



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**
California Environmental Protection Agency
1001 I Street
Sierra Hearing Room, 2nd Floor
Sacramento, CA 95814
October 28, 2016

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Sonia Fernandez
Member

Will Koch
Ex-Officio Member

Gretchen Newsom
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 9:30 a.m.

II. ROLL CALL

Present

Gloria Bell (arrived at 9:45 a.m.)

Barry Broad

Will Koch

Gretchen Newsom

Edward Rendon

Janice Roberts

Sam Rodriguez (arrived at 9:40 a.m. and departed at 12:10 p.m.)

Absent

Sonia Fernandez

Executive Staff Present

Stewart Knox, Executive Director

Maureen Reilly, General Counsel

III. AGENDA

Chairman Broad asked for a motion to approve the Agenda.

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

Motion carried, 5 - 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Ms. Newsom seconded the motion that the Panel approve the Minutes from the September 23, 2016 meeting.

Motion carried, 5 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, said, welcome and good morning Panel members, applicants, and stakeholders. Following the Panel meeting in September, we have a much larger Panel meeting today with approximately \$13.3M in projects with another \$923,000 in Delegation Orders for a total of just over \$14.3M.

The 2017 Panel meeting dates will be posted on our website. We will not have a Panel meeting in April and November.

Today we have a mix of Single Employer and Multiple Employer Projects. Diana Torres, San Diego Regional Office Manager, Anna Nastari, Foster City Regional Office Manager, and Willie Atkinson, Sacramento Regional Office Manager, are here today to present the Proposals.

Regarding the Budget for Alternative Fuels and Vehicle Technology Program, \$2M was approved through an Interagency Agreement in partnership with the California Energy Commission. We have one Proposal for over \$749,000 this month, and one project approved under Delegation Order over \$58,000; approximately \$1M remaining for the year.

In regards to Core Funds for FY 2016/17, today the Panel will consider \$13.4M in projects with an additional \$932,000 approved by Delegation Order. Should the Panel approve all the projects today, ETP will have approximately \$43M for the remainder of the FY 2016/17.

Under Delegation Order, all project proposals are capped at \$100,000 to be approved by the Executive Director on a continuous flow basis, and as of today, 20 projects were approved totaling over \$932,000.

For FY 2016/17 program funding to date, we have approximately 367 projects submitted, with a value of just over \$52M. If all the projects are approved today, the Panel will have approved 189 projects with a value of over \$50M in proposals. Financially we are in good shape for the remainder of the FY.

In regards to the FY 2016/17 Fund Status Report, there are a few items that are outstanding; implementation of the Employment Training Management System (ETMS), which I will give an update at the end of today's meeting, and the relocation of the San Diego Regional Office, which is currently in a temporary setting, and hope to have a permanent location within six months. The relocation of our Sacramento Regional Office is on hold at this point until we have further direction.

Regarding applications for contracts that are remaining in the Regional Offices: Single Employer Contract requests are at \$32M; \$19M in allocation. Multiple Employer Contract (MEC) requests are at \$11.4M; \$10M in allocations. Small Business has \$4M in demand; \$4.1M in allocations. Critical Proposals are at \$1.2M in demand; \$6.4M in allocations. Apprenticeships are at \$2.6M in demand; \$3.7M in allocations. Overall demand is approximately \$52M.

Regarding the number of projects remaining in the Regional Offices: Single Employers 128, MECs 30, Small Business 112, Critical Proposals 3, and Apprenticeships 5 for a total of 256. AAU by category: Single Employers 29, MECs 7, Small Business 46, Critical Proposals 0, and Apprenticeships 7 for a total of 111. 80% of the projects have been assigned to the Regional Office at this point.

Regarding legislation, there isn't anything new to report this month.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #9.

AHMC Monterey Park Hospital LP.....	\$186,680
Bergelectric Corp.....	\$199,800
Blue Diamond Growers.....	\$174,560
FormFactor, Inc.....	\$148,050
Hawker Pacific Aerospace.....	\$175,900
Kellwood Company, LLC.....	\$245,592
Motion Industries, Inc.....	\$237,600
Systems Services of America, Inc.....	\$188,568
Turner Construction Company.....	\$181,140

ACTION: Mr. Broad moved and Ms. Roberts seconded approval of Consent Calendar Items #1 through #9.

Motion carried, 6 – 1 – 0. (Ms. Newsom abstained on Item #2.)

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: Mr. Rendon moved and Mr. Koch seconded the approval to delegate authority to the Executive Director in event of loss of quorum.

Motion carried, 5 – 0.

VIII. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel had nothing to report.

IX. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

Southern California Permanente Medical Group

Diana Torres, Manager of the San Diego Regional Office, presented a Proposal for Southern California Permanente Medical Group (Kaiser or Group) in the amount of \$523,623. Established in 1945, Kaiser is a for-profit partnership and professional corporation of physicians responsible for providing and arranging medical care. The group currently serves more than 4.2 million members and employs approximately 6700 physicians and 23,000 nurses. This will be Kaiser's 10th ETP agreement, fifth in the last five years.

Ms. Torres introduced Hazel Torres, Director of Professional Development and Research Ambulatory Services and Steve Duscha, Duscha Advisories.

Mr. Duscha said, I believe there's been a misunderstanding with staff over the Substantial Contribution (SC) issue. I think the staff agrees that the reduction in this contract should be 15%, not 30%. In the previous contract, Kaiser took a 15% voluntary reduction. The Group is made up of 14 medical centers, and over 200 medical offices; we have never triggered the technical requirement for a SC. We took a 15% voluntary reduction then, and we are prepared to take the same reduction this time, but I think that 30% is too much.

Mr. Broad said, in going over your projects, you had one proposal for \$249,480. With a few hundred dollars more, wouldn't that have triggered an SC? Mr. Duscha said, no, because there were multiple locations; SC is location specific.

