



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**
California Environmental Protection Agency
Sierra Hearing Room, 2nd Floor
1001 "I" Street
Sacramento, CA 95814
January 23, 2009

PANEL MEMBERS

Barry Broad
Acting Chair

Greg Campbell
Member

Barton Florence
Member

Scott Gordon
Member

Brian McGowan
Member

Janine Montoya
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, Chairman, called the public Panel meeting to order at 9:35 a.m.

II. ROLL CALL

Members Present

Barry Broad
Scott Gordon
Eloisa Klementich (Alternate Designee for Brian McGowan)
Janine Montoya
Edward Rendon
Janice Roberts

Members Absent

Greg Campbell
Barton Florence

Executive Staff Present

Brian McMahon, Executive Director
Maureen Reilly, General Counsel

III. APPROVAL OF AGENDA

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

Motion carried, 6 – 0.

IV. APPROVAL OF MINUTES

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the Panel Minutes of December 12, 2008.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, said he was pleased to report that ETP has fared very well in the Governor's proposed 2009-10 Budget. For the first time since the 1998-99 Budget year there is no proposed transfer from the Employment Training Fund to the Department of Social Services to fund the CalWORKS program. However, because of under-collections in the fund which fall below original projections, there will be an increase to the program of approximately \$20 million for the 2009-10 Fiscal Year. He said the appropriation for 2009-10 is \$76.1 million, compared to \$56.9 million in the current year which was reduced by an under-collection mid year. However, our Budget is still subject to the Legislative Budget Review Process and it is likely there will be efforts to restore some or all of the transfer away from the Department of Social Services. He said increased funding for ETP this year is in part, due to the recognition that ETP is a meaningful tool to promote the state's economic recovery and should be viewed as a significant stimulus tool. The Budget will be reviewed in Assembly Subcommittee #4 chaired by Assembly Member Arambula and Senate Subcommittee #3 chaired by Senator Leno.

Mr. McMahon said two legislative budget bills were introduced on January 9, 2009; AB105 Evans and SB47 Ducheny. Both bills as introduced contain the \$76.1 million appropriation for the ETP program. As was the case last year, Mike Rice, Chief of Administration and I will visit Subcommittee Chairs, Vice Chairs and members of the committee to update them on the positive effects of ETP and highlight the projects funded in their districts. He said it is particularly important this year that we have support through the Legislative Budget Review Process from our partners, stakeholders and friends. He said he has received requests as to how individuals can support the ETP appropriation. This year it is likely the Subcommittee Review Process will be an adversarial situation. Staff intends to support and facilitate involvement in the process by our stakeholder group and post a link on our website where you can sign up to receive email blasts that we will send out during the course of the Legislative Review Process. This will assist with legislative hearing dates, times, locations, list the members of the committees and provide an overall sense of how the ETP Budget is fairing through the process.

Mr. McMahon said if all projects are approved today, \$25.7 million of the adjusted \$32.5 million available for new training projects in the current fiscal year will have been encumbered. This results in a balance of approximately \$6.7 million in potential encumbrances for the remainder of the FY. Based on our incremental encumbrance approach, the Panel will have approved to date, approximately \$76.8 million in training projects. It is anticipated that \$94 and \$95 million in total contracts will be awarded, likely by the March 2009 meeting. He said it is expected that we will have depleted our allocation by March 2009.

Mr. McMahon said ETP will not be sponsoring a bill; however, there will likely be bills introduced that may impact ETP and staff will track the bills through a Legislative Memorandum included in your Panel Packets today and the Panel will receive updates on the bills at future meetings.

Mr. McMahon said the ETP program can and should be acting fairly aggressive to address the particularly rising unemployment rate in California. He said staff is working on some program changes that will help ETP to be more effective in addressing the unemployment issue to help re-skill laid off workers and support the re-employment of those individuals. He said it is important to keep an emphasis on retraining, particularly retraining that supports job retention in key industry sectors that are priorities for ETP, such as green technology, healthcare, manufacturing and other public works construction sectors. At the February Panel meeting, staff will bring to the Panel, recommendations for program modifications aimed at targeting unemployed workers and workers facing layoffs. The recommendations in part, will seek to provide greater financial incentives for new-hire projects and we hope that with these incentives, we will provide a financial incentive or inducement to help mitigate some of the risks.

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. Montoya moved and Ms. Roberts 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 #22.

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| 318, Inc. | \$41,860 |
| Acme Vial & Glass Co. | \$18,720 |
| Airborne Technologies, Inc. | \$56,628 |
| American Airframe, Inc. dba Pacific Airframe and Engineering | \$24,960 |
| Ameron International Corporation..... | \$72,000 |
| California Technical Plating, Inc. | \$16,302 |
| D.H. Scott & Company LLP | \$23,760 |
| Four C's Service, Inc. | \$118,560 |
| Function Engineering, Inc. | \$10,400 |
| Greater Bakersfield Chamber of Commerce | \$18,800 |
| International Rectifier Corporation | \$74,736 |
| Kemac Technology, Inc. | \$23,010 |
| LogicVision, Inc. | \$11,492 |
| Mean Machine Inc. | \$30,420 |
| Montecito Financial Services | \$11,220 |
| NexBio, Incorporated..... | \$73,892 |
| Standard Filter Corporation | \$39,000 |
| Stepstone, Inc. | \$74,880 |

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| Valley Economic Development Center, Inc. | \$10,076 |
| Vektrex Electronic Systems, Inc. | \$12,480 |
| Weber Motors Fresno, Inc. dba Weber BMW | \$68,640 |
| WTAS LLC..... | \$74,100 |

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of Consent Calendar items #1 through #22.

Motion carried, 6 – 0.

VI. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel, said she handed out a confidential memo to the Panel pertaining to the Closed Session matter that will be held this afternoon after the public portion of the meeting. She also said ETP has implemented a new logo that now appears on the ETP website for all Panel Packet materials.

VII. CALBIS – CALIFORNIA’S ONE-STOP FOR BUSINESS RETENTION & EXPANSION

Brian McMahon introduced Dave Freitas, Assistant Secretary of the California Business Investment Services (CalBIS) at the Labor and Workforce Development Agency. He said Mr. Freitas has been involved in economic development at the state level for over 25 years and is widely recognized as one of the state’s leaders in economic development.

Mr. Freitas said CalBIS was launched in 2003 when the Technology, Trade & Commerce Agency (TTCA) was eliminated. He said at the time, they had four regional offices, and an office of foreign investment. Approximately 40 people worked at CalBIS in six offices, on business development, retention, and attraction. In 2005, CalBIS “downsized” and relocated to LWDA.

Mr. Freitas said CalBIS still functions as an economic development service. He said they provide assistance to generate business investments in California. They are a “one-stop” service for employers, corporate real estate executives, and site location consultants.

Mr. Freitas said CalBIS tailors its consulting services to best inform employers about such issues as: enterprise zones, taxation, workforce availability and training, resources for financial and loan assistance, public infrastructure, business advocacy, economic data, demographic data, and government permit processing.

Mr. Freitas said CalBIS clients and industries include medium-to-large businesses and domestic and international companies. Key industry clusters include: biotech and manufacturing, food processing and agricultural technology and renewable and clean technology.

Mr. Freitas listed the site selection regions: upstate California, Sacramento region, Bay Area, Central Sierra, Central Valley, Central Coast, Los Angeles, Orange, Inland Empire and San Diego/Imperial.

The CalBIS process includes client qualification, project criteria, requests for proposals, proposal development, and compilation of local proposals, comparative analysis, addressing state-level issues, site tours and community meetings and service after the sale. He said CalBIS client sources include: repeat customers/consultants; business associations; Core Net, International Economic Development Council, Industrial Asset Management Council and direct contact such as phone, website, TeamCa.org and email.

