



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**
Sacramento City Hall
California Environmental Protection Agency
1001 I Street, Sierra Hearing Room
Sacramento, CA 95814
August 25, 2017

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Will Koch
Ex-Officio Member

Gretchen Newsom
Member

Edward Rendon
Member

Jeff Robinette
Member

Sam Rodriguez
Member

Executive Staff

Stewart Knox
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Madam Vice Chair Janice Roberts called the meeting to order at 9:36 a.m.

II. ROLL CALL

Present

Gloria Bell
Barry Broad (Arrived at 9:40 a.m.)
Will Koch
Gretchen Newsom
Sam Rodriguez
Janice Roberts
Jefferson Robinette

Absent

Edward Rendon

Executive Staff Present

Stewart Knox, Executive Director
Nate Jenkins, Staff Counsel

III. AGENDA

Madam Chair Roberts asked for a motion to approve the Agenda.

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

Motion carried, 6 - 0.

IV. MINUTES

ACTION: Ms. Bell moved and Ms. Newsom seconded the motion that the Panel approve the Minutes from the June 23, 2017 meeting.

Motion carried, 6 - 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, said welcome and good morning Panel members, applicants, and stakeholders. Following the last Panel Meeting in June, we have a larger Panel Meeting today, totaling approximately \$19.3M with another \$2.1M in Delegation Orders for a total just over \$21.4 M.

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

Regarding the Budget for Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP), we are in partnership with the California Energy Commission with \$2M approved through an Interagency Agreement. We have had four proposals in the last few months for over \$900,000, one that was approved over \$620,000, already leaving approximately \$5M remaining for this year.

In regard to Core Funds for FY 2017/18, today the Panel will consider and additional \$19.3 Million in projects and another \$2.1M approved by Delegation Order. Should the Panel approve all the projects today, ETP will have approximately \$60M the remainder of the Fiscal Year (FY) 2017/18.

Under Delegation Order, all project proposals are capped at \$50,000 to be approved by the Executive Director on a continuous flow basis, which as of today, 38 projects were approved totaling just under \$2.1M.

For FY 2017/18 program funding to date, we have approximately 346 projects submitted, with a value of just over \$90M. The Panel has already approved just under \$36M with 150 projects to date, if all proposals are funded today.

Regarding applications for contracts that are remaining in the Regional Offices: Single Employer Contract requests are at \$34M; \$28M in allocation. Multiple Employer Contract (MEC): Regional Offices/AAU: requests are at \$6.3M; \$11M in allocations. Small Businesses have \$4.5M in demand; \$4.7M in allocations. Critical Proposals are at \$353,000 in demand; \$4.2M in allocations. Apprenticeship programs are at \$3.9M in demand; \$7.7M in allocations. Overall demand is approximately \$50M.

The number of total projects in FY 2016/17 in the Regional Offices are 276; total number of projects in the Applications and Assessment Unit is 70; overall total of 346.

Again, Staff is working hard to get the projects assigned out to the Regional Offices. About 80% have been assigned to the Regional Offices to date.

Legislative Update

In terms of legislative updates, we have provided copies of a memorandum for the Panel members. There is a lot of information on Workforce Development and Cannabis as well.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Vice Chair Ms. Roberts asked for a motion to adopt Consent Calendar Items #1 through #22.

Age of Learning, Inc.....	\$ 247,812
Ancon Marine, Inc.....	\$161,280
Bobrick Washroom Equipment, Inc.....	\$223,660
DZH Phillips, LLP.....	\$ 66,600
Elite Group Collision Centers, Inc.....	\$119,970
Flexcare, LLC.....	\$116,000
FPI Management, Inc.....	\$170,250
Futuris Automotive (CA) LLC.....	\$243,360
JFK Memorial Hospital.....	\$247,200
John Bean Technologies Corporation.....	\$243,360
K-1 Packaging Group (<i>Amendment</i>).....	\$ 28,582
La Tapita Tortillas, Inc.....	\$170,760
La Tortilla Factory, Inc.....	\$241,104
Logitech, Inc.....	\$ 64,800
M.J. Hall & Company, Inc.....	\$ 61,230
Organic By Nature, Inc.....	\$113,568
Philz Coffee, Inc.....	\$121,648
PowerSchool Group, LLC.....	\$213,762
Sysco Los Angeles, Inc.....	\$247,238
T.L. Machine, Inc.....	\$157,560
Teter, LLP.....	\$ 84,760
The Coca-Cola Corporation.....	\$ 66,528

Ms. Roberts said, I would like to address the consent calendar regarding No. 1. This question is to Gregg Griffin. For No. 1, Age of Learning, they have a 28% turnover rate and I would like to put something in there if for some reason at the end of this contract they do not get below that 20% rate, can we pull 25%?

Mr. Griffin said, yes we will apply that and will take a look at that the last 12 months of the year.

ACTION: Ms. Roberts makes a motion to approve the consent calendar for Items #1 through #22 including the changes to Item, No. 1 Age of Learning, Gloria Bell seconded the motion.

Motion carried, 6 – 0.

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

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

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

Motion carried, 7 – 0.

VIII. PRESENTATION ON SUBSTANTIAL CONTRIBUTION / RATE SETTING

Presented by Lis Testa, Planning and Research Unit

Potential Revisions to Program Areas – Review

In May and June 2017, we presented on eight different program areas that were/are being considered for review:

1. Health Care Benefits (p) – coming up in September
2. Substantial Contribution (r) – *presenting today*
3. Funding Priorities (p) – set during May Panel
4. Wages (p/r) – still under review
5. Reimbursement Rates (p/r) – *presenting today*
6. Non-Traditional Apprenticeships (p) – still under review
7. Delegation Order (p) – set during May Panel
8. Cannabis Moratorium (p) – set during June Panel

Substantial Contribution – Review of Current Practice

- UIC 10209(c) allows ETP to require applicants to contribute proportionately more to training workers “at a facility” that was already included in a prior project.
- Regs 4410(a), (d) & (e) establish the 15%-30% and 30%-50% limits for locations that have earned over \$250,000 in the last five years.
- ETP follows the formula laid out in the Regulations to assess a Substantial Contribution to locations that have earned over \$250,000 in the prior five years. (102/1800 projects in FY 11-17).

Substantial Contribution – Recommendation

Since the Legislation allows but does not require ETP to apply the Substantial Contribution:

- Stop applying Substantial Contribution

- Panel can still impose Substantial Contribution if deemed necessary

Enact a Repeat Contractor Rule

- Raise cap for MECs to \$2 Million and cap for Single Employers to \$950,000
- Contractors may return for an additional contract when:
 - A minimum of 18 months have passed since the start of their contract term; and
 - They have reached 75% completion on their current contract
- Contractors will still be limited to existing caps for first-time projects (\$950,00 for MECs and \$750,000 for Single Employers)

Repeat Contractor Rule – Benefits

Simplifies Substantial Contribution (which is a limit on Repeat Contractors at its core) in a new way

- Cannot be manipulated by inflating the contract value above the Substantial Contribution amount to receive the original desired funding amount
- Applies fairly and evenly to all Repeat Contractors
- Increases the dollar amount for contracts while adding time for those contractors to complete the larger contracts
- Holds Repeat Contractors to a higher completion rate of 75%, lessening their risk and increasing contract and training outcomes
- Reduces the paperwork and workload for both ETP staff and customers in completing the application process every year
- Also reduces staff workload in computing the Substantial Contribution, which much be applied per location

Ms. Roberts said, I think this will simplify it dramatically. Even with myself and looking at this dividing up all the locations, is it a new job creation, critical proposal, all those other things takes the guess work away.

Ms. Testa said, it's easy to understand and it applies to everyone.

Reimbursement Rates – Review of Current Practice

The Legislation and Regulations state that ETP may reimburse reasonable training and administrative costs, and that for fixed-fee contracts, may reimburse with a flat rate per hour for categories of training that are substantially similar (business size, complexity of training, training delivery method, duration of training, and type of trainee), and that Panel may adjust the rates as needed to reflect changes in training costs.

ETP currently has a table which includes ten different fixed-fee reimbursement rates split along different lines of type of trainee, type of project, and type of curriculum.

Reimbursement Rate – Recommendation

Adopt a new Reimbursement Rate Table

- The new table has only four rates, not eight, and only four possible variations, as compared to 37 variations under the old table
- The new table gives nearly all groups an increase in reimbursement rate
- Gives the highest rate to ETP identified priorities (i.e. Veterans, Priority Industries, Retrainee Job Creation, etc.)
- Does not require a change in Legislation or Regulations
- Last time rates were raised was in 2006

Reimbursement Rate Table – Recommended Option

<u>Rate Category</u>	<u>Reimbursement Rate</u>
CBT	\$9
Apprenticeship (apprentices only)	\$15
Non-Priority Retrainees, Pre-Apprentices, Journeymen	\$23
Special Populations: Priority Projects, Critical Proposals, Small Business, Ex-Offender / At-Risk Youth, Veterans, RJC, AB 118, MEC Entrepreneurial, New Hires, MST, CNA-LVN, Seasonal Workers, Advance Technology* (*with no more exclusions)	\$26

Mr. Rodriguez said, the Executive Director or the Board can modify the rates or does it have to go through a regulatory change?

