



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**
California Environmental Protection Agency
1001 I Street
Coastal Hearing Room – 2nd Floor
Sacramento, CA 95814
September 25, 2015

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Sonia Fernandez
Member

Leslie McBride
Ex-Officio Member

Edward Rendon
Member

Sam Rodriguez
Member

Executive Staff

Stewart Knox
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Chairman Broad called the meeting to order at 9:33 a.m.

II. ROLL CALL

Present

Gloria Bell
Barry Broad
Sonia Fernandez
Leslie McBride
Janice Roberts
Sam Rodriguez

Absent

Edward Rendon

Executive Staff Present

Stewart Knox, Executive Director

Executive Staff Absent

Maureen Reilly, General Counsel

III. AGENDA

Chairman Broad asked for a motion to approve the Agenda.

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Agenda.

Motion carried, 6 – 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the August 28, 2015 meeting.

Motion carried, 6 - 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director said, good morning panel members, applicants, and stakeholders. Following the last Panel meeting in August, we have another large Panel meeting today with approximately \$11M in projects and \$480,000 in Delegation Orders. I will also give you an update on the Fiscal Year (FY) 2015/16 funds as well.

Today we have a mix of single employer and multiple employer projects. Regional Office Managers Diana Torres, Creighton Chan, and Willie Atkinson are here today to present those proposals.

Regarding the budget for Alternative Fuels in partnership with the California Energy Commission, we started off this year with \$2.8M. After the last two Panel meetings, we approved over \$1.7M in projects. Should the Panel approve all of today's projects, we will have approximately \$536,000 remaining for this FY. As you can see, we have gone through the funding fairly quickly this year. We are currently working with Peter Cooper, Assistant Director, and Robert Meyer, Economic Development Unit Manager, to see if we can potentially access additional funding this year. If not, some of those projects will have to wait until the next FY. The \$2M of drought funding has been completely encumbered and we were not allocated additional funds for the new FY.

In regards to CORE funding for FY 2015/16, to date, the Panel will consider an additional \$11M in projects with another \$480,000 approved by the Delegation Order. Should the Panel approve all the projects today, the Employment Training Panel (ETP) will have approximately \$54.4M left for the remainder of the FY.

Under the Delegation Order, as we've mention before in the past, Small Businesses were capped at \$50,000. We would like to revisit that and bring it up to the \$100,000 level and anything above that will have to be approved by the Panel. We are finding that some of the repeat employers who have performed well in the past are returning to us with great projects, and we don't want to hurt their performance or impede upon them. Multiple Employer Contractors (MECS) with first time small business applicants that have no track record with ETP are encouraged to go through the MEC application process. This does not change the allocations in any way, and we will bring it up to the Panel if we need to move the funds around. All other proposals are capped at \$100,000 to be approved by the Executive Director on a continuous flow basis, and as of today, we have approved 10 projects totaling over \$475,000 for this FY.

For the FY 2015/16 program funding, to date, we have approximately 463 projects submitted during the first and second round of applications, with a value of just over \$60M. The Panel has already approved over \$36M. Financially we look very strong, and we are averaging

about \$12M a month. We are looking at another \$12 to \$13M next month, and that will continue through January. Right now we are on track to get through the end of March with all the remaining funds. The beginning of the year is always the big push and most of the larger projects are in.

In regards to the Fund Status Report for the FY 2015/16, we are still working with the Employment Development Department (EDD) and we will bring you an updated version of the closeout in October. Right now, we have approximately \$76.2M approved through the appropriations. Again, this is just the preliminary numbers, and that will probably increase. However, if the amount does not rise, we are still in good shape. We had over \$22M for FY 2014/15 year-end balance, so if we have to take \$6M out of that, the balance will drop down to \$16M for the remaining balance fund for FY 2015/16. To make sure that we are not dipping into the funds at a high rate, we will monitor this closely, so if the economy lapses, we still have funding to smoothly ease off, rather than have a drastic cut.

Potential funding of applications and demands by contracts are still in the regional offices. Single Employer Contract requests are at \$40M; \$32M in allocations. Multiple Employer Contract (MECs) requests are about \$9.7M in demand; \$8.7M in allocations. Small Business has \$2.9M in demand; \$5.5M in allocations. Critical Proposals are at \$1.6M in demand; \$3.9M in allocations. Apprenticeships are at \$4.4M in demand; \$4.7M in allocations. Overall demand is approximately \$60M.

Regarding the number of projects remaining in the regional offices today: Single Employers 107, MECs 19, Small Business 73, Critical Proposal 4, Apprenticeships 4; total of 207. AAU by category: Single Employers 70, MECs 20, Small Business 43, Critical Proposals 0, Apprenticeships 16; total 149. Currently, 70% of those projects have been assigned to the regional offices. Our staff is working diligently and doing a great job in getting those projects out in the regional office.

In regards to the legislative update, a handout has been provided to the Panel members. Details concerning the bill are summarized below as follows:

SB3 -Minimum Wage: Adjustment

Summary: Existing law requires that after July 1, 2014, the minimum wage for all industries be not less than \$9 per hour. Existing law further increases the minimum wage, after January 1, 2016, to not less than \$10 per hour.

As amended in March 11, 2015, this bill would increase the minimum wage after January 1, 2016, to not less than \$11 per hour, and after July 1, 2017, to not less than \$13 per hour. The bill would require, commencing January 1, 2019, the annual automatic adjustment of the minimum wage to maintain employee purchasing power diminished as by the rate of inflation during the previous year.

The adjustment would be calculated using the California Consumer Price Index, as specified. Further, the bill would prohibit the Industrial Welfare Commission from adjusting the minimum wage downward and from adjusting the minimum wage if the average percentage of inflation for the previous year was negative.

On August 28, 2015, the Appropriations Committee postponed the hearing on SB3 to year two of the 2015-16 legislative session.

SB 342 – California Workforce Investment Board (CWIB): Responsibilities

Summary: Under existing law, the CWIB is responsible for assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system. Existing law requires the board to assist the Governor in targeting resources to specified industry sectors and providing guidance to ensure that services reflect the needs of those sectors.

SB 342 would additionally require the CWIB to assist the Governor in helping individuals with barriers to employment achieve economic security and upward mobility to implementing policies that encourage the attainment of marketable skills relevant to current labor market trends.

On September 3, 2015, SB 342 was enrolled and presented to the Governor.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #14.

ALLDATA, LLC	\$144,000
Amgen Inc.....	\$198,000
Ares Operations LLC.....	\$150,000
California Box Company.....	\$182,880
Giligia College.....	\$50,927
Homeboy Industries.....	\$244,640
Los Angeles Pacific College.....	\$145,691
M.S. Aerospace Inc.....	\$188,300
Murrieta Chamber of Commerce.....	\$188,985
nanoPrecision Products, Inc.....	\$207,480
New Technology Training Institute.....	\$96,455
QPE Technical Institute, Inc.....	\$214,538
Rich Products Corporation.....	\$141,768
Rockview Dairies, Inc. dba Rockview Farms.....	\$222,750

ACTION: Mr. Roberts moved and Ms. Bell seconded the approval of Consent Calendar Items #1 through #14

Motion carried, 6 – 0.