Mr. Broad said, Mr. Duscha has represented that the staff agrees with him. Mr. Knox said, Kaiser accepted the 15% SC recommendation, and this triggers the 30% SC. Therefore, it's up to the Panel to make the determination whether they want to bring it back down to 15%.

Mr. Broad said, if we were to apply our policy now, there would be a 30% SC, not 15%. Mr. Knox said, if the current proposal is approved today, the SC would be 15%, and then the next one would be 30%.

Ms. Reilly said, the issue here is that Kaiser has multiple locations up and down the state. The 2008 contract was statewide, and they accepted the 15% SC. There was also a 15% SC in the 2011 contract, which was also statewide. According to the statute regulations, the SC is based on earnings by location. Kaiser "voluntarily" accepted the 15% SC, for earnings statewide. The voluntary nature was not recorded in the minutes of the Panel meeting, or in the ETP 130. In any event, the Panel has discretion to take the contract down to 15%.

Mr. Broad asked, is that accurate? Does staff remember that as the case that it was voluntary? Mr. Knox said, it was in the minutes that Kaiser accepted a 15% reduction. Mr. Broad said, Mr. Duscha's point is well taken.

Ms. Roberts said, the high earner doesn't have anything to do with a specific location. It has to do with the company as a whole, and we applied high earners to other previous contracts

that made over \$1M, and they have \$2M before us, and that would be a 50% reduction if we wanted to go that route. Mr. Broad said, that seems like a good point. Mr. Duscha said, Kaiser has never played the game of bringing in one hospital at a time, and blowing through the caps. They have always played by the rules on that subject. Much of the previous contracts have been under the Job Creation category. Given Kaiser's size and multiple locations, the 15% is fair.

Ms. Torres asked, are you proposing another voluntary 15% reduction today? Mr. Duscha said, Kaiser has never triggered the technical rule for SC, and they have never completed \$250,000 worth of training in one location. This is voluntary, just like the last one.

Ms. Roberts said, it all goes to one entity, regardless of the location. Even though their location is specific, we could actually go with the high earner rate. I want to be fair and equitable around this, and I understand that there are multiple locations, and new-hires, but we need to be consistent about what we do.

Mr. Broad said, it sounds like we have a conflict between the technical law and situational ethics. This is best resolved with a motion by a Panel member.

Ms. Roberts said, I'd like to make a motion to go with 20% reduction for this proposal; the next proposal moving forward would be 30%. Mr. Broad said, although it's not binding, the intent of the maker of the motion is that 30% SC will be imposed on future proposals.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Southern California Permanente Medical Group in the amount of \$599,616.

Motion carried, 7 – 0.

Mavenlink, Inc.

Ms. Torres presented a proposal for Mavenlink, Inc. (Mavenlink) in the amount of \$252,240. Formed in 2008 and headquartered in Irvine with an additional facility in San Francisco, Mavenlink is a high technology firm that provides Software as a Service (SaaS). Mavenlink meets out-of-state competition standards as an industrially-classified computer programming services. This will be Mavenlink's second project, and the second in the last 5 years.

Ms. Torres introduced Sean Crafts, Chief Customer Officer and Melissa Bonney, Senior Director of Training.

Ms. Roberts said, this is a great company with great wages, and you're doing a wonderful job training your employees. Your previous contract performance was at 75%; what were some of your challenges? Mr. Crafts said, we met more than 100% of the actual training from our previous contract, but it wasn't recorded and tracked correctly. The person who was in charge of the contract had no experience with the ETP program; now we have Ms. Bonney onboard.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Mavenlink, Inc. in the amount of \$252,240.

Motion carried, 7 – 0.

One World Beef Packers, LLC.

Ms. Torres presented a Proposal for One World Beef Packers, LLC (One World Beef) in the amount of \$470,000. Owned by Eric Brandt, One World Beef was recently formed to lease and operate a meat packing facility in Brawley.

Ms. Torres introduced Eric Brandt, President Owner and Armand Nicolli, CFO.

Ms. Roberts said, I appreciate you taking over the business and hiring all these employees in California, especially in the high unemployment area in Imperial county. I've been involved in a business start-up operation myself; there's so much going on with a new start-up. How do you plan on tracking and completing your rosters; how do you plan to make this contract a success? Mr. Brandt said, this acquisition took place a year and a half ago, and we are dedicated to the community. Mr. Fickler is also here to help us; he's been through a business restart in the Midwest. It's a difficult task to restart a shudder beef processing facility of this size. We are all seasoned and committed; we have an excellent team. The 46 members that are a part of this process are incredible individuals. Our culture is about respect; respecting each other; respecting the environment and the animals that we are going to sacrifice.

Mr. Nicolli said, we are going to be running in different directions. We have a tremendous amount of initiatives, but the training aspect of our business is crucial to our operation. The previous owners of this facility brought to market a beef-processing model. They were exposed to a spread margin risk at the front and back end of the business, and it forced them into a particular operating model; volumetrically driven. We are bringing in a completely different operating model. We are going to process at a much smaller volume; fabricate beef to a precise specification of our customers, and that is going to take a tremendous amount of training. It's all about how the product is prepared, not just running and gunning the meat into a box, and shipping them off as a commodity product. It's going to take time and experience, because we are hiring former employees.

Ms. Roberts asked, who will be doing the administration portion of this training? Will you collect and input them into the system? A lot of people do 100% of the training, but only get 50% of the dollars, because the rosters were incomplete. Mr. Brandt said, Mr. Fickler is our VP of finance; we are fully versed. We have an HR Manager, Sonia Castellanos who is familiar with the ETP program. We've got the systems in place, and we've got the administration support behind it, and we are looking forward to the training.

Ms. Roberts said, I hope that you're successful, and I'm glad that you looked into California Competes Tax Credit and other initiatives around the new employment training tax credits. Are you taking advantage of the sales tax exemption? Mr. Brandt said, yes. I would also like to thank the Imperial Valley Economic Development Committee for bring in all the various programs to this acquisition process.