Mr. Freitas discussed the CalBIS 2008 summary of project/prospect activity. He said 31 percent of projects are in clean tech/renewable energy, 27 percent in manufacturing, 14 percent food related, 9 percent high tech/R&D, 6 percent Service, 5 percent distribution, 4 percent other, 2 percent back office and 2 percent pharmaceutical/biotech. He explained the geographic origin of projects in 2008 is 42 percent California expansion, 32 percent foreign, 22 percent from other states and 4 percent from the Western United States. Mr. Freitas said this year 32 percent of their clients are now foreign-based businesses which is a change from a decade ago. He said the origin for project activity in 2008 is 75 percent directly from the company and 25 percent from consultants.

Mr. Freitas said CalBIS is focusing on trying to change the attitude of some consultants. When he goes to a site location with consultant groups, or to conferences, they refer to ABC (Anywhere but California). He said CalBIS makes a concerted effort to call on the site locations in California and make those calls when they have the opportunity. He said when staff attends a trade show out of state; they will call the site locations to try to get in front of the consultants to tell them the positive things that are happening in California.

Mr. Freitas said successful CalBIS projects are: United States Gypsum, Siemens Transportation, Bayer Headquarters, Niagara Water, Genentech, Nanosolar, General Mills, Lowe's, Virgin America, Tesla, and OptiSolar. CalBIS key partners are: Governor's Office, Business Transportation & Housing Agency, Employment Training Panel, Labor and Workforce Development Agency, local economic development organizations and TeamCalifornia.

He asked if the Panel had any questions.

Mr. Broad asked about the foreign offices that California had for the past 30 years, and if they solicit business in other countries. Mr. Freitas said the foreign offices were closed in 2003. He said the local EDCs travel to Asia and Europe to attend tradeshows and they carry the California message. He said there were too many foreign offices that did not show results. He said there were once 350 people at TTCA and some are now employed at the Infrastructure Bank, the Enterprise Zone program, and the Strategy Panel at the LWDA.

Mr. Broad asked about the term ABC (Anywhere but California). Mr. Freitas said ABC is about cost-to-relocate and lack of incentives. He said that site location consultants prepare a

matrix that includes cost of land, lease costs, cost of labor, taxation, corporate real estate, corporate income tax, property taxes and incentives. He said California does not always come out on top. He said the way CalBIS promotes California is by the talent, location, ports, and a university system that is unique to this state.

Mr. Broad asked if foreign corporations have an entirely different attitude than United States corporations about the cost of labor in California. Mr. Freitas said yes, actually they do. Mr. Freitas said foreign corporations have experienced a higher cost of labor, in addition to one month off for holidays, and labor restrictions in place. He said if foreign companies need a location on the West Coast, then California tends to be in the running, especially with renewables in Silicon Valley and biotechnology, where we are world-renowned leaders.

Mr. Broad thanked Mr. Freitas for his presentation and asked if there were any other questions from the Panel. There were no further questions.

VIII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

Single Employer Contractors

Bay Alarm Company

Ruby Cohen, Manager of the Sacramento Regional Office, presented a funding proposal for Bay Alarm Company (BAC) in the amount of \$155,844. She said BAC is the largest independently owned and operated security company in the United States and provides products and services to customers across California. The company offers a full range of security systems, including burglar and fire alarm systems, access control and video surveillance, and also provides service to approximately 100,000 residential and commercial customers.

Ms. Cohen introduced Roxanne McCarville, Vice President of Human Resources & Training.

Ms. Roberts said the company did a great job on their last contract. She asked if the primary training location in the previous contract was in Pacheco. Ms. McCarville said their corporate headquarters is in Pacheco and they have training facilities in both Pacheco and Oakland. Ms. McCarville said the company has twelve branches but employees are brought to their training centers. Ms. Roberts asked if this proposal is for new employees only. Ms. McCarville said it is for new and existing employees who require additional or advanced training. Ms. Roberts said the training proposal states only the frontline workforce will receive Continuous Improvement skills and asked if the previous contract included both management and frontline workers. Ms. McCarville said it did.

Ms. Klementich asked if the Oakland training facility offers the same amount of training as their other facilities. Ms. McCarville said their primary training facility is in Oakland and if they do not have adequate training resources to accommodate employees, they would use alternate facilities.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for BAC in the amount of \$155,844.

Motion carried, 6 – 0.

Maximus, Inc.

Ms. Cohen presented a funding proposal for Maximus, Inc. (Maximus) in the amount of \$202,500. Maximus is a large government services company supporting federal, state, and local programs. The company's Operations Segment provides outsourcing and program management for health and human services programs, including HMO outreach and enrollment, children's health, child support enforcement, physician profiling, workforce services, payment processing and general program administration, mainly through the company's data centers and call centers.

Ms. Cohen introduced John Viera, Director of Human Capital Health Services and Mary Robertson, Deputy Director of Administration.

Mr. Broad asked if they are a contractor for the State Department of Health Care Services (DHCS). Mr. Viera answered in the affirmative. Mr. Broad said the State is paying Maximus to perform that contract, and if ETP pays more to train the employees that would be equivalent to subsidizing the company for what it is already being paid for and bid on. He questioned whether it is an appropriate use of funds. He said in his experience on the Panel, he has not seen a company requesting ETP funds that had already contracted with the State of California. He said the bid by Maximus should have anticipated the need for \$200,000 to train its workers. He said it would appear to taxpayers that Maximus is receiving training funds twice, which is a large concern.

Ms. Robertson said they have already begun training and invested substantially in the training, which was incorporated into the cost of their bid. She said additional funds would allow employees to enhance their training opportunities for career advancement.

Mr. Broad asked about employee career advancement opportunities. Ms. Robertson said many frontline call center employees and field staff are at the entry level position. She said they could advance to a level two senior position, or a level three supervisory position into other areas that could bring a higher income potential for these individuals.

Ms. Roberts asked what services Maximus offers. Mr. Viera said they help manage healthcare costs by placing people into lower-cost modes of delivery instead of sending them to the emergency room. He said they inform individuals about benefits to assist with medical decisions.

Ms. Roberts asked if they are an international company that assists individuals outside of California. Mr. Viera said they are, although this is the only project in the State of California. He said when they bid this project, they were bidding against people from other states.

Ms. Roberts asked if call center employees support other government services to help them with healthcare needs or decisions. Mr. Viera agreed, and explained that someone designated as a beneficiary under MediCal in certain counties has the option to select different medical plans.

Ms. Klementich asked about the scope of training. Mr. Viera said trainees receive basic computer skills, call center outreach applications, customer service skills, teaming skills, and presentation and writing skills so that they can document the decisions they are making with the beneficiaries. Ms. Klementich asked if employees learn Word and Excel computer programs. Mr. Viera agreed. Ms. Robertson said they are also funding management training processes for career advancement opportunities for individuals without formal education for advancement. She said this works toward reducing turnover when individuals have more career advancement opportunities and job skills.

Ms. Montoya asked if there was a possibility that the 6,000 jobs could have moved out of state when they were bidding against out-of-state contractors. Mr. Viera said most employees would have had to remain in California since they work with beneficiaries here, but the call centers could have possibly been moved out of California.

Mr. Broad said he could not vote in favor of this proposal given the issues on government contracting. He said other Panel members could vote in favor of the project but he did not agree with training call center employees in the basic element of the job. He said this proposal, in effect, increases the company's profit margin on the contract that is being performed for the State. He said even though ETP is funded by a special tax, for the average Californian reading about this in the paper, it appears to be a subsidy and he is not comfortable with it.

Ms. Roberts asked if staff had questions during the development of the proposal and if they considered reducing the funding amount. Ms. Cohen said when the proposal was initially reviewed by staff, most questions were on whether or not the DHCS contract would be paid because of the budget issues. She said she was unaware of any concerns with the company contracting with a state agency. She said staff thought it was a good project, but she was hearing something different at this point. Ms. Cohen said the "double dipping" scenario raised by Mr. Broad had not occurred to staff.

