



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**
California Environmental Protection Agency
1001 "I" Street
Sierra Hearing Room, 2nd Floor
Sacramento, CA 95814
June 21, 2013

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Carol Farris
Member

Sonia Fernandez
Member

Michael Hart
Member

Edward Rendon
Member

Sam Rodriguez
Member

Executive Staff

Jill McAloon
Acting 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
Carol Farris
Sonia Fernandez
Michael Hart
Janice Roberts
Sam Rodriguez

Absent

Edward Rendon

Executive Staff Present

Jill McAloon, Acting Executive Director
Maureen Reilly, General Counsel

III. AGENDA

Mr. Broad said the Panel received a request from Silver Lake Tab #20, for their proposal to be presented immediately after Tab #13.

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

Motion carried, 7 – 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the May 23, 2013 meeting.

Motion carried, 7 – 0.

Mr. Broad announced that today is Carol Farris' last day on the Panel. He thanked her for her service on the Panel and said he was sorry to see her go. She is leaving due to legislative changes and her replacement is from the Governor's Office of Business & Economic Development (GOBiz). Ms. Farris has been on the Panel since January 2012, and Mr. Broad said he has worked with her for many years.

Mr. Broad announced that today is David Guzman's last Panel meeting, as he is retiring after 25 years of state service. He is the Chief of Program Operations, overseeing the regional offices and the fiscal and audit units. He has been with ETP for close to 23 years. Thank you on behalf of the Panel for your years of service and congratulations on your retirement.

V. REPORT OF THE ACTING EXECUTIVE DIRECTOR

Jill McAloon, Acting Executive Director, said today we have a standard mix of both single and multiple employer projects. Three of our regional office managers are joining via teleconference: Diana Torres, Creighton Chan and Wally Aguilar. Rosa Hernandez and David Guzman will be presenting today's projects.

Ms. McAloon noted that on the table of contents, for the Panel packet, the one posted online had an error and said we will review the projects as listed in the hard Panel packet.

If you approve all of the projects before you today, you will have expended all of our available core funds for the fiscal year. Regarding alternative funding, we received a \$560,000 allocation of WIA Discretionary Funds to fund the Healthcare Job Creation Initiative. This initiative targets nurses and allied healthcare professionals that are employed by non-profits which are not typically eligible for ETP funding. There are two of these projects before you today, and if they are approved, that will expend all of our funds for that initiative. We also spent all of our \$3 million that we had for AB 118 with our partnership with the California Energy Commission.

Regarding legislation, there are no new bills to report since our last Panel meeting, but as Mr. Broad mentioned, SB 820 which was part of the Governor's reorganization bills, contained language which related to the structure of our Panel so regardless of whether that bill actually passes, changes are happening right now. Our Panel representative from BT&H will indeed be replaced by a representative from GOBiz.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Ms. McAloon asked for a motion to adopt Consent Calendar Items #1 through #11.

| | |
|-------------------------------------|----------|
| Advanced Mold Technology, Inc. | \$30,030 |
| House of Batteries | \$72,800 |

| | |
|--|----------|
| KANA Software, Inc. | \$60,650 |
| MegaPath Corporation | \$81,120 |
| New Technology Training Institute | \$67,970 |
| Pacific Sintered Metals, a Division of PSM Industries, Inc. | \$43,680 |
| PacMin Incorporated dba Pacific Miniatures | \$49,348 |
| POM Wonderful LLC | \$99,720 |
| The National Food Laboratory, LLC | \$87,264 |
| The Warden's Office, Inc. | \$30,492 |
| W. Banks Moore, Inc. | \$23,232 |

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of Consent Calendar Items #1 through #11.

Motion carried, 7 – 0.

Mr. Broad said to all of you, including consultants, we really need to see more good proposals coming into the Panel; we do not have enough. This is the first time this has ever happened, but there seems to be a drop-off for the number of applications for training proposals. We can do some things internally, but ultimately we need new proposals and are discussing a more robust outreach to trade groups and so on, but all of you have connections in this area as well, and it is time to bring these cases forward. We seem to have many fewer applications from the community colleges; I'm not sure what is happening there; we used to get several of those at each Panel meeting. It would be sad to see this but maybe there have been budget cuts in the community colleges, where they cut the people that ran those programs so there is no one around with the institutional memory or the ability to even come to us. If the programs are gone, that would be really bad. So it is no secret that if you are a state agency and you do not move your money, others will find some other way to allocate it.

VII. REVIEW AND ACTION ON FUNDING PROJECTIONS for FY 2013-14

Ms. McAloon said staff is proposing three policy revisions relative to funding in fiscal year 2013/14.

- (1) Funding Caps; upward adjustment to all of our funding caps
- (2) High Earner Reduction (HER)
- (3) Substantial Contribution; application of the minimum level of SC

The recommendations are based on an evaluation of anticipated funding demand, which is much lower, and our marketing unit will address that. It is also based on revised revenue projections and a full appropriation for our program under the budget. We anticipate training

funds in FY 2013/14 will actually increase by 15%, or \$5.5M, due to an increase in the appropriation of \$51.6 M and an upward trend in collection of the Employment Training Tax. The increased employment training collection is due to the improved economy and reduced unemployment which likely results in fewer negative reserve employers and more employers paying into the Employment Training Fund.

Staff has proposed funding caps and they are identified by contract type. This year we are not differentiating between SET and non-SET for a priority industry and non-priority industry. The caps could be applied to active contracts via amendment on a case-by-case basis based on performance. We could come back and adjust caps upward mid-year if necessary to enable us to fully commit our Panel funding for the full FY.

She referred to the attached Memo and provided an overview of the proposed funding caps.

For Single Employer projects we are proposing \$850,000; Single Employer: Job Creation Only, proposing \$700,000; Single Employer: Retraining and Job Creation, proposing \$1.5M; Single Employer: Multiple Facilities, proposing \$1.5M; Multiple Employer proposing \$1.25M; Small Business proposing \$50,000; Fast Track proposing \$100,000; Apprentice Training, Per Program Sponsor proposing \$450,000; and Critical Proposals proposing \$1.5M.

In addition to the caps, we are also proposing elimination of the HER. Currently employers that earn more than \$1M in the last five years have a 50% reduction to their proposal regardless of the facility location. The HER is currently imposed in lieu of a SC. The HER is applicable to both Single Employer Contracts and high-earning participating employers enrolled in a MEC. An increasing number of contracts will be subject to the HER in the coming FY if it remains at the \$1M threshold, given higher funding caps proposed in the last FY, and still higher caps proposed for FY 2013/14.

We are also recommending reliance on SC reductions for repeat contractors at the minimum level (15% first time assessed and 30% second time assessed). Unlike the HER, the SC would apply to prior earnings at a specific facility location. That is what we are doing now, so this is no change.

Other aspects of funding priority and allocation will be addressed in the Strategic Plan that will be presented to the Panel at the next meeting.

In conclusion, we are asking that the Panel approve the new funding caps; elimination of the HER, and application of the SC at minimum levels for FY 2013-14, to be effective July 1, 2013.

Mr. Broad said these are significant changes and asked if the Panel had any questions.

Mr. Rodriguez said I have an operational question, increasing the funding for active projects, is that amendment done at staff level, to increase the amount? Ms. McAloon said we would develop them and of course anything that increases the dollar amount would come to the Panel. Mr. Rodriguez said, so any increases to current active projects would come forward to the Panel? Ms. McAloon said yes, it would come in as an amendment and be presented to the Panel for a vote. Mr. Rodriguez said, and given that we are going to receive more than \$5M in the current FY, in no way we are putting forth to lessen the quality of the proposals that we are receiving, correct. Ms. McAloon said no, of course not.

Ms. Fernandez asked how long it takes for an amendment to be approved, if it is several months, and if there is a loss of training time during that period. How long does it take to do an amendment and bring it before the Panel to get that approval so there isn't a loss of training opportunities? Mr. Guzman said it depends on the earnings in the active project and how they are doing in that endeavor. If they show satisfactory performance as they are going along, we can put together an amendment. Ms. Fernandez asked if they are a priority to be brought before the Panel to be taken care of, since they currently have a training agreement with us. Mr. Guzman said they are going to be developed as they would if they were an initial proposal, they would come in as a request for funding, and a request for an increase comes in, and it would be put in queue with the regular projects for the Panel's consideration and review.

Mr. Rodriguez said as to my colleague's question, the decision making process to increase the funding of an active project, is it from the ETP side or is it from the employer basically asking for additional funds because there is a greater need. Mr. Guzman said it originates with the employer; they need to come to us because of these caps and the action that may take place because of the caps. I anticipate we are going to have requests for increases to current contracts very early in this process. For example, there are several projects before you this month where training is actually being completed within the first twelve months of the contract. With that kind of accelerated performance and running through the funds early, that would be a prime candidate for someone to come in and request additional funding in an amendment. It will not be a default amendment, and we will want to see that there is performance within that contract.

Mr. Broad said he would like more of an explanation of how the HER would operate. The question is, whether we eliminate it or simply increase it and what our alternatives would be. Ms. Roberts said, instead of \$1M cap, to increase it higher. Mr. Broad said yes; increase it to a higher number. Ms. Roberts said I agree with that, I think if we have high earners in there, we should still have that, kind of as a benchmark, but maybe increase the target. Mr. Broad asked, what would be a rational number to increase it to since we are obviously increasing the project cap? In other words, is there sort of a proportional increase that makes sense? Ms. Roberts said it appears they are all different in their percentages, maybe a \$2M or \$1.5M cap. Mr. Guzman said with the SC, although we are asking the Panel to accept a first time 15% and 30%, the Panel still has the flexibility to move that from 30% to 50%. So the effect of the HER is that you can still apply 50% on a second or third project coming to you if you feel that the magnitude of the benefit that they receive from prior project is high enough. The HER, keep in mind, is applied against everything regardless of location. The SC is just applied against those locations which have earned more than \$250,000 currently. Mr. Broad said, and we put it in

there originally because what we were seeing was companies coming in from each separate location and figuring out how to stay underneath the SC cap. What I'm wondering is, well, if it is \$1M now, and I don't know what the appropriate number should be; maybe what I feel comfortable with, because I am a little concerned about this, maybe if we approve the rest of the recommendations and then come back to the subject next month with staff recommendations regarding what alternative there might be for us to consider. We might still eliminate the cap altogether, but if we wanted to keep it, what would be a proportional number that would make sense? Mr. Rodriguez said I second that idea.