Ms. Newsom said, you have listed 13 different occupations in the proposal. The starting wage range is from \$11.50 to \$22.50 an hour; one of them ranges up to \$30 an hour, and another ranges up to \$75 an hour. How much, approximate, out of the 235 trainees, will receive \$11.50 an hour? Mr. Brandt said, that's just a wage range for various levels; various positions require different skill set. Maintenance engineering wouldn't be a part of certain training, because they're already seasoned. There are many positions that are already in the \$18 to \$25 an hour range. Different skill sets for different jobs; it depends on how much skills they have when we onboard them. The chuck boners make more, because it's a skilled job, and the cleanup crew doesn't require as much training. Although depending on the level of equipment that they are using, it's a different skill set. There is a wide range of hourly wages listed. I would like to add that we are in an area where people are grateful to have a job. We are at 23.5% of unemployment and it's heart wrenching. We have 1200 job applications and 235 openings; these individuals would be happy to work for \$10, plus benefits.

Mr. Fickler said, we have different pay levels based on training. Part of the training dollars that we receive will help elevate people into a different pay level all the way up to \$17 an hour. With the training, we can build up our employees and help them move up the ladder. It takes years to learn what we do.

Mr. Rodriguez said, I appreciate you taking full advantage of the local, state, and federal subsidies and benefits. I'm quite familiar with your Brawley facility. Can you share with me about the existing workforce that was there; have they been invited back? Will they be a part of this program? Where do you see yourself next year? Mr. Brandt said, yes; we want to welcome back anybody that wants to fall into our culture. We certainly want people that have experience as much as possible; we plan to do cross training; they will be trained beyond what they had previously done before. Should everything go as planned, we should be at 600 employees in the next four years. It's a constant scaling process as we train and season staff to have the right culture.

Ms. Bell asked, how many people have you rehired from the previous company? Mr. Brandt said, out of the 46 individuals, I would say about 38. We needed more seasoned people for the maintenance and engineering positions. There are different types of operations going on within the facility; it's a complicated process.

There were no further questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Koch seconded approval of the proposal for One World Beef Packers, LLC in the amount of \$470,000.

Motion carried, 7 – 0.

Applied Materials, Inc.

Anna Nastari, Manager of the Foster City Regional Office, presented a Proposal for Applied Materials, Inc. (Applied Materials) in the amount of \$749,952. Founded in 1967 and based in Santa Clara, Applied Materials builds Nano manufacturing equipment, machines and tools for global semiconductor, flat panel display and clean energy manufacturing industries.

Ms. Nastari introduced Ajey Joshi, Chief Technology Officer.

Mr. Rodriguez said, I understand that this proposal is under AB 118. What is uniquely different with this proposal from the previous one? Mr. Joshi said, when we talk about battery technology, or any technology that is fast-moving, it doesn't tell the whole story. Recent reports about phones that caught on fire are some of the things that are not easy to anticipate, but a lot of testing and development has to go into it. At Applied Materials, we want to make sure that we are at the forefront of recognizing those issues. We want to train our employees in these emerging areas; technology, safety concerns, and innovations. We are driven by Moore's Law, and every 18 months to a year, we come up with new products in various markets that we serve.

Mr. Rodriguez asked, what part of the phone does Applied Materials provide? Mr. Joshi said, we make the chip that goes in the phone; it's a component that goes into the consumer-product. Over time, we have driven down the chip cost by a factor to an unbelievable number.

Mr. Rodriguez asked, what is uniquely different from your previous proposal with the current proposal? Mr. Joshi said, the proposal is to train our employees; not just on the technology that exist today, but also with emerging technology. We want to continually update our training. Mr. Rodriguez asked, is your R&D division in charge of looking at emerging markets before the training is actually designed to address those emerging markets? Mr. Joshi said, that is correct.

There were no further questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the Proposal for Applied Materials, Inc. in the amount of \$749,952.

Motion carried, 7 – 0.

SYSCO San Francisco, Inc.

Ms. Nastari presented a Proposal for SYSCO San Francisco, Inc. (SYSCO SF) in the amount of \$415,080. Founded in 1939, SYSCO SF is a wholly owned corporation of SYSCO Corporation, located in Houston, Texas. SYSCO Corporation owns several facilities in California, but this Proposal is for training at the SYSCO SF facility located in Fremont. This will be the second ETP Agreement between ETP and SYSCO SF.

Ms. Nastari introduced Pamela Miller, Director of Training and Development and Brett Appleberg, Vice President of Human Resources.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for SYSCO San Francisco, Inc. in the amount of \$415,080.

Motion carried, 7 – 0.

Chico Rehabilitation Hospital, LLC dba CA Park Rehabilitation Hospital

Willie Atkinson, Manager of the Sacramento Regional Office, presented a Proposal for Chico Rehabilitation Hospital, LLC dba CA Park Rehabilitation Hospital (California Park Rehab) in the amount of \$641,708. Founded in 2006, California Park Rehab is a 90-bed skilled nursing facility that specializes in short-term inpatient and long-term health care. California Park Rehab will train 197 employees at its facility in Butte County.

Mr. Atkinson introduced Terry Sheets, Director of Compliance and Training and Bill Parker, Consultant.

Mr. Broad said, we authorized \$450,000 on your previous proposal and you earned \$365,000, and this proposal is for \$641,000, and I'm wondering if this proposal is right-sized? Mr. Atkinson said, they earned the money above the 70% benchmark. Typically, when we're right-sizing, we look at those that go below the 70% benchmark. If they don't earn 70%, we look at what they previously earned, and then allow them to provide a justification; if they seek for more funding above that level, they have to provide another justification.

Mr. Rodriguez asked, does the new benchmark become the new baseline? Mr. Atkinson said, it's part of the conversation; yes, but we don't hold them to that, because they earned over the 70%.