VII. REQUEST MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

Mr. Knox asked for a motion for the Panel to delegate authority to the Executive Director to approve Proposals and other action items on the Agenda in consultation with the Panel Chair or Vice Chair.

ACTION: Ms. Roberts moved and Ms. Bell seconded the approval to delegate authority to the Executive Director in event of loss of quorum.

Motion carried, 6 – 0.

VIII. REVIEW AND ACTIONS ON PROPOSALS

Single Employer Proposals

United Association Local Union 342 Joint Apprenticeship and Training Committee (presented out of order)

Creighton Chan, Manager of the Foster City Regional Office, presented a Proposal for United Association Local Union 342 Joint Apprenticeship and Training Committee (UA Local 342 JATC) in the amount of \$534,555. UA Local 342 JATC trains Apprentices and Journeymen for the piping industry in Northern California. The JATC serves over 1,700 Journeymen and 350 Apprentices working primarily in Alameda and Contra Costa counties and various other northern California counties. UA Local 342 JATC requests 8% support costs to assist in trainee recruitment, employer outreach, and assessment of employer-specific job requirements.

Mr. Chan introduced Janie Bird, Training Director and Steve Duscha, Consultants.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded the approval of the proposal for United Association Local Union 342 Joint Apprenticeship and Training Committee in the amount of \$534,555.

Motion carried, 6 – 0.

Southern California Permanente Medical Group, Inc. dba Kaiser Permanente

Diana Torres, Manager of the San Diego Regional Office presented a Proposal for Southern California Permanente Medical Group, Inc. dba Kaiser Permanente in the amount of \$637,092. Kaiser Permanente was established in 1943 and began open enrollment to the public in 1945. The Medical Group operates under three corporate umbrellas; Kaiser Foundation Health Plans, Kaiser Foundation Hospitals, and Permanente Medical Groups. Training under this Agreement will be delivered to employees of the Southern California Permanente Medical Group.

Ms. Torres introduced Zeth Ajemian, Director, Workforce Planning and Development and Steve Duscha, Consultant.

Ms. Roberts asked, are the 1000 employees training under this contract the same as the previous contracts? Mr. Ajemian said, this will be a set of different employees. Mr. Duscha said, the last contract was for new hires, so this is a different group.

Ms. Roberts asked, Mr. Duscha, are you taking in any administration cost or is it *pro bono*? Mr. Duscha said, I am a part-time employee of Kaiser. I'm being paid.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded the approval of the proposal for Southern California Permanente Medical Group, Inc. dba Kaiser Permanente in the amount of \$637,092.

Motion carried, 6 – 0.

Vitas Healthcare Corporation of California

Ms. Torres presented a Proposal for Vitas Healthcare Corporation of California (Vitas) in the amount of \$748,952. Founded in 1978 and located in Encino, Vitas is a provider of hospice services to both adult and pediatric patients. Vitas have completed two previous ETP Agreements and is a repeat contractor with payment earned in excess of \$250,000 for all California facilities within the past five years. However, no single facility has earnings in excess of \$250,000, therefore, the substantial contribution requirement does not apply.

Ms. Torres said, under the training table for the last agreement, it shows Encino. That is their headquarters. They have multiple locations; therefore there is no substantial contribution on this proposal.

Ms. Torres introduced Charity Brown, Patient Care Administrator.

Mr. Broad asked, I have a question about the substantial contribution. It seems like you have employees that don't work at a set location. Is it possible that we will never get to a substantial contribution because of multiple locations? The services provided are in a care home, which is not a training facility. Ms. Brown said, all of our employees are based out of various offices. They have a home office that they work out of, but the care is provided in home settings. They do have offices throughout California.

Ms. Torres said, when the trainees are enrolled, they have to report their enrollment worker's address. They are connected to an employer address and we have a data for each of the workers. Mr. Broad said, that's not the place of their actual employment, that's a place of dispatch. That raises a question about substantial contribution; I don't know that we've really confronted this before.

Ms. Roberts said, it's indicated here on the proposal that their location is in Encino. Ms. Torres said, I had pointed that out earlier; it should have indicated multiple locations because the trainees are connected to multiple employer addresses throughout the state.

Ms. Roberts asked, why does it say Encino on the Proposal, was it on the application? Ms. Torres said, Encino was on the application, and it indicated on the narrative that they have multiple locations throughout California.

Ms. Broad said, I have an offer for you. If you agree voluntarily to a 5% substantial contribution in this situation, then perhaps the stress I'm experiencing now, which appears to be shared by other Panel members, would dissipate. Ms. Brown said, yes.

Ms. Roberts asked, do you understand what we mean by that? I want to make sure that you're clear with what you're agreeing to?

Mr. Broad said, I think our staff should have an internal discussion about what happens in this kind of situation with substantial contribution. Obviously we're into our third consecutive proposal and this company has received a lot of funding from our program. I'm concerned that this might be one of those situations where we'll never get to a substantial contribution, and they'll have 20 projects in a row. Mr. Knox said, we can definitely take a look at the issue.

Mr. Rodriguez asked, how will training be delivered? Ms. Brown said, training is delivered in each individual site. We have administrators in each site that oversee the training. It is done in group settings with the registered nurses, licensed vocational nurses, social workers, chaplains, and hospice aids.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded the approval of the proposal for Vitas Healthcare Corporation of California in the amount of \$713,712. (Original funding request was \$748,952; 5% reduction for substantial contribution.)

Motion carried, 6 – 0.

GKN Aerospace Chem-tronics Inc. dba ASTECH Engineered Products

Ms. Torres presented a Proposal for GKN Aerospace Chem-tronics Inc. dba ASTECH Engineered Products (GKN Aerospace) in the amount of \$518,640. Headquartered in Irving, Texas, GKN Aerospace, a division of GKN PLC, was established in 1993. Since its inception, GKN Aerospace has strategically acquired other leading aerospace manufacturers to create a world-class aerospace business. This will be GKN Aerospace's fourth ETP Agreement, the first in the last five years.

Ms. Torres introduced Stephen Rivers, Training Manager.

Ms. Bell asked, how was your performance on the previous contract? Mr. Rivers said, I believe that the percentages were in the high 20 percentile. I am aware of it and GKN is very concerned with that. We've been working with our analyst to facilitate and implement the best program we can to ensure that we are successful. In the past, we didn't have a training manager in place. Right now I am the training manager. I also have staff that includes trainers and training coordinators. This is specifically and exclusively focused on the Santa Ana facility. We are working on the program for the 737 Mach and other legacy projects.