Mr. Broad said we have some public comment on this topic. Steve Duscha said as you think about this, the purpose of the HER was to rope in people that did not fall under SC because of the facility-by-facility calculation. A way to think about it is, if you must have it, and I would rather not have it of course, but if you must have it, why not simply apply the 15% SC amount to whatever threshold you have, rather than the draconian 50% reduction. Mr. Broad said I see what you are saying. Mr. Duscha said because people won't come in for the 50% very long, that is a huge cut. Mr. Broad said so in other words, if a single proposal is at a certain level, then it is a 15% SC automatically on the first one. Mr. Duscha said you have the legal issues you are skirting. Mr. Broad said I don't want to skirt anything. Mr. Duscha said, but it would make more sense to take the cut comparable to SC instead of cutting it. Mr. Broad said well let me ask you this question, and if staff wants to input as well that would be helpful. If we eliminate this cap, why won't we see a repeat of the pattern that we were concerned with in the first place that caused us to put it on there? Ms. Roberts said, remember, that is when we were running out of funds. Mr. Broad said I realize we have more money, but I don't want to just hand it out irresponsibly either. Mr. Duscha said what I am suggesting is to do something, but not at the 50% level.

Mr. Rodriguez said to follow up, given where you are, is eliminating the HER an incentive or a disincentive. Mr. Duscha said eliminating is an incentive to bringing in larger projects; he said, I am sitting back there calculating how I can do that and I'm sure others are too. But having said that, you could say in all fairness for someone who has received a lot of money but is not hit with the 15%, there is a whole lot of distance between 15% and 50%. Mr. Rodriguez said yes, correct; so I don't have any data in front of me, but where do you think between 15% and 50% is the threshold for disincentive. Mr. Duscha said I would say much over 15% is a disincentive.

Mr. Broad said, we have something to work on here, and I would welcome anyone's suggestion as to how we deal with this. I think there ought to be something, and if we wait one month on that issue and take it up next month, I don't think we are going to hit a problem. Ms. Roberts said I would like to know how many HER's are reluctant to come to the Panel because of the 50% reduction; I didn't know there were people that were reluctant to do that. Mr. Guzman said I would venture to guess it is all of them. He said, I think as staff is reviewing this, if we come up with several options for instance, a higher cap involving the HER and maybe a lower percentage, because 50% is draconian. So somewhere in there, there are several options we could bring to the Panel. Mr. Broad said I think that would be helpful because it seems to me, there is some sort of a sweet spot here, and what we have here now is draconian and we shouldn't have it, but maybe we can come up with something that does suggest to these repeat large companies that are coming here and serially going from location-to-location with very large

earnings and then they don't reach the SC amount but they are earning significant amounts of money, that there be at least some, I wouldn't call it a disincentive, but a shared responsibility.

Mr. Rodriguez asked if staff can actually identify a trend analysis from the pre 50% and post. Mr. Guzman said not really; we haven't had the HER in place long enough to see any significant forward effect from the HER; we have only had it for two FYs. Mr. Broad said, I guess we do not know if it is partly responsible for the drop off of proposals, maybe it is and maybe it isn't, my feeling, and it sounds like the sense of the Panel is that we are willing to entertain some significant relaxation of this, but maybe not the total elimination of it.

Mike Jester, Strategic Business Solutions, backed up what Mr. Duscha said. I specifically have two clients that have ten plus locations in CA, and one has had two contracts, and one is on their first, but there are other locations in the state that wish to participate that haven't had any ability to use ETP funds, and a 15% reduction would not be worth their while. One internal control you have for some of this, because part of the reason in the past was coming in for huge amounts of money. This is not the world it was three years ago; if I came to Rosa Hernandez today with one of those locations and asked for 100 hours of training for 300 employees, I simply would not get it. That same thing that would have been approved three years ago, today would be approved at 48 hours of training for 200 employees because it is more reasonable, the 70% performance situation that we have. Companies just are not going to take the risk anymore of asking for something that is more than they can chew. It is a different world than it was then too, but I will say it is definitely a disincentive. At 50% they would say if all that I'm going to get was \$150,000 and you are going to take half of it, forget it.

Mr. Rodriguez said your point is very valuable; you have actually seen companies sort of self-evaluate and assess in terms of their performance contracting; there is much more emphasis on the actual performance. Mr. Jester said yes, absolutely; so they are not going to put that much blue sky into their proposals anymore; they know better. I have one particular company that is on their second contract right now that also has locations in Roseville, San Leandro, and elsewhere and if it was going to be a 50% reduction, no way.

Ms. Roberts said I get training grants across the U.S. and I can say that CA is one of the most lucrative training programs that we have from state to state because we pay the wages of the trainees versus other states. I would hate to give up that kind of feeling because in most states, in Ohio alone, you actually have to do 50%; it is not in-kind contribution, you have to try to double the amount of the employees to get the grant. There are many states that already impose that, so I just want to let you know that CA is still above-and-beyond most of the states I get training funds from. She said so if we want to look at that again, maybe we can pump up our in-kind contribution part of the business, something like that, in order to satisfy that agreement.

Mr. Rodriguez said I don't want to make things complicated, but have we ever considered a regional approach using Labor Market information? For example, in the Central Valley, you have an employer with multiple locations and that location will be given a different rate versus one that is in the Bay Area? Mr. Broad said, my gut tells me that would be very difficult to

administer and very complicated and we would wind up with regional arguments that what might seem to be a regional approach at the micro economic level, would turn out to be kind of a miscarriage of justice, so to speak, if it happens to be that the place is in the Tenderloin, do you know what I am saying? Mr. Rodriguez said it is complicated but we do have eight regions that are captured by the state in Labor Market information, and so with a cap of wages, and economic performance and unemployment, the data is there, it is complicated; it will take significant administrative know how, but fair enough. Mr. Broad said you can certainly make any recommendation, if that is workable. Mr. Guzman said that would be extremely complicated.

Mr. Broad said so we have a motion on the table to approve everything but the change in the HER, which we will take up separately next month, with some alternatives to choose from.

ACTION: The Panel voted unanimously to approve the new funding caps and the Substantial Contribution and to reconsider the HER at next month's meeting with staff recommendations.

Motion carried, 7 – 0.

VIII. INFORMATIONAL REPORT – MARKETING ACTIVITIES

Peter Cooper, Assistant Director, provided a brief report back on the solar energy market. He said as you remember at the previous Panel meeting, Panel member Sam Rodriguez asked for a brief report and the recent changes in the solar energy market.

The industry is growing and CA is leading the nation in this area together with New York and Hawaii. Solar is already cheaper than utility power on a per-kilowatt hour basis. Not surprisingly, by far the biggest factor in the cost of electricity generated by solar, is the installation cost of the system. According to the Solar Energy Industry's Association, the solar industry has enjoyed a record year as new installations of solar photo voltaic systems grew 75% over 2011. The major cost drivers behind the growth are a steep decline in component prices and installed system costs; increased consumer awareness, and some new federal consumer incentives. These same price declines that have fueled the solar installation boom; have led to steep declines in employment among solar manufacturers. While the installation sub-sector is dominated by small firms, employment is growing most dramatically in large firms, suggesting consolidation and maturation in the market. So the solar industry is growing new jobs in CA; and the solar foundation recently reported that solar employs 119,000 Americans, and this represents a 13,000 job increase over the previous year. Solar employment is expected to grow 17.2% over the next twelve months and currently, CA has the most solar jobs in the nation with 43,700, followed by Texas with 3,200.

As frequently is true in many industries, in the solar installations industry there are some concerns about the quality of work and the risks to residential customers. It is difficult to know if installations are being done by qualified technicians sometimes, or simply by unskilled trainees.

In my opinion, the Panel should support this sector but be diligent in assuring there is quality training whenever possible. The Panel should continue to promote the high wage, high skill pathway career direction and this leads into some of the questions around marketing, which Robert Meyer will discuss. How to balance the need to market to these sectors while staying true to the accountability and the pay-for-performance model that really is the hallmark of ETP. You have huge challenges ahead of you in the coming months and years as ETP is likely to see significant increases in funding available. The marketing team is thinking about ways to partner and ramp-up our outreach.

Robert Meyer said he is part of the marketing staff. We have three staff members statewide that provide strictly marketing support services for our contracting population. The marketing staff includes Ryan Swier in San Diego and Barry Worthington in the Sacramento and Northern CA region. The three of us work with Peter Cooper and our regional office staff, including Wally Aguilar in North Hollywood. We are largely guided by our Strategic Plan and its planning process, so everything that we do in terms of marketing and outreach efforts specifically goes after the Strategic Plan. We address goals and report back on them. As we go forward we will continue to provide some specific information about the types of groups and marketing activities that we have relative to the Strategic Plan.

I wanted to touch on what we are going to do for the next few months; to increase the potential pool of applicants. We need to have more applicants coming in the door to fund; we need to maintain strong contracting models so that we can have strong projects. We do adhere to the pay for performance model; we are an incentive that is built on earning these funds so we want to build strong projects coming in, we want to work with the contracting models that are successful, and we want to replicate those wherever possible into other geographic areas and if possible, into other industry sectors. So what works for example, in construction can work in other sectors of engineering, we can work with small business and a great number of industry sectors, and we want to support that.

So what we have done is basically come up with a short term plan for the next several months to basically build out and build on our existing contracting population and the trade associations and the membership groups that we work with. New initiatives for example, the apprenticeship pilot program, have afforded us an opportunity to work with a new contracting population for new funding areas. We can use that to build on incumbent worker training for the signatory employers and we can work with the training providers to provide training for pre-apprenticeship models. Often these training providers working with the apprenticeship models have additional training that they provide; we want to reach that if there is successful performance likely. We want to build capacity to handle additional training needs around the good relationships we have developed from within the new initiative.

With single employer manufacturers and other priority industries, we want to build on positive models where we have had an impact in job creation, strong training development and regional workforce development efforts and we want to enable them essentially to champion our funding program to their membership associations, to companies within the associations which they belong, and their supplier and vendor networks. So we want to directly market with the

employer to their partnerships. So we will be actually outreaching to the membership associations, to the trade associations, the chambers, and EDCs.