Mr. Broad said the Panel agrees with 99 percent of what staff proposes, but he believes Panel members are appointed to their positions to consider funding projects from a wider perspective. He said approving this project could lead to questions and criticisms that would be quite fair in his view. He said if Maximus had reduced their DHCS bid by \$200,000, or were training California-based employees to perform work for other states, that would be one thing. But when the training is integral to performing a State of California contract, it seems there is a policy problem and a conflict, and he is not comfortable with the project.

Mr. McMahon asked whether all of the trainees in this proposal are exclusively working on the State contract or whether in fact, there are other projects outside the scope of that contract. Mr. Viera said no, it is exclusively with the State of California. Mr. Broad said he is not suggesting there is anything dishonest about this proposal, but there is a question of whether it is an appropriate use of ETP funds.

Ms. Klementich asked, when we have considered other proposals, do we always look at who the company's services are provided to? She asked, could the trainees use their skills on other jobs, or would it help the company with future contracts? Mr. Viera said yes, that is the case. Mr. Broad said, but that would be an argument for training people in the Governor's office to go do something in their next job. It doesn't answer the fundamental question. He said, the answer to your questions in his view, is what other companies does Maximus compete with? Mr. Viera said EDS. Mr. Broad said if you are competing with them for a contract with the State of New Mexico, I don't have an issue. He said he wouldn't raise the same question if you are competing to provide your services for a bunch of private sector companies. He said the problem is that you provide services to the State and we are the State. He said anyone who receives any training should always be able to transfer those skills; the question is whether, in this case, it is inappropriate for financial reasons. He said this is like subsidizing a contract that went through a bidding process, after the fact. He wondered what a competitor would say if they knew you won this bid by exactly \$200,000 if the Panel approved funding in that amount. Mr. Broad said, I think you came to ETP looking for training for legitimate reasons but it raises many issues. However, from his perspective, he could not vote in favor of the project and does not believe this is the type of training the Panel should be funding. He said in the seven years he has been on the Panel, he has never experienced this scenario, and it is an issue for him.

ACTION: Mr. Gordon made a motion to reject the project and Mr. Rendon seconded. Mr. Broad then requested a roll call vote: Broad – aye; Gordon – aye; Klementich – aye; Montoya – aye; Rendon – aye; Roberts, aye. The Panel unanimously voted to reject the proposal.

Motion carried, 6 – 0.

Bloom Energy Corporation

Creighton Chan, Manager of the Foster City Regional Office, presented a funding proposal for Bloom Energy Corporation (Bloom Energy), in the amount of \$681,720. He said Bloom Energy is a manufacturer of solid oxide fuel cells (SOFC) that are used in on-site power generation systems.

Mr. Chan introduced David Barber, Vice President of Human Resources and Leah Sutton, Senior Staffing Manager.

Ms. Roberts suggested that Bloom Energy may want to speak with a company that has had a prior ETP contract in the Santa Clara area, especially since it is their first contract, and that she would like the company to have a successful contract.

Mr. Broad said it is a great project and the type of project that has a high priority with the Panel. He said our country needs to become energy independent. He said the Panel frequently sees companies with the best of intentions who do not earn all the training money because they are new to the program and unfamiliar with the ETP process, and also because many of the companies have just begun start operations. He suggested that staff carefully monitor this contract. Ms. Sutton said that working with ETP staff has been great, and that they have already begun to discuss their next steps. Mr. Broad said when the Panel votes to approve projects they would like all of the funds to be earned, and everyone to receive training. Mr. Barber said they intend to work closely with ETP staff.

Ms. Montoya said the Panel will be prioritizing companies who are adding employees and asked if Bloom Energy will add manufacturing employees. Ms. Sutton said the project includes a whole range of manufacturing. She said some of the operation staff will support manufacturing, and they have had to add managerial staff to assist with the growth they expect in manufacturing. Ms. Montoya said it is outstanding that the company is adding 87 new employees. Ms. Sutton said 87 employees is a fairly conservative number, given their business plan.

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the funding proposal for Bloom Energy in the amount of \$681,720.

Motion carried, 6 – 0.

Comcast SportsNet Bay Area Holdings, Inc.

Mr. Chan presented a funding proposal by Comcast SportsNet Bay Area Holdings, Inc. (CSN Bay Area) in the amount of \$354,600. He said CSN Bay Area is a regional television network that offers over 550 live sporting events per year featuring the San Francisco Giants, Oakland Athletics, Golden State Warriors, San Jose Sharks, San Jose SaberCats and San Jose Earthquakes. In addition, the network delivers local high school football coverage, college basketball and football action from Stanford University, University of California, Berkeley, and the Pacific 10 Conference.

Mr. Chan introduced Chris McDonald, Finance Director; Eric Anderson, Managing Director of WTAS LLC; and Jackie Orea, Tax Director of WTAS.

Ms. Roberts asked why the company only included 100 employees in the proposed contract. Mr. McDonald said they currently have 30 employees and intend to have a total of 120 employees. He said they excluded any highly paid talent in this contract. This includes: broadcasters, anchors, talent, or executive management.

Mr. Broad asked if the company is a wholly-owned subsidiary of Comcast or a separate entity. Mr. McDonald said they are owned by Comcast Corporation and Comcast Corporation owns Comcast Cable and Comcast Sports Net as well as Comcast Programming operated out of Southern California. He said they operate as separate entities.

Mr. Broad asked if the company's expansion to broadcast news would be sports news or regular news. Mr. McDonald said they broadcast the news at 6:00 p.m., 7:00 p.m., 10:30 p.m., and midnight. He said they also interview sport coaches, such as "A Day in the Life of Rick Barry", or a day in the life of one of the players. He said they recently interviewed an inter-city San Francisco local who set up a boxing ring to bring kids off the street. Mr. Anderson said that it is sports focused. Mr. McDonald agreed.

Ms. Klementich asked if trainees receive certifications upon completion of training. Mr. McDonald said no, there is currently no certification, but specific skill sets are required for this position.

Mr. Gordon asked if they offer a new-hire kit to new employees. Mr. McDonald said yes, new-hires complete employee enrollment training during their first two days of employment, which introduces them to Comcast Corporation, company policies and procedures, and how to complete the forms for completion of training. Mr. Gordon said excellent, as it contributes to the success of new employees when they are informed about training expectations.

ACTION: Mr. Gordon moved and Ms. Klementich seconded approval of the funding proposal for Vista in the amount of \$234,360.

Motion carried, 6 – 0.

Electronic Interface Company, Inc. dba Applied Engineering Inc.

Mr. Chan presented a funding proposal for Electronic Interface Company, Inc. dba Applied Engineering Inc. (AE), in the amount of \$198,900. AE is a small business that manufactures custom precision metal products for domestic and international companies in the automotive, semiconductor, chemical, and medical industries.

Mr. Chan introduced Karin Buehler, Chairwoman.

Ms. Roberts inquired about the in-kind contribution of \$100,000 versus \$188,000. Mr. Chan replied that this is a small business; therefore, they are allowed to have an employer in-kind contribution of 50 percent. Ms. Roberts noted that there is one grant in which the company earned 100 percent of \$160,000, which was excellent. Another is coming to an end this April, and the company will be earning 81 percent of \$560,000. Ms. Roberts inquired about the absence of a substantial contribution. Mr. Chan replied that it is the same reason why the employer contribution is only 50 percent. The company has less than 100 employees, and the Panel's regulations waive substantial contributions for

companies of 100 employees or less. Ms Roberts said \$560,000 is a lot of money for a small company. Mr. Chan agreed.