Ms. Testa said, it does not need a regulatory change it says we are allowed to adjust the rates annually, we just have not. This table is complicated to change the rates. It requires a programming change both in the old and new system and that's why we do not do it every year.

Mr. Broad said, why are some of these things where they are? My sense of Special Population is that we're giving them a higher rate because there is something hard to teach about them about the student that makes it harder to train them or something about the methodology of training that makes it more expensive. It addresses Ex-Offenders, and maybe Veterans and maybe new hires, I do not know necessarily about the rest of them, CNA-LVN, seasonal workers, advanced technology, small businesses. About $\frac{3}{4}$ of the businesses in California are small businesses and they typically do not have complex training needs so why would we reimburse them more? I get there are special or specific populations I just do not know what the rationale is paying them 10% more than non-priority retrained. There should be a rationale that crosses for all of these.

Ms. Testa said, this chart is just a recommendation, so everything is flexible. We can change the names in the categories, who is on the categories, or even the dollar amounts. When we came up with this we wanted to give more money to projects that have characteristics that ETP places an emphasis or priority on. We are always very excited for Veterans, Ex-Offenders, At-Risk Youths, and things like that to come. Advanced technology is more expensive, but the small business priority does have a higher rate than other projects, so we just took everything that ETP puts an emphasis on and put them into the higher category. We were trying to eliminate the 37 different variations. Taking all of those populations and trying to figure out where they would fit best and this is what we came up with, in a way that would give nearly everyone a raise but also simplify the table. Again, it's flexible.

Mr. Broad said, I am in favor of reducing the administrative, it just has to have simplicity. We need to clarify who gets paid for what.

Ms. Torres said, I would like to add something. How we came to the costs for the small business specifically, the cost is higher because you have to pay a trainer a certain dollar amount no matter what. We are reimbursed by number of trainees, of course if it's a larger company you can have more bodies in the classroom. Therefore, the cost for that session is covered more by ETP as opposed to a cost procession where there are only five bodies in class getting paid \$18/hour so it is costs more to do a small business.

Mr. Broad said, the question I would ask though is what constitutes a small business? Less than 100 –

Ms. Torres said, 100 employees or less.

Mr. Broad said, if they have 80 employees in there it's a pretty good size class. If you start creating categories which automatically get a higher reimbursement rate because the business fits a certain category, you might have a giant multi-national fortune 500 corporation training 10 people in some highly specialized thing that is really expensive training, say training for some kind of atomic training, or whatever it may be, which they are training five people and they might deserve the higher rate, that's the only thing that's troubling to me is that I'm not sure that would make sense if its invariably true. I'm just not sure it is. That all small businesses have tiny classes.

Ms. Torres said, no and that's just one variable. Another variable is as you say is that you have a fortune 500 company who has the training budget to sustain a smaller group like that.

Mr. Broad said, right. We should start looking at paying the \$26/hour, it's just \$23/hour and you get the \$26/hour if its recommended by the staff and there is a reason for it, for Veterans, or whatever category, rather than make it purely categorical or maybe that's too hard to administer.

Ms. Torres said, I do not think it's so much administration it becomes somewhat subject Mr. Broad said, arbitrary? Ms. Torres said, yes unfortunately. Mr. Broad said, what would be the rationale for seasonal workers?

Ms. Testa said, we try to, they are part of agriculture a lot of time and agriculture is a priority industry so they are probably in a priority industry anyway. We have Priority Projects that are getting \$26/hour so we included seasonal workers in that category.

Mr. Broad said, right it's easy to say that if they are part of the \$23, they would also be part of the \$26/hour. If we are protecting purse here, then probably it should be \$23. I get it for Vets and At-Risk Youth because that's characteristic of the person, not the company. Seasonal workers are a group of workers, I just do not know if construction workers are seasonal workers.

Ms. Testa said, they are usually Priority Projects, usually construction projects.

Ms. Torres said, I think you meant to say \$26, so seasonal industries would be a priority industry anyway, there is no need to carve it out. Same thing with the MST since health care is a priority industry it would be no reason to carve it out. It would just be \$26 anyway.

Mr. Broad said, if we are doing it by industry...

Mr. Knox said, 90% of the time there are certain industries that would be non-priority but they might have a Vets component so that's where the mix/match starts.

Mr. Torres said, no, no, I'm talking about medical and seasonal.

Ms. Testa said, I did list them all separately to give an idea of what all of the populations we train are first, but also so that a lot of those groups who have their own pilots and programs that go with it that have other requirements than ours, their training ratios so I did keep them listed separately so you could see that is where they go, so it's just their rate that would change.

Mr. Broad said, are you asking us to adopt this today?

Mr. Knox said, we are not asking that you adopt this today.

Mr. Broad said, maybe what you could do is go back and just think about this highest reimbursement rate category about why, what the reason is for putting people there in the first place, even if we didn't have, or were creating it for the first time. In some ways, we just keep building on the same structure, so maybe we need to rethink the number of rates: is this the best way incentive wise? Presumably, we are paying more because in a sense that is the trainee getting more or it's harder to train them, or there is something about the curriculum and it seems like there are bits flowing through that, but not any overriding principal. We should rethink about it at a staff level, i.e., why are we doing these things? Does it make sense and if it makes sense, that's what we should recommend. Finally, do we divide it in a different way? We have been talking about it and it turns out that seasonal workers who are largely agricultural could be superfluous because they are in Priority Projects already means if you put priority projects out there, we could get rid of half of these things.

Mr. Knox said, it brings up a good point. One of the things that Lis mentioned is a lot of these were pilot projects that have now become projects over time. This brings up a very good point Mr. Chairman in that just because we've done it that way in the past 15 years, doesn't mean that we continue to do it that way. We can take a look at the list of pilot projects that have now

existed for many years and some may not be pilot projects anymore, but they may fit in under the party industry which works fine. We can bring it back.

Mr. Broad said, out of curiosity, why is the apprenticeship reimbursed at the lower level?

Ms. Testa said, because they get the \$5 Montoya Funds.

Mr. Knox said, supplemental funds.

Mr. Broad said, so essentially, they get \$15 plus \$5 is that right?

Ms. Testa said, yes, the \$5 doesn't come from us.

Mr. Knox said, \$5.71 or somewhere around there.

Ms. Newsom said, but that's still low for a pre-apprenticeship rate.

Mr. Broad said, maybe that \$15 ought to equal the Montoya money to \$23?

Ms. Newsom said, exactly.

Ms. Roberts said, I have another recommendation for around new hires. We really want to incent companies to hire. In almost every other state that I have funded has two categories, retrainees and new hires. They fund differently for those two categories. Ms. Testa said, okay. Ms. Roberts said, because we want companies to incent new hires, job creation, I would think that might be a higher rate because that's what we want our incentive employers to do. Ms. Testa said, okay.

Mr. Broad said, I think what's actually emerging here is that none of us actually knows the rationalization of what this really is. Obviously, we haven't talked about it in a long time.

Ms. Roberts said, we have 37 categories and forced to fit into one.

Ms. Testa said, sometimes when you look at the old categories, it sometimes split on training types, sometimes split on trainee types, sometimes split on contract types, so it's hard to make sense of where those distinctions came from originally. Sometimes when it was produced they were trying to figure out where to put those populations.

Mr. Rodriguez said, so this is a good presentation. I just wanted to ask in the Special Population category, does the California State Workforce Board have criteria for Special Populations either as a policy or already something in state law.

Ms. Testa said, I believe they do but I'm going to defer to Mr. Knox.

Mr. Knox said, its actual in federal law and that's a good question. 51% of Special Populations we mirror closely to what the federal law says and the Workforce Innovation Opportunity Act. The new law says that 51% of those Special Populations have to be served by the local workforce development boards.

Mr. Rodriguez said, so really what they did was identify barrier to entry.

Mr. Knox, yes.

Next Steps

- Take away as action item for either September or October 2017 Panel Meeting
 - Please let us know when you would like these before you for a vote
- Let us know any comments, questions, concerns, or suggestions you have
- Any questions?