One of the areas that I think is really important for us to focus in on, is job creation and retention efforts. We enjoy a strong partnership with GOBiz, the Governor's Office of Business & Economic Development, and those projects that offer us an ability to market it one time to Cal Ed membership, to the WIA programs, to the CA community colleges, the EDCs, to the SBDCs, of small business projects or areas where for many of these partners last thing they heard of ETP was we had no money. Many of the CalED members have not heard of ETP since 2011 or 2012 and into the early part of this year when we really were still in a mindset that we were trying to conserve our funding. So now that we have more funding, we have to go out and re-message. We will be actively doing that. In working with GOBiz we have an opportunity to work with other state programs and agencies that offer incentives that will complement our training funds. So we want to utilize them for networking and utilize them for co-marketing purposes; if they have lists of applicants or if they have resources where we can dive in and broadcast our message.

Lastly, we want to be more proactive with our legislative outreach in supporting events where they bring in employers, so we want to meet with the employers and the constituent bodies that are important to them. We will be reporting on any legislative events.

The second part of this initiative beyond the leveraging of these partnerships will be more focused attention on press and media. We want to place articles, and we want to place content on our projects, particularly our job creation projects in trade journals and industries focused magazines. We also want to feature articles in newsletters for example, the CA Workforce Association newsletter, to feature the projects highlighting the interaction between ETP, the Workforce Investment Board, the one-step networks, and some of the other incentives involved in these job creation projects. That partnership is what we want to champion because there are existing relationships on a local level that we can tap into to make an effective and efficient use of our marketing effort and time. We don't have a lot of resources and currently do not project an increase in marketing staff, so I am going to try and use and get all the help I can do to message on ETP. With that said if the Panel has any opportunities for presentations or people you would like for us to meet with, don't hesitate to contact Peter Cooper or myself. If you think there are groups that we could benefit by meeting with, we definitely want to pursue them.

Mr. Broad said one thought I had, and I don't know if you have thought of this, maybe you have, there are these big infrastructure projects, the high speed rail, and where there are private contractors for example, and I wonder if some of them need, are even aware, where they are doing very high end sophisticated kind of construction, very specialized, where there is an opportunity partner up by maybe approaching the high speed rail authority, or whoever is kind of the government agency, and the contractor they have chosen, say hey this is available out here for your employees to train them how to make the track or whatever they are doing. Mr. Meyer said it is funny you should mention that; we actually enjoy a strong partnership with the Department of Caltrans with transportation in Southern CA. David Knudsen is the small business outreach representative formerly with the Governor's Office of Business and Economic Development. We have been working with the Department of Caltrans and the Department of

General Services (DGS) on the idea of procurement training for small business and disenfranchised contractors specifically for infrastructure funded projects. So there is an opportunity there for us to assist a great number of contractors and then have them provide input and there are actually some employer roundtables being driven by Caltrans now regionally. So we are actually pursuing some opportunities to fund job skill training for their industry and employer constituents. It is likely going to come in through a community college, because many of them primarily work closely with community colleges to formalize, so we would like to report back on that.

Carol Farris said I want to add something along those lines, I want to totally echo what the Chair said about High Speed Rail, which is one of the departments that is going to be coming under the new transportation agency and is separate from Caltrans, although very closely affiliated. The Executive Director there, Jeff Morales, has commented that they need to do more about economic development, getting the word out, encouraging people to become involved in projects and also nurturing jobs for the future that may not necessarily be related to agriculture but any new jobs that may come up along those high speed rail lines, so I would encourage you to call them and I can help you make that connection. Robert Meyer said he would be glad to follow up on that. Peter said I was just going to interject here that Patrick Henning Sr. was just appointed to the High Speed Rail Commission, and I am in the process of setting up a meeting to explore some of these ideas. Ms. Farris said I think that is perfect timing. Mr. Broad said if there is some meeting that would be helpful for him to go to, or the Vice Chair to go to, we would be happy to go with you, if you want us to go meet with Mr. Morales, call me up, I'm there. Jan said she supports that. Robert Meyer said I appreciate your support and involvement on that. I wanted to add one thing, we received input also from prime contractors, wanting to provide training and support similar to, if you recall, an older contracting model where we train using a lead employer, we train secondary participating employers and they are very interested in perhaps providing some expertise on what would assist them with their procurement processes and increasing the quality of the projects that are being done under them for their contracts, so there are several things, but yes.

Mr. Rodriguez said Mr. Meyer does phenomenal work; and just incredible work because I have had the pleasure of working with you closely. I've come up with some observations and these are suggestions; given you cannot hire 100 people to do marketing across the state, I'd like for the staff to consider a sort of an ambassador program, I mean what you have heard from the Chair and Vice Chair, is that you have current ETP members, former ETP board members, that can, and you have also long-standing private sector success stories that could volunteer to be part of an ambassador program who probably need a little bit of training to do at least a part of what ETP does and does well. Some of these best practices have been done in the past and they work. And the other thing is that you can request, and basically do this through Labor Agency, you can request the top 100 prime contractors by Agency within the state. That information is very available; the Department of General Services is one source, and also Finance, and then that gives you an opportunity to look by industry in construction, PUC, etc. Mr. Meyer said right, I think also it allows us to specifically target our contracting bodies as well for traditionally underserved populations such as disadvantaged, veteran-owned, high unemployment area.

Mr. Rodriguez said the University of CA system has a national initiative, but it is mostly focused on economic development, and it is a great opportunity because it already exists for us to be part of that, and that is just a system conversation for us to be sort of a government partner to their efforts. Mr. Meyer said we have a preliminary application for the U.C. regions Regents, specifically U.C. Merced for the small business development centers of the Central Valley. Diane Howerton is leading that program; it is specifically for small business owner training and one of the things that they did mention early on, were several of the workforce focused initiatives within the U.C. itself, so not training their staff, but training the employers that work with them. I would also like to see within the region, some more partnerships with for example, U.C. Davis; we are actually working with the Yolo County WIB to facilitate a few of those, they are now getting i-hub recognition and I think there will be several opportunities for us to contract within there, with the companies that work with those entities. Ms. Roberts said both the Chair and I graduated from U.C. Davis. She said she does a lot of work across the United States, and I tell you California has the best training program by far and even though people may think that it is very administrative, it is really very comparable to a lot of other, and even better than a lot of other states, so any way that we can emphasize that, I know that I do a lot of grass roots efforts on my part, I hand out my cards all the time, I go to conferences and career fairs, and any time I do, I ask do you need training? Here is my card, give me a call. So on my part I do kind of grass roots marketing, but I am a big proponent of that and we have so very few incentives here in CA, I mean very few, I am just recently working on this advanced manufacturing bill with Deanna Carrillo. Mr. Meyer said yes, actually I am going to the California Alternative Energy and Advanced Transportation Financing Authority advanced manufacturing workshop on Tuesday. Ms. Roberts said she cannot attend as she will be out of town but she was invited and will be one of the pilot sites to help with that. So those are the kind of things that you know when I see that on their website, I think great, I have seen that posted there. Mr. Meyer said actually, the Treasurer's California Alternative Energy and Advanced Transportation Financing Authority program is actually going to be expanding the programs that can apply and they have sought much input on advanced manufacturing as you know. We partnered them with the C6 coalition who actually has a strong contracting history with ETP; Kern College, Fresno and College of Siskiyou's, solidly providing input on the employers that they work with in those capacities, so we are looking forward to several initiatives in the Central Valley.

I would be remiss if I did not talk about leveraging the contracting experience. When I started marketing, one of the things that I thought was most valuable, would be directly connecting the experiences of people learning the program and going through it with contractors that would be a year behind them in coming in for the first time. So many of the people that I work with, and any time they come to the Panel, one of things I stress to them when they are starting is to remember where you started from, remember what you are going to learn and how you administer, you may have some misconceptions about how difficult it is to do and sometimes it is. Your experience is going to be valuable to the contractor coming up and so as we really dig in with some contractors, particularly I would like to mention Jewish Vocational Services, which provides invaluable experience to companies and agencies that are getting started and they are actively willing to support other contractors doing this. So I try and leverage anybody that we work with to communicate how actually easy it is to work with us or if it is not easy, how can we get better. I want to find out that information so that we can utilize it and to recommend program improvements. Historically, we have been very good at adapting the program to the economic conditions. I hope we continue doing that; we have a lot of money now and we haven't previously, we have got to re-set a little bit, but we have to keep the strong projects, so whatever

we can do to replicate what works, what leads to strong performance, what has a high impact for the employers, and what is an effective use of these funds, I want to make sure we do that and it is consistent in the message.

Ms. Fernandez said feel free to utilize me, as I am a marketing representative in the construction industry. I think a good place to start off also, is with the CA Transportation Commission, they have many projects where there are a number of developers and different construction companies that come before them regarding various projects, so that is another great avenue to look at. Mr. Meyer said he would follow up with her.

Ms. Bell said you talk about construction and strategy around going after certain companies, how about agriculture? Mr. Meyer said we actively market with the League of Food Processors; we work with Rob Neenan to identify the trends, and attended the conference of League of Food Processors. We have recently seen some new co-packing projects up North, like Stapleton-Spence, and anything we can do to replicate them would be great; there is a lot of job creation and expansion projects. We actually have a couple of contracts specifically recruiting veterans' as well.

Mr. Broad said I think what I would like you to do, I know this kind of scary, but I really would like to task you with really thinking about how you could use the Panel itself to help you with this. I think there are people with many connections here. Mr. Meyer said I would appreciate that, and through a presentation with Mr. Rodriguez, have found several leads out of that and found it very valuable; so if I have been remiss in outreach with all of you directly. Mr. Broad said actually I don't think that has ever really happened, basically we have not been seen a resource for that but I think we each have different areas of expertise in construction, food manufacturing, food processing, building trades.

Mr. Rodriguez said I just want to give one clear out of the box example. I recently was at a meeting for the construction industry in the Bay Area in Oakland, and got to sit next to a union bay representative whose primary focus statewide is to provide services and loans for construction companies. He had heard of ETP and we basically brain stormed that all of his clients and all of the conferences that they co-sponsor and underwrite, should have an ETP component to it, and that just happened a couple of weeks ago. Because they are on the front line of providing capital to every business in the state, that is just one bank, but apparently many others do the same.

