of PHCC or any other affiliated plumbers. He said they seek building management plumbers who are non-commercial. He said they reach out to union plumbers by offering a train-the-trainers program where they can have 100 percent control, and thereby the training is universal throughout California. He said the locals fill their classes when they have the opportunity. He said they are slow to respond on the national side, but recently held a meeting with the South Jersey Plumbers, the UA Association, and PHCC to come together for a class. Mr. Broad said on occasion, associations are created specifically for non-union and sometimes becomes a flight between the union and non-union sectors. He said the union/non-union issue does not appear to be a problem in this contract.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for *GreenPlumbers* in the amount of \$197,117.

Motion carried, 5 – 0.

### **Hitchcock and Holcombe, Inc. dba Continental Training Center**

Ms. Cohen presented a funding proposal for Hitchcock and Holcombe, Inc. dba Continental Training Center (Hitchcock and Holcombe), in the amount of \$779,400. Hitchcock and Holcombe is an accredited privately owned training agency which provides computer related training to corporations, non-profit organizations, and state and county agencies.

Ms. Cohen introduced Steve Hitchcock and Darin Holcombe, Owners.

Mr. Broad asked where the company is located. Mr. Hitchcock said they are located in Citrus Heights.

Mr. Broad said, without Panel objection he would substitute the prior roll call, and the Hitchcock and Holcombe proposal was approved in the amount of \$779,400.

### **Amendments**

#### **California Manufacturing Technology Consulting**

Ms. Kendrick presented an amendment for California Manufacturing Technology Consulting (CMTC), in the amount of \$1,064,813. She said CMTC was established to assist small and medium-sized manufacturers in California to improve their operational efficiencies and global competitiveness. CMTC provides consulting and training services in the areas of Information technology, Lean enterprise, manufacturing and engineering, strategic business, and quality management.

Ms. Kendrick introduced John Van Buren, Vice President and Chief Financial Officer and Cheryl Slobodian, Director of Small Business.

Mr. Broad asked if we had asked CMTC to return to the Panel since the original contract amount had been reduced. Ms. Kendrick said the amount was reduced before it reached the Panel since ETP was looking to fund projects at a \$1 million cap.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the amendment for CMTC in the amount of \$1,064,813.

Motion carried, 5 – 0.

### **Pactiv Corporation**

Ms. Kendrick presented an amendment for Pactiv Corporation (Pactiv), in the amount of \$650,988. Pactiv is a producer of specialty packaging products such as carry-out containers, school lunch containers, and “Hefty” brand products for the consumer and foodservice/food packaging markets.

Ms. Kendrick introduced Michael Aldrich, Director of Total Compensation and Organization Development and Lisa Beville, HR Manager.

Ms. Roberts was concerned that Pactiv has less than one year to complete their current contract, they are in the three-month retention period, and only have until August to complete it. Mr. Aldrich said they intend to get it done, are already up to a 93 percent completion and are continuing to push it along as they move forward.

Mr. Broad said, without Panel objection he would substitute the prior roll call, and the Pactiv amendment was approved in the amount of \$650,988.

### **VIII. PUBLIC COMMENT**

There was no public comment.

### **IX. ADJOURNMENT**

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded adjournment of the meeting at 1:19 p.m.

Motion carried, 5 – 0.