CURRENT ETP REIMBURSEMENT RATE TABLE

Type of Trainees/Proposal/Program	Class/Lab Productive Lab Instructor Led/Distance Learning	Advanced Technology Class/Lab	CBT
NEW HIRE:	\$20	N/A	\$8
RETRAINING:			
Standard	\$15	\$22	\$8
Small Business <i>(100 or less employees in CA but no more than 250 worldwide)</i>	\$22	\$22	
MEC Entrepreneurial			
Priority Industry/Initiative Standard	\$18	\$26	
Priority Industry Initiative Small Business <i>(100 or less employees in CA but no more than 250 worldwide)</i>	\$26	\$26	
Priority Industry/Initiative MEC Entrepreneurial			
Critical Proposal <i>Note: In extenuating circumstances, a higher reimbursement rate may be considered.</i>	\$18	\$26	

Type of Trainees/Proposal/Program	Class/Lab Productive Lab Instructor Led/Distance Learning	Advanced Technology Class/Lab	CBT
PROGRAMS/INITIATIVES:			
Retrainee Job Creation Program	\$20	\$20	\$8
AB-118 (ARFVTP) Program <i>Alternative and Renewable Fuel and Vehicle Technology Program</i>	\$18	N/A	
AB-118 (ARFVTP) Program Small Business <i>(100 or less employees in California but no more than 250 worldwide)</i>	\$26	N/A	
Apprenticeship Pilot Program		N/A	N/A
Apprentices	\$13		
Pre-apprentice and Journeyman (Blended Rate)	\$22		
Ex-Offender/ At-Risk Youth	\$20		\$8
CNA to LVN	\$18		
Medical Skills (MST) preceptor	\$22		
Medical Skills (MST) didactic	\$22		N/A
Seasonal Worker	\$15		
Veterans	\$22	\$22	\$8
Veterans Small Business	\$26	\$26	

Mr. Broad said, I think it would be a good idea to take public comments on these two areas of potential significant change. Is there anyone out there that would like to comment?

IX. PUBLIC COMMENTS

Steve Dusha said, I heartedly endorse the simplification movement here and while I could not answer your questions Mr. Chairman, they do need to be answered. I would offer one suggestion that there is an inconsistency in setting the journeyman and pre-apprenticeship rates as different from the priority rate because construction is a Priority Industry for ETP. I do not understand why they get \$23 instead of \$26. This is great progress and it should continue to go forward. I also want to underline the changes in the Substantial Contribution. What is being proposed has tremendous impacts simplifying the program because so much of the data record keeping in the existing, the old computer system and the new computer system is based upon identifying the location where each trainee works for the purpose of the Substantial Contribution. It adds enormous complexity to the whole process and does not give you much back. I think these are both very good directions to go in.

Rob Sanger CMTA said, chiming in on the simplification and also including the ETP audit department. What are they auditing today? Do they really look at these things? Do they audit to check whether that person is a seasonal worker, are they really a veteran, are they really out of jail? Do they check this stuff now? Because I just do not think that they are and so why do not we just simplify it. What are we auditing, if we are going to audit you sometimes have to work backwards? And then on the Substantial Contribution same thing. Simplifying it would definitely make it a lot easier for everybody. Definitely the users of the program, the contractors that are here today that are going through this process thinking this was more complicated than I thought it would be.

Mr. Broad said, that raises a question. Are people really Veterans, At-Risk Youth, or are we actually training the Beverly Hills High School when somebody is saying they are At-Risk Youth? I hope that's not the case.

Mr. Knox said, no. So obviously it starts with the field offices and the development of the projects. From that point forward through audit, there are checks and balances in place. Rob brings up points that sometimes there is miscommunication between audits and potentially us, about what they are verifying. But I believe we have it all cleaned up for the most part of the last few years. I do not see that as an issue at all. I'm looking at the field office people because you do an ongoing monitoring as well. I think we're pretty accurate on that. We do self-attestation with certain components and that's probably the biggest key in holding employers accountable – self-attestation. We do verifications if an audit is done as well.

Ms. Bell said, I do have a comment as well. I appreciate your feedback. Our staff works very hard. They do the best they can and any feedback is appreciated. I have never heard that before, but I can assure you they are doing the best they can with the time and resources they have.

Mr. Sanger commented, but did not step up to the podium, his comment is inaudible.

Mr. Broad said, well from an audit point of view, the more the audit is a surprise, the better the audit is. If you announce we're going to check one thing and coming on this day, people clean up their act in anticipation of it.

Ms. Newsom said, when staff does come back, I am interested in learning more about the rationale between the reimbursement rate and wages too. If there is job creation reimbursement rate at a much higher level, but the trainees actually subjected to a much lower wage, I am having a hard time rationalizing that and I would appreciate some feedback on that.

X. REPORT OF THE GENERAL COUNSEL

Mr. Jenkins, Staff Counsel said there was nothing to report on behalf of the General Counsel.

XI. REVIEW AND ACTION ON PROPOSALS

Single Employer

Quinn Group, Inc.

Mr. Griffin presented a Proposal for Quinn Group, Inc., (Quinn) in the amount of \$390,560. Founded in 1919 and headquartered in the City of Industry, Quinn manufactures and services electrical power generators, irrigation pumps, truck engines, and air handling equipment. In addition, the Company offers industrial, construction, and agriculture equipment sales and servicing. Quinn has 24 California facilities that service 13 counties throughout Central and Southern California as well as Arizona.

Mr. Griffin introduced Tom Yeaglin, Manager-Training and Development.

Ms. Bell said, in regard to Johnson Machinery how many employees were there originally?

There were 400. We went through a whole process to re-interview and were able to keep them.

Ms. Roberts said, you have been coming through every two years getting money and over the last year you have earned over \$1M from ETP funds. We use to have a higher component than that. It was like 50% right off the top. But we do not have it any longer. I would just suggest after Johnson Machinery you get them all trained and figure out how to do it on your own. We ask other employers to do that once they get to that high earner rate because we can't keep funding retrainees. If you have any new hires that's a different component. But the retrainees we can't keep retraining the retrainees.

Mr. Yeaglin said, just to add to that, we do continue to expand on the product line. We do have more advanced equipment. Currently, we have a great difficulty getting folks trained to that level and that's our next horizon. There may be another acquisition in the future.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Quinn Group, Inc., in the amount of \$390,560

Motion carried, 7 – 0.

BAE Systems San Diego Ship Repair, Inc.

Ms. Torres presented a Proposal for BAE Systems San Diego Ship, Inc., (BAE-Ship) in the amount of \$513,126. This does include a 30% Substantial Contribution. BAE-Ship is strategically located on the West Coast, near one of the Navy's largest mega ports in San Diego. The number of Navy ships home-ported in San Diego has grown from 29 in 2015, to 57 ships today. Ten additional Navy ships are projected to be home-ported in San Diego by 2020. To prepare for this growth, BAE-Ship seeks funding to provide training in advanced production skills to its workforce to meet the needs of its primary customer in US Navy.

Ms. Torres introduced Bob Koerber, Vice President and General Manager, and Jessica Alvarez, Ship Repair Training Manager, II.

Ms. Bell said, says the new dock would arrive. It's not built on site? It comes from another site?

Mr. Koerber said, it was actually built in China it came across in three sections. It arrived in our port in December. Took us a couple of months to put the end sections back on, to go through a certification process with FC and within one week of certification the first ship went into the dock.

Ms. Roberts said, it seems like you've done a really great job from the time when you didn't have a very good performance until this contract, so great job there. Are you also going to be doing the ship repair on the Fitzgerald and McCain?

Mr. Koerber said, we would love to do that, the Fitzgerald went into a new construction yard, Huntington Engles in the Gulf, they have a downturn in new construction so it made sense for it to go there. That's where the DDS were built. The McCain I haven't heard yet. Would love to have it in San Diego. We certainly have the capability and workforce to support it.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for BAE Systems San Diego Ship Repair, Inc., funding in the amount of \$513,126.

Motion carried, 7 – 0.

C & D Zodiac, Inc.

Ms. Torres presented a Proposal for C&D Zodiac, Inc., (Zodiac) in the amount of \$626,778. Founded in 1972 and headquartered in Huntington Beach, Zodiac designs and manufactures

aircraft interior components, such as overhead bins, cabinets, galleys, lighting, stairways and doors. C&D Zodiac, Inc., and its sister company Driessen Aircraft Interior Systems, will participate in this project together. Both companies are owned by Zodiac Aerospace of France. Training will be conducted at the following location(s): Cypress, Garden Grove, Huntington Beach, Ontario, and Rancho Cucamonga. There will be a Substantial Contribution. Accordingly, there will be a 15% substantial contribution on the La Palma facility and the Garden Grove Lincoln facility and a 50% on the main C & D Zodiac facility.

Ms. Torres introduced Ferdinand Lansangan, Corporate Training Director.