Mr. Broad stated that the Panel could ask for a substantial contribution if that is an issue. He said that it is not as though the Panel cannot ask for it; it's that the Panel is not compelled to require it in this situation - correct? Ms. Reilly answered that the Panel is not compelled to require a substantial contribution; and as far as an in-kind contribution, \$100,000 would be an estimate probably based on wages to be paid during the time period of training. She indicated that the Panel may wish to ask the representative if there are some other amounts of money that will be contributed. Mr. Broad stated that the Panel could reduce the amount of the grant, and then it would be the company's decision whether they wanted to train fewer people or to train the same number of people with fewer dollars to subsidize the training. Mr. Broad inquired if this was an issue. Ms. Roberts stated no, that she mentioned the subject to be assured that the proposal was compliant with the regulations. Ms. Reilly mentioned that there is a fast track program for small businesses when the dollar amount requested is \$75,000 or less; however, there is no bar for a small business from applying for more than \$75,000. In cases where the small business requests more than \$75,000, the application is not eligible for the fast track program.

Mr. Broad observed that essentially this proposal is for training a group of employees that were untrained under the last ETP contract. Ms. Buehler said yes, there is similar training, but the proposal is also to train new employees. Mr. Broad asked if they were proposing training any of the same employees. Ms. Buehler said training is for new employees only. Mr. Broad noted that the last available day of training is January 29 and if it is anticipated that a higher number will complete the training, will the final number be 91 out of 173? Ms. Buehler said that is correct. Mr. Broad inquired again about the completion rate of 91 out of 173, and Ms. Buehler responded that those numbers were correct.

Mr. Broad inquired why the company did not do better in terms of earning the funds. He asked why only half the people received training and what happened. Ms. Buehler said she could not provide an answer at the moment and that perhaps she did not understand the question. Mr. Broad stated that he was not trying to ask a difficult question. He mentioned that the number of trainees under the current contract that is coming to an end that you could train was 173; that 91 completed the training; and that 88 were retained. Ms. Buehler said that was correct. Mr. Broad then indicated that what has been mentioned is the final number, that there is not going to be any more people trained under that contract. Ms. Buehler indicated that was correct. Mr. Broad observed that is about a 50 percent success rate; and he inquired why the company did not earn 100 percent, like the company did in their first contract. Ms. Buehler replied she does not quite understand the numbers; when she looked at them she thought they had completed training a higher percentage of employees. Mr. Broad noted that the first contract was performed at 100 percent; that performance on the second contract has dropped to 50 percent, and that the company is now actually requesting funding for a third contract. Mr. Broad further noted that he and Ms. Roberts are trying to determine if something happened, and if there is a

problem, is the company addressing the problem; because it does not make sense for the Panel to approve additional funds for the Panel to encumber more money, where the company is likely to only earn 50 percent. Mr. Chan said he understood the confusion; that one look at the numbers, the total number of employees is about 74 to 88 employees. When staff did a modification, the second phase was to add more curriculum hours, not people.

Ms. Roberts noted the discrepancy between having 173 employees and qualifying as a small business with fewer than 100 employees. Mr. Chan then indicated that the company has less than 100 employees and that the 173 number is a number obtained by adding the same employees together. He indicated that the confusion arose from the way the modification was presented. Ms. Buehler then said that Mr. Chan's statement was correct.

Mr. Broad then observed that what has happened is that the initial project was for 85 trainees. A second phase was subsequently approved for 88 trainees, and 85 of the 88 were the same people. Ms. Buehler agreed with this observation: Mr. Broad stated that the 88 who were trained constituted 100 percent of the trainees; and he stated that the number 173 is derived from adding the 88 trainees to 85 of the same trainees. He mentioned that there was a mistake in the preparation of this training proposal. Ms. Buehler said that is correct, and Mr. Chan agreed.

Mr. Broad then mentioned that he did not intend to put Ms. Buehler on the spot; that it was a matter of understandable confusion. Mr. Broad noted that staff can avoid this confusion the next time this scenario comes up by explaining "the numbers more fully" in the write-up of the proposal. Mr. Broad stated the record should be clear as a result of the Panel's discussion, and he made a motion to approve the project.

ACTION: Mr. Broad moved and Mr. Gordon seconded approval of the funding proposal for AE in the amount of \$198,900.

Motion carried, 6 – 0.

Give Something Back Business Products

Mr. Chan presented a funding proposal for Give Something Back Business Products (GSB) in the amount of \$187,200. He said GSB is an assembly manufacturer and installer of custom office suites, panel systems, furniture and storage systems, a distributor of office, computer and technology equipment and supplies, and a manufacturer of specialized print and logo products.

Mr. Chan introduced Alma Azarcon, Director of Human Resources & Community Relations.

Ms. Roberts asked: this contract and the next contract are small business contracts and normally they would have gone under the Consent Calendar; so why are they not included in the Consent Calendar? Mr. McMahon responded that whether to include a proposal in the

Consent Calendar is a function of the number of contracts to be presented and the dollar amount of the contract. This contract is for \$187,200, so this is one that we thought the Panel should see. Ms. Roberts inquired if the next proposal to be presented at \$150,072, was included in the Consent Calendar for the same reason. Mr. McMahon replied that the cut-off on the dollar amount of projects that come before the Panel tends to vary month-to-month based on the numbers of projects that are before the Panel. He stated that staff does not want all proposals to be on the Consent Calendar. Ms. Roberts understood.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for GSB in the amount of \$187,200.

Motion carried, 6 – 0.

Owens Design Incorporated

Mr. Chan presented a funding proposal for Owens Design Incorporated (Owens), in the amount of \$150,072. He said Owens designs, engineers, manufactures, assembles, and tests the capital equipment used by OEMs to manufacture components and finished products across the semiconductor, biotech, nano, hard disk, fiber optic, and now solar industries. Finished goods consist of cell phones, ipods, computer games, hard disk storage, solar cells, and panels.

Mr. Chan introduced Kamran Ahmed, Controller.

Ms. Klementich asked where the company does its manufacturing. Mr. Ahmed said their manufacturing facility is in Fremont.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for Owens in the amount of \$150,072.

Motion carried, 6 – 0.

Jacuzzi Brands Corp. dba Jacuzzi Group Worldwide

Diana Torres, Manager of the San Diego Regional Office, presented a funding proposal for Jacuzzi Brands Corp. dba Jacuzzi Group Worldwide (Jacuzzi), in the amount of \$349,355. She said Jacuzzi has three divisions: 1) Spa Division, 2) JZ Corporate Services, Inc., and 3) Bath Division.

Ms. Torres said unfortunately earlier this month, Jacuzzi found it necessary to layoff 203 workers. Jacuzzi does not anticipate any further layoffs.

Ms. Torres introduced Bill Markis, Manager of Human Resources.

Mr. Broad asked about the recent layoffs. Ms. Torres said that the layoffs occurred in January, 2009. Mr. Broad asked if layoffs would affect the number of people likely to be

trained. Mr. Markis said no, the number of employees that we have is 650, and these are employees that will remain with the company. Mr. Broad asked if they expect to use the full amount of the training dollars applied toward this contract. Mr. Markis answered in the affirmative.

Ms. Roberts asked about the Chino employees that were laid off, inquiring whether they were under the last contract. Mr. Markis indicated that they were under the last contract. Ms. Roberts inquired further about the employees that received training under the last contract. She asked if they had obtained other jobs and what happened to the people that were laid off in the Chino office. Mr. Markis said that of the employees laid off, some are already employed. The layoffs occurred just recently, and some may still be looking for a job. Ms. Roberts inquired further asking if they were trained under the previous contract. Mr. Markis said yes, definitely. Ms. Roberts said, and this is the point, that this is why we grant training funds, in the hopes that the training skills they receive will keep them employable and give them portable skills as they go forward. Ms. Roberts asked if the training that we provided will help the laid off workers to use their skills at a different company. Mr. Markis replied yes, they can tell prospective new employers that they are ISO certified, and this may help them obtain work with other employers that look for this certification.