Mr. Broad said, I'd like to ask about the poaching problems with other hospitals. Are the other hospitals waiting for your nurses to complete the training, and then hire them? Ms. Sheets said, I would like to say that we had a big learning curve at the beginning of our contract, and tracking all the training hours was a big challenge during the first year. In our second year, we have streamlined our systems. The director of HR in each facility tracked the training hours with the trainers. We are adding more staff to our new facilities, because of the acuity and sub-acute beds that we are adding. To stop the poaching part of it, we work with the hospitals and their training needs. We are training our RN's and CNA's; acuity challenge. Once they come out of the school, most nurses go into long-term care. We are helping the hospitals by providing acute care; we're getting people into the community.

Mr. Broad said, I hear from people that there is a shortage of nurses, and on the other hand, newly graduate nurses can't get jobs because nobody would hire them, because of lack of experience. Is that dynamic occurring in your area? Ms. Sheets said, absolutely. Mr. Broad said, that's kind of irrational. Ms. Sheets said, the acute hospitals want RN's, not LVN's, and they want RN's who have experience. The nurses have to get their experience somewhere. In Chico and Butte counties is where we had this turnover where they would go to the skilled nursing facility, and then for \$20 to \$30 an hour or more, they would go to the acute care hospitals once they get their experience. Mr. Broad said, thank you for the explanation. Ms. Roberts said, your turnover rate is very good; 10%. Mr. Parker, how confident are you that they are going to earn the \$750,000. You're asking for more money upfront, and less at the back end of the 10%. Mr. Parker said, that's an excellent question. What we try to do is moderate our fees. A few years ago, the Chairman said that the maximum for development fees was 10%. We try to be in the midpoint on our fees, and less on the administration fees, but there is no rhyme or reason to how we price things up front.

Ms. Roberts said, other consultants don't charge any fees for development; they just charge 13%, and are confident that they'll get that percentage when the funds are granted. How confident are you that they are going to earn the full amount? Mr. Parker said, I'm confident. We were off to a slow start, but we developed an infrastructure and we're much focused on performance; I think they'll do well. They've opened up a new facility, and they're just waiting for final approval from the state of California.

Ms. Newsom asked, how many people are poached by other hospitals? Ms. Sheets said, at least 15 registered nurses, and 10 to 12 CNA's.

Ms. Newsom said, California Park Rehab is requesting wage modification from \$21.28 to \$11.70 for 170 incumbent staff. I need a little bit of justification as to why you would be seeking such a drastic wage modification. Ms. Sheets said, the CNA's entry-level wage is \$11.70 an hours, and then their salary is bumped up after 90 days of probation. Ms. Newsom said, it strikes me that one of the best way to retain employees is to pay them well, so they're not constantly looking for another position that pays more to make ends meet. Ms. Sheets said, exactly. Ms. Newsom said, I'm not comfortable with this wage modification. Mr. Broad said, they are represented by Local SEIU 2015; that issue could be directed to them.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Chico Rehabilitation Hospital, LLC dba California Park Rehabilitation Hospital in the amount of \$641,708.

Motion carried, 7 – 0.

Eichleay, Inc.

Mr. Atkinson presented a Proposal for Eichleay, Inc. (Eichleay) in the amount of \$438,000. Founded in 1953 and headquartered in Concord, Eichleay, provides engineering, procurement, construction management and full life-cycle project management services. The Company provides services for several industries that include oil refineries and biopharmaceutical companies. This will be Eichleay's first ETP Agreement. The Long Beach and Concord facilities will participate in training.

Mr. Atkinson introduce Cathy Madore, Director of Health Safety Environment and Quality.

Mr. Broad said, you're training 240 employees out of 250; it's your first ETP contract. Have you had any experience working with ETP in the past? Ms. Madore said, no; but I have a background in learning and development. Mr. Broad said, you're asking for a considerable amount of money. When we see ambitious proposals like this, we typically cut it in half, and have you return for the remainder of the funding after you've earned the first half of the proposal. You're doing this all on your own; you don't have anybody; you're learning on the job; the trainers are doing the training themselves. Clearly, you exude confidence at every level, based on what I hear today. I would suggest that we do a part one and part two. As soon as you're ready, and you've earned a substantial amount of money, you can come back and ask for the second half of the money; we want you to succeed. Would this be acceptable to you? Ms. Madore said, I just want to clarify that I'm not personally training everybody. The 80 hours per employee would be for our designers and engineers. The 3-D laser scanning

and CAD training will be provided by a vendor; we're not providing the training. I will be managing the scheduling, and looking over the curriculum. 100 hours per person seem like a lot, and I agree with you. The majority of our company is made up of designers and engineers, which means that the majority of our company will need to be trained.

Mr. Broad asked, Mr. Atkinson, did you have a discussion with Ms. Madore regarding the number of training hours? Mr. Atkinson said, yes; from the beginning all the way up to prep call, we had a conversation about the number of training hours and the number of employees that will be training. We also discussed about reducing the hours, and coming back for an amendment; we want them to be successful. Mr. Broad said, so you had that discussion; are you comfortable with the result of the conversation? Mr. Atkinson said, I can say that I had that conversation, but I can't guarantee that she will be 100% successful. When we present the proposal as it is, we are confident that the contractor is going to complete 100% of the agreement; now it's up to them to do their part.

Mr. Rodriguez asked, can you give us a snap shot of your daily operation? Ms. Madore said, I have a staff that assists me from day-to-day. Two of my staff members centralize completely on training. I look over the compliance training required by law. Our clients in the petroleum and chemical industry require a lot of training; our employees spend a lot of hours in training; 80 to 100 hours of refinery training. Those numbers will go up by 20 hours next year.

Mr. Rodriguez asked, what is the division between online and classroom training? Ms. Madore said, it depends on the facility. To get into the refinery door like Tesoro, Valero, Shell, Phillips 66, or Dow Chemical, it's specific. We see 8 to 10 hours of classroom training; 8 to 10 hours in CBT. When they go through an indoctrination of the refinery, that's about two hours of training, plus an additional 4 hours around computer-based training. My department spends almost 100% on training and compliance. Mr. Rodriguez asked, is one of your goals to complete this training, and come back to again? Ms. Madore said, yes.