Ms. Roberts said, you have doubled your contract from the previous one so can you give me some justification. I know you were talking about some software training. To me that's a big jump from \$350k to \$750k and didn't really see a lot of justification.

Mr. Lansangan said, so on our previous contract we needed to do 20,000 hours of training. We actually did 50,000 of that training. The other balance of that 25,000 was temp workers. So we have now hired on those temp workers to permanent. That's why we need the extra money.

Ms. Roberts said, do you have the infrastructure to support that? Do you have your infrastructure in hand to double the amount of training?

Mr. Lansangan said, we do have infrastructure today, but we do need ETP help to get us really moving forward.

Ms. Roberts said, I meant trainers. Trainers, rosters, collectors, data imputer's, etc.

Mr. Lansangan said, I mentioned before we did the 50,000 hours in our previous contract so we are actually doing a lot of the training. When I calculated this new contract we actually need to do 45,000 hours of training in order to achieve that contract for this new contract that I am proposing.

ACTION: Ms. Newsom moved and Mr. Rodriguez seconded approval of the proposal for C & D Zodiac, Inc., in the amount of \$626,778.

Motion carried, 7 – 0.

National Steel and Shipbuilding Company dba General Dynamics NASSCO

Prior to the introduction, Barry Broad recused himself and left the room during this portion of the Panel Meeting.

Ms. Torres presented a Proposal for National Steel and Shipbuilding Company dba General Dynamics NASSCO (NASSCO), in the amount of \$728,343. Since 1960, NASSCO has designed and built ships in San Diego's industrial waterfront. Today, it is the largest full

service shipyard on the West Coast. The Company has delivered more than 30 ocean-going ships to government and commercial customers, including Liquefied Natural Gas-powered containerships.

NASSCO recently acquired several contracts that will result in business expansion. In the first quarter of 2018, NASSCO will start construction of two Matson commercial containerships. In 2019, it will begin construction of a series of six Navy fleet replenishment oilers. In addition, NASSCO is likely to build three more Expeditionary Staging base ships for the Navy. Workforce ramp-up will begin in early 2018, growing from the current 3,100 to a peak of 4,100 employees. The highest growth will be in skilled trades such as welders, ship fitters and machinists. Workers are represented by the International Brotherhood of Boilermakers – Iron Ship Builders-Local 1998 and the International Association of Machinists and Aerospace Workers-Local 94. Letters of support have been obtained.

Ms. Torres introduced Dennis DuBard, Manager of Public and Government Relations, Michael L. Jury, Manager of Employee Development, Joshua Golter, Human Resources Project Manager, and Steve Solomon, Director of Human Resources.

No questions from the Panel.

ACTION: Ms. Newsom moved and Mr. Knox seconded approval of the Proposal for National Steel and Shipbuilding Company dba General Dynamics NASSCO in the amount of \$728,343.

Motion carried, 6 – 0.
Mr. Broad recused himself.

Riverside Healthcare Systems, LP dba Riverside Community Hospital

Ms. Torres presented a Proposal for Riverside Healthcare Systems, LP dba Riverside Community Hospital (RCH) in the amount of \$715,170. Located in the City of Riverside, the 373-bed Hospital provides minimally invasive robotic surgery; transplant services; orthopedic/spine surgery; and neurological surgery (brain/spine) including stereotactic and image-guided surgery, deep brain stimulation, and vagus nerve stimulation. RCH also provides patient care services (through its Cancer Center, Birthing Center, pediatric care, couplet care, and neonatal intensive care services, physical therapy, occupational therapy, and speech therapy.

Ms. Torres introduced Lee Albanese-Alhorn, Director of Education, and Annette Greenwood, BSN, and CNO, Senior Vice President.

Ms. Roberts said, you tripled your amount from the previous contract. I know you have given some good rationale, the new tower, administration of nurses, but the amount of administrative work. You have no other additional support other than internal support to do this. That's my concern. You have done well with the \$200k range and now you are up in

the \$700k range. I just want to know how what you are going to do internally to make sure this happens.

Ms. Alhorn said, well of course. We hope to have a certificate of occupancy in the next week to open the tower and Lee has been leading the change on the entire education department that is dedicated to training our internal people. We have a contract services for life support, ACLS, those kinds of educational components. We have a brand new call system. We brought in vendors to actually do some of the training as well. We believe we can handle it. We've had a good success rate in the past and we appreciate the support ETP has given us.

Ms. Roberts said, the reason why we are not taking any kind of other Substantial Contribution on this is because it is a "Critical Proposal."

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Riverside Healthcare System, LP dba Riverside Community Hospital in the amount of \$715,170.

Motion carried, 7 – 0.

Taylor-Listug, Inc. dba Taylor Guitars.

Ms. Torres presented a Proposal for Taylor-Listug, Inc. dba Taylor Guitars (Taylor Guitars), in the amount of \$408,044. Taylor-Listug, Inc. dba Taylor Guitars is a manufacturer of high-quality acoustic and electric guitars. Founded in 1974 and headquartered in El Cajon, the Company's customers include major recording and performing stars such as Jewel, Jason Mraz, Taylor Swift, and Zac Brown, as well as retain customers world-wide. In addition to the Company's headquarters and manufacturing facilities in El Cajon, the Company also operates a manufacturing facility in Mexico, a distribution warehouse in the Netherlands, and an ebony mill in Cameroon.

Ms. Torres introduced Jo Ann Crabtree, Director of Training and Development.

Mr. Rodriguez said, are all of the components of the guitar manufactured in the US or is there some kind of assembling that goes on?

Ms. Crabtree said, it depends on what kind of guitar it is. All of our higher end guitars are made in El Cajon, California. All of our lower end guitars are made or our laminated guitars are made in our Tecate plant.

Mr. Rodriguez said, are you currently expanding your footprint in Southern California? Or are you still using the same facilities that you have?

Ms. Crabtree said, we are still using the same facilities that we have. The guitar is actually made 85% by craftsman. Less than 15% is made by automation. It's a craftsman that builds our guitars.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the proposal for Taylor-Listug, Inc. dba Taylor Guitars in the amount of \$408,044.

Motion carried, 7 – 0.

Service Champions, Inc. – (Panel Amendment)

Presented Out of Order

Ms. Torres presented an amended proposal for Service Champions, Inc., in the amount of \$83,270. Founded in 2000 and headquartered in Orange County, Service Champions, Inc. (SCI) specializes in installing, diagnosing, and repairing systems for Heating, Ventilation and Air Conditioning (HVAC). This additional funding will affect under our systems Job Numbers 1 for incumbent workers and Number 4 for job creation, increasing the hours to train these individuals.

Ms. Torres introduced John Hoven, General Manager.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Service Champions, Inc. in the amount of \$83,270.

Motion carried, 7 – 0.

Agilent Technologies, Inc.

Ms. Nastari presented a proposal for Agilent Technologies, Inc., in the amount of \$593,848. Agilent Technologies, Inc., manufactures products that sense, analyze, display, and communicate data for use in life sciences, chemical analysis, and the communications and electronics industries. Products include oscilloscopes, chromatographs, spectrometers, signal sources, signal and network analyzers, atomic force microscopes and nuclear magnetic resonance spectrometers.

Ms. Nastari introduced Liz Ambrogi, Manager, Global Learning and Leadership Development.

Ms. Roberts said, I see in my packet is that I see you have a location in Santa Rosa and Rohnert Park. Is that correct or is that just a misprint?

Ms. Ambrogi said, we recently split the company and divested a company called Key Site Technologies and those locations are Key Site locations and no longer with Agilent Technologies.

Ms. Roberts said, okay, so the other ones, the other three are still with Agilent Technologies?

Ms. Ambrogi said, that's correct.

Mr. Rodriguez said, I am familiar with the Folsom facility because you employ a number of engineers and the requirements to be employed with Agilent and the criteria's are actually quite rigorous. So where is the emphasis of the training going to be conducted in what particular occupation or occupations?

Ms. Ambrogi said, we do a wide variety of training. For example, in Folsom, we will be training people on our technologies, the manufacturing processes that go into that, we have a school of Continuous Improvement, our other fulfillment organization, where they are teaching people Sixth Sigma and learn technologies to improve our processes. In that particular facility, there would be a lot of emphasis on those types of things. We are emphasizing teamwork, collaboration, and communication skills. Real career skills. We believe that all of our employees are leaders in the company and we need to improve their skills in those areas as well.

Mr. Rodriguez said, and the purpose for that is to maintain long-term retainment of your current workforce?

Ms. Ambrogi said, yes, that's correct. We actually enjoy a fairly low attrition rate as compared to others and we have a lot of people who have been there for a very long time. I have been with the company for 27 years and there are a lot of people who stay a long time because it's an excellent place to work and we really value our people.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval for the proposal for Agilent Technologies, Inc., in the amount of \$593,848.

