



EMPLOYMENT TRAINING PANEL

PUBLIC MEETING NOTICE

PUBLIC PANEL MEETING

DATE: April 24, 2003 (Thursday)
TIME: 9:30 a.m.
PLACE: Sheraton Concord Hotel
Concord, California

TELECONFERENCE¹

LOCATIONS: ETP's North Hollywood Field Office
4640 Lankershim Blvd, Suite 311
North Hollywood, California

Holiday Inn on the Bay
155 North Harbor Drive
San Diego, California

¹ NOTE: If the Panel does not have a quorum, the Panel will meet as a subcommittee of the whole at the same time and place described in this notice. The subcommittee of the whole will take testimony on the items identified on this Agenda, but cannot vote or make any decisions. In the event that a teleconference will be used to establish a quorum, the teleconference location will be posted on ETP's website. All times for presentations are estimates and subject to change. However, the presentations will remain in order unless changed by the Panel at the meeting. Notices of Public Panel meetings are also available on ETP's website (www.etp.ca.gov).

PUBLIC PANEL MEETING

TIME: 9:30 a.m.
PLACE: Sheraton Concord Hotel
Walnut Room
45 John Glenn Drive
Concord, California 94520
(925) 825-7700
(925) 689-5326 FAX

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|-------------------|---|---|
| 9:30 a.m. | Call to Order
Roll Call
Approval of Agenda
Approval of Minutes | Aram Hodess,
Co-Chairperson |
| 9:35 a.m. | Reports of the Chairperson/Panel Members <ul style="list-style-type: none">• Legislative Committee Report | Tom Rankin,
Chairman
Legislative Committee |
| 9:45 a.m. | Report of the Executive Director <ul style="list-style-type: none">• Request Motion to Adopt Projects Under \$100,000• Report on Implementation of Strategic Plan Goals & Objectives• Small Business Pilot Project Update | Peter McNamee |
| 10:15 a.m. | Report of the General Counsel <ul style="list-style-type: none">• Consideration of Proposed Amendments to Regulation 22 CCR Section 4416, Out-of-State Competition | Peter DeMauro |

AGENDA**Thursday, April 24, 2003**

**10:45 a.m. Review and Action on Agreements
and Amendments**

**Diana Torres
Ron Tagami
Chuck Rufo
Creighton Chan**

12:00 Noon Lunch Break

**12:30 p.m. Review and Action on Agreements
and Amendments Continued**

2:00 p.m. Public Comment

2:15 p.m. Executive Session

- **Personnel: Government Code Section 11126(a)**
- **Litigation: Government Code Section 11126(q)**

2:30 p.m. Adjourn

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The Employment Training Panel (ETP) is an equal opportunity program and subject to section 504 of the Rehabilitation Act and the Unruh Civil Rights Act, which incorporates by reference the Americans with Disabilities Act (ADA). Special accommodations (American sign language interpreter, accessible seating, documentation in accessible formats, etc.) may be requested by contacting ETP staff at least seven (7) days prior to the hearing/meeting date at 916/327-5640 (voice); or through the California Relay Service at 800/735-2929 (hearing impaired); 800/735-2922 (voice impaired).

REVIEW AND ACTION

Following are lists of Agreements and Amendments that may be considered by the Panel on April 24, 2003. Staff will notify prospective Contractors regarding which specific projects will be presented or if any project listed below will not be presented. The Agreements and Amendments listed below are for the purpose of training unemployed persons or retraining employed workers to enhance economic development in California. Monetary amounts listed reflect funding requested as of the date of issuance of this Agenda.

Agreements/Amendments for a Multiple-Employer Contractor

NORTH HOLLYWOOD FIELD OFFICE

South East Los Angeles Workforce Investment Board

(Amendment) \$0
TriNet Networking and Training, Incorporated (Amendment) \$467,090
Video Symphony EnterTraining, Incorporated \$1,396,550

SACRAMENTO FIELD OFFICE

CCT Computer Learning Center (Amendment)..... \$136,880
San Joaquin Training Institute..... \$199,500

Special Employment Training (SET) Projects

SACRAMENTO FIELD OFFICE

Nugget Markets, Incorporated \$140,049

SAN MATEO FIELD OFFICE

AT&T Corporation..... \$2,102,308

REVIEW AND ACTION

Agreements/Amendments with a Single Employer

SAN DIEGO FIELD OFFICE

Kmart Corporation \$415,108
Recot, Incorporated d.b.a. Frito-Lay, Incorporated
Rancho Cucamonga..... \$357,994

SACRAMENTO FIELD OFFICE

Calpine Operating Services Company, Incorporated..... \$234,000

SAN MATEO FIELD OFFICE

Intel Corporation \$1,695,551

Agreements/Amendments Usually Approved by the Executive Director

SAN DIEGO FIELD OFFICE

Prometheus Laboratories, Incorporated \$67,600
R.E.M. Concepts, Incorporated d.b.a. ABC Window Company \$99,866
SMC Corporation of America (Amendment) \$13,195

SACRAMENTO FIELD OFFICE

The Pacific Lumber Company..... \$9,400

REVIEW AND ACTION

Small Business Pilot Projects

SAN DIEGO FIELD OFFICE

Avencom, LLC.....	\$3,020
Proactive Packaging and Display	\$24,960
Solid State Stamping, Incorporated	\$24,960

NORTH HOLLYWOOD FIELD OFFICE

Ideal Grinding Technologies, Incorporated	\$2,146
Sawing Services Company	\$2,400

SACRAMENTO FIELD OFFICE

Holly Yashi, Incorporated.....	\$19,500
Joseph Phelps Vineyards, LLC.....	\