Ms. Roberts asked, are you familiar with the ETP program? Mr. Rivers said, this is my first time working with ETP. However, I have worked in training and development for Intel,

Motorola, and Sony Corporation. I understand the unique production environment that GKN has encountered.

Ms. Roberts said, familiarize yourself with ETP and what's required in training because you have no help here and you're on your own. This is a lot of money; we want you to be successful. Just be cautious, so if you do need help, let the staff know right away so that we can send someone to assist you with the administrative portion of it. There are people here who can help you. Mr. Rivers said thank you.

Mr. Rodriguez asked, how did you come up with the half a million dollar request for funding? Mr. Rivers said, that was based on the number of employees that we have plus the amount of time required for the different skill sets. I did a couple of different studies and the most labor-intensive training is for our titanium welders and final engine set assembly. Titanium welding is something that is not taught at any technical school because of the materials cost and time involved, which usually takes four to nine months before they can work on their own. Some of the other skill sets, for example sheet-metal mechanics, training with robotics and electrical discharge machining (EDM) roles, those can be trained in about two to four weeks. It all depends on the skill level of the employees. We do have quite a few new employees. I also asked for quite a bit of funding in the form of the productive laboratory. To be able to bring three sets of new employees on a specific subject matter, it's critical for us to be able to get those employees up and running as quickly as possible.

Ms. Fernandez asked, have you made any efforts to hire veterans? Mr. Rivers said, yes, we have, and I am a veteran myself.

Mr. Broad said, regarding the temporary to permanent hiring aspect, you're hiring people through a temporary agency. I just want to make sure that the people you're hiring are only employed in a temporary position for a short period of time. Mr. Rivers said, three months. Mr. Broad said, I want to make sure that the staff is aware of that. If it's a situation where it's temporary-permanent position, and they only become permanent if they meet specific criteria that the company requires, that's not what we're trying to fund or encourage. There is a very big difference. Mr. Rivers said yes, Mr. Chair. I would like to address that. This program with Boeing is a 24 year program. We are investing a significant amount of time and effort, and we are anticipating a long-term commitment with the people we bring on board.

Ms. Bell asked, is your model for recruitment temporary to hire? Mr. Rivers said, yes. That is our company policy nationwide, and what it does is it gives the management and the employees the opportunity see if it's a good fit. The skill sets are very specific and we want to make sure that they understand what they are doing and know the scope of the work. It just seems to be a good fit all the way around. Once they move to permanent status, they become permanent employees.

Ms. Fernandez asked, once they are in permanent status, is there an additional program to probationary period? Mr. Rivers said, they are full time employees at that point.

Ms. Torres said, Ms. Fernandez, I made a note on your question regarding the veterans hiring program. We will follow up with them to see if we need to create a new Job Number.

ACTION: Ms. Bell moved and Mr. Rodriguez seconded the approval of the proposal for GKN Aerospace Chem-tronics Inc. dba ASTECH Engineered Products in the amount of \$518,640.

Motion carried, 6 – 0.

ViaSat, Inc.

Ms. Torres presented a Proposal for ViaSat, Inc. (ViaSat) in the amount of \$422,400. ViaSat designs, engineers, and produces a line of commercial and government satellites, and networking, communications systems. This is the Company's fourth ETP training proposal, the second in the last 5 years.

Ms. Torres introduced Jaclyn Mossuto, Learning and Development Specialist.

Mr. Rodriguez said, you mentioned that the telecommunication workforce is shrinking, but yours is growing. Ms. Mossuto said, we have our hands in a lot of different things which would technically be considered as part of telecommunications satellite communications. Our growth is within the government contracts. We have a very heavy presence with the government, particularly in the defense department.

Ms. Roberts asked, were you a part of the previous contract? Ms. Mossuto said, yes, I was partially involved. On the previous contract, we used the rosters for documentation. I am familiar with the process and the tracking system.

Ms. Roberts said, this proposal has double the amount of funding and employees compared to the previous project. I just want to make sure that you are familiar with the process. Ms. Mossuto said, yes.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded the approval of the proposal for ViaSat, Inc. in the amount of \$422,400.

Motion carried, 6 – 0.

Tesla Motors, Inc.

Mr. Chan presented a proposal for Tesla Motors, Inc. (Tesla) in the amount of \$468,000. Tesla, founded in 2003 in San Carlos, is a manufacturer of electric vehicles (EV), electric powertrains, and Superchargers sold to consumers. This will be Tesla's third AB118 Agreement. The first Agreement, ET11-0804, helped the Company expand and hire staff at its manufacturing facility in Fremont.

Mr. Chan introduced Elizabeth Davies, Director of Organization and Development and Huma Qureshi, Training Specialist.

Ms. Broad said, I have to raise the substantial contribution issue. The source of this funding is not tied to substantial contribution because it's the AB 118 funding. Nonetheless, I would be more comfortable if you were willing to accept the 5% substantial contribution. You can

be six projects in, use all the regular funding, and not have any substantial contribution. I think it would be unfair to others that have to make a substantial contribution. I think that we need to think about substantial contribution for repeat AB 118 funding under that source so that there's more money to go around. Would you be willing to accept the 5% substantial contribution? Ms. Davies said, I need to understand a lot more with what you mean by substantial contribution. We have already paid a lot of money towards training. Mr. Broad said, when a contractor returns for funding in the same physical location, we want to see the employer ramp up the percentage of their contribution for training. I understand that you have a substantial training budget, but if you were another company in the same location right now on your third project, we will be imposing a substantial contribution. What that means in dollar terms, if the total ETP funding is \$468,000, it would be reduced by 5%, and you would be responsible for the 5%. ETP is not intended to be the permanent training budget of companies. In other words, once you've had your share of funding, it's other people's turn. That's the general philosophy here. Ms. Davies said, I understand what you're saying. If we need to agree to the 5%, I will do it. I want to point out that we significantly scaled back our proposal limiting what training we're covering. For instance, with the new hire right now, depending on the job, it takes 2 to 4 weeks of training. Our full proposal right now only covers the first week. We deliberately scaled back, which in many ways accounts for way beyond that 5%. If we put that into factor, from our perspective, we really are contributing a lot. With that being said, if that's what it takes to have it approved, then I will agree to it and say yes.

Mr. Rodriguez said, that was a very good answer. When will you be rolling these cars out? Ms. Davies said, we began our sedan model production in 2012, and produced 3000 cars. Last year we produced and distributed 35,000 cars. They are all made in California and distributed around the world. Our largest markets are the Bay Area, Los Angeles, and Norway. Norway has great incentives for electric vehicles, and per capita are the largest purchasers of electric vehicles. Our Model X, which is the sports utility vehicle (SUV), is due for release on Tuesday. By the end of this year, we are to produce 50,000 cars; both Model S and Model X. We plan to double our production next year, which is why we continue to grow at the rate were growing. I'm looking forward to more expansion in the Sacramento area, but with 35,000 cars, we have definitely expanded our reach.