Ms. Roberts asked, how did you hear about ETP; why didn't you come to us sooner? Ms. Madore said, we were at the Wine Expo in Sacramento last year, and we were approached by Renee Peirce. I called Ms. Pierce and we started the orientation process. No one in our company has heard of ETP, even though they've been around for 25 years. We are here today because of the interaction we had with Ms. Pierce.

Ms. Roberts said, you have a 10% turnover rate, and you pay great wages. If you factor in the number of employees and training hours, I don't know how successful this is going to be. Mr. Atkinson said, when we were putting this project together, we asked them what occupations will need the training; it's always a snapshot of that given moment. When we put all the pieces together, we looked at the overall weighted average. Although it may show 25 administrative staff, the number of engineer trainees for this particular proposal is higher. The administrative staff may only get 8 hours, but the engineers may get 170 hours; altogether, the weighted average comes out to about 100.

Ms. Roberts asked, what happens if your turnover goes up to 25%; how are you going to get it all together? Ms. Madore said, to answer your question, the administrative staff doesn't answer phones or make copies; that number is not secretarial staff. The administrative staffs

are made up of engineers, CAD coordinators, and project coordinators. Project engineers and managers serve a dual role.

Mr. Rodriguez asked, what is your average turnover on an annual basis? Ms. Madore said 9%. Mr. Rodriguez said, that's lower than the average in the State.

Mr. Broad said, given that you have an outside vendor who will provide the training, you would not be prejudiced by stretching this out a little bit if we cut the proposal in two parts. Ms. Madore said, not at all, Mr. Chairman. I do want to add, since we entered the application process, we added 30 new employees. Our numbers have grown significantly. Mr. Broad said, that makes my point; now you have more employees who will be training. Ms. Madore said, I completely understand your point, and I have no issue with what you are proposing.

Mr. Broad said, I'm prepared to make a motion to approve this project; cutting it in two parts; Part A and Part B. Once they show performance, they can come back for part B with no prejudice and assume a quick approval as we often have.

ACTION: Mr. Broad moved and Mr. Rodriguez seconded approval of the proposal for Eichleay, Inc. in the amount of \$219,200.

Motion carried, 7 – 0.

NorCal Care Centers, Inc. dba Antioch Convalescent Hospital 35:36

Mr. Atkinson presented a Proposal for Norcal Care Centers, Inc. dba Antioch Convalescent Hospital (Antioch Hospital) in the amount of \$277,914. Antioch Hospital is a family-owned group of nursing care facilities certified by Medicare, Medi-Cal and various HMO's. The facilities provide nursing services, restorative nursing, rehabilitation services, activities programs, and social services for a long-term population. The hospital seeks to maximize the quality of life and offers specialized restorative services. Four Contra Costa facilities will participate in training under this proposal. This is Antioch Hospital's second Agreement with ETP in the last five years.

Mr. Atkinson said, there is a correction on Page 1 of 5; Development Service fee should say \$13,884.

Mr. Atkinson introduced Kathy Brito, Director of Staff Development and Bill Parker, Consultant.

Ms. Roberts asked, was the last grant for Job Creation? I didn't see various locations; was there a Substantial Contribution? Mr. Atkinson said, no Substantial Contribution; they have multiple facilities.

There were no further questions from the Panel.

ACTION: Mr. Rendon moved and Mr. Rodriguez seconded approval of the proposal for Norcal Care Centers, Inc. dba Antioch Convalescent Hospital in the amount of \$277,914.

Motion carried, 7 – 0.

Multiple Employer Proposals

Workforce Development Corporation of Southeast Los Angeles County, Inc. dba Southeast Los Angeles County Workforce Development Board (presented out-of-order)

Ms. Torres presented a Proposal for Workforce Development Corporation of Southeast Los Angeles County, Inc. dba Southeast Los Angeles County Workforce Development Board (SELACO) in the amount of \$949,697. SELACO is a nonprofit organization formed in 1983. SELACO's Business Services Unit provides services to over 3,000 businesses mainly located in the Southeast Los Angeles and Orange County areas. SELACO hosts manufacturing symposia and business/labor roundtables to maintain ongoing strategies and efforts to train California workers. It also works collaboratively with employers, economic development agencies, and labor organizations to address the challenges of business growth and employee retention.

Ms. Torres introduced Larry Lee, Business Services Manager, Kay Ford, Director of Fund Development, Kevin Kucera, Board Member, Machinist Automotive Trades.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Workforce Development Corporation of Southeast Los Angeles County, Inc. dba Southeast Los Angeles County Workforce Development Board in the amount of \$949,697.

Motion carried, 7 – 0.

California Manufacturing Technology Consulting

Ms. Torres presented a Proposal for California Manufacturing Technology Consulting (CMTC) in the amount of \$949,850. CMTC was established in 1992 as a private non-profit corporation, affiliated with the US Department of Commerce, National Institute of Standards and Technology, and Hollings Manufacturing Extension Partnership to assist small and medium-sized manufacturers in California to improve operational efficiencies and global competitiveness. Its mission is to create solutions for manufacturing growth and profitability supporting a thriving manufacturing sector in the State of California.

Ms. Torres introduced James Watson, President and CEO and Cheryl Slobodian, Director of Operations.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for California Manufacturing Technology Consulting in the amount of \$949,850.

Motion carried, 7 – 0.

El Camino Community College District, Center for Applied Competitive Technologies

Ms. Torres presented a Proposal for El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT) in the amount of \$949,480. Founded in 1946, El Camino CACT is a two-year community college offering academic and vocational education programs. The district established El Camino CACT to advance California's economic growth through workforce, technology and business development. Located in Hawthorne, El Camino CACT provides customized training, workshops, and technical assistance to employers.

Ms. Torres introduced Eldon Davidson, Director.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for El Camino Community College District, Center for Applied Competitive Technologies in the amount of \$949,480.

Motion carried, 7 – 0.