Motion carried, 7 – 0.

Cepheid

Ms. Nastari presented a Proposal for Cepheid, in the amount of \$749,580. Founded in 1998 and based in Sunnyvale, is a molecular diagnostics company that develops, manufactures and markets integrated testing systems for the clinical and non-clinical markets. Cepheid's testing systems enable rapid, sophisticated molecular testing for organisms and genetic-based diseases by automating otherwise complex manual laboratory procedures.

Ms. Nastari introduced Derek Beattie, Executive Director, and Gizelle Amador, Supervisor, SAP Training and Coordination.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Cepheid in the amount of \$749,580.

Motion carried, 7 – 0.

Food Service Partners, LLC

Ms. Nastari presented a Proposal for Food Service Partners, LLC (FSP), in the amount of \$350,402. Founded in 1998, Food Service Partners, LLC develops, manufactures, and delivers fresh meals and packaged food. FSP prepares and packages fresh meals customized to meet various dietary restrictions, including Paleo, Gluten Free, Low Sodium and Low Sugar. Meals are then delivered to hospitals, long-term care facilities, retirement homes, and Meals on Wheels. FSP also provides co-packing services, where it produces and packages products such as soup and humus for retail clients.

Ms. Nastari introduced Sarah Wally, Business Development Project Director and Rob Sanger, CMTA, Manager of Training Services.

Mr. Rodriguez said, I am familiar with the work in Richmond. Last month I attended the expansion and celebration and you have become the model of Richmond of how to recruit people with barest entry for the workforce. In addition, you have been exemplary in your collaboration with your union representation. So congratulations on that.

Ms. Roberts said, I was in the food business too, so I know how rigid it is with the all the regulations that you have to abide by and the training of the employees. So my question is mostly for Anna, under the training and reimbursement rate you have \$26, is that correct?

Ms. Nastari said, yes it is because at the time of the development they were considered a small business.

Ms. Roberts said, okay.

Ms. Bell said, I too am in the food business as well. I didn't see it in the proposal and you didn't mention FSMA, which is the Food Safety Modernization Act and is more about prevention than reaction. Can you tell me more about your program?

Ms. Wally said, it was implemented and we have to abide by the end of this year. Its high regulations in terms of training on site, food safety, serve safe and an enormous amount compliance in track and trace. Not only do we track and trace for our raw products inbound, which now that some of you know what we're doing, we are building an agricultural center in Richmond, but it's about track and trace within a facility and how we can create compliance both in sanitation as well as allergens, organics, and truly about how you handle food, in addition to operating at this level and also at the pay scale that we work at.

Ms. Bell said, who will be receiving this training? I assume everyone needs to get some form of training but it is not listed in the proposal.

Ms. Wally said, well to start a new facility there are 17 departments. You can imagine opening up Richmond we have receiving, inventory, cooking, pop production, IT, compliance, regulatory, but we also have high pressured pasteurization which wasn't really mentioned, but that is a state of the art pasteurization system as opposed to a heat kill, we pasteurize food much like juice, hummus, we are also going to train on that which is highly sophisticated training at the facility.

Ms. Bell said, so again, who is going to receive the training?

Ms. Wally said, we will have a department. We have two trainers, one out of our New York office and one out of Virginia. They will be doing the training. Whoever we hire, RichmondWorks is a fielding office. We have 80 new job applications and it's been a kind of an interesting challenge for us because are already full in our South San Francisco facility, but we must train for at least four to five months. So we are hiring now and it's a little bit of a push because we still make 10,000 fresh meals a day and deliver them.

Ms. Bell said, I'm sorry, I still did not get the answer. So you have a person from New York coming to train on food safety and someone else locally that's certified in business?

Ms. Wally said, we have three compliance officers at the facility. We have approximately six that will train and we will have a team for compliance of about 10.

Ms. Bell said, I noticed your temp to perm employees, what is the probationary period, in other words for an employee to become a permanent employee from temp?

Ms. Wally said, we have 90 days on probationary and our first hires have already been moved into permanent.

Ms. Bell said, how do you recruit people? Do you just recruit, do they come on board, is there a probationary period?

Ms. Wally said, our recruiting and fielding is done through Richmond Works. We have many different departments that we are hiring for and they get hired through the interview process for the different departments and they get trained from day one for the 90 days.

Ms. Bell said, okay. Within those 90 days, when do they start receiving benefits? After the 90 days?

Ms. Wally said, correct.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the proposal for Food Service Partners, LLC in the amount of \$350,402.

Motion carried, 7 – 0.

Frank, Rimerman & Co., LLP

Ms. Nastari presented a Proposal for Frank, Rimerman & Co., LLP (Frank Rimerman), in the amount of \$332,235. Since 1949, Frank Rimerman has provided accounting, tax, and business advisory services to a variety of private business entities including, but not limited to, these industries: construction, real estate, manufacturing, technology, entertainment and non-profit. The company is based in San Jose and has three other Northern California locations (Palo Alto, San Francisco, and Saint Helena).

Ms. Nastari introduced Eva Rego, Learning and Development Specialist.

Mr. Broad said, are you CPA's? Is that basically what you do?

Ms. Rego said, yes.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Frank, Rimerman & Co., LLP in the amount of \$332,235.

Motion carried, 7 – 0.

Producers Dairy Foods, Inc.

Mr. Mazzone presented a Proposal for Producers Dairy Foods, Inc. (Producers Dairy) in the amount of \$495,558. Producers Dairy produces and distributes dairy food products worldwide. The company's products include cottage cheese, sour cream, milk, cheese, ice cream and yogurt. The company also distributes non-dairy produces such as juices, fruit drinks, water, eggs, deli salads, and non-dairy coffee creamers. Its customers include grocery chains, food and beverage distributors and public schools.

Mr. Mazzone introduced Tatiana Costa, EHS Manager and Brandi Williams, Human Resources Director.

Ms. Roberts said, why haven't you come here before?

Ms. Costa said, because I just joined Producers in the last four years. I was with a major company for over a decade prior to that who utilized ETP so I brought it with me. We now have the infrastructure in place from a Human Resources perspective and training platform to be successful in administering the program. We wanted to make sure our backyard was clean and could support something like this before we came and asked for your funding.

Ms. Roberts said, yes, your turnover rate is low, wages are high, you seem to meet all the criteria and I'm really surprised that you haven't come before us. One of the other things I look at is you are going to train all of your employees at your facility, at an average of 54 hours per employee so that is very monumental. It won't be an easy task. I know you have administrative help with this with BLI. It's something to think about when you are looking at

your entire population, you still run a business, run shifts, it will be on to you and your staff to manage that well, otherwise, you will not get the half million dollars you are looking for. I've done it myself so I know how it can be.

Ms. Costa said, no I appreciate that very much. We have two days that are dedicated training days. We have an excellent partnership with our director of operations and director of distribution to ensure that this is not only something that is a want, it's a mandatory part of how we treat our team members. They deserve it, so we're going to give it them.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval for the proposal For Producers Dairy Foods, Inc. in the amount of \$495,558.

Motion carried, 7 – 0.

Multiple Employer Contracts

Glendale Community College

Mr. Griffin presented a proposal for Glendale Community College (GCC) in the amount of \$949,555. This will be the 39th Agreement between ETP and Glendale Community College Professional Development Center. Founded in 1927, GCC provides customized, job-specific training for businesses and workers through its Professional Development Center.

Mr. Griffin introduced Kim Holland, Executive Director.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Glendale Community College in the amount of \$949,555.

Motion carried, 7 – 0.

Lancaster Chamber of Commerce

Mr. Griffin presented a Proposal for Lancaster Chamber of Commerce in the amount of \$949,926. Founded in 1902, Lancaster Chamber of Commerce (Lancaster Chamber) serves as a regional representative for businesses statewide. The Chamber is dedicated to improving the economic environment by enhancing the opportunities of businesses, supporting entrepreneurship, and advocating for "business-friendly" policymaking. The Chamber's membership services include legislative advocacy, community and business development, and consulting services. The Chamber is committed to offering business management, human resources, finance, and sales skills training to the community. This will be the Chamber's second ETP Agreement and second in the last five years.

Gregg Griffin introduces Mark Hemstreet, CEO of Lancaster Chamber of Commerce.

Ms. Roberts said, the last contract that you had, who were your training vendors on that contract?

Mr. Hemstreet said, same ones, Saisoft and Lean QA were the contractors on that.

Ms. Roberts said, I'm looking at your amount and see that you've quadrupled your amount of money from \$200,000 to \$980,000. Why have you increased the amount so high?