Ms. Davis said, Model S starts at \$70,000. The fully featured Model X, our founder series, cost \$130,000. Model 3 is the car that will be the game changer. It is schedule for release in 2017, and it's estimated to cost \$35,000. Through all the manufacturing that we're doing now, we are learning and training people to get them better. In addition, we are building a battery factory which will also help drive down our cost. With the Model 3, we should be at that mass-market of \$35,000.

Ms. Roberts said, I do remember you here last time. Years ago, there was a car parked in front of the EPA building for viewing, and it was very fascinating. You have been very articulate. I've just been admiring how you handle yourself up here. You are doing a great job. With Mr. Broad's recommendation of 5% substantial contribution, that is really concessional because normally we would ask for up to 50%. That's what it has been in the past. With the additional 1000 employees, just be prepared when you return the next time that there may be another concession down the road.

Ms. Roberts asked, is your battery facility right outside of Nevada? Ms. Davies said, yes. This is one of our first, and we hope to have many. That may have been mentioned in the contract. Essentially, what happens is some of the proto-typing of our battery manufacturing, from the research and development perspective is in the Bay Area. Once we have figure out how to make it, we'll decide to bring it to our facility in Reno. We are not going to be submitting any training that is done for energy here, unless the batteries are for the Model S and made in Fremont, that's the only piece of production you will see in this contract.

Ms. Robert said, I admire you for reducing the amount knowing the scope on what you can focus on, rarely do we see that. Overall, this is a great contract. Ms. Davies said, thank you for educating me about the contribution. Now that I know, we will absolutely consider that in the future and be prepared for that. I agree to the 5% substantial contribution, and thank you.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded the approval of the proposal for Tesla Motors, Inc. in the amount of \$444,600. (Original request was \$468,000; 5% reduction for substantial contribution.)

Motion carried, 6 – 0.

The Clorox Company

Mr. Chan presented a Proposal for The Clorox Company (Clorox) in the amount of \$475,200. Clorox manufactures household cleaning supplies, food products, charcoal, insecticides, cat litter, water filtration systems, and personal care products. This proposal will be Clorox's third Agreement with ETP, but the first in more than five years.

Mr. Chan introduced Juliandra Rittmann, Practice Leader, Human Resources Talent Management.

There were no further questions from the Panel members

ACTION: Ms. Roberts moved and Ms. Fernandez seconded the approval of the proposal for The Clorox Company in the amount of \$475,200.

Motion carried, 6 – 0.

Bell Brother's Heating and Air, Inc.

Willie Atkinson, Manager of the Sacramento Regional Office presented a Proposal for Bell Brother's Heating and Air, Inc. (Bell Brother's) in the amount of \$560,000. Founded in 1991 and headquartered in Mather, Bell Brother's provides heating, ventilation, air conditioning, plumbing installation and repair, diagnostic services to residential homeowners or tenants. This will be the second Agreement between ETP and Bell Brother's. The Company is asking for a wage modification for trainees in Job Number 2. There is also a veterans training hiring component in the proposal. They are going to hire 10 veterans and work with the California Workforce Services for hiring veterans.

Ms. Chan introduced Scott Bell, Communication Director, Christine Udasco, Human Resources Director, and Jill Mueeuwsen, Consultant.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded the approval of the proposal for Bell Brother's Heating and Air, Inc. in the amount of \$560,000.

Motion carried, 6 – 0.

Fowler Packing Company, Inc. (Rapid Employment Strategies Pilot on Natural Disasters - RESPOND)

Mr. Atkinson presented a Proposal for Fowler Packing Company, Inc. (Fowler Packing) in the amount of \$348,750. Founded in 1950 and headquartered in Fresno, Fowler Packing is a three-generation, family owned grower, packer, and shipper of fresh produce. The Company processes 15 million boxes of citrus and 7 million boxes of stone fruit and table grapes per year, of which two-thirds are grown by the Company. Their customer base includes large and small retailers such as Costco and Walmart.

Ms. Atkinson introduced Mike Toms, Chief Information Officer.

Ms. Bell asked, do you pack conventional or organic products? Mr. Toms said, we do both, but majority is conventional. We have a dedicated field and special guidelines for growing organic crops, but we are predominantly conventional growers.

Ms. Bell asked, do you run a two-shift operation? Mr. Toms said, the workforce during our harvest season is typically a two-shift operation, so we have our processing line. We run 18 hours a day for seven weeks during our harvest season as we stay in the produce industry. Our shifting and sales operation does not stop. Our seasonal workforce is employed by Fowler packing; they are not included in this training proposal. As far as the farm laborers in field, those are third-party farm labor contractors that we outsource.

Ms. Bell asked, is the training offered in English or Spanish? Mr. Toms said, it will be offered in English and Spanish, depending on the workers. We have a lot of workers and English is their second language (ESL). We will have interpreters. The materials might be in English, but we are used to working with ESL workers. Our goal is to make sure that they can properly utilize the technology.

Ms. Bell asked, are your trainers internal or external? Mr. Toms said, majority of our trainer are internal.

Ms. Roberts asked, will the full-time employees be making \$9.69 an hour; it seems low. Mr. Toms said, yes.

Ms. Roberts said, under the RESPOND program, you talked about the sensors and the soil. From the drought perspective, how are workers trained in the front line? Mr. Toms said, if you're referring to the irrigation system, we have workers who drive to every single ranch that monitor the water and turn on the irrigation valves. We train them to be able to use technology and monitor the ranches in a more efficient manner. Our workers in the

warehouse use a lot of water during the refrigeration and manufacturing process. Training the workers to utilize the new production line, the irrigation referral system, as well as the Enterprise Resource Planning (ERP), will allow us to overall conserve water.

Ms. Roberts said, I'm still trying to learn the RESPOND program. Now you mentioned Halo, is that a part Paramount citrus? Mr. Toms said, we are co-packers for Paramount citrus. Paramount citrus sells our products. We are the packer and shipper of the product. We have our own production facility and it is on our own land, so we are partners with Paramount.

Mr. Rodriguez said, we have a state law that says we should pay \$10 per hour. Is this an administrative error under the maintenance and quality control staff at \$9.69 an hour? Mr. Atkinson said, if you look underneath the table, we made a note there that says the wages will be according to the minimum wage standards.

Mr. Toms said, we are co-packers and Paramount packs their own fruit, and we pack our fruit. They sell our fruit that we pack under their label.

Mr. Broad said, I just want to make sure that everyone receiving training under this proposal are direct employees of Fowler packing and nobody is going to be working for farm labor contractor.

Mr. Broad asked, is the training received by all of the employees related to water conservation? Mr. Tom said, with us, everything we do is water conservation because water is how our business survives. I'm not trying to be general there, but indirectly yes. To effectuate the change and implement the technology, our irrigation control is something we'd like to expand to the entire farming operation which is 15,000 acres. We are starting small to make sure it works, and we have everything dialed in so that the majority of the funds are designated for the ERP software project to track our farm operation. Every time an employee goes out to do to a task on the farm, whether it's driving a tractor, irrigation, chemical application, harvest, all those data will go into one system so we can track and analyze the change, so that we can efficiently grow our crops and stay competitive.