Jewish Vocational Service Los Angeles

Ms. Torres presented a Proposal for Jewish Vocational Service Los Angeles (JVS) in the amount of \$949,400. Founded in 1931, JVS provides workforce development and career services to the Los Angeles community. The organization offers individuals, businesses, and agencies high-quality programs related to job seeking, career planning, skills assessment, training and education. Through an internal service delivery network, JVS provides workforce development, business services, vocational training, assessment and disability, multicultural services, and welfare-to-work. Clients include first-time workers seeking employment and incumbent workers seeking career advancement and overall improvement in work performance. The organization also operates three full-service One Stop centers in the cities of Marina del Rey, West Hollywood and Antelope Valley.

Ms. Torres introduced Claudia Finkle, Director of Career Services

Mr. Broad said, your support costs seem lower than they should be. It's 12% for Job Number 1 and Job Number 2. Ms. Torres, please check that the math is correct. I don't want them to be underpaid or overpaid. Ms. Torres said, the amount won't go past the agreement amount because there is a cap.

Mr. Rodriguez said, I just want to recognize JVS, not just in the Los Angeles county, but throughout the state, and their commitment to at-risk and ex-offenders program. They've done very well, both here, and across the country. Ms. Finkle said, we are all affiliated; non-

profit. Mr. Broad asked, are you affiliated with the Jewish Federation of Los Angeles, or are you completely independent? Ms. Finkle said, we are a recipient agency.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Jewish Vocational Service Los Angeles in the amount of \$949,400.

Motion carried, 7 – 0.

Santa Clarita Community College District

Ms. Torres presented a Proposal for Santa Clarita Community College District (COC) in the amount of \$548,205. COC is a two year, fully accredited community college. COC offers a full range of academic, career, and technical skills in education and vocational training programs.

Ms. Torres introduced John Millburn, Director of College of the Canyons.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Santa Clarita Community College District in the amount of \$548,205.

Motion carried, 7 – 0.

Southern California Surveyors Joint Apprenticeship Committee

Ms. Torres introduced a Proposal for Southern California Surveyors Joint Apprenticeship Committee (SCSJAC) in the amount of \$154,330. The SCSJAC was established in 1960 to provide Apprentice and Journeyman Surveyors training throughout 12 counties in Southern California. It is administered jointly by the Southern California Association of Civil Engineers and Land Surveyors, and the International Union of Operating Engineers, Local 12 (Union). Signatory employers include engineering, surveying, and construction firms.

Ms. Torres introduced Anthony Andrade, Administrator.

Ms. Newsom said, I just want to commend you on having one of the highest graduation rates in your industry. Mr. Andrade said, thank you very much.

There were no further comments or questions from the Panel.

ACTION: Ms. Bell moved and Ms. Roberts seconded approval of the proposal for Southern California Surveyors Joint Apprenticeship Committee in the amount of \$154,330.

Motion carried, 7 – 0.

Santa Ana Chamber of Commerce

Ms. Torres presented a Proposal for Santa Ana Chamber of Commerce (SACC or Chamber) in the amount of \$949,391. This is the ninth proposal for the SACC and the fifth in the last five years.

Founded in 1889, the Chamber brings together a broad representation of business, government, non-profit, and education entities that work together on its board of directors, councils, committees and task forces to identify and implement programs to improve the economy in Santa Ana and surrounding areas. Workforce development is one area of focus for the Chamber. Developing the local workforce involves linking skill-training programs to current employer demands.

Ms. Torres introduced Marty Peterson, Vice President of Operations.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the proposal for Santa Ana Chamber of Commerce in the amount of \$949,391.

Motion carried, 7 – 0.

Associated Builders and Contractors Northern California Chapter Training Trust Fund

Ms. Nastari presented a Proposal for Associated Builders and Contractors Northern California Chapter Training Trust Fund (ABC NorCal Trust) in the amount of \$503,665.

In this proposal, ABC NorCal Trust seeks funding for Apprentice and Journeyman training. ABC NorCal Trust was established in 1982 to fund a Unilateral Apprenticeship Program (UAC) sponsored by the Associated Builders and Contractors of Northern California (Association). The Association appoints a five-member Board of Trustees to govern the trust. The 300-plus program participants are each required to make payments into the trust fund, for each apprentice hour worked.

Ms. Nastari introduced Sagit Woodbury, Apprenticeship Director and Roy Horton, Training Director.

Mr. Rodriguez asked, do you have any students in the pipeline right now? Mr. Horton said, yes. Mr. Rodriguez asked, what is the approximate number between male and female participants? Ms. Woodbury said, we have 10 women right now; most of them are men. We are focusing on the recruitment. Mr. Rodriguez asked, is there an increase from last year, or is it about the same? Ms. Woodbury said, we've seen an increase; it depends on the time of the year. Mr. Rodriguez said, thank you.

Ms. Newsom said, according to the Department of Industrial Relations (DIR), your five-year average graduation rate for electricians is hovering at around 59%. What is your game plan to increase the graduation rate? Mr. Horton said, we always try to make sure that anyone who joins the program is committed to a five-year term; it's a long haul. We have to work on

that yearly; that five-year average according to the DIR is not something that we're held to; we're held to a yearly audit. DIR told us that the five-year average doesn't mean anything; they don't know why it's there. We strive to bring in valuable individuals to the program who can push through and make their career.

Ms. Newsom asked, can you elaborate on the structure of your apprenticeship program? From my understanding, it's a single sponsorship, meaning that a contractor will sponsor a single apprentice, and bring them to the program, and pay for their training. What happens to the apprentice if they are laid off? Ms. Woodbury said, we approve them on a rank list, so they are placed on the out-of-work list, and we dispatch from that list. When they get laid off, they go to the next dispatch. Ms. Newsom asked, is there a cost to the apprentice for the continuation of the apprenticeship? Ms. Woodbury said, no.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Associated Builders and Contractors Northern California Chapter Training Trust Fund in the amount of \$503,665.

Motion carried, 7 – 0.