Ms. Klementich asked what percentage of training would go to administrative staff and what percentage would go to manufacturing staff. Mr. Markis said that last year the training funds were in the production area where they have most of their employees. He said that a minimum of two-thirds would go to production manufacturing employees and no more than one-third would go to administrative staff.

ACTION: Ms. Klementich moved and Mr. Gordon seconded approval of the funding proposal for Jacuzzi in the amount of \$349,355.

Motion carried, 6 – 0.

Kimberly Clark Worldwide, Inc.

Ms. Torres presented a funding proposal for Kimberly Clark Worldwide, Inc. (Kimberly-Clark), in the amount of \$357,120. She said Kimberly-Clark is a manufacturer of various personal and home consumer products. These products include facial tissue, adult/children's diapers, baby care products, bathroom tissue, wet wipes, industrial wipers, paper towels, feminine hygiene products and medical supplies (gowns and gloves).

Ms. Torres introduced J. Stewart Van Horn, Mill Manager, Annette Magdaleno, Human Resources Specialist, and Melissa Rivera, Training Coordinator.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for Kimberly-Clark in the amount of \$357,120.

Motion carried, 6 – 0.

Riverside Healthcare Systems, LP dba Riverside Community Hospital

Ms. Torres presented a funding proposal for Riverside Healthcare Systems, LP dba Riverside Community Hospital (RCH), in the amount of \$298,320. RCH is a full-service, acute care hospital with services that include a HeartCare Institute, a cancer center, transplant services, a birthing center, orthopedic services, surgery, intensive care, physical medicine, diabetes education and treatment, radiology and diagnostic imaging, and palliative care.

Ms. Torres introduced Pearl Lee, Director of Education and Steve Duscha, representing Duscha Advisories.

Mr. Broad asked why the results under the proposed contract would be different now than in the previous contract. Ms. Lee said there was a sudden management decision that new grads would not be taken into critical care. She has been with RCH for forty years and this has never happened before. She said that this change affected trainees that were scheduled for hundreds of hours of training. She said they still hired these employees, but that these employees went to lower levels of care where they did not need as much training. Another major factor was that the hours they did have were with preceptors. She said she encountered problems in getting the paperwork back from trainees on other shifts, from weekend only shifts, or from preceptors returning from vacation. She said that administration was unable to get all of the paperwork back. She said that the training occurred, but she had no documentation for it. Mr. Broad asked if they have that fixed. Ms. Lee said that she has been dealing with 160 new graduates that were partially funded via California State San Bernardino, that they will be our employees; however, 40 at a time cannot realistically be started without more ground work; therefore, it was necessary to start a competency program for them. She said that part of the competency program is a weekly meeting with the preceptor, the manager, and the educator. She said during that meeting is when she is getting the paperwork back.

Mr. Gordon said that what I really like about Kimberly Clark is that they identified the problem; they implemented best practices; put in place a new management system; and hired someone full time to oversee matters as they bring people through the door. It's not gray; the requirements are black and white. We all think that you have begun to address the challenges. Ms. Lee said there is a stable and experienced person that is administering the training program now. Mr. Gordon said I'm glad that you were able to articulate the way you did, how you can change the environment through your management team so that everyone is on the same page; and I am also concerned about the employees, as it makes a big difference to the employees in getting information from the start, as opposed to six months down the road.

Ms. Roberts said that I know now that you're doing the training, which is great; it isn't as if you weren't doing the training; you just don't have the documentation to back it up. Even though you are doing the training, you know that if you don't have the documentation, the training just isn't documented. Regarding these preceptors, what happened and why couldn't they get the documentation in? Ms. Lee said that you have to understand that the new grad is with the preceptor on their schedule while they are working. They are working perhaps Monday, Thursday, and Friday this week and Tuesday, Wednesday, and Sunday of the next week. I just couldn't catch up with them as most of them were working nights. She said if she could catch up with them and requested the paperwork, often they said they lost it, or they couldn't produce it. Ms. Roberts asked, what are you doing now? Ms. Lee said now there are weekly meetings with the graduates, and she can pick up the paperwork weekly. Ms. Roberts inquired, what if these weekly meetings stop happening based on something or another, or your function changes? Ms. Lee said that the hospital has put in place a new PBDS (performance based development system program) that cost \$100,000. She said they have trained their managers in it, and trained 65 preceptors on it last week. Ms. Roberts asked if all the preceptors are onboard with this. Ms. Lee said that they are.

ACTION: Ms. Montoya moved and Mr. Rendon seconded approval of the funding proposal for RCH in the amount of \$298,320.

Motion carried, 6 – 0.

The Word & Brown Companies

Ms. Torres presented a funding proposal for The Word & Brown Companies (Word & Brown), in the amount of \$700,785. She said Word & Brown provides health benefit plan models and employee benefits services to brokers and employers of all sizes across California and Nevada. Word & Brown is comprised of four division companies: 1) The Word & Brown General Agency; 2) Choice Administrators; 3) CONEXIS; and 4) Quotit.

Ms. Torres introduced Tony Miller, Trainer-Corporate Training and Development and Ivonne Roca, Vice President of Human Resources

Ms. Roberts asked about Mr. Miller's experience. Mr. Miller said he helped manage a contract in 2005 for a former employer. Ms. Roberts asked about the success rate of the contract. Mr. Miller said it was very successful.

Ms. Roberts asked about the nature of Work & Brown's business. Ms. Roca said they are a variety of different units. She said the Word & Brown original company, the general agency, markets group health insurance companies such as Blue Shield, Etna, Signa, Health Net. In the marketplace there are brokers that sell group health insurance to small businesses in California. Such a broker, rather than contacting many insurance companies to obtain quotes, may contact Word & Brown, where they can obtain a side-by-side comparison from many different insurance companies. The broker can then take our information and present it to the owner of a small company. She stated that her

company represents many insurance companies, and that their customers are brokers who sell the insurance product to the purchasing companies. She said that is what Word & Brown, the general agency, does.

Starting from that model, in order increase the value of services to the brokers, we established CONEXIS. She said that CONEXIS is a third-party administrator of employee benefits such as COBRA and Section 125 programs; and that they have customers such as Wal Mart and American Airlines. She said it is a very complex administrative process to offer COBRA, so that is another division in the company. She mentioned that her company is about to start a new company, which has not been named yet, and that the new company will hire at least 20 people over the next several weeks, and that they will be marketing individual family plans in health insurance. All of these divisions are supported by a large IT staff. She said there are call centers, IT, sales representatives, and enrollers within her company.

Ms. Klementich asked what the IT center does and whether they take care of software programming in-house. Ms. Roca said yes, for example when a broker asks for a quote, to create a response requires a lot of programming because they have to collect the rates from many different insurance companies. She said they also have a website for each of their divisions, their websites are very interactive, and consequently their programming needs are great. Some would say that they are really a technology company; she said that in reality they are a technology company and a service company.

Ms. Roberts said she concurred with the amount of money in the proposed contract, although the amount per trainee is more-or-less average. Ms. Roberts mentioned that the company has never done training with ETP funds; that the company's with other types of training done in the past is not discussed in the proposal, and that the company must be prepared to get people off the phone or machines to do the ETP funded training. Mr. Miller said that management has decided to implement per employee training that will be carried out by taking individuals off the floor. She indicated that there is a commitment from senior management and the managers to do the training, especially the customer service training, to assist with the continuation of best practices in customer service. She indicated that the company has created a state-of-the-art training facility to permit the training to be done in-house with a minimal impact of productivity and loss of employee floor time. Ms. Roberts asked if the training would be computer-based training. Mr. Miller replied it will be instructor-led training and will be followed up by weekly meetings during which the managers will reinforce the training. Ms. Roca said the company has done extensive training in the past, that they have had to do this to maintain the level and kind of services they provide. She mentioned that employees will be trained in excellent customer service skills, and also trained in the substance of the rather complex services offered by the company. Ms. Roberts asked if the company had a tracking mechanism in place. Mr. Miller replied that while the company has not tracked trainings under ETP rules in the past, the company is creating a learning management system that will track training hours and certifications in the various courses.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for Word & Brown in the amount of \$700,785.