Mr. Broad said, at the end of this drought funding, if we have a whole bunch more in the pipeline, I would probably say we need to be tighter about it; our Vice-chair's point is well taken.

Ms. Roberts said, just familiarize yourself with ETP process. I know you don't have an administrative worker. Since this is your first contract, and I state this all the time, we want you to be successful because there are special regulations now with RESPOND. There could be some other things that are involved in that. Please utilize the staff; we want to make sure that you're successful on this project. Mr. Toms said absolutely. The staff has been very good at coordinating with us and explaining to us what we need. We have designated three members of our staff, since this is our first time. We categorically pointed out three specific projects that have the biggest impact in our company.

ACTION: Ms. McBride moved and Ms. Roberts seconded the approval of the proposal for Fowler Packing Company, Inc. in the amount of \$348,750.

Motion carried, 6 – 0.

Siemens Industry (Withdrawn)

Multiple Employer Contracts

Chaffey Community College District

Ms. Torres presented a proposal for Chaffey Community College District (Chaffey) in the amount of \$563,817. Founded in 1883, Chaffey is a two-year public community college and is accredited by the Western Association of Schools and Colleges. Operating through its own Workforce Training Institute, Chaffey has three campuses offering credit courses in Rancho Cucamonga, Fontana, and Chino; two off-site training centers in Chino. Chaffey is eligible for ETP funding as a public training agency. This is Chaffey's sixth training proposal for ETP funding.

Ms. Torres introduced Alicia Serrano, Interim Director Economic Development.

Ms. Broad asked, what happened here the last time? Typically, with community colleges, we don't see this kind of a dip in performance. The explanation we have here says that you had management changes and turnover. We need to hear what happened and how it got fixed. Ms. Serrano said, thank you for the opportunity to share that with you. Several months after this contract commenced, the entire team responsible for the contract left the college. Mr. Broad asked, did they all leave for the same reason? Ms. Serrano said, no, they didn't. I have both the blessing and the curse of the working with a very strong team. You can see that our past performance is above 90%, consistent with our previous contracts; we will get there again. As Ms. Roberts shared today, you need to have the familiarity with administering ETP contracts, and that does not happen overnight. One of the key factors that limited our performance in this contract is simply identifying appropriate staff that can both represent the Panel's interests and the college's trust as well as the employer community that we serve, and also getting up to speed as far as how to administer the contract appropriately and market the services. The individual we have in place is phenomenal and she's been with our team in the last six months. We have been able to exhaust one third of the funding that you see represented in our current agreement, and we will be successful again. The employers on this contract have done a precise job of estimating their needs. They are eagerly waiting for the availability of the funding to get started. Additionally, we have worked closely with the ETP analyst to right size this project, and make sure that the funding amount we are requesting this time around is very consistent, if not less than the performance levels that you've been able to see in the previous contracts. Finally we have been able to recently leverage the support of one of your representatives, Ryan Swier. He is right down the street from us in Chino and he's committed to assisting us in marketing to employers who we haven't been able to reach. I am confident with the level of staffing, and the commitment that our college has provided, as far as permanent staff who are working on this project, that we won't experience this again under my leadership. This is a daunting task to have an entire new staff work so hard to be successful with this ETP funds. We are quite proud of our 58%,

considering where we came from, but I don't want to stand before you in the next year and have a number like that that we are discussing. I hope I've answered your question.

Ms. Roberts said, the previous amount was over a million dollars and it takes a big effort to do a \$1M contract. I'm glad that they right sized it for you and it seems like you're really dedicated to make this happen. In my mind, I feel pretty good that you can come back to the same level where you were before. Ms. Serrano said, thank you for your confidence in us.

There were no further questions from the Panel members.

ACTION: Ms. Roberts moved and Ms. McBride seconded the approval of the proposal for Chaffey Community College District in the amount of \$563,817.

Motion carried their, 6 – 0.

Professionals in Human Resources Association

Ms. Torres presented a Proposal for Professionals in Human Resources Association (PIHRA) in the amount of \$479,162. Established in 1944, and headquartered in Gardena, PIHRA is a non-profit membership organization dedicated to providing business education, networking and advocacy with an emphasis on the human resources environment. Only private-sector for profit businesses will participate in the proposal.

Ms. Torres introduced Brian Allain, Deputy Executive Director, and Debra Imonte, ETP Contract Administration and Training Management Solutions.

Mr. Broad asked, you happen to be the benefit of the recent policy change. We had closed our process to new multiple employer contractors. There's a lot of responsibility on your shoulders. Good luck, welcome, and wish you the best.

Mr. Rodriguez asked, is your mission involved in job training? Mr. Allain said, our association has over 4000 human resources professional members, and our mission is to enhance the human resource industry. The requested funding will be utilized for the over 2600 companies that are represented by our members. The training would be for their companies to offer better career opportunities for the employees of PIRHA.

Mr. Rodriguez asked, is this completely a new area for you? Mr. Allain said, we are offering education and conferences in large groups for our members. We also offer certification prep-courses for our members who want to get certified. Education is a large part of our association.

Mr. Rodriguez asked, are you going to work through the human resource members to train workers that they are employed by their companies? Mr. Allen said, yes. The human resource professional would bring this opportunity to their company as a member benefit to have state-funded training, and we are partnering with Custom Corporate Communications which is a seasoned training company and has worked with multiple ETP contracts.

Ms. Bell said, as a member benefit, will training be offered? Mr. Allain said, we would offer the funds for their companies since they are a member of the PIHRA.

Mr. Broad said, here is the question raised when we have multiple employer contractors. There's a training in an industry segment, and your members have only one thing in common. They are human resources professionals working for companies that are not in the same industry and they are completely unrelated. Mr. Allain said, yes, that is right.

Mr. Broad asked, in looking at the list of jobs and who you're training, how do you expect to connect up training? The training you're talking about would have to be very generic. How are you going to figure that part out? In other words, if you have somebody in the plastics industry and the next one is in the hospital industry, how are you going to offer training? This is very theoretical here. I'm concerned that you're going to get into this, and you will get lost very quickly in trying to figure out how you're going to train these individual companies. You don't know very much about them, you know a lot about human resources and how to do human resources, but the human resources part is not related with the productive activities of the companies. In other words, the human resources people are familiar with the benefits system, how to pay people, process hiring or firing people, but they are not in the production side of the business. I'm not trying to put you on the spot, but you do need to have an answer as to how you're going to proceed this in terms of the actual training itself.

Mr. Allen said the human resource professionals are often in charge of their training programs for the companies. They have the knowledge in training styles and subjects needed within their company. In our partnership with Custom Corporate Communications, they offer a wide variety of training opportunities for many different industries. What we have done in the preliminary marketing plan is we've reached out to our members to identify their needs and interests in this program. We have secured the feedback and training opportunities for this contract.