Mr. Hemstreet said, the demand it out there.

Ms. Roberts said, you get \$60,000 support cost out of the \$980,000 and the rest of it goes to Saisoft and Lean QA. What are you doing for that \$60,000? Tell me what you are going to do personally at Lancaster Chamber of Commerce for that amount.

Mr. Hemstreet said, first and foremost is outreach. It's education and outreach out there and not only are we outreaching for our own sake, but we also outreach for Antelope Valley College which also does ETP funding. I have partnered with them, this is just part of my outreach that I do. As far as qualifying the members, I make sure they fit the standards, checking their 100 employees and all the reporting part that I do so all of the training rosters come to me, the uploading of the hours is through my office. All of the invoices are also done in my office.

Ms. Roberts said, so Saisoft and Lean QA what do they do for you?

Mr. Hemstreet said, they do the training. They are the ones that have to train because on the IT part of it I can't even talk to my vendors on the IT because it takes so long.

Ms. Roberts asked, they do the marketing and do they go out and get all these employers you have here?

Mr. Hemstreet said, they are split. A lot of times I will talk to a company originally. I will go to Lockheed and Northrup for our supply teams. I reach out to them and if they want IT training, I quickly pass that buck because if they need ISO training, I have no idea what all of those ISO9002's is. I transfer that information and tell them this is perfect training for you. I get my vendor to contact them and make that connection and see if they can work something out.

Ms. Roberts said, I see you have locations, supply chains, in Lancaster and Antelope Valley. I'm looking at all of your employers that you have and they are all over. How exactly is Saisoft and Lean QA getting to all of these employers? They are a Southern California based agency so how are they getting to all of these employers?

Mr. Hemstreet says, most of the ones in the Bay Area, some of the ones up there are all IT based and do their own way of training. The one in Southern California, our area, there is actually a trainer at the facility.

Ms. Roberts said, have you seen the web-based training?

Mr. Hemstreet said, I've been to one it was way over my head. I'm not a computer architect but I have talked to some of the companies to see if they have some serious training modules and how they work in them, Similar to their Six Sigma training that they actually do not do it from a college point of view. They actually work if the companies are making the challenging training modules.

Ms. Roberts said, that is part of the continuing training part of Lean QA, that's what Lean QA does. What about Saisoft, what about the technical web-based training, have you been to any of that training?

Mr. Hemstreet said, no.

Ms. Roberts said, I do not really know exactly how effective that is do you?

Mr. Hemstreet said, personally, no. I probably wouldn't understand that.

Mrs. Roberts said, the only reason I'm asking, you are probably wondering why she doing that to me? Why are you saying that? The reason I'm doing this is because I have a concern about some of the vendors that's all.

Mr. Hemstreet said, I understand, I did too. I did my research before I partnered with them. Prior to the training I called the president of the company and HR and asked them how are they going to get feedback before and after the training. I want to give something that's robust and they are learning, they are taking away for building their business. My goal is to not build their business.

Ms. Roberts said, on your last contract with Saisoft, did Saisoft come directly to you and say I can do this for you or did you contact Saisoft?

Mr. Hemstreet said, actually we went through Lean QA. Lean QA we did that split 50-50 that we changed over the broker model.

Ms. Roberts said, but they came to you and said we have something that you can use?

Mr. Hemstreet said, that's correct.

Ms. Roberts said, basically you said, okay, fine. You are going to get \$60,000 and knew you were going to be their pass-through, is that correct?

Mr. Hemstreet said, that's correct.

Ms. Roberts said, that's not really effective for me to be a kind of pass-through model. This is why I want you, as Chamber of Commerce, because you are ultimately accountable for this, to make sure that that's where you stand that you have hundred percent accountability. That you are able to make this contract happen.

Mr. Hemstreet said, I'm talking to our members. Yes, I interact with our vendors but my first point of contact is with the companies that we are training that is my higher priority to me. I let

that be known to Saisoft and Lean QA that's my priority and from the perception of my board members that's their mission is to educate.

Ms. Roberts said, so \$200,000 to \$900,000 is such a huge jump.

Ms. Bell said, I have a question. I have a concern as well I'm not sure if it's the right size myself. For the training is there any kind of process for the student or a user taking the training, do they receive any type of evaluation, is there is there some kind of testing.

Mr. Hemstreet said, they get Certificates of Training.

Ms. Bell said, no I'm actually talking about a feedback form, some kind of evaluation, because anybody can get a certificate.

Mr. Hemstreet said, I just talk to the HR managers and the managers of the companies and ask them how they felt the employee trained. I do not actually interact with the employees myself.

Ms. Bell said, usually there some type of an evaluation for the training some type of feedback to see if it was successful.

Mr. Griffin said, I would like to add that most training organizations, particularly Saisoft, does that. They ask for evaluations from the companies, post training, to document how effective the training was.

Ms. Bell said, from the users? Or from the HR person?

Mr. Griffin said, yes, whoever is representing the company in that case.

Ms. Bell said, we have the user that's more of a metric.

Mr. Hemstreet said, I can certainly implement that it would not be difficult.

Ms. Bell said, wouldn't you want to if you could implement that?

Mr. Hemstreet said, this can be set up initially when we set up training. For instance, we set up something like a web-based training. At the end of the web-based training (we still track an employee past 90 days' post training), we can set up some type of alert follow up on the survey 90 days' post training. This would be sent to me. I wouldn't be able to read every single one, but I could put it together and get a good idea from you know 70%, 80 % to 90% of the employees and about how the program went and it certainly would be easy to ask my vendors to implement.

Ms. Bell said, yes, I think that that's important you should be doing that. There needs to be some sort of follow-up, some tracking. I am concerned about the size of the grant also myself.

Ms. Newsom said, I also have concerns about the size of the contract. Follow up question, you stated in your training plan that the Continuous Improvement training would lead to an ISO certification, can you talk a little bit more that and how many of them are going to be receiving the certification and what that looks like?

Mr. Hemstreet said, I do not have those numbers, they do not do the actual ISO certification, there is another agency that does the actual certification, the actual training and certification so they can receive that certification.

Mr. Broad said, is that like a test they take an ISO certification like a test or an exam like the LSAT is like an accreditation?

Mr. Hemstreet said, it's like an accreditation system. They have quality control, they have inspectors that come in and do inspections for the products and their employees.

Mr. Broad said, does the person get a certificate or the company?

Mr. Hemstreet said, the company gets ISO certified.

Ms. Roberts said, the company does but the employer has to have training right? They have to have a certification so it's a portable skill so they can go from company to company with this?

Mr. Hemstreet said, that's my understanding.

Mr. Broad said, essentially, the company gets ISO certified and they have to demonstrate that their employees received a certain amount of training?

Mr. Hemstreet said, there are also inspections that go beyond once they start work.

Ms. Roberts said, the amount because it's quadrupled from what they got last time, can I suggest that they get 50% of that amount and then come back if they have any other issues?

Mr. Hemstreet said, I understand and I anticipated this coming up, but it's also difficult when last month we were supposed to be on the list and then we get bumped another month. I'm trying to make people that I told about the training happy because I've had to tell them it's held back another six weeks, so I requested bigger amounts to add two more training sessions.

Ms. Roberts said, the last month is already done so you have to start today but yes, that would just be my suggestion Mr. Chairman.

Mr. Broad asked, is that a motion?

Ms. Roberts said, yes. There is a motion to be approved at \$444,050.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal

for Lancaster Chamber of Commerce reducing the amount of \$949,926 to \$440,150.

Motion carried, 7 – 0.

LA & Orange A/C & Refrigeration Joint Journeyman and Apprentice Training Committee

Mr. Mazzone introduced a proposal for LA & Orange A/C & Refrigeration Joint Journeyman and Apprentice Training Committee (JJATC) in the amount of \$701,795. The JJATC was founded in 1949 unions and management organizations to provide training for air conditioning and refrigeration technicians in Southern California. The JJATC administers a training trust fund created through collective bargaining and funded by signatory employers.

Mr. Mazzone introduced Luis Reyes, Training Coordinator, and Oscar Meyer, from LA Unified School District.

Mr. Broad said, if 30 people are Veterans, do they not get a higher payment if they are Veterans even though they are heavily committed to Veterans?

Mr. Griffin said, yes, that's correct.

Mr. Broad said, we have these apprenticeship programs, they almost always deliver 100% of the training that turn into high wage jobs, they are all totally committed to hiring Veterans. Half the time they are putting At-Risk Youth to work, the other half of the time they are trying to turn traditionally male dominated occupations and trying to get women in it and they are getting the lowest rate of pay.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal For Los Angeles and Orange Counties Air Conditioning and Refrigeration Joint Journeyman and Apprentice Training Committee in the amount of \$701,795

Motion carried, 7 – 0.