Motion carried, 6 – 0.

Structural Composites Industries L.L.C.

David Guzman, Chief of Program Operations, presented a funding proposal for Structural Composites Industries L.L.C. (SCI), in the amount of \$281,160. SCI designs and manufactures lightweight, aluminum-lined composite-wrapped, high-pressure cylinders.

Mr. Guzman introduced Steven Godwin, Director of Human Resources.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for SCI in the amount of \$281,160

Motion carried, 6 – 0.

Multiple Employer Contractors

California Disabled Veteran Business Enterprise Alliance

Ms. Cohen presented a funding proposal for California Disabled Veteran Business Enterprise Alliance (the Alliance) in the amount of \$73,935. The Alliance was formed in 1994 following the establishment of the Disabled Veteran Business Enterprise program by the California legislature in 1989. The Alliance is a nonprofit 501(c)(3) California Corporation of Disabled Veteran Business Owners and supporters of Veteran Owned Businesses.

Ms. Cohen introduced Rich Dryden, Executive Director.

Ms. Roberts said this is as great proposal, that the total amount of the contract is not large, that she hoped for success in the project and that Disabled Veteran's will return to present a second proposal. Mr. Dryden said this is a Disabled Veteran's pilot program, that his organization wanted to start out with baby steps, that they want to be successful, and they want to return with a success story.

Ms. Klementich asked if the program was available in Southern California and if there was any discussion about taking this pilot program to other parts of the state. Mr. Dryden said the program may be available to all parts of California. He said that currently, they have three pilot programs, that courses have been validated, and that they have signed a Memorandum Agreement with California State Long Beach. He indicated through this Memorandum California State Long Beach is providing through their community development program, the resources, lecturers, and facilities needed to start this program. He mentioned that Disabled

Veteran's would like to make similar Memorandum Agreements with California State Colleges throughout the State in order to develop more of these programs.

Ms. Montoya stated that she wanted to honor Mr. Dryden for his service; and as you know, we are all about business; and I am personally very involved in entrepreneurship; and hope this is very successful.

ACTION: Mr. Gordon moved and Ms. Roberts seconded approval of the funding proposal for CA DVBEA in the amount of \$73,935.

Motion carried, 5 – 0 (Mr. Rendon not present for the vote).

Tulare Joint Union High School District aka Tulare Adult School

Ms. Cohen presented a funding proposal for Tulare Joint Union High School District aka Tulare Adult School (Tulare Adult School), in the amount of \$144,390. Tulare Adult School currently provides an LVN training program with a curriculum approved by the Bureau of Vocational Nursing and Psychiatric Technicians (BVNPT). The LVN program is designed for the working adult who may not be able to attend school full-time. The school structures its LVN program to provide instruction 3 days a week over a 15-month period.

Ms. Cohen introduced Marie Pinto, Director.

Ms. Klementich asked if the students have to submit an application and if they are targeting low income students. Ms. Pinto said in their area, it is not hard to find low income students. She said that the selection process is based on an entrance exam, prerequisite classes taken, and an interview. She said that neither low income nor race is part of the selection criteria; however, 80 percent of the population the organization serves in what would be considered a minority or low income population.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for Tulare Adult School in the amount of \$144,390

Motion carried, 5 – 0 (Mr. Rendon not present for the vote).

California Labor Federation, AFL-CIO

Mr. Chan presented a funding proposal for California Labor Federation, AFL-CIO (CalFed), in the amount of \$1,495,270. CalFed is an umbrella organization comprised of 1,200 unions, representing 2.1 million union members in manufacturing, retail, construction, hospitality, the public sector, health care, entertainment, and other industries in California.

Mr. Chan introduced Tim Rainey, Director of Workforce and Economic Development Program/WED and Debra Chaplan, Director of Special Programs for State Building and Construction Trades Council of California.

Mr. Gordon asked why the proposal is limited to retraining workers in California's construction trades and why other crafts are not included in the proposal. Ms. Chaplan indicated that the idea was to start with a small project in the hopes that this would serve as an incubator to bring more crafts in at a later date. He indicated that they felt it necessary to put a project proposal together, and this proposal readily came together in view of the necessity of green skills training. He indicated that there are electricians doing solar work; the plumbers and pipefitters doing piping and gasses; and there are also sheet metal and ironworkers. Mr. Gordon then asked if they have approached other crafts. Ms. Chaplan replied that they started with the construction crafts. Mr. Gordon noted that this proposal presents a sensitive issue because inside of the AFLCIO if some of the crafts feel they are being left out, these crafts will get upset. Ms. Chaplan said they have approached many crafts, and felt it necessary to get started. Mr. Gordon asked if they would exclude any crafts for any reason. Ms. Chaplan and Mr. Rainey said no, absolutely not. Mr. Gordon then asked if it would be possible to notify everyone in the state's building trades because some of the crafts may not yet know that you are putting this proposal forward. Ms. Chaplan stated that may be correct; and she added that in formulating the proposal, an outreach was available to every building trade that attended the California Labor Federation convention in July 2008. She noted that the idea was outreached very broadly initially, and thereafter it was targeted where we felt it made the best sense. She indicated further that the proposal idea is to begin with three-quarters of the total funding to reserve a portion for future expansion of scope.

Mr. Gordon then indicated that he would like to table the proposal as he was not comfortable with it. Ms. Chaplan asked if Mr. Gordon is aware of a craft that would be interested and Mr. Gordon stated that he represents an apprenticeship program for the State of California that is approved by the AFLCIO, and that there is much concern about how we work with solar and all kinds of renewable energy. Mr. Gordon mentioned that the presenters are undoubtedly concerned that all of the associated crafts be dealt with fairly.

Mr. Broad then announced a 10 minute break, with the presentation to resume thereafter. The Panel reconvened and Mr. Broad stated that during the break there was some discussion between Mr. Gordon and the presenters. Mr. Gordon then recused himself from considering this proposal.

Mr. Broad suggested that this proposal be bifurcated into two parts; that he wished to confirm on the record the understanding that at this point the proposal is to spend 80 percent of the funds that you have applied for; and that he would like to propose a part 1 and part 2. He asked if the company was agreeable. Mr. Rainey said he was agreeable to a part 1 and part 2 proposal. Mr. Broad then stated that he would like to propose to bifurcate one project, to reduce the project funding amount by 20 percent, and have the applicants return for part 2 where they can apply for more than the 20 percent, but minimally they can apply for the 20 percent. Mr. Broad stated that the issue, so all understand it, is the question of green technology. He stated that green technology is beginning to boom, that even though our economy is deeply in recession at the moment, when we come out of this recession, green technology is going to be a huge part of that recovery, especially in California. Investments are being made here, job processes are changing; it is taking off in a way that was unimaginable just a few years ago. He said what he thinks is the concern, if he can speak for

Mr. Gordon who recused himself, is the concern that there are only certain labor organizations involved in this proposal; therefore only some of the union members may be trained to perform jobs associated with green technology; and there may be quite a few more. Mr. Broad continued: I'm suggesting to the applicant that what they consider in Phase II, of widening the reach of the program and extending it to other unions that also have the desire to have their members trained in these new processes. Mr. Broad continued: I believe that would smooth out difficulties that might arise over this, particularly within the sometimes raucous house of labor, so that being said, is that agreeable to you? Mr. Rainey said that it was agreeable.