Ms. Bell said, I am a Vice President in Human Resources, how would I be able to utilize your services? Mr. Allain, we're using this as a membership of PIHRA. We have dual members. If you are a member of PIHRA and you are in need of training funds, then we can provide free training for your company as a member benefit. So for the association to grow membership, what we're looking at is adding more value to the membership dues that our members pay.

Mr. Rodriguez asked, does the association act as a broker or a fiscal agent? Mr. Allen said, no. We are heavily involved in this. We are in the practice of educating our members and this extends out to their companies.

Mr. Rodriguez said, I am familiar with the association and the conferences. There is a difference between the education component of your association and your mission. Mr. Broad's point, in terms of all of the various knowledge you bring to the human resources professional industry, as individuals, and from managing a job training and skills development project from the state of California, there's a significant difference. What expertise are you using? Are you utilizing in-house support or are you outsourcing them to ensure that you are in compliance? Mr. Allen said, Ms. Imonte is our contracted administrator, and Lan Vuong from the North Hollywood Regional Office spent a couple of hours explaining the

requirements of the programs, rosters, percentages of payout, and all the other different criteria. I'll be using assistance to properly use these funds.

Mr. Broad said, I perceive some potential for colossal failure here, not because your intentions aren't good, but because the model that you have created is fraught with the potential for getting things messed up; it may work or it may not. What I would like to do is cut this thing in half, with no prejudice to yourself. When you earn the money, you can return for an amendment and get the other half of the funding. You earn and bill for the first half when you have done it, and then you can return for the second half. That's more for your protection, and that way you won't be coming back here saying we earned 50% of this money and we were a colossal failure. If you have problems in the first half, you can work those out before you come back again. But if you earn 100% of half the money and you come back, then we know we're on the right track and we're ready for the second half. I would be more comfortable doing that because, typically, with MECs, they're back here annually. That would be my suggestion.

Ms. Roberts said, I think you've mentioned earlier that you already have multiple companies lined up and have a game plan in place. Ms. Imonti said, yes, that's correct. Everyone is listed on the 100 B form. They have filled the required certification statement.

Mr. Broad asked, all these companies are signed up, and is that the whole \$479,000? Ms. Imonte said, yes. We actually had \$950,000 in demand. We have over 100 companies that wanted to participate. Mr. Broad said, we don't have 100 companies listed here. Ms. Imonte said, we had to resize down. Staff recommended that we resize that amount to meet the demand and that's where the \$479,000 came from. 100% of the contract has been vetted, so to speak. Mr. Broad asked, are these companies ready to go? Ms. Imonti said, they're ready to go on Monday. Mr. Broad said, we only have 15 companies listed on the proposal, I don't see 100 companies.

Ms. Torres said, I think you have presented a good solution. I think all the points that the Panel members have made are very valid. Although these plans are in participating employers as you have stated. To avoid adverse effect, by you cutting this proposal in half, the number of planned employees will stay in place, and when we modify the contract, we can just amend the additional funding, so there is no bump in the road and everybody can get started with the training. That would be the best laid plan. Mr. Broad said, ok.

Ms. Roberts said, we want you to be successful, and we get excited when we see an amendment come through, because it shows performance. I think this is for your protection and like Ms. Torres said, there probably won't be any issues in getting the people signed up for training. The amendment is a simple process. I do want to congratulate you on offering the different benefits for your members and using ETP as one of the vehicles. I think that's very fantastic because we're always trying to market ETP as well. Adding that extra bonus as a member, I thought that was a great strategic plan on your part.

Mr. Rodriguez said, we have a motion to hear suggestions, Mr. Chair. Mr. Broad said, we are doing a Part A and a Part B here; and there's a second.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the proposal for Professionals in Human Resources Association in the amount of \$239,852 (Original request was \$479,162.)

Motion carried, 6 – 0.

(Ms. Roberts departed at 11:08 a.m.)

Riviera, Inc. dba The Enterprise U

Ms. Torres presented a Proposal for Riviera, Inc. dba The Enterprise U (The Enterprise U) in the amount of \$909,000, which includes the 8% support cost. The Enterprise U was founded in 2001 to help companies, governments, and individuals acquire and sustain a competitive advantage through learning. The Enterprise U provides training services, consulting, coaching, and software solutions to clients in the industries of manufacturing, entertainment, technology, logistics, and biotechnology. All training will be conducted at participating employer worksites. This is Enterprise U's seventh ETP contract.

Ms. Torres said, the core group that is in the panel packet does represent over 90% of the requested funding. Note that the end date of the agreement is not until September 2016. However it has been verified that they have tracked eligible training hours that covers a projected 97% performance at this point. I would also like to add that of the \$375,000, 91% is for trainees that have completed retention. This is actual earnings. Although it may be premature, they have substantiation that has been verified that they are ready to proceed with additional funding.

Ms. Torres introduced Winny Ho, Executive Director.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded the approval of the proposal for Riviera, Inc. dba The Enterprise U in the amount of \$909,000.

Motion carried, 5 – 0.

Mr. Broad said, what I would like to do for the remaining projects is to bring them all up at once for approval, unless anyone has objections. They are all repeat apprenticeship projects with good performance, and none of them have issues. If that's agreeable, I would like to take them up as a group, so that would be Tabs #27, #28, #29, #30, and #31.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded the approval of Tabs #27, #28, #29, #30, and #31.

Motion carried, 5 – 0.

Southern California Heat & Frost Insulators and Asbestos Workers Joint Apprenticeship Committee (Tab # 27)

The Southern California Heat & Frost Insulators and Asbestos Workers Joint Apprenticeship Committee (H&F/JAC) is requesting ETP funding in the amount \$495,320. H&F/JAC was founded in 1962 by a consortium of labor and management organizations to provide training for insulators and asbestos workers in Southern California. The H&F/JAC is comprised of six members, three each appropriated by the Western Insulation Contractors Association; and the International Association of Heat & Frost Insulators & Allied Workers Union, Local No. 5. The same six JAC members serve as trustees over the H&F Joint Apprenticeship Trust. This will be third agreement between ETP and the H&F/JAC.

ACTION: Approved in the amount of \$459,320.

Motion carried, 5 – 0.

Southern California Roofers and Waterproofers Joint Apprenticeship and Training Fund (Tab # 28)

Southern California Roofers and Waterproofers Joint Apprenticeship and Training Fund (SoCal Roofers and Waterproofers JATF) is requesting ETP funding in the amount of \$449,332. Founded in 1959, SoCal Roofers and Waterproofers JATF is responsible for approximately 400 Apprenticeships and 600 Journeymen in Southern California. SoCal Roofers and Waterproofers JATF requests 8% support costs to assist in recruitment, employer outreach, and assessment of employer-specific job requirements. Assessments and recruitment will take place throughout the duration of the Agreement.