California Labor Federation, AFL-CIO

Ms. Nastari presented a Proposal for California Labor Federation, AFL-CIO (CalFED) in the amount of \$949,452. The CalFED seeks funding for its fifth statewide "Building Green Skills" training program. This project will be coordinated by the CalFED Workforce and Economic Development (WED) program.

Ms. Nastari introduced Jan Borunda, Project Coordinator and John Brauer.

Mr. Rodriguez asked, among the 400 journeymen apprenticeship, what is the approximate number of men and women in the program; have you seen an increase, or decrease from one year to the next? Mr. Brauer said, I was at the California Apprenticeship Council meeting, and the overall number of apprentices in California for women is exceedingly low; 6%. The percentage for women in the trades is more like 2% to 3%. The legislature passed AB 288, which is directing Prop 39 pre-apprentice programs to make a significant effort around that. I sit on the board of Tradeswomen, Inc., and the goal is 20% by 2020. I think the California Building Trades, State Building and Construction Trade, and other individual affiliates are aware that they have a big problem, and they're working on it. Mr. Broad said, that number seems low; beyond unacceptable. Mr. Brauer said it is; the numbers have gone down historically, and it needs to go back up.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for California Labor Federation, AFL-CIO in the amount of \$949,452.

Motion carried, 7 – 0.

Pipe Trades Joint Apprenticeship and Training Committee of Santa Clara and San Benito Counties

Ms. Nastari presented a Proposal for Pipe Trades Joint Apprenticeship and Training Committee of Santa Clara and San Benito Counties (Pipe Trades JATC) in the amount of \$538,900. The Pipe Trades JATC opened the Lloyd E. Williams Pipe Trades Training Center (Training Center) in 1961 in San Jose. The training center serves 1,900 union members represented by the Plumbers, United Association Local Union 393. The JATC was created in collective bargaining between Local 393 and management represented by the South Bay Piping Industry and the Santa Clara Valley Contractors Association. There are approximately 140 signatory employers, located throughout Northern California (primarily in Silicon Valley and the Bay Area).

Ms. Nastari introduced Carl Cimino, Director of Training and Jan Borunda.

Mr. Broad asked, how many women do you have in your program? Mr. Cimino said, not as much as we would like. We do a lot of outreach to Rosie's Girls; I sat in a women's Welfare-to-Work Association; we are going to step it up and change the look of our website. Unfortunately, most women that go into the trades don't go into the plumbing, heating and air-conditioning side. We have some new apprentices; several of them are women, and they are eager to help with the outreach.

Mr. Broad said, these are good high-paying jobs. We seem to have conquered the gender-dominated occupation in other places; it wasn't that long ago when almost all nurses were female, and that has changed dramatically. Mr. Cimino said, last April, we had 700 people take our entrance exam; 10 were women. When I was on the Welfare-to-Work Association, we had no women in the program. They don't seem to be interested; it's equal pay; it's tough to figure out.

Ms. Roberts said, I worked in the lumber business for over 20 years back in the 1970's and I was hired under the Equal Employment Opportunity Commission (EEOC). I was the only woman out of 600 men; over the course of 20 years, we had 3 women. I can tell you some reasons; I don't know if they're still applicable today. There's a lot of harassment, hard and dirty work, and a lot of husbands don't want their wives working in that type of environment.

Mr. Cimino said, these jobs are rewarding in a lot more ways than just pay. Being able to work with your hands, and create something every day is a great feeling. Ms. Roberts said, working in the lumber business is high pay, but it doesn't incentivize any of the women. Mr. Cimino said, we're going to keep reaching out to them. Ms. Roberts said, very good.

Ms. Newsom said, I've seen some outreach success in the San Diego area where they have the women provide opportunities for other women to create a sisterhood and work together in the community. I want to commend your apprentice program for having the second-highest five-year average graduation rate; can you describe how you were able to attain that success? Mr. Cimino said, we have a field coordinator who makes sure that our apprentices are getting a well-rounded education in the field. Our field coordinator acts as a mentor and advisor for the apprentices.

Mr. Rodriguez asked, how long does your program run? Mr. Cimino said, it's a five-year program. Mr. Rodriguez asked, do they come out of the program with a license? Mr. Cimino said, they receive a graduation certificate from Foothill Community College, Division of Apprenticeship Standard, Office of Apprenticeship, and Pipe Trades Training Center.

ACTION: Ms. Newsom moved and Mr. Rendon seconded approval of the proposal for Pipe Trades Joint Apprenticeship Training Committee Santa Clara and San Benito Counties in the amount of \$538,900.

Motion carried, 7 – 0.

Western Electrical Contractors Association, Inc.

Mr. Atkinson presented a Proposal for Western Electrical Contractors Association, Inc. (WECA) in the amount of \$449,248. Founded in 1937, Western Electrical Contractors Association, Inc. (WECA) is a statewide non-profit organization serving its membership of non-union electrical contractors. WECA operates a Unilateral Apprenticeship Committee (UAC) and Training Trust formed and funded by the membership to provide Division of Apprenticeship Standards (DAS) approved training. WECA also offers journeymen courses and exam prep. Industry needs are jointly determined by the UAC, with WECA staff and members.

There were no questions from the Panel.

ACTION: Ms. Bell moved and Mr. Rendon seconded approval of the proposal for Western Electrical Contractors Association, Inc. in the amount of \$449,248.

Motion carried, 6 – 1 – 0. (Ms. Newsom abstained.)

XI. ETMS UPDATE

Mr. Knox said, ETP's executive staff is committed to making the Employment Training Management System (ETMS) a success. We are working with Geographic Solution, which is the entity that holds the contract with EDD, and our stakeholders. We would like to thank our stakeholders who have provided us with useful input as we go through the transition; we will continue to get their input as we continue to move forward towards our launch date on Monday, October 31st. The new system will be available for our customers on Tuesday, November 1st. We have provided an in-depth training through WebEx, and we will continue to do so. The manual and instruction video is available on our website.