Mr. Hart said he was not sure what Mr. Meyer meant by procurement training, could you provide a brief summary of what that includes for the contractors and the subcontractors. Mr. Meyer said that would include assistance with bid preparation, software related to estimating, ancillary job skills that would kind of enable them to better prepare bids, bids processes to understand requirements, schematics, equipment, things such as that would help them to better prepare to bid on that type of work. Additionally, usually if they were interested in that, they will be ancillary training needs beyond that, usually in job skills and trades, so the hope would be that would likely lead to success of contracts or MEC participation; if they are small maybe owner training as well.

Ms. Bell said I agree the Panel is resourceful, passing out our cards, and when we are out there we are connected in the industry, I am with agriculture, so I look forward to working with you, you just have to reach out to us and we have eight regions, wherever we are at we can do what we need to do. Mr. Meyer said I would be glad to and as I said if you have any opportunity for a presentation or an event, or you want me to meet with anyone, please feel free to direct us to it. Ms. Roberts said I actually have ETP presentations where I have actually gone out to industry and showed them what is available to them; I have done that with Odwalla and Gallo. Ms. Bell said so maybe that is an option too where you train us and make us train the trainers, because you can only be at one place at a time.

Mr. Broad asked what is going on with the community colleges. Why are we not getting the same level of proposals that we have received historically? Mr. Meyer said my personal opinion might be that there are several grants and initiatives coming in, additional funding that typically is grant-driven, that at the same time has not resulted in increased community college staff. But there is a broad spectrum frankly. Some of the colleges really do ETP well and they just have a shop set up to do it and they are great, knowledgeable, and they have a back-up and they work well. Others don't have those resources. We are seeing with a model called a "MEC of MEC" I think as how we will refer to it, where a lead college will actually take on the administrative role and work with other colleges to build almost their own autonomous program and enable them to train and participate with ETP, but indirectly and not with the administrative oversight that they would have otherwise have, so they get direct assistance with that, we are looking at bringing a model like that forward. Mr. Broad asked would there be any benefit to having our staff sit down with the office of the chancellor of the community colleges to think about sort of reinvigorating that and making sure that various geographical areas of the state have some coverage? There are probably parts of the state where there are no community colleges, right? Mr. Meyer said in each region, almost as if you think of it as a sub-region, we try and specifically work with the community college in each area; who is the most proactive, who is working with that, so for example we work with Shasta College and Santa Rosa Junior College; their contracting presence is huge because outside of that we do not have regular projects up there. We do have them, but they are not compressed enough in a geographic area that they will naturally kind of create a synergy on their own, so a community college can play a very valuable role. We do meet regularly with Cris McCullough from the chancellor's office, usually it is in specific questions and relations to the types of initiatives they are rolling out, for example advanced manufacturing, mobile application development, things such as that, so we are seeing some traction on projects related to those initiatives, but we certainly welcome stronger partnerships.

Mr. Rodriguez said I have sat down with the chancellor's office, they have a vice chancellor for workforce development for PG&E and an executive, and there has been a change of leadership on the system side, so it is kind of left to the local community colleges, but to Ms. Roberts point, there may be an opportunity to identify anchor community colleges who are in the last five to 10 years have been very successful, takes some strategic thinking, so back to Chairman Broad's suggestion in that the Panel looks forward to working with you.

Mr. Cooper said I wanted to also mention that we are already looking at the restructuring of it, the community college chancellor's office, Van Ton-Quinlivan runs their workforce development

division, and she has restructured their staff throughout the state that have sector leaders and also geographical leaders, and so it is a really good time for us to meet with them and figure out not only how can we replicate the MEC of MEC model that Robert was describing, but how can we build on their new structure and maybe replicate the MEC of MEC in some other maybe rural areas such as in the North. So that is on our agenda and it is something that Brian McMahon from Labor Agency has tasked us with.

Mr. Meyer said if I could leave you with one last element, an important part of our marketing aspect is working with our Regional Offices. They have the direct one-on-one relationship with the contractor, so as projects ramp-up, they are thinking with the contractor about the next project. These changes that you make regarding project caps get relayed to staff of course. But one of the things we are looking at doing is improving the ways we can better support those contractors with that staff point of contact. So if the staff needs assistance or needs referrals to different programs or incentives they interact with us, and we provide them the answers they need or connections to the incentives or programs, that could assist the analyst in their support of those contracts. We want to make sure as best we can, that it is helpful for the contractors to participate and interact with us. Lastly, try and incorporate the Regional Office staff and their expertise with the projects that are coming in; so if I meet with a company and it seems a little unusual, I will try and have a staff representative with me so the development analyst can provide a more cohesive development experience for the contractors and I find that it leads ultimately to a stronger project. So we are doing that the best that we can and everyone is very busy, I hope much busier of course, but I appreciate your time.

Ms. Roberts said it is really a good thing to have more money because we have always in the past had no funds, and a worse feeling than it is today. Mr. Meyer said sincerely, I appreciate your interest in helping us do this. I know you believe in the program as we all do, but I would really appreciate talking to you about how we can work together a little more and bringing in more projects.

IX. REVIEW AND ACTION ON PROPOSALS

Healthcare Job Creation Proposals

Mr. Guzman said both Tabs #12 and #13 are both what you would call WIA Healthcare Discretionary fund projects, and that was a one-time \$560,000 allocation to the Panel, and these two projects will exhaust that allocation.

Information and Referral Federation of Los Angeles County dba 211 LA County

David Guzman, Chief of Audits, Fiscal & Program Operations Division, presented a Healthcare Proposal for Information and Referral Federation of Los Angeles County dba 211 LA County (211 LA County), in the amount of \$60,000. 211 LA County is a private, non-profit organization that provides 24-hour/7-days a week information and referral services. 211 LA County is the

largest information and referral service in the nation, helping an estimated 500,000 individuals and families throughout Los Angeles County each year. These services include healthcare, mental health, substance abuse, food, shelter, and various programs for children and seniors.

Mr. Guzman introduced Maribel Marin, Executive Director.

Mr. Broad said it is a great proposal and you have your work cut out for you getting the word out about new healthcare coverage that is available to people. He said he had heard that approximately 80% of the people that are uncovered, have no idea that this coverage is going to be available. Ms. Marin said that is correct, and enrollment begins in October 2013.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Healthcare Proposal for 211 LA County in the amount of \$60,000.

Motion carried, 7 – 0.

Sutter Health dba Sutter Shared Services

Mr. Guzman presented a Healthcare Proposal for Sutter Health dba Sutter Shared Services (S3), in the amount of \$500,000. S3 is an affiliate of the parent company Sutter Health Systems (Sutter Health), an integrated network of non-profit health care providers with 45,000 employees worldwide. The majority of affiliates is located in Northern California, and provides ambulatory, acute care, home health, and other healthcare related services. Currently, support services are provided at 19 facilities throughout Northern CA.

Mr. Guzman introduced Bruce Monson, Human Resources Director.

There were no questions from the Panel.

ACTION: Mr. Hart moved and Ms. Fernandez seconded approval of the Healthcare Proposal for S3 in the amount of \$500,000.

Motion carried, 7 – 0.

Single Employer Proposals

Success Healthcare 1, LLC dba Silver Lake Medical Center (presented out-of-order)

Mr. Guzman presented a Proposal for Success Healthcare 1, LLC dba Silver Lake Medical Center (SLMC), in the amount of \$396,660. SLMC has two facilities with a total of 234 licensed

beds: a general acute care hospital in Los Angeles (Downtown Campus); and a psychiatric facility in Rosemead (Inglese Campus) dedicated to behavioral health services.

Mr. Guzman introduced Robert Brown, Chief Operations Officer and Chief Nurse Executive.

Mr. Broad said it appears that you performed admirably on your second contract. Mr. Brown said yes, in its second contract the hospital was in a state of re-stabilization from a disruption that occurred prior to the new ownership. He said they used the funds to train the staff that was currently there as well as do some new creation and hire new staff. Now that we are a fully-stabilized facility, we are in a state of acute growth and have many programs on the table, many new physicians in the hospital with lots of room for expansion.

ACTION Ms. Roberts moved and Ms. Bell seconded approval of the Proposal for SLMC in the amount of \$396,660.

Motion carried, 7 – 0.

CTSI Logistics, Inc.

Mr. Guzman presented a Proposal for CTSI Logistics, Inc. (CTSI), in the amount of \$26,680. CTSI was founded in 1989 as a freight forwarding company. Eventually, the Company began to offer clients more diverse business solutions by becoming an integrated logistics provider. Through a strong global network and various information technology solutions, CTSI is now able to manage distribution and warehousing through to the end consumer.

Mr. Guzman introduced Herminio Heraldo, Vice President & General Manager.

Ms. Roberts said thank you, you were very articulate in telling us what happened, it a small amount, and I believe it is very doable with your sixteen employees.

ACTION: Ms. Roberts moved and Mr. Hart seconded approval of the Proposal for CTSI in the amount of \$26,680.

Motion carried, 7 – 0.

DreamWorks Animation SKG, Inc.

Mr. Guzman presented a Proposal for DreamWorks Animation SKG, Inc. (DWA), in the amount of \$324,000. DWA specializes in computer-generated animation for film and television, visual effects, television specials and series, live entertainment, commercials, and other types of digital

products. The company also produces, distributes, and releases films and market-licensed consumer merchandise.

Mr. Guzman introduced Antoinette Salvadori, Head of Artistic Development and Training.

Ms. Roberts said this is great, I have never seen ten pages of training materials, and it includes very interesting terminology for your training. She said these are the kind of projects that I want to see.

ACTION: Ms. Fernandez moved and Mr. Hart seconded approval of the Proposal for DWA in the amount of \$324,000.

Motion carried, 7 – 0.

Lockton Insurance Brokers LLC

Mr. Guzman presented a Proposal for Lockton Insurance Brokers LLC (Lockton), in the amount of \$276,500. Lockton is the world's largest privately-owned, insurance brokerage firm. The company provides insurance, risk management, and employee benefits services to individuals and commercial businesses worldwide.

Mr. Guzman introduced Sandra Ramos, Associate Development Specialist and Michael Dupree, Associate Development Coordinator.