ACTION: Approved in the amount of \$449,332.

Motion carried, 5 – 0.

Ventura County Electrical Joint Apprenticeship and Training Trust Fund (Tab # 29)

Ventura County Electrical Joint Apprenticeship and Training Trust Fund (Ventura Electrical JATF) is requesting ETP funding in the amount of \$222,800. Founded in 1977, Ventura Electrical JATF is a joint effort of the International Brotherhood of Electrical Workers Local 952 and the National Electrical Contractors Association (NECA). Staff from the JATF office will assist with marketing, recruitment, needs assessments and scheduling. Ventura Electrical JATF is requesting 8% support costs to fund its staff in recruiting and qualifying additional participating employers for this program.

ACTION: Approved in the amount of \$222,800.

Motion carried, 5 – 0.

Orange County Electrical Joint Apprenticeship and Training Trust Fund (Tab # 30)

Orange County Electrical Joint Apprenticeship and Training Trust Fund (OC/TTF) is requesting ETP funding in the amount of \$477,825. Created in 1950, OC/TTF is administered jointly between the Orange County Chapter of the National Electrical Contractors Association (NECA) and the International Brotherhood of Electrical Workers (IBEW) Local 441.

This is the third Agreement between OC/TTF and ETP in the last five years. Four staff persons in the OC/TTF office will assist with marketing, recruitment, needs assessments, and scheduling of classes. The Trust requests 8% support costs to fund its staff in recruiting and qualifying additional participating employers for this program.'

ACTION: Approved in the amount of \$477,825.

Motion carried, 5 – 0.

San Mateo County Electrical Apprenticeship and Training Committee (Tab # 31)

San Mateo County Electrical Apprenticeship and Training Committee (SMJATC) is requesting ETP funding in the amount of \$423,160. Founded in 1947, SMJATC is located in San Carlos and governed by a Board of Trustees comprised of four labor and four management representatives, and is a joint effort of the International Brotherhood of Electrical Workers (IBEW) Local 617 and The National Electrical Contractors Association (NECA). This is SMJATC's fourth ETP Agreement. Three staff people at the SMJATC office will assist with marketing, recruitment, and employer needs assessments. SMJATC is requesting 8% support costs to fund recruiting and qualifying additional participating employers for this program.

ACTION: Approved in the amount of \$423,160.

Motion carried, 5 – 0.

Kathleen Barber, San Mateo Electrical Apprenticeship and Journeymen Electrician

I just want to take this opportunity to thank the Panel and the members for giving such consideration to the apprenticeships. I went through an apprenticeship and have been a beneficiary of the apprenticeship. I would like to thank the Panel because it's made a huge difference on how we can provide better training for apprentices. Mr. Broad said, you're welcome.

IX. Overview of ETMS Project (Information Only)

Mario Maslac, Manager of the Planning and Research unit said, good morning Chairman Broad and Panel members. My name is Mario Maslac, and I'm the Program Project Manager for Employment Management Training System (ETMS). Today, I will be giving you brief overview of the project and its current status. Some of the things I'll be covering in this presentation are: *what is ETMS, how the project is progressing, and focus on the low risk*

launch. There will be many benefits to our staff and customers with the successful deployment of the project.

ETMS is a web-based system. Internal and external users will not need any new software installation. This is going to be accessible from a browser like Internet Explorer, Google Chrome or Firefox. It will replace the current existing ETP system used by external and internal users on a daily basis. This system is being developed by Geographic Solutions, Inc. (GSI). GSI is a vendor who is well experienced with workforce services software. They've recently developed Cal Jobs for EDD.

The Support ETP Business Processes shows a flow chart which will be addressed by ETMS. It starts with the customer creating a contract profile, and completing the orientation. The customer then submits the pre-application for processing. Once the pre-application is processed and approved, the customer submits an application for funding. The Proposal then goes to the Panel for approval. Once the application is approved, it goes to the field staff for development and the contract begins. The next step is a parallel processes. That includes contract monitoring, revisions, overpayment processing, tracking hours, and invoicing. From there, you go to the contract ending, closing out, report generation, audits and an appeal, if that occurs. All of these processes are housed within the ETMS.

The project is progressing really well, and we are nearing its completion. 2015 has been a time of renewed focus by our team of knowledgeable experts. The project team has expanded by adding resources: Dean Toler from GSI, Cheryl Mello, EDD, and Babette Davis, Consultant.

We are happy to report that the requirement in the design phase of the new system is now complete and our current effort working with internal testing is in progress. We are working with the customers in outreach and implementation planning.

We are taking a low risk approach, to help ensure minimum disruption to the program and customers when we launch this software. The aim is to start processing new applications in ETMS during the first few months in 2016, and slowly transition the current contracts to the new system. We will employ six cycles of testing to ensure that the deployment will go smoothly. The ETMS team is planning on holding hands-on demonstrations with the system for external users sometime during the holidays. The plan is to transition to ETMS, which will be hosted by GSI, who will be a long-term vendor committed to program support. We have a robust service level agreement with them that outlines specific support functions.

ETMS will replace the old system which is hard to maintain because it's unstable and unreliable. Currently, all information is stored in multiple places making it difficult to find. The new system will bring benefits for internal and external users, and it will greatly enhance the customer experience. So for example, what we're dealing with now, currently our pre-application is on the ETP website. Our application is a paper process; you have to fill it out and mail it to us. Our enrollment and invoicing are handled through our online form website. The tracking of hours is handled in the class laboratory tracking website. With the ETMS, everything will be in one place and location.

Data entered early on in the process will flow forward so you will not need to re-enter the information that you have already entered in the pre-application process; everything will be saved and you can just amend as needed.

Another exciting feature is the automated completeness check off list which will tell you if there are any gaps on the application or if you have completed the form successfully. You will be able to click and jump directly into the next process.

With the new ETMS, the ETP workflow process will be in one place instead of using the fragmented system, which is a benefit for our staff. It will be an automated routing of processes with communication between different areas; this will be called *case notes*. The developers will be able to see any additional information in the case notes. Tracking and measurement of workload levels across the whole agency during the whole development process it's going to be very easy to explore. Our staff will be able to see the projected workload, and incoming contracts. The staff will have the ability to assist our customers in completing the application by being able to see it in real time, and the customers can get on the phone and get assistance.

Through real-time process tracking from registration to contract closeout, the customers will be able to see the entire process from beginning to end. Participating employers and MECs will have access to the system and complete their own certification statement in the ETMS. Right now it's a paper process that is done by participating employers. They're given to the MECs and they enter them in the system. The ETMS will solve that by giving access to enter the information directly. There will be also a structured invoice management feature allowing the system to review and approve a progress payment by itself without the involvement of staff and a very streamlined process for final payments and closeout invoices. The application development and submittal process is streamlined. Again, moving from a paper application to an electronic one is going to be a big step up for all of us.