Mr. McMahon stated: so we will be approving an amount 20 percent less than the proposed amount at this point; is there a timeline for Phase II at this time? Mr. Broad then stated that unless the representatives want to propose a time line for themselves, and that he was not recommending that they do so, it is up to the representatives. Mr. Rainey said he did not have an idea for the timeline right now, and that he would like to consider the timeline question with ETP staff before responding. Mr. Broad said this is a large proposal and in separate parts of the state. He stated what you've done here, is what a lot of the multi-employer contractors don't do, which is to actually have done extra work in advance in getting people committed to the training. He said that many times, the Panel gets a fantasy list of along the lines of: I've opened the phone book and here are all the employers I found that I will be calling after I get this approved. You've gone a step further, and so the reality is, when you're coming back, you are going to be coming back with a track record of how this proposal worked out. You are starting out with a significant advantage over other folks who do multi employer contracts, because you actually have the commitments from these different entities to do the training, and you know what the training is, so in that sense I feel comfortable voting for this, for a large amount of money, because I think you've done that kind of legwork, it has taken you a year to put it together, and I think that's great.

Mr. McMahon said he asked the timing question in part because after the March meeting, there will most likely not be another meeting until July or August based on the budget process. Mr. Broad then asked if their return will be beyond then. Mr. Rainey said yes, it will be beyond then. Mr. Broad then said they will be returning in the next fiscal year. He stated that we will not put a time limit on it, and you can come back when you are ready, and obviously you are taking a chance on the day you come back we may have run out of funding money.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for CalFed with a reduction of 20 percent of the original requested amount.

Motion carried, 5 – 0 (Scott Gordon recused).

Grossmont-Cuyamaca Community College District

Ms. Torres presented a funding proposal for Grossmont-Cuyamaca Community College District (Grossmont College), in the amount of \$129,411. Grossmont College, the larger of

the two colleges in the Grossmont-Cuyamaca Community College District, was founded in 1961 and serves students throughout San Diego County, most of who reside in the East San Diego County area.

Ms. Torres introduced Mary Leslie, Lead Instructor/Office of Professional Training Program.

Ms. Leslie addressed why they did not perform as expected in their current contract. She said they were not supported very well by the welfare system itself. She said they met several times with welfare case managers who initially said they would support the program, but they did not get any referrals from the welfare system. She said after a year into the program, they realized the only way to recruit welfare clients was to go directly to them through the media.

Mr. Broad asked if this was due to the county welfare director. Ms. Leslie said that was correct. Mr. Broad then asked if the county supervisors in San Diego were aware of welfare's failure to cooperate in this effort. Ms. Leslie said it is a much larger issue, and there is a "work first" philosophy in San Diego. She said that rather than sending people to training, the goal is to place them in jobs, whether they are dead end jobs are not. She said many of the welfare recipients that are employable, end up working at jobs that do not provide them with the potential to support their families. She said if the welfare office would recommend to them the short-term, six month training program, they could help them into jobs with career ladders where they could advance and eventually support their families. Mr. Broad said that in effect, the county welfare directors were implementing the policy of the Board of Supervisors. Ms. Leslie said that is correct.

Ms. Montoya asked if they could not work during the day and attend the program at night. Ms. Leslie said no, it is a full time program. Ms. Montoya said, so they would have to be supported by welfare as they are in the program. Ms. Leslie replied yes, and that is the beauty of it actually, that they are in and out in one college semester. She said they jam as much in that college semester as they can, but then at the end they are employable. She added that they were fighting the additional battle on our own campus where if welfare clients get into school, they can stay on welfare for five years, so where is the motivation to go to work there.

Ms. Roberts observed that there is a bureaucracy relating to this program, and also, the matter about five years and receiving welfare; if I'm getting welfare and training and then I have to go to work on an 8 to 5 job or maybe on a weekend shift, I'm going to ask myself why don't I just stay at home? So that is a problem, other than the bureaucracy part of it, and the question is are we just blowing smoke with these welfare to work programs, because I don't think San Diego is isolated. Ms. Leslie agreed. Ms. Roberts asked if there was anyone who truly wanted to receive training. Ms. Leslie said yes, there were several but her statistics are not good; she may hit 10 of the 30 that will go to work and stay on the job. These are the individuals that took advantage of the program; but it doesn't sound good to us who are used to a 75 percent placement. She said it is a hard to serve population. Mr. Broad said this is a hard to serve population with multiple barriers where if they don't get paid enough, it doesn't make sense to work because they have a child at home and they cannot afford the child care;

there are realities to this that can't be talked around. Mr. Broad continued, stating that I would say if you are talking about getting 10 out of 30 into a secure career ladder type of job that really stuck due to the training, I mean I think that is good. Ms. Leslie said thank you, I appreciate it and I guess we came here to talk about the next proposal. Ms. Roberts said we needed to talk about this because we have other welfare to work out there and we were approving many welfare to work programs, but I'm thinking in terms of what you are saying, I mean, why? Mr. McMahon said we do have a moratorium on a technical welfare to work at this point, but we pick up that population through our multiple barrier category, and it gives us some additional flexibility. Ms. Roberts said that is good to know but I don't think San Diego is the one we should be hitting over the head.

Mr. Broad observed that the actual thing you are here for today is pretty standard. Ms. Leslie said yes, and laid off workers we do very well with, and we expect there will be more and more as the year goes on.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Grossmont College in the amount of \$129,411.

Motion carried, 6 – 0.

Riverside County Economic Development Agency

Ms. Torres presented a funding proposal for Riverside County Economic Development Agency (Riverside EDA), in the amount of \$184,900. Riverside EDA delivers employment and training services to workers through three full-service Workforce Development Centers, satellite offices, and partnering subcontractor facilities. Riverside EDA promotes economic and community development through programs including: job training; employer services; community development lock grants; housing programs; economic development loans; redevelopment project areas; and enterprise zones.

Ms. Torres introduced Kathy Boyer, Western Regional Manager.

Ms. Roberts asked if they have delivered any training on their current ETP contract. Ms. Boyer said the current contract is specifically for CNA to LVN training and is in progress. She said the training proposal reflects no completed hours of training and no trainees retained, which is incorrect. She said they have trained 43 and retained 25 individuals to date. Mr. Broad asked if they anticipate collecting all of the funds. Ms. Boyer answered in the affirmative and said that while they have lost three of their trainees, they anticipate that more will be retained. She said they extended the current proposal since trainees are awaiting state testing to become licensed. She said some of the state tests were beyond the conclusion of the contract which is the reason she extended it.

Ms. Roberts asked if the proposed contract includes CNA to LVN training. Ms. Boyer said it does not.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for Riverside EDA in the amount of \$184,900.

Motion carried, 6 – 0.

San Bernardino Community College District Professional Development Center

Ms. Torres presented a funding proposal for San Bernardino Community College District Professional Development Center (SBCCD PDC), in the amount of \$201,420. SBCCD PDC is an arm of the San Bernardino Community College District that provides customized training and retraining for the local workforce. SBCCD PDC is located on the grounds of the San Bernardino International Airport, formerly the Norton Air Force Base. SBCCD is one of 72 community college districts within the California Community College system.

Ms. Torres introduced Robert Levesque, Program Coordinator of Professional Development Center.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Montoya seconded approval of the funding proposal for SBCCD PDC in the amount of \$201,420.

Motion carried, 6 – 0.

Los Angeles Community College District

Mr. Guzman presented a funding proposal for Los Angeles Community College District (LACCD) in the amount of \$1,209,742. LACCD was formed to oversee nine colleges in the Los Angeles region: Los Angeles Trade Tech College, Los Angeles Southwest College, Los Angeles Harbor College, West Los Angeles College, Los Angeles City College, Los Angeles Valley College, East Los Angeles College, Los Angeles Pierce College and Los Angeles Mission College. LACCD provides administrative support to these colleges in the area of academic enrollment, contract education, community services, and workforce/economic development.