Los Angeles Trade Technical College

Mr. Griffin presented a Proposal for Los Angeles Trade Technical College in the amount of \$948, 215. Los Angeles Trade Technical College (LATTC) is one of the community colleges administered by the Los Angeles Community College District (District). In August 2016, LATTC was assigned independent operational authority by the District, because of its capacity to administer special projects and Career & Technical Education initiatives.

Mr. Griffin introduced Dr. Chito Felicito Clajayon, ED.D. Dean of the Business Entrepreneurship and Technology Systems Department.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Los Angeles Trade Technical College in the amount of \$948,215.

Motion carried, 7 – 0.

Tech Serve Alliance – So Cal Chapter, Inc.

Mr. Griffin presented a Proposal for Tech Serve Alliance – So. Cal. Chapter, Inc. (TSA) in the amount of \$949,712. Founded in 1987, TSA is an all-volunteer organization Information Technology (IT) and Engineering solutions to technology companies, consultants and suppliers throughout California. One of TSA's key initiatives is developing the skills of employees in its member companies in technology-driven industries such as: automotive, business services, software, manufacturing, health care, entertainment and new media.

Mr. Griffin introduced Brian Hunt, President.

Ms. Roberts said, you have had other contracts before and now you've got a new name Texcellent which is Saisoft and its owned by the same family as Saisoft. The other company, Taurus Corp., is owned by Lean QA, the same CEO which is the same company so I'm thinking in my mind that there is something as to why they would change their name. If they have been representing you as Saisoft in the past, why are they now Texcellent now, can you give me that answer?

Mr. Hunt said, I know that when we went through the new contract there were requirements put in place that 50% of the funding actually has to go to two separate vendors. So working with Saisoft as the vendor that's what we came up with. Those are the two vendors we came up with.

Ms. Roberts said, but you have you not answer my question. It was Saisoft at one time, why is it not Saisoft again? Why did they change it to Texcellent? Were they trying to confuse us, trying to be devious, what was the reason behind their name change?

Mr. Hunt said, you have to asked them. I do not know.

Ms. Roberts said, they are not here at the moment, are they coming in the door soon? I'm just wondering, that's just my concern.

Mr. Hunt said, we are an industry association of technology professionals that uses this training frequently. I'm coming here on behalf of member companies that are expecting this training and wondering why this training is not approved yet. These are just and I'm not expecting anything, I'm just wondering...I came here in May and this came up and I addressed this is much as I could, as much as anyone can ask and I'm here again. I do not know what to tell you.

Ms. Roberts said, what are you going to do for the \$60,000?

Mr. Hunt said, we do membership awareness. We do awareness of campaign membership as well as to customers of all of our members.

Ms. Roberts said, so you do not do the marketing then? Mr. Hunt said yes that's what I mean by awareness marketing campaign. Ms. Roberts said, so you do the marketing.

Ms. Roberts said, Saisoft and Lean QA are the same company. The contracts are for the same amount. It's almost the same amount as Lancaster Chamber of Commerce it just seems to me as a Panel Member dealing with Saisoft in the past, it just seems like something doesn't smell right it smells fishy.

Mr. Hunt said, demand for is high. There are members and member customers are using it, so that's all I know is that the training is being used, we have gone through audits on a couple of different occasions. I do not know the back story; I just know that our members are using the training.

Ms. Bell said, can you understand how we feel this coming with a different name?

Mr. Broad said, let's make sure we do this one at a time. They are not here and we are asking you questions that we should be asking them. To the best of your knowledge, was the company Texcellent created for the purpose of or started for the purposes of applying for this particular grant?

Mr. Hunt said, no, not to my knowledge.

Mr. Broad said, so why would a company spawn off another company that does exactly the same thing, is owned by the same people to apply to us? Maybe there's some completely totally innocent reason. It's not illegal, it's just odd, it's really odd and that's what I think is what you are hearing from the Panel. If you came here this month and you are Texcellent this month and you were Tech Magic next month and the month after that you were Tech the Third, we would not be okay with you having three different entities showing up here.

Ms. Roberts said, you do not have the answers, we know that.

Mr. Hunt said, all I know is that we haven't changed our name for the last 10 years ago from NECC to Tech Alliance.

Mr. Broad said, you are being approached by this. We see this certain model going on in the marketplace and now there are these name changes and spawning companies that we have to question. As you can see, the rest of these consultants are all sitting around here when their people come up in case they have to come up and rescue them and lots of times they come up and stand with them. But they are here. Saisoft and Lean QA are not here for either of these and it just doesn't feel right. It is the only way to describe it. I do not know whether we should ask them to come back and explain.

Ms. Roberts said, this is not fair to this individual because he has come back many, many, times and you've got training to do. But I do want to send a message to Saisoft and the

message is let's at least get this grant down to what you had before, it's \$200,000 less than what you are applying for, almost the same type of thing we did Lancaster Chamber of Commerce, but just to send Saisoft and Lean QA a message that you just can't change in a name and think it's okay. We invoked the broker model just because of this company when you think about it. But they found a way around it and that's what I feel like. We developed this broker model so things could not get out of hand and now they found out a different way to approach it by name changing. We can get on the Internet and find out who they are and that's what we did so Saisoft, Tech Alliance and Taurus Corp., are all owned by the same people. I know it has nothing to do with you I'm just saying that that's what we see.

Ms. Newsom said, here's another suggestion I like to know if it's theoretically possible is to fund their Continuance Improvement and the in-person instructor classroom, lab education, component and training, and not the E-Learning component training?

Mr. Hunt said, we are a technology company. We are a technology association, E-Learning is part of what we do, and this is very common and if it's not some these organizations that help the administration of the program and there is training and certifications. This is a very big part of the technology industry.

Mr. Griffin said, one thing to note, if we end up going with just the Continuance Improvement and in-class training it will be 100% one company which is completely against all we have talked about. It will be all Lean QA.

Ms. Newsom said, given some of the remarks and sentiment today, I express concern, there is something that just doesn't sit right with me personally on this one as well. My fear is without knowing a little bit more about what this classroom module looks or the E-Learning that you are talking about and how important it is to the tech industry, the last thing I want to see done is that your sitting employees in front of a computer pressing a button going to the next screen and that's their training, and that's what it feels like. Without seeing what the evidence is there.

Ms. Roberts said, have you been through the training that Texcellent has done for you.

Mr. Hunt said, I've seen the catalog, I have not gone through the actual training themselves, but I have gone through training similar to online E-Learning training which is common in the industry.

Mr. Broad said, I'm sorry, we're communicating to you but we're really talking to someone who is not in the room and it's not a comfortable situation and I suppose and I think you are a little bit, perhaps a little of a victim of this but on the other hand, I am at a loss for what, how to handle this incident. Let's take suggestion from the Panel and figure out what we're going to do.

Ms. Roberts said, I would make a motion to fund them at the current rate of \$650k versus going to \$900k.

Mr. Broad said, there is a motion to fund this at \$650,000, is there a second?

ACTION: Ms. Roberts moved and Ms. Newsome seconded approval of the proposal for Tech Service Alliance – So Cal Chapter, Inc., from the amount of \$949,712 to \$650,000.

Motion carried, 7 – 0.

Inland Training Fund dba Inland Empire Electrical Training Center

Ms. Torres presented a proposal for Inland Training Fund dba Inland Empire Electrical Training Center in the amount of \$924,880. The Inland Training Fund (ITF) was founded in 1985 to jointly manage the training trust funds of IBEW Local 440 (Riverside) and Local 447 (San Bernadino). Each Local sponsors a separate apprenticeship program, as registered with the Division of Apprenticeship Standards. The ITF manages Apprentice and Journeyman training for both programs and serves over 150 signatory employers. These programs were established through collective bargaining between Locals 440 and 447, and the Southern Sierras Chapter National Electrical Contractors Association (NECA).

Ms. Torres introduced Jonathan Rowe, Assistant Training Director, and Jan Borunda, Cal Labor Federation.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Robinette seconded approval of the proposal for Inland Training Fund dba Inland Empire Electrical Training Center in the amount of \$924,880.

Motion carried, 7 – 0.

San Diego Electrical Training

Panel Member Gretchen Newsom recused herself.

Ms. Torres presented a proposal for San Diego Electrical Training in the amount of \$677,650. The San Diego Electrical Training Trust (SDETT or Trust) is dedicated to providing up-to-date industry skills and secure high-quality job opportunities for its members in San Diego and Imperial Counties. SDETT trains electrical workers to install power, lighting, controls, sound and communication controls, and other electrical equipment in commercial, industrial and residential facilities.

Ms. Torres introduced Kevin Johnson, Assistant Training Director and Jan Borunda, Cal Labor Federation.