Finally, just to give you an example, the ETMS home screen will look very familiar to Cal Jobs. It uses a known web navigation method making it user-friendly and intuitive. For example, most of us know how to use Amazon's website without having to go to a training. ETMS will be similar in that regard. We will have training materials and sessions available for those who need it. I am happy to answer any questions you may have, and our Executive Director, Stewart Knox will also address any concerns you have.

Mr. Broad said, I hope we get this system launched without with any kinks, because obviously it's taking a while. For the initial launch, I think that we should offer a live training session for people, because for most people in the world, when it comes to computers, it may be intuitive, but what you can intuit in an hour, someone can tell you in four minutes. It's just much easier when somebody shows you. And since we are in the training business, we should be able to provide training; at least for the initial round, we should offer some kind of webinar.

Mr. Maslac said, that's what we're hoping for during the holiday season, to have the external users come in, get their hands on, and get an initial impression. There is definitely a plan to offer training for everyone. We are planning on having a help desk set up so that once we are live and going, we will have staff that can respond and connect directly to a webinar

connection and show the customers what's going on and what's happening. We are also working on creating videos for all the different areas. So if someone wants to go at their own pace, they can view a webinar on how to complete the application process.

Ms. Roberts said, just for comfort level of our contractors and our employers, for security purpose of the Social Security Numbers, I want to make sure that people understand that it's safe and secure.

Mr. Maslac said, absolutely. GSI is going to meet the state requirements for security and safety measures. A safety security testing will be performed by an independent third-party before we fully deploy.

Ms. Roberts said, that would be great if you could line up everybody's information and generate the Form 130 online for the Panel members to review versus going to a separate website and printing out the form.

Mr. Maslac said, everything will be in one website instead of five or six different locations. The system is going to build out the application from Form 130 when the staff is done with the review. It's going to be seamless.

Mr. Rodriguez said, GSI has 23 contracts in California, including your Workforce Investment Board, Cal Jobs, labor market information, and EDD. Has there been any conversation about integrating some of the labor market information with the ETP system as a service for employers? Mr. Maslac said, we are getting reporting and mapping capabilities out of the system

Mr. Knox said, the background of GSI is in employer database. Everything we have done with the ETMS has been customized. There will be pieces to the current system that we absolutely have to access, and not just build off of. They have all that information in the Cal Jobs system, and they have that within all the Workforce Investment Board. We have access to the mapping capabilities. The Memorandum of Understanding (MOU) with EDD will provide some of those services to us. Mr. Rodriguez said thank you.

Ms. Fernandez said, just to be clear, we're not going to be shutting down ETP

Mr. Maslac said, it will definitely be a soft launch. Existing contracts are not just going forward to the new system. It's going to be slow and steady.

Mr. Knox said, that is a really good point. I want to be clear on that; we will leave the legacy system in operation. This system will launch when it's ready to launch. It's in the testing process right now with all of our staff. We are in the learning the process with the new system. There are a few barriers with our current system; integrity of the current system. The ETMS side of databases is having our local offices get out on the internet as timely as can be. There are some other challenges, but for the most part, it will be a soft launch by early January. This means anything new in terms of the new projects coming in will actually launch into the new system in January or February. We want our contractors to know that they'll time to look at and access the system. There will be no shut down of ETP during this transition.

There were no further questions or comments from the Panel.

X. Public Comments

Rob Sanger, Training Services Director, California Manufacturers and Technology Association

We are excited to hear about the new ETMS. I remember having a conversation with Charles Lundberg about the new database 10 years ago, and so we are really excited now that it's getting close. CMTA and other contractors use the data base. We use it differently than maybe some of the clients, so we don't enter people's information into the demographic database like keying into the ETMS. We do the batch uploads like that. We are excited that there's going to be a demonstration in about 90 days or so. The ETP has done a good job as far as taking our input. We emailed them our questions and concerns and they listened to us. We have not had the chance to look, or be involved with the design or implementation of it. I just want to make that clear. We have our fingers crossed; we have our own systems that we use; we have an access database, so we may or may not have to adjust that. I'm glad we'll have some time to test that out.

Phil Herrera, Consultant

My comment is about the AB 118 investment plan. I'm a big proponent of this funding and I have two projects that closed out, one with National Semiconductors which is now Texas Instrument. They produce the chipsets that go into the Tesla. There are 30 different odd chipsets that go into the electric vehicle and with Applied Materials, which makes equipment to manufacture lithium-ion batteries. Both projects have closed out for National Semiconductor; they trained 400 engineers, mostly advance technology; and Applied Materials are about the same number. I encourage the Panel to go and get more AB 118 investment funds. If there's any help that you need from the employer community in terms of advocacy, contact me, and I would be interested. Thank you.

Steve Duscha, Consultant

Mr. Duscha said, I need to go back to the computer system. We are thrilled and excited that it's not going to be turned on yet while the system is being launched. That's a tremendous step forward. However I think most of us who do business outside of ETP are also scared to death because we have no idea what this new system is. I noticed four things on the slide show that will make customers lives easier. It's too bad the customers were not asked what they wanted to make the process easier. I really think that there are a whole bunch of people with years of experience with the ETP who have different experiences than those of you who are in the inside. It's a complex program. It affects every one of us, although in different levels. It affects those of us on the outside differently from those of you who are in the inside. I'm scared that some of some things were done inadvertently that will cause problems and that we weren't offered the opportunity to give our input before the whole thing is locked down. I think from what we heard today, it's locked down and that's discouraging. But I hope I'm wrong. Nobody has asked me for input.

Mr. Broad said, my assumption is that is going to be version 1.0 when it goes live. I will let Mr. Knox respond. There are going to be changes and modifications to the process as they progress. After they get the first screaming phone call, I'm sure they will have a representative return the call and say, we will walk you through the process and it will be ok. I understand your point, and your point is well taken, except designing computer programs by a committee that includes all kinds of people that may disagree with one another may also not be the best thing. That's why we pay experts and consultants to bring their expertise to the project. Obviously we are all hoping that this system will last and turn out to be what everybody hopes for. If it has its kinks, we will work it out.

Mr. Knox said, in terms of Mr. Duscha's comment, I don't disagree. It would've been great to have had more customer input earlier on, but that was years ago. At this point, we have looked at certain issues in the last year. People have emailed us and we looked at certain components of it we and we had to put a stop on that about six to eight months ago. As we continued to make changes in the system, it kept delaying the release time. We have built into the new design that we will have feature releases and that definitely is a positive piece to the puzzle and we will look at it after the release. We will consider your input when you're looking at it from a training component and we will take those buckets of information and assess. I appreciate that Mr. Duscha. I don't disagree at this point in time. The system just needs to launch.

XI. MEETING ADJOURNMENT

ACTION: Ms. Roberts moved and Ms. McBride seconded the meeting adjournment at 12:00 p.m.

Motion carried, 5 – 0.