For the initial launch, ETMS will only be used for Single Employers. The new system will not be required for the Multiple Employer Contracts (MEC) while we do selective beta testing. To the stakeholders, may I say: we are aware of your concerns about the ETMS being fully implemented. We heard you, and we want to continue to get your feedback.

The current legacy system and MIS will be used for proposals that have already started the Application process, both for Single Employer and MEC. If you are in the current process, you will stay in the legacy system. After November 1st, Single Employer proposals will go

through the new system, after November 1st, MECs will have a choice to stay in MIS or beta test the new system.

ETP would like to stress that the new system will provide many advantages, both for customers and staff. The system will move the organization away from the paper-based system, and allow transparency and consistency within the management of the ETP application and contract process.

The new system will allow ETP to respond to inquiries on the value and effectiveness of the funded training programs, and like most technology projects, additional enhancements and refinements will be made to address the unforeseen impacts on customers and staff. These enhancements will be completed using a measured process of requirements through definition and needs assessment. Primary consideration will be given to meet the needs of the Panel; maintain a solution where staff can process, approve, and oversee the ETP application and contract functions; and support application and contract requirements of our customers with their input to encourage participation in our program.

We would like to have a forum with the stakeholders, possibly in mid-December; although I don't know how many will actually be in the process to see what that would look like at that point in time, so it may take place later.

Prior to the ETMS launch and continuing after, ETP will offer support for both stakeholders and staff, including a formal command center, support and help-desk for inquiries, and a posted email address. We want to make sure that we are capturing all the information we can get, and what issues may be coming forward.

We will continue to provide training, and the schedule will be posted on our website for registration. We will have weekly ETMS sessions to address specific issues that users might have. Once again, we are moving forward and we will go live on October 31st.

After the first few months, we will be able to assess where we are to-date, and we will invite the stakeholders for comments at that point in time. With that, I will open it up to the Panel if they have any questions.

There were no comments from the Panel.

XII. PUBLIC COMMENTS

Steve Duscha

Mr. Duscha said, Mr. Knox has agreed to hear our concerns; I would like to thank him for scheduling a forum. I promised Mr. Knox that I wouldn't raise any specific concerns; it would be best to raise them at the forum with staff, rather than in front of the Panel. There have been suggestions that those of us, who raise our concerns about the system, do not like change. I strongly reject that characterization. I had been in touch with 35 entities, and we have asked Mr. Knox to schedule a forum. The changes that are folded in the ETMS are poor, which could result in serious changes to the ETP program. This will drive employers

away from the program. We want to keep ETP great; I know that the Panel and staff want the same. I'm pleased that we can finally get a hearing. Thank you.

John Brauer

Mr. Brauer said, I want to give kudos to your staff; they have done a good job with training and have been very supportive. I would like to say, from a user perspective, we feel that there's more entry in the beginning. The ability to store information from one contract to the next will more than make up for the initial work; we appreciate that. We feel that the forms are easier to fill out through the new system; you can make revision in the application stage at any time; it's easy to understand the ETP lingo and it's all in one site. I think for us, the issues that need to be addressed can be brought up at the forum. We plan to do some training for our clients and their staff around January or February, as part of the service we provide. We really think that it's a dramatic improvement, and we appreciate that. We are viewing this as a big step moving forward, and we look forward in participating at the forum. Thank you.

Rob Sanger

Mr. Sanger said, coming from the contractor or consultant side of the business, we've been trained on the pre-application and certification stage, but we haven't really seen the system as far as uploading the training data and social security numbers. We've been trained on the pre-app side, but not on the actual contract side. Back in September 2013, I recommended that ETP work with the stakeholders on the development of the system, since we have 50 to 60 employers on the MEC side that are involved. We have to figure out the billing and uploading; there's a lot of data there. Mr. Broad said, that issue is on the MEC side. Mr. Sanger said, I think it is; I haven't seen it on the Single Employer side; we haven't been trained on that yet. Mr. Broad said, thank you.

Phil Herrera

Mr. Herrera said, I think the new system will work great; good improvement. I currently work with projects where my clients use an employer ID number, instead of their Social Security numbers; they can log on to their accounts with their own passwords, and work on their contracts. Under the new system, that might not be available. This might be a setback for the agency and Single Employer contracts. I'm a big proponent of ETMS, but I think that the concerns I have with the Social Security numbers should be handled carefully.

Mr. Broad said, as we roll out with the new system, issues will come up. I would like to make sure that we have a customer service representative available during business hours to provide support. The most frustrating part with working computers is when it doesn't work. I want to make sure that there's someone we can call, or communicate with to assist with the issues and help fix the problems that would arise. Talking to a live person would be much easier than reading a written manual. I hope that we can be user-friendly in solving people's technical problems, because a lot of people's livelihood depends on it. The last thing we want are frustrated companies; that would be a big issue for me.

Leroy Adams

Mr. Adams said, I'm a retired Senior Chief Officer in the Marines; I worked a lot with computer technology, and contracted with numerous supply officers. Back then, we had a flowchart, and each unit had a function; the function was to simplify the process, and everybody understood the process. The training that you provide is exceptional; without good training, you'll fail.

Ms. Roberts asked, have you attended any of our trainings? Mr. Adams said, no, but I'd like to attend the training; I would like to get a copy of the training. Ms. Roberts said, the training schedule is posted on our website. Mr. Adams said, simplifying things will make it easier for the contractor, and they can do the job more efficiently.

Eldon Davidson

My biggest concern is the amount of regulation and paperwork; this will drive the employers out of state. I hope the you can simplify the process; if a data is not needed, don't ask for it. This process would just be a burden to the employers; they're already burdened with regulations. I'm definitely an IT person, and I'm a proponent of simplification; let's keep the employers in California.

Ms. Roberts asked, does the new system require a specific search engine or browser? Mr. Knox said, we use Google Chrome most of the time, but I believe it's web-based.

There were no further questions from the public.

XIII. MEETING ADJOURNMENT

Mr. Broad adjourned the meeting at 12:26 PM