Ms. Roberts asked if there are four locations they will train in. Ms. Ramos said yes, that is correct, and they are all in Southern CA. Ms. Roberts asked if all of the locations have a dedicated coordinator at each location to assist them with the training. Mr. Dupree said he is the coordinator. Ms. Ramos said they are based in Los Angeles, so the initial and coordination will begin with us, but we will travel to our training locations.

Mr. Rodriguez said, since you mentioned Obamacare he asked if they are an eligible provider on the exchange. Ms. Ramos said, how Obamacare comes into their agency is that they provide employee benefit services to commercial insurance companies and commercial businesses. So their associates must master and become experts in Obamacare in order to find the best packets for the clients to choose from including the new laws, legislation, and pricing. Mr. Rodriguez said, so you are not part of the California covered provider? Ms. Ramos said no, they are the broker, so we must learn everything and transfer it over to our clients.

ACTION: Mr. Rodriguez moved and Mr. Hart seconded approval of the Proposal for Lockton in the amount of \$276,500.

Motion carried, 7 – 0.

Mitchell Laboratories, Inc.

Mr. Guzman presented a Proposal for Mitchell Laboratories, Inc. (Mitchell), in the amount of \$157,560. Mitchell performs non-destructive materials testing, engineering, consulting and quality services. Company clientele include businesses from the automotive, aerospace, nuclear power, ship building, composite materials and government business sectors.

Mr. Guzman introduced Karl Werner, Director of Training, Certification, & New Technology.

Ms. Roberts asked staff about the range of hours from 8 to 200 hours. She said I know we discussed raising the cap to 200 hours; but asked why we want to go as low as 8 hours. Mr. Guzman said 8 hours is the standard minimum for small business.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Mitchell in the amount of \$157,560.

Motion carried, 7 – 0.

Noushig, Inc. dba Amoretti

Mr. Guzman presented a Proposal for Noushig, Inc. dba Amoretti (Amoretti), in the amount of \$37,440. Amoretti is a family-owned business for more than 25 years, that makes 2,500 food and beverage ingredients. This includes flavorings, extracts, compounds, icings, pastes, sauces and food colors. The company also makes edible perfume sprays, candies, and flavored oils. Amoretti creates, designs, formulates, manufactures, fills, bottles, packages, and ships product from its single location in Oxnard. Customers around the world include patisseries, chocolatiers, ice creameries, five-star hotels and restaurants, industrial bakeries, gourmet coffee chains, and private chefs.

Mr. Guzman introduced Roland Cooper, Chief Information Officer.

Mr. Broad said, you are increasing the training hours of some of these people, they need to get all of the training, and they will all receive the increased hours of training? Mr. Cooper said yes, they will all receive the training. Mr. Broad said it is a fairly small contract amount for us, but it is a fairly ambitious proposal for you, given where you are. So you feel pretty good this time around to being able to complete it and track it? Mr. Cooper said yes, we do.

Ms. Bell said there seems to be a huge labor shortage in the Oxnard area. Mr. Cooper said yes, there is. Ms. Bell asked how they are finding their employees and their strategies about that. Mr. Cooper said grass roots; he goes out everywhere, even to Costco, to find people fresh out

of school, from colleges, and just good people. Ms. Bell asked for their retention rate. Mr. Cooper said it is really high, well over 99%. Mr. Cooper said they have a very strong vetting process during the hiring. Ms. Bell asked about the hiring process. Mr. Cooper said you meet with him, the owners, and existing staff, it is more over a culture fit. I can teach you anything, but I can't teach you to have a clean heart and be honest. Ms. Bell said so if you have a 99% retention, how are you going to train people and keep people employed. Mr. Cooper said everybody gets promoted; the job is to replace yourself. Ms. Bell said so everyone gets promoted? So what does that look like? Mr. Cooper said you may come straight in as a customer service representative, and you must understand our systems and a very low level of our products. We have well over 2,500 products in ten different pack sizes, so you get up there in the number of items that you have to memorize. But it is food related, so everything is formula-based, it is not just cookies and creams; it is the flavoring for a cookie, a mint chocolate chip cookie, someone wants to make 1,000 pounds of cookies, how much product do you need to make that? So it is the training of that, and after you have mastered being a customer service representative, now you could become a customer retention specialist or they may be assigned to a group of customers and you need to know them very well and understand them. From there you could go into managing training, cooking classes, photography classes, video classes, so everyone there has another passion besides just working. Ms. Bell asked if it is a two-shift operation. Mr. Cooper said it is a one-shift operation. Ms. Bell asked who their competitors are. Mr. Cooper said it is difficult to say. Ms. Bell asked if any other companies do what they do. Mr. Cooper said no, not really; there are other people that do have flavors and that do formulations, other companies that maybe buy something from somewhere else and then resell it. We make everything in Oxnard; everything is made, sold, shipped, packaged out of Oxnard; nothing is bought from somewhere else; we make it all there which is why training is so important.

Mr. Rodriguez asked where they are located in Oxnard. Mr. Cooper said between Rose, Rice, and 5th and, say, Gonzalez. Mr. Rodriguez said yes, so just north of downtown. Ms. Bell asked if it was near the Hilton. Mr. Cooper said yes, that is correct.

Mr. Rodriguez asked if they ship out of the port or the airport. Mr. Cooper said whatever the customers want; they go everywhere whether it is small or large, by air or by land.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Amoretti in the amount of \$37,440.

Motion carried, 7 – 0.

Paramount Citrus Packing Company LLC

Mr. Guzman presented a Proposal for Paramount Citrus Packing Company LLC (Paramount Citrus), in the amount of \$482,400. Paramount Citrus is headquartered in Delano and operates a packing plant in Visalia. With approximately 47,000 acres of citrus orchards, Paramount Citrus is the largest producer of fresh citrus in the United States.

Mr. Guzman introduced Mary Lou Gonzalez, Human Resources Manager; Pete McKenzie, Senior Director of Operations; and Steve Duscha, Consultant.

Ms. Bell asked if they are owned by Roll International Corporation. Ms. Gonzalez said no, that is our other farming operation and Paramount only focuses on citrus. Ms. Bell asked if Paramount Citrus is a separate company that handles pistachios as well. Ms. Gonzalez said no, that is our other farming operation. Ms. Bell said I understand that, but the pistachio is part of the Roll International Corporation? Ms. Gonzalez said yes, that is correct. Ms. Bell asked what else is underneath it. Ms. Gonzalez said POM Wonderful and Fiji Waters, and Teleflora.

Ms. Roberts asked if they sold Cutie, the Cutie brand. Ms. Gonzalez said yes, last season they sold under the Cuties brand. Unfortunately, due to a partnership, we have dissolved, and now will be under the new Halos brand, so please be looking for that in the stores. Mr. McKenzie said it is just as good as the Cuties brand, even better.

Ms. Roberts asked about logistics around the substantial contribution. It says you earned 94% of the \$447,000; if I do my math that is over \$250,000 and opens the possibility of a substantial contribution. Mr. Duscha said the substantial contribution does not apply because it was a job creation project with all new-hires.

Ms. Roberts had a question about the delivery of training; I know you have been very successful on your last training so obviously you have got it all in hand about how you deliver the training. So you train now, is this the off-season, so this a good time to get the grant to begin the training? Ms. Gonzalez said that is correct, yes, with your approval we would begin training July 1. Mr. Duscha added that people would be in training full-time.

ACTION: Ms. Roberts moved and Ms. Farris seconded approval of the Proposal for Paramount Citrus in the amount of \$482,400.

Motion carried, 7 – 0.

Success Healthcare 1, LLC dba Silver Lake Medical Center

This Proposal was presented earlier out-of-order in the Agenda and was approved.

Verengo, Inc.

Mr. Guzman presented a Proposal for Verengo, Inc. (Verengo), in the amount of \$460,000. Verengo provides residential solar solutions to homeowners throughout CA, New Jersey, and New York. Verengo has four locations in CA: a headquarters in Torrance and three facilities in Anaheim, Concord and Fresno. Verengo is a licensed contractor recognized by the Go Solar

CA campaign, a joint effort of the CA Energy Commission and the CA Public Utilities Commission.

Mr. Guzman said this proposal was originally presented to the Panel on May 23, 2013, but was held over to this month. The Panel agreed to extend the hiring window to a period of four months prior to approval (i.e. retroactive to the Panel meeting of February 22, 2013).

After the May Panel meeting, Verengo provided information to the Panel members; you have a packet in front of you with letters. One letter is dated June 7, 2013 from Robert Schmeer, VP of Human Resources; another letter is from Randy Bishop, Chief Executive Officer dated June 12, 2013; and there is a fax sheet including information about the solar industry in general, and more specifically about Verengo and the business model. Mr. Guzman asked the Panel if they had any questions before introducing the company representative.

Mr. Guzman introduced Robert Shneer, VP of Human Resources.

Mr. Broad said let me just make a couple of preliminary points because this was held over from last month, due to significant discomfort from the Panel members. What we requested, and what the company has provided, is significant information. I don't know if it answers all of your questions and I don't know if anyone feels like they would like to take a few minutes to read this and we can come back to it and digest it, because I'm not exactly sure myself what all of the concerns were. But one thing that we do owe anyone who comes up here is a significant explanation as to why we are doing what we are doing. So if there are issues that Panel members are identifying here, we need to make it clear, and hopefully the information provided answers some of the questions. Does the Panel wish to proceed or take a short break to read the materials since it just arrived today?

Ms. Roberts said her concerns were the training methods, how you train, since they are a solar company. She said her questions don't seem to be answered in the materials received. Mr. Rodriguez said the question at hand is does the Panel need a couple of minutes to review the materials or do we want to ask questions? Mr. Broad said yes, so if any Panel members want to take a few minutes now, let it be known. None of the Panel members requested time to read the materials before moving forward.

Ms. Fernandez said she had a question of staff; her large issue last month was the wages, who was going to receive bonuses, and whether or not that was considered part of the initial wages for the workers. So I would like to see that whenever bonuses are brought before us, I would like to see a breakdown of how many workers are making a certain amount of money, how many will be affected, and what the bonuses are to that individual job classification; I would like to see that breakdown because I am not comfortable proceeding with a contract that isn't clear to me who is getting what, and how the wages are distributed and how bonuses are distributed, so those are my concerns.

Mr. Broad said, so let's take it one issue at a time. So the first question we would like you to answer is how you calculate bonuses and if we are being asked to do a wage waiver to reduce the wage, are you using bonuses to reach a reduced wage in order to meet that standard. So are we really talking about someone who is earning minimum wage who gets to \$11 per hour by earning a bonus which they are not guaranteed? That I think, is a legitimate question. Ms. Fernandez said yes, those are exactly her concerns. Mr. Guzman said just for clarity, for the job creation element in Job Number 2, all job creation occupations or jobs include the lower wage; that one is not a wage modification - that is a standard part of job creation. The wage modification being referred to is for the Job No. 1 participants, from \$14.69 down to \$12.02 for a limited number of participants who are in a high unemployment area and the rest of it, the Verengo representatives would have to answer.

Mr. Broad said so the question is, is the bonus being calculated to reach whatever minimum wage we are using including the reduced one? Mr. Shneer said no, it is not. Mr. Broad asked so they will reach that on their base wage? Mr. Shneer said the base plus I believe we included the benefits portion as well as part of that. Mr. Broad asked if there were any further questions about the bonuses. Ms. Fernandez said I would just like to see from anyone coming before the Panel who is mentioning bonuses - I want to see that breakdown in the Panel packet. You have answered my questions; but to staff, that is something I would like to see included in the Panel packet in the future.

Ms. Roberts said how it is delivered, that was my question. You are bringing on 350 new employees, right? So you are going to do pre-training before they actually hit the streets, so to speak? Mr. Shneer said yes. Ms. Roberts asked if that would all be classroom and delivered by in-house instructors. Mr. Shneer said yes, we require classroom training before we put people out on the job. We have a group of field installers, solar installers; they go through a two-day training program and then they go out to the field and get additional training on the job. They are working on different types of roofs, with different structures, it is hard to replicate all of that in the classroom, so they get additional training on the job as well, but there is the two-day structured training for them before they go out in the field. He said the sales team receives two weeks of training. Ms. Roberts said, so there is on-the-job training; just so I understand it, will someone oversee that? That is a problem for me when you say that, because now I am thinking they are actually production workers, working for you and the training is going to be very limited. Will there be a buddy system? How do I know they are not doing production work instead of just getting training? Mr. Schneer said each job they do, and each installation they do has a crew foreman. He said the typical team size is five to six people and when they have a new hire, they add an additional person to the crew so it stays just as productive, and the foreman or one of the more experienced installers, demonstrates what they are doing to the new hire so they can learn through observation, and the next day they begin getting more involved in hands-on activities, and by the end of the week, ideally they are up to speed and able to do a lot of those tasks on their own.

Mr. Guzman said the Panel does approve what we call productive lab training in that situation. It is similar to on the job training, but it is not the same thing, and it is a very structured training plan and we have been doing that for several years. Ms. Roberts said yes, I knew that, but I'm worried about solar installers because I know it is all about sales, installation, maintenance, and

I'm just worried that they would be out there hammering away and no one would be overseeing their training methods, so that is what I'm saying. They hit the streets after two days and then the training stops. Mr. Broad said yes, this has always been our issue of on-the-job training and productive laboratory, whether we are just paying the wages of someone going to work and there is no real oversight over the training, is that the issue you are getting at? Ms. Roberts said yes, that is it. Mr. Broad asked how you will ensure that does not happen. Mr. Schmeer said that is a fair question; so the first thing I would reference is what I mentioned earlier about our crew size. We staff each job with an additional person when there is a new hire, and they are not expected to contribute actively to the construction for the first few days. They are there to learn, there to train, but we are doing it out in the field so they can learn in real time. Secondly, because the market is growing so quickly there are many competitors flocking that space, and the way they have differentiated themselves is through quality and the customer satisfaction that has been their biggest generator of business, through word of mouth and referrals. We take quality very seriously; if we start messing up installations and people's roofs are leaking, obviously that hurts the business, so we have a tight focus on quality and there is nothing we would do to jeopardize that, which is what has made the business successful. Ms. Roberts said the other thing is that she wanted to do her due diligence on this company, so she got online and looked at all of your programs and reviews, and you know even though it was 50-50, it was 50 negative and 50 positive reviews that I have seen. I felt that it was not overly negative; it was fairly neutral because people are going to be unsatisfied with something I'm sure, whether it is cost or installation service, or whatever. I feel more comfortable knowing that I did my due diligence.

Mr. Rodriguez asked if the formal supervisors are full-time employees or independent contractors. Mr. Schmeer said they are employees. Mr. Rodriguez asked if the curriculum is available online for frontline workers or basically carried by the supervisor. Mr. Schmeer said not yet, we are getting there; it is all classroom-based right now but we are looking to move some of it online in the future. Mr. Rodriguez asked if the sales staff is not also installers. Mr. Schmeer said correct; however, they don't install but they do site assessment. So our sales staff, this is in-home sales, they are going out to a home and talking to a potential customer, and part of their responsibility is to evaluate the site, so they need to be knowledgeable about roofs and solar technology and electrical panels, and all of those things as well, so that is part of the training curriculum they receive, it is not just pure sales. Mr. Rodriguez asked if the company and your customer contact, are they providing the financing or is it referring? Mr. Schmeer said they do not provide financing and they have multiple partners who do the financing for our customers, they are purely installation. Mr. Rodriguez asked how the customers learn about financing. Mr. Schmeer said we tell them about financing when we are talking to them or doing a sale, we present financing options to them and that is one of the different options that they consider.

Mr. Broad said his question from last time, is we have this classification called electrician/installer, but legally there is a difference between an electrician and an installer. That is to say, electricians are certified by the state and there are certain things that you cannot do such as getting into the panel box - many things only a certified electrician can do. I want some reassurance here that we are not paying installers to do what the electricians do, because electricians cost more than installers. We are on the roof of someone's house here, and we have one employee earning \$10 per hour and one earning \$27.50 per hour, so that is an issue that I see in this. Secondly, as a subsidiary question for staff after that first question is

answered, these apprentice programs and other things we fund; we make them prove they are certified. Are we assured that the electricians receiving this training are electricians who are actually certified electricians? Because out there in the world there are people that get called electricians who are not, and this is an area where there are some issues that have publicly arisen around consumer protection in the home improvement industry generally. It has always been an issue of heightened concern about consumer protection and I think all of us, I am feeling this too, sometimes you have to go with your gut. I don't want to read in the paper that our money went to a company where the CEO is going to be hauled off. I don't want this to be an Enron situation and this is a rapidly growing industry with much demand. He said last week his 78 year old mother got a cold call at her residence saying we'll put the panels on the rooftop and it won't cost you anything. Not only do you have to make sure you do it, but you have to make sure your neighbor does it, and hurry up before it is too late. I got the call and told Mom to put the checkbook away and lock the door. It wasn't your company, but it was a competitor of your company, so that is the context in which we are dealing with this and why we are being so careful here. So if you could answer the question about electricians I would appreciate it.

Mr. Schneer said he absolutely understands Mr. Broad's concerns since it is a new industry. He said I need to apologize regarding the application. We combined the installers and electricians on one line so it gives the appearance it is a single job; it is not. They are two separate jobs, we recruit for them separately, and they have very different job responsibilities. Our installers earn a lower wage than an electrician; they are up on the roof putting in rails and panels, and we have a certified electrician on every job that is down on the ground working at the electrical panel and handling all of the wiring. It is two separate jobs, all of our electricians are certified, and I hope that answers your question. Mr. Broad said so staff will clarify that anyone who is an electrician receiving training will be certified and that we will not train anyone who is not certified for work that only someone certified can do. Mr. Guzman said that is correct, electricians in the State of CA are state certified and that licensure is state recorded, you can look that up. They also have outstanding records in terms of their business licenses, they are A-plus through the Better Business Bureau and their contractor state board license is completely up to date; we both have done that due diligence. In terms of other factors, I went through the website, I didn't focus on Angie's List or any other list, but I went through several rating systems but the vast majority of the complaints are what you would expect in a normal interaction in a business community between the customer and the business. The customer service comments were predominately positive in the ratings I saw, so we did a great deal of research and due diligence on this and I feel personally very positive about this.

Mr. Broad said I have one further question, and I am prepared to move this project and vote for it.

Given how busy you are and that this is a \$460,000 first contract for you. Obviously you haven't heard this, but we have been around and heard proposals where the training does not get done because either the business collapses because of a recession or everyone is so busy you need to get everybody out there because there is so much work to do that you really don't have time to do the training. So the question is, I'm inclined to reduce this and make it one of our one-two specials, to return for a second round of funding, and that is probably where I am going. But I want you to explain to tell me why I shouldn't do that unless you are fine with doing it. I may do

it anyway; but I would like you to explain to me why we don't need to worry that this training won't get delivered at this level because every last person you can grab off the unemployment line is getting shoved out there to put these panels up.

Mr. Guzman said, may I make just one other comment about our due diligence. We went through the Employment Development data base to look for employment numbers and over the last two years, we saw between 2010 and 2012, an increase in over 300 positions for reporting wages to the Employment Development Department, so we have seen very rapid growth in the last two years so there are new positions being added to this company, and we have confirmed that.

Mr. Schneer said the short answer to the question is we would probably be out of business if we pushed people out on the job very quickly. On the sales side, our sales people run typically a warm lead, someone who has expressed interest, or has been pre-qualified. Those leads cost the company quite a bit of money to generate through marketing expenses. If we were to start running sales people out on warm leads without any training or background, their likelihood of turning that into a sale would likely be pretty bad without training. So we have no incentive at all to send our sales people out without having been trained. We want them to be trained, ready to go because of the investment made in those leads; that is the sales side and I don't see that changing at all and it would not be good for business.

Mr. Schneer said on the installation side, we are actually hoping over time to go in the other direction. I talked about the two-day classroom training that they get now plus the on-the-job training. We would like to get it to a point where we have them in the classroom for up to a week. Again, going back to what I was saying earlier about what we feel differentiates us is quality; and sending guys out without any training, we know that is not good and we don't want to do it. Mr. Broad said, but even two days of training plus a little on the job training is not much when they are drilling through your roof, right? Mr. Rodriguez asked if there is anyone on the staff that has experience with either ETP training or government funded training and the reporting requirements. Mr. Schneer said no, there is not; we partner with a consultant who is teaching us and coaching us to get us up to speed.

Mr. Broad said I am going to approve this project at half of the originally requested amount at \$230,000, you can come back for the other half, show us that you can do the first half and everything is running smoothly, you are earning the money and then you can come back and we will undoubtedly approve the second half if the first half goes well. We do this a lot in situations where there are first-time companies that come here that bite off more than they can chew. I have a sense that maybe you may be biting off more than you can chew, sometimes our reporting requirements require a fair amount of investment by the trainers in the company, and we frequently get these poor performances, you have heard some of it today. We didn't realize what we needed to do, or we didn't do it, or we managed to train but we did not record the training to earn the money.

ACTION: Mr. Broad moved and Mr. Rodriguez seconded approval of the Proposal for Verengo in the reduced amount of \$230,000, reserving them the right to return for the other half of remaining funds with proven performance.

Motion carried, 7 – 0.

Michelle Rigner, Consultant from Training Funding Partners, said they had talked with staff and worked with them over the past month and recognized there may be a possible reduction expected, but they were not expecting a 50% reduction. Mr. Broad said the Panel has already voted and passed the motion to reduce the project by half. He suggested they train their employees and make sure it is done right. He said I am glad you are involved in it, and you really need to be on top of this project because I think that if I could read the Panel members, they are going along with my motion, but maybe with a little concern, so don't prove me wrong please.

WWF Operating Company

Mr. Guzman presented a Proposal for WWF Operating Company (WhiteWave), in the amount of \$543,440. WhiteWave is a wholly-owned subsidiary of Dean Foods Company. The manufacturing plant is located in the City of Industry and is the company's only California location. WhiteWave products include dairy, soy and coffee additives. WhiteWave is known for producing natural and organic beverages, which include Horizon®, the leading national organic dairy brand; and Silk®, the national category leader in natural and organic plant-based beverages including Silk®, Soymilk Silk®, PureAlmond and Silk® PureCoconut. WhiteWave also makes International Delight® and LAND O LAKES® liquid dairy products.

Mr. Guzman introduced David Voorhees, Plant Manager.

Ms. Roberts said this is a good contract; we have business down in the City of Industry, Naked Juice. Mr. Voorhees said yes, we share common parts often and even employees once in a while I think. Ms. Roberts said yes, we do; very good at 100% on your last contract.

ACTION: Ms. Roberts moved and Mr. Hart seconded approval of the Proposal for WhiteWave in the amount of \$543,440.

Motion carried, 7 – 0.

Boston Scientific Corporation

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Proposal for Boston Scientific Corporation (BSC), in the amount of \$672,100. BSC is a worldwide developer,

manufacturer and marketer of medical devices that are used in a broad range of interventional medical specialties including cardiology, urology, gynecology, and neurovascular intervention. BSC's products and technologies are used to diagnose or treat a wide range of medical conditions, including heart, digestive, pulmonary, vascular, urological, women's health, and chronic pain conditions.

Ms. Hernandez introduced Arturo Araiza, Sr. Production Training Supervisor and Bob Wilson, Senior T&D Specialist Operations.

Mr. Rodriguez asked if they are having a shortage in recruiting engineers and what type of engineers do you recruit for employment. Mr. Araiza said to his knowledge, there is no shortage with recruiting engineers. He said they have multiple programs that work through internships where many of them come in as interns, and we give them the opportunity to get some experience and work for us and based on their graduation and the skills we need, many of them return into many different positions. Mr. Wilson said, and just to add to that and tie it together for your discussion with local community colleges and city colleges, we also partner with a number of the colleges in our local areas and recruit interns directly into those programs. Mr. Rodriguez said, so there are no barriers for employment for kids coming out of college. Mr. Araiza said no, there are not.

ACTION: Ms. Roberts moved and Ms. Farris seconded approval of the Proposal for BSC in the amount of \$672,100.

Motion carried, 7 – 0.

Cox Communications California, LLC dba Cox Communications California

Ms. Hernandez presented a Proposal for Cox Communications California, LLC dba Cox Communications California (Cox), in the amount of \$456,656. Cox is a cable entertainment and broadband services provider for residential and commercial Southern California customers. The company's products include analog and digital video cable television services, local and long-distance telephone services, high-speed Internet, data and video transport services, and national and local cable advertising.

Ms. Hernandez introduced Delvin Diaz, Director of Operations Training and Risk Management.

Ms. Roberts said that was a great discussion in the presentation you provided us. You have excellent performance and you should be very proud of that. She said based on what some people talked about earlier, people were not coming to the Panel because of the HER, I see that you didn't seem to blink on that. I have a question to our Acting Executive Director, in case if we do approve reducing or eliminating the HER. Ms. McAloon said, as we proposed the caps and everything else in the Memo, it would be effective July 1, 2013. So if they were to come back for an amendment later based on performance, of course to go up to the cap they could do that,

and then whatever you decide to do at the next meeting, the HER would be applied at the time of the cap. But it would be based on performance so the HER would be whatever the Panel approves. Mr. Broad said right, so they would benefit from that and that seems fair.

Mr. Rodriguez said you have had very successful past contracts combined in over \$1M in the last several years. You are the only cable company, to my knowledge, that has come to ETP and been successful. So I look forward to you having a conversation offline with Peter and Robert to sponsor a telecommunications workshop about ETP and invite cable operators, both public and private, to share about your success and how it was done. Cox now was public, and is it not privately owned again? Mr. Diaz said yes, that is correct.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the Proposal for Cox in the amount of \$456,656.

Motion carried, 7 – 0.

Southern California Aviation, LLC

Ms. Hernandez presented a Proposal for Southern California Aviation, LLC (SCA), in the amount of \$99,900. SCA is a wholly-owned subsidiary of Commercial Aviation Services, LLC. The company provides transitional aircraft maintenance, engine maintenance (on/off wing), aircraft disassembly, inventory and storage for aircrafts from all over the world. SCA also provides aircraft maintenance and storage services to commercial aircraft customers both inside and outside of California. The company's customers include major airlines, leasing companies, and private owners.

Ms. Hernandez introduced Alexander Smith, IT Administrator.

Mr. Hart said I appreciate the fact that you came to the Panel with a plan to improve.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded approval of the Proposal for SCA in the amount of \$99,900.

Motion carried, 7 – 0.

Derivi Construction & Architecture, Inc.

Ms. Hernandez presented a Proposal for Derivi Construction & Architecture, Inc. (DCA), in the amount of \$4,004. DCA was established in 1979 in Stockton, CA and provides architecture, landscape architecture, and interior design services to institutional, commercial, residential,

government, and transportation clients throughout Central California. Current clients include Kaiser Permanente, Humphreys College, Stockton Unified School District, the City of Stockton, Caltrans, and In-Shape Health Clubs, Inc.

Mr. Broad said I realize this is a very small project but if there are six employees that are being trained with a 22% turnover, aren't they almost guaranteed to not earn the money? How does that work? Mr. Guzman said I believe they lost two people in the last couple of years and we measured turnover in the last two year period. So if they had two people leave the company it would end up being a high turnover rate. Mr. Broad said I want to make sure they can do this.

Ms. Hernandez introduced Christina Frankel, Principal Architect.

Mr. Broad said actually, you more than answered our questions and I am sorry you were brought to the Panel. What was happening by way of explanation is we were starting to get some larger businesses applying in these fast-track applications for sizeable amounts of money, \$70,000 to \$80,000, and then having poor performance, and I felt uncomfortable approving them without the Panel looking at them. On the other hand, I think it is going too far to have you come to the meeting, so I think what I will suggest as benchmark to the staff so that we don't overdo this because I think we are, and it's my fault. I want to apologize to you for you having to come to the meeting today because I don't really think it was warranted. I think as a benchmark if you do not approve for any more than what they earned even if they had poor performance, whatever they earned, if you don't approve them for more than that, we will leave them in the fast-track process. If they want more than what they earned before and they are insisting on it, then maybe there is an argument for them coming before the Panel to make the case for that. One thing I wanted to tell you in what you said earlier, you're right in a way, maybe this is Government speak or something, and I thought the way you did when I first got to the Panel, if we only use half the money we are saving the state half the money. The problem is what we are doing is that we are encumbering that money, so it is not available for someone else.

Mr. Broad said, so really the issue is, and I believe this is a common issue, not having eyes bigger than your stomach as your mother used to say. There is no shame in saying we are just going to train half our people as opposed to all our people because that is realistically what you can handle. Some people think because the funds are there we might as well ask for all of it, because it is no big deal to earn less and I get that. It is not illogical but it does not actually fit with the way this system is funded because if everyone did that what we would be doing is encumbering large amounts of money that could never be used. It would simply roll over vast sums of money because somebody would come in and say I want a half a million project and I earned \$250,000, and there is \$250,000 laying out there now. We can guess that we can encumber a certain amount of it, but we can't hand out more than we have. So that is where the issue comes in, about right-sizing this project. That being said, I am sort of sorry that you were subjected to this level of torture, a small amount is appropriate but this amount is probably not appropriate. Ms. Frankel said, what it did do, is give me an overview from a small business perspective micro business perspective, that maybe you look at a slightly different set of guidelines and requirements for small businesses because this part of the process was burdensome in the amount of paperwork we had to do. Basically what that means, even though we are going after money, we are not going after work and we don't have staff that is committed

to full training. I'm a principal and going to be an owner, and I'm up here for a great amount of time to justify what is a very small portion of what we could be making somewhere else. Mr. Broad said I completely understand; I have a micro business that is more micro than yours so I completely understand. Ms. Frankel said, so if there was a way you could maybe set different criteria; outreach would have helped for us; if we would have known what our requirements would have been for this package, we might not have proceeded because of the amount of time we already invested. Mr. Broad said I understand that, and I think we are discussing how; part of our problem with small business proposals is that our system is in the process of being upgraded so we can track things statistically. We have to be able to tell the Legislature, here is how many people we trained, here is what they do, what industry, where they live, work, earn, and to do that we tend to put a small business through more or less the same processes as a large business, and it is burdensome. And the other side of it, if I look at my own business and compare it to yours, and it is quite similar, anything that the principals are not doing to make money takes time away from making money generally, and so if we have to train our non-professional staff, it is not going to be us keeping track of it; we don't have the capacity to watch them as it is, and we just hope everything works ok and if they need training, we say go out and go take a class. Ms. Frankel said I was going to say, an SBDC class would have been free, where I could have gone in and learned everything I needed to know in two hours, and then provided the package that you were looking for. Staff has been enormously helpful but it has been time-consuming trying to justify to the Panel exactly what. If there was a way we could have gained the information first-hand easily, in our own time in a way we could control it, then I think that would have been the most cost effective way to do it. Mr. Broad said, so if you walked in there and said you only earned \$6,000 on your \$12,000; don't apply for more than \$6,000, you probably would have been fine with that? Ms. Frankel said yes. Mr. Broad said, but you only applied for \$4,000. He said we are going to streamline that; I'm sorry you were the guinea pig. Ms. Frankel said I appreciate it, thank you, if I have helped the process for the next person that is positive.

ACTION: Mr. Broad moved and Ms. Roberts seconded approval of the Proposal for DCA in the amount of \$4,004.

Motion carried, 7 – 0.

Esurance Insurance Services, Inc., a Subsidiary of the Allstate Corporation

Ms. Hernandez presented a Proposal for Esurance Insurance Services, Inc., a subsidiary of the Allstate Corporation (Esurance), in the amount of \$494,480. Esurance provides personal auto, motorcycle, renters and homeowners insurance directly to consumers online and through select online agents, nationwide.

Ms. Hernandez introduced Gabriel Urrea, Senior Manager of Corporate Learning.

Mr. Broad asked about their company growth, is it because, obviously there is not a 30% growth in the number of drivers and there is more than one insurance company, so does that mean at

least in part, some of the business is shifting from the traditional way insurance is sold to the Internet? Mr. Urrea said no, we are actually increasing our policies and force by 30%. Mr. Broad asked what they attribute the growth to. Mr. Urrea said two things contribute to that: they have a great new parent who is allowing them to do much marketing, and they are also building on their brand trust. While they are unlike the traditional agency, we now have that core market of folks that want to do things themselves at whatever time they want to and because of the technology, they are attracting a lot more of the preferred customers than they ever did. They started with the young first time drivers and they are now entering the market of preferred because of that. The brand building has created trust, and that trust, through Allstate, has allowed that kind of growth.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Esurance in the amount of \$494,480.

Motion carried 7 – 0.

Sunrise Medical (US) LLC

Ms. Hernandez presented a Proposal for Sunrise Medical (US) LLC, (Sunrise Medical), in the amount of \$235,440. Sunrise Medical is an international manufacturer of customized wheelchairs headquartered in Fresno. The company was initially started in reaction to a friend's hang gliding accident with the goal of building a flexible, ultra-light wheelchair that would allow an active lifestyle. Since then, the company has grown its wheelchair line. The company has been innovative, creating customized wheelchair lines to address a variety of patient injury/health challenges.

Ms. Hernandez introduced Krista Olson, Human Resources Specialist.

Ms. Roberts asked if they had the Quickie brand. Ms. Olson said yes, Sunrise Medical manufactures the product Quickie.

ACTION: Mr. Hart and Ms. Fernandez seconded approval of the Proposal for Sunrise Medical in the amount of \$235,440.

Motion carried, 7 – 0.

UFP Thornton LLC

Ms. Hernandez presented a Proposal for UFP Thornton LLC (UFP Thornton), in the amount of \$38,640. UFP Thornton was established in January 2012 as one of three (in CA) wholly owned subsidiaries of UFP Far West, LLC, and an operating affiliate of Universal Forest Products, Inc. Each subsidiary operates in separate geographic areas with non-competing product offerings.

Although engineered lumber and wood alternate products are still its base business, the company recently added three product lines to improve its business sustainability: agricultural bins, concrete forms, and bedframes/furniture. Products are sold to do-it-yourself retail stores (i.e., Lowes and Home Depot), residential builders and agricultural customers.

Ms. Hernandez introduced Jay Berry, Plant Manager.

Ms. Roberts asked where they get their lumber from. Mr. Berry said they get it from a multitude of places and manufacture much of it themselves.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Proposal for UFP Thornton in the amount of \$38,640.

Motion carried, 7 - 0.

Multiple Employer Proposals

NTMA Training Centers of Southern California

Ms. Hernandez presented a Proposal for NTMA Training Centers of Southern California (NTMA), in the amount of \$849,116. NTMA is the training arm of the machining industry in Southern CA. NTMA is headquartered in the city of Ontario, with training campuses located in Norwalk and Ontario. NTMA prepares students for lifetime careers in the machining, tooling, and manufacturing industries. NTMA serves small to medium-sized machine shop employers that design and manufacture special tools and machines, dies, jogs, fixtures, gauges, and precision-machined parts. These companies need skilled workers in order to prepare them to progress toward a high performance workplace due to advanced technological changes in the metal industry.

Ms. Hernandez introduced Michael Kerwin, President and Norma Meza, Executive Director of Financial Aid & ETP.

Mr. Broad asked about Job No. 1 with 260 hours for the New-Hire job, and asked if they will provide that many hours of training. Ms. Meza said they actually train more than 260 hours, but ETP funding is only for the latter part of the training. Mr. Broad said so this is a fairly large and extensive training program for the new hires. Ms. Meza said yes, it is.

Mr. Rodriguez said well done and that NTMA does good work.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the Proposal for NTMA in the amount of \$849,116.

Motion carried, 7 – 0.

South Orange Community College District

Ms. Hernandez presented a Proposal for South Orange Community College District (IVC), in the amount of \$139,150. IVC is a two-year public community college and is part of the South Orange Community College District (District). The District consists of IVC and two other campuses: the Advanced Technology Education Park (ATEP) in Tustin; and Saddleback College in Mission Viejo.

Ms. Hernandez introduced Bruce Sobczak, Director of Economic & Workforce Development.

Ms. Roberts said it looks like you are working on doing better marketing with the employers. I'd hate to think that the experience you have is employers saying there is too much paperwork and intrusion, those sorts of things. You as the trainer, you need to reinforce that this is the best program of all over the U.S.; you need to express that to your clients. Mr. Sobczak said yes, absolutely; it is, and especially as a taxpayer I really appreciate that there needs to be some results. Some of the 90-day stipulation makes some HR people very shy, but what we have done is, we have won over people, and looking back now, we right-sized this grant. This was our first stab at it, you don't really know where to start, we have right sized it, we have come down and already one particular client, Microvention, has already surpassed what they needed to do. Word of mouth is great, we deliver great training product, and we fill in the gap that our community colleges are not filling. Microvention started with just two training sessions, 20 engineers in each, and now they asked for a series of seven classes. In hindsight, we probably will be back asking for more funds. Ms. Roberts said this is a great staff, ETP has great staff too and they are very open to help you in order to make this successful.

ACTION: Ms. Roberts moved and Mr. Hart seconded approval of the Proposal for IVC in the amount of \$139,150.

Motion carried 7 – 0.

Jewish Vocational and Career Counseling Services

Ms. Hernandez presented a Proposal for Jewish Vocational and Career Counseling Services (JVS), in the amount of \$112,818. JVS operates a wide range of employment and training programs. JVS' programs and services help clients from youth to adult – many with barriers to employment (e.g., low income) – acquire the skills to become self-sufficient. The agency helps people throughout San Francisco as well as the surrounding counties of Alameda, Marin, and

San Mateo. JVS provides job search and job readiness training, and job placement and career counseling services. In addition, JVS delivers specialized vocational training programs that help unemployed and underemployed people obtain meaningful jobs in the healthcare, business and non-profit sectors. Last year JVS served over 5,000 clients and placed people in 1,238 jobs.

Ms. Hernandez introduced Kim Drew, Director of Planning & Business Development.

Mr. Rodriguez said, since I am on the SF WIB, is this part of the grant that you also received from the SF WIB, is there leveraging here from the Healthcare Academy, or completely separate? Ms. Drew said, there is lots of leveraging and lots of synergies with the work, so for the rest of the Panel, JVS was appointed and we get a large grant from the city and county of San Francisco, to run what is called the Healthcare Academy, which is all of the training for people entering into healthcare occupations, so many of the employers we have met, we have solidified very strong relationships with them through our role coordinating healthcare academy. This money is separate and so this training is separate and outside of the healthcare academy. That funding comes through the Office of Economic and Workforce Development, it is WIA funding. Mr. Rodriguez said right, but some of the similar employees are involved. Ms. Drew said some, which one were you thinking? Mr. Rodriguez said Glide Foundation Health Services. Ms. Drew said Glide Foundation Health Services is not one of our partners through the Healthcare Academy.

ACTION: Mr. Rodriguez moved and Mr. Hart seconded approval of the Proposal for JVS in the amount of \$112,818.

Motion carried, 7 – 0.

Carpenters Training Committee for Northern California

Ms. Hernandez presented a Proposal for Carpenters Training Committee for Northern California (CTCNC), in the amount of \$849,738. CTCNC is the educational organization that provided pre-apprentice, apprentice, and journeyman training services for union carpenters across 46 northern California counties. CTCNC is governed by a joint labor and management trust board, as agreed to in collective bargaining. CTCNC apprenticeship training programs have been established for many years as approved by the Division of Apprenticeship Standards, Department of Industrial Relations. CTCNC governs the training trust on behalf of workers represented by the United Brotherhood of Carpenters & Joiners of America.

Ms. Hernandez introduced Richard Grouse, Training Coordinator and Steve Duscha, Consultant.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded approval of the Proposal for CTCNC in the amount of \$849,738.

Motion carried, 7 – 0.

Mr. Broad said he read an article this morning about a huge shortage of skilled carpenters. Mr. Grouse said absolutely; to paraphrase, many construction superintendents he has talked to are concerned about who is going to do the work. There is going to be considerable increased demand for skilled building trades' workers from here forward. Mr. Broad said many must have retired and left the profession, and now there is going to be that gap. Mr. Grouse said yes, that is correct and it is our goal to fill that gap.

X. PUBLIC COMMENT

There was no public comment.

XI. PUBLIC MEETING ADJOURNS

Mr. Broad adjourned the meeting at 1:17 p.m.