Mr. Guzman introduced Felicito Cajayon, Dean of Resource & Economic Development and Marvin Martinez, Vice Chancellor of Economic & Workforce Development.

Mr. Broad asked if there is a centralized office that will oversee the proposal or if funds would be divided amongst the colleges. Mr. Martinez said that there is a centralized office and this proposal will be centered in their district office. He said that the management, paperwork and the administration of the proposal will be handled by the district office.

Ms. Roberts asked about the company's previous experience in prior contracts, with the \$90 million. Mr. Martinez said they receive a number of Federal and State grants and contracts. He said Harbor College recently received a \$2 million grant for community-based job training

from the Department of Labor in order to service the petroleum industries that work around their college.

Ms. Roberts asked about the company's tracking method. Mr. Martinez said accounts and managers that work at the district office manage the programs. He said one of the reasons he was hired, was to help the company organize how they could take advantage of their size. Due to their size, they are able to upscale and service a large amount of individuals.

Ms. Roberts said there is a point in here about the substantial contribution. That is, you contract with an employer that actually has a grant with ETP or has had an ETP grant in the past, then would you be aware of that? How are you aware of that? Mr. Martinez said correct, they would be working with ETP staff to determine if an employer has had ETP experience and that they were familiar with the percentage differences of reimbursement. He stated that every time we come across that, we will speak with staff and resolve the issue.

Ms. Klementich said, in regard to the program, when you were looking at dividing the dollar amount for each college, did you talk to each college? Was there communication back and forth? She said she is very familiar with the college system and that some colleges tend to receive a little more money than others. Mr. Martinez said that they began this process a good three to four months ago in order to work with each college to ensure they have an operation on campus, an infrastructure that can handle a program like this. He mentioned that just a couple of days ago he met with all the college presidents, including the chancellor, to tell them the contract would be discussed today. He said they are very excited about it so this is something that they've been aware of; we've been working with each, so everyone is set and they are waiting to see what happens today.

ACTION: Ms. Roberts moved and Ms. Klementich seconded approval of the funding proposal for LACCD in the amount of \$1,209,742.

Motion carried, 6 – 0.

Amendments

Northern California Teamsters Apprentice Training & Education Trust Fund

Ms. Cohen presented an Amendment for Northern California Teamsters Apprentice Training & Education Trust Fund (NCTAT), in the amount of \$311,062. He said NCTAT is a joint Labor/Management Trust established under the terms of the labor agreement between: 1) the Heavy, Highway, Building and Construction Teamsters Committee for Northern California; and 2) the Associated General Contractors of California, the Association of Engineering & Construction Employers, and the Engineering and Utility Contractors Association. The organization has joint labor and management representation on its Board of Trustees.

Ms. Cohen introduced Troy Ohlhausen, Executive Director.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Gordon seconded approval of the amendment for NCTAT in the amount of \$311,062.

Motion carried, 5 – 0 (Mr. Rendon not present for the vote).

Mr. McMahon said the NCTAT project came to ETP under the Talent Transfer Program that he spoke of earlier in the year. He said we are integrating ETP along with other WIA based resources.

Chaffey Community College District

Ms. Torres presented an Amendment for Chaffey Community College District (Chaffey) in the amount of \$417,075. Chaffey is located on a 200-acre campus in Rancho Cucamonga. Chaffey has two satellite campuses located in the cities of Fontana and Chino, which are also in San Bernardino County. Chaffey maintains relationships with manufacturing and logistic industry groups, consortiums and councils. Chaffey also collaborates with local Chambers of Commerce, workforce preparation programs, city economic development departments, the county of San Bernardino, and the Workforce Investment Board.

Ms. Torres introduced Debbie Smith, Community Training Coordinator of Economic Development/Community Education.

Ms. Roberts asked if there is any conflict or competition for enrollment between Chaffey and San Bernardino Community College. Ms. Smith said there are plenty of students to go around and she and her colleague, Robert Levesque from San Bernardino College, work closely together on the manufacturing council. She said San Bernardino College has a significant mechanical lab and Chaffey has a significant industrial electrical equipment lab.

ACTION: Ms. Klementich moved and Ms. Roberts seconded approval of the amendment for Chaffey in the amount of \$417,075.

Motion carried, 5 – 0 (Mr. Rendon not present for the vote).

IX. REVIEW AND ACTION ON TRAINING AGENCY CERTIFICATION GUIDELINES

Mr. Broad said since the newest Panel member, Eloisa Klementich, must leave the meeting, he will open the roll call on the action item, which is the training agency certification, for her to cast a vote. Her vote was recorded as an aye vote.

Mr. McMahon introduced Michael Rice, Chief of Administration for ETP, to present interim guidelines for Panel approval on funding training agencies in the absence of the Bureau of Private Post Secondary Vocational Education. Mr. Rice said staff recommends the adoption of interim guidelines as set forth in the Training Agency Certification memorandum in the Panel Packet. These guidelines, he said, will be used by ETP staff to determine contractor eligibility for Training Agencies, given that the final authority for certificates issued by the

former Bureau of Private Postsecondary Vocational Education (BPPVE) lapsed on January 1, 2009.

Mr. Rice said the interim guidelines will assist staff in making eligibility determinations pending two outcomes: 1) the Legislature creates a successor to BPPVE, and 2) the Panel adopts standards similar to these guidelines in a regulation. These outcomes are not mutually exclusive, and the Panel need not delay rulemaking until such time as a successor to BPPVE is created in legislation.

Mr. Rice said interim guidelines will be implemented at three stages in the ETP funding process: 1) eligibility determination; 2) development; and 3) monitoring. He said the interim guidelines will be applied case-by-case, but with different factors for new and repeat contractors.

Mr. Rice explained why the I-TRAIN review process, as administered by the South Bay WIB, is a focal point of the interim guidelines. He said I-TRAIN includes and extends to instructor credentials and curriculum content. Also, once a training agency is approved, training is monitored on a regular basis and outcomes are collected in a database.

Mr. Rice said I-TRAIN is more detailed than processes used by the majority of other WIBs. Also, he said, the value of I-TRAIN approval goes beyond eligibility for funding since it brings the training agency into a statewide referral and networking system.

At the present time, Mr. Rice said, I-TRAIN is only active in certain regions of Southern California: San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange, San Bernardino, Riverside, Imperial and San Diego. South Bay WIB is prepared to activate I-TRAIN in other counties, including the Inland Empire and all of Northern California. ETP staff has been in discussions with South Bay WIB to establish a flat fee and a time frame for the I-TRAIN review process, for training agencies that are located outside the covered counties.

Mr. Rice said staff recommends that the Panel adopt these interim guidelines beginning with pre-applications submitted after January 1, 2009. In addition, staff recommends the Panel should direct it to continue working with South Bay WIB and take other steps as may be necessary for implementation of these interim guidelines; and to bring these guidelines back for further discussion in the event a successor to BPPVE is created in legislation.

Mr. Rice asked the Panel if there were any questions.

ACTION: Ms. Montoya moved and Mr. Rendon seconded to adopt the Training Agency Certification interim guidelines beginning with pre-applications submitted after January 1, 2009, and that staff shall continue to work with South Bay WIB and take other steps as may be necessary for implementation of these guidelines; and, bring these guidelines back for further discussion in the event a successor to BPPVE is created in legislation.

Motion carried, 5 – 0 (Ms Klementich's aye vote was recorded earlier, before she departed the meeting, at the request of Chairman Broad).

X. PUBLIC COMMENT

There was no public comment.

XI. CLOSED SESSION

Mr. Broad announced that the Panel would enter into a closed executive session and the Panel would be considered to be in recess until the meeting adjourns.

XII. ADJOURNMENT

Mr. Broad adjourned the public portion of the meeting at 1:35 p.m. The Closed Session adjourned at 1:50 p.m.