There were no questions from the Panel.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the proposal for San Diego Electrical Training Trust in the amount of \$677,650.

Motion carried, 6 – 0.

Sheet Metal Workers’ Local 104

Ms. Nastari presented a proposal for Sheet Metal Workers’ Local 104 (Sheet Metal Trust) in the amount \$949,932. The Sheet Metal Workers’ Local 104 and Bay Area Industry Apprentice and Journeyman Training Fund is an “umbrella trust” fund created through a collective bargaining agreement (CBA) between Local 104 and Bay Area Association of Sheet Metal Contractors (Bay Area Contractors). The Trust oversees four training centers that serve 17 counties in Northern California assisting some 6,500 union members and approximately 275 signatory employers.

Ms. Nastari introduced Frank Cuneo, Training Administrator, and Jan Borunda, Cal Labor Federation.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Sheet Metal Workers’ Local 104 in the amount of \$949,932.

Motion carried, 7 – 0

Butte-Glenn Community College District

Mr. Mazzone presented a Proposal for Butte-Glenn Community College District in the amount of \$749,516. Founded in 1968 and headquartered in Oroville, Butte-Glenn Community College District (Butte College) is a two-year community college that provides academic instruction and workforce training. Butte College’s economic workforce development center, the Training Place, works directly with businesses throughout California to provide occupational and professional development training options for employers, and the general population. The College’s tailored learning solutions seek to foster a business environment that will lead to the retention and creation of high-skilled jobs and will enhance the overall prosperity of California. Butte College promotes training programs and policies that help employers achieve higher performance.

Mr. Mazzone introduced Annie Rafferty, Director of Contract Education Training and Development, Emiliano Cornejo, Administrative Assistant, and ChelseaLee Dorn, Human Resources Director – Lundberg Family Farms

There were no questions from Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Butte-Glenn Community College District in the amount of \$749,516.

Motion carried, 7 – 0.

SOMA AEC, Inc. dba Oxman College

Mr. Mazzone presented a proposal for SOMA AEC, Inc. dba Oxman College in the amount of \$943,400. SOMA AEC, Inc. dba Oxman College (Oxman College) was founded in 1991 and is a private, post-secondary vocational school. Oxman College provides training in computer programming, computer applications, continuous improvement, and health care.

Mr. Mazzone introduced Michael Dvorkin, PE, President and CEO.

Mr. Broad said, I have a question about the wage modification and maybe staff can answer this. There is a wage modification in Job No. 2, but two of the jobs in Job No. 2, one is for a LVN and the other for a registered nurse. One is the wage range of \$18-\$25/hour and the other is for \$25-\$35/hour, so why do you need a wage modification if the wage level is that high.

Mr. Mazzone said, it's only for the positions that require the waiver. So the Certified Nurses, rehab assistant, admin staff would require waivers.

Mr. Broad said, so it's done by occupation?

Mr. Mazzone said, yes. That's correct.

Ms. Roberts said, sometimes I will do a quick scan of the participating employers and this time I went and saw that 50% trainees are coming from Providence Healthcare Waterman down in San Bernadino. You said earlier that most of the training would be done in the Citrus Heights area or the local areas here. How are you going to train 150 employees, which is 50% of your employee contracts, way down in San Bernadino.

Mr. Dvorkin said, in this contract we will train additional probably from what we requested. 300 400 people because right now we spread out because especially Job number 3 we created allowed us to use union wages.

Ms. Roberts said, I'm not worried about the wages. I'm worried about the logistics, on how you are going to train more than 50% of your contracted amount in San Bernadino. Are they going to come up here?

Mr. Dvorkin said, No no no, we train on the company site. We train on the company site 1-10 ratio and only we do new hires because initially we requested for new hires also training but because if we can go to new hire training then we can serve our company that's why previous contract if you look at that we requested a little bit new hires training but demand was actually more for retraining so we had to shift this training. We would like to do new hires and we will do new hires because we going through right now after the reaccreditation process and to get federal finance in the future maybe next year and we needed actually to provide 720 hours or at least 300 hours training but this scenario because if the company waiting you will not

satisfy for company resources that we previously contract with about so this time we didn't request it for new hires but next we will because we have relationship with the County of Los Angeles, Sacramento County and now Santa Clara County as well. It has nothing to do with ETP its part we location in Sacramento.

Ms. Roberts said, you are sending your trainers down there?

Mr. Dvorkin said, Yes... Yes... no. no. they are not going to come to our facility. Some of the people some of the company previously contracted actually he needed a construction and he was successful.

Ms. Roberts said, I'm just worried about this one Providence Healthcare Waterman.

Mr. Dvorkin said, oh no, no, it will be at the company's site of course 10 people per the class.

Ms. Roberts said, I do not think we're communicating correctly. I just do not know how logistically you are going to work that out.

Mr. Dvorkin said, sorry every training right now every training on the company's site in the future we may rent out a facility because sometimes like in San Francisco two people from architecture here and company here two people from here company small it could be only 10 or 20-30 people but they all have to be retrained they have to retrain but right now we will not because it's too expensive to run operation right now this why we move our headquarter in Sacramento because it's not possible already to operate rent increase 5-10x in 80s it used to be one 6 dollars how can you afford it. Only maybe big construction company union they can of course they can cause they afford from the owner's moneys, we cannot I mean it's too expensive...

Mr. Broad said, so in San Bernadino the question she wants answered directly is who is doing the training?

Mr. Dvorkin said, our instructor, local instructor.

Mr. Broad said, so that's someone who lives down there and you are going to hire who lives down there. So they are not sending someone down there, they are hiring someone who lives down there.

Mr. Dvorkin said, Sure... exactly. It would be nice for you to pay for their hotel and everything.

Mr. Broad said, I get that you do not want to pay for a hotel. So you are going to get someone who lives down there and hire them to do the training.

Mr. Dvorkin said, yes, yes.

ACTION: Mr. Robinette moved and Mr. Broad seconded approval of the proposal for SOMA AEC, Inc. dba Oxman College in the amount of \$943,400.

Motion carried, 7 – 0.

Proposals AB118

El Camino Community College District, Center for Applied Competitive Technologies

Ms. Torres presented a proposal for El Camino Community College District, Center for Applied Competitive Technologies in the amount of \$533,450. Founded in 1946, El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT) is a two-year community college offering academic and vocational education programs. The district established the Center for Applied Competitive Technologies to advance California's economic growth and global competitiveness. El Camino CACT provides customized training, workshops, and technical assistance to employers. El Camino CACT is a repeat multiple employer contractor with both core funded and alternative funded Agreements.

Ms. Torres introduced Diane Palmer, Coordinator of ETP Programs Center for Customized Training.

There were no questions from Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for El Camino Community College District, Center for Applied Competitive Technologies in the amount of \$533,450

Motion carried, 7 – 0.

Panel Amendments

Consolidated Disposal Service, LLC dba Republic Services, Inc.

WITHDRAWN

SYSCO Ventura, Inc.

Mr. Griffin presented a Panel Amendment for SYSCO Ventura, Inc. in the amount of \$167,190. Located in Oxnard, SYSCO Ventura, Inc. (SYSCO-Ventura) warehouses, distributes and delivers more than 10,000 different food products, beverages, equipment and supplies to restaurants, schools, assisted-living facilities, government facilities, and other businesses in Ventura County and adjacent areas.

Mr. Griffin introduced Nancy Lark, Vice President of Human Resources.

No comments from the Panel.

ACTION:

Unanimously approved, 7 -0.

Temecula Valley Hospital, Inc. dba Temecula Valley Hospital

Ms. Torres presented a Panel Amendment for Temecula Valley Hospital, Inc. dba Temecula Valley Hospital in the amount of \$215,060. Founded in 2013, Temecula Valley Hospital, Inc. dba Temecula Valley Hospital (TVH) is the first hospital built in the City of Temecula. TVH has 140 private licensed beds, 20 extensive care beds, 4 high-tech surgical suites, a cardiovascular surgical suite, and a catheterization laboratory. The hospital also boasts an advanced electronic clinical information system and digital imaging capabilities. TVH offers a full range of medical services including cardiovascular, stroke care, orthopedics, pulmonary care, and we as general and vascular surgery. TVH is a designated STEMI (ST Elevated Myocardial Infarction and Chest Pain) Receiving Center and is a Joint Commission Accredited Stroke Center.

Ms. Torres introduced Katie DiDonato, Chief Nursing Officer.

No Comments from the Panel.

ACTION:

Unanimously approved, 7 – 0.

XII. FURTHER PUBLIC COMMENT

No further public comments.

XII. MEETING ADJOURNMENT

Mr. Broad adjourned the meeting at 12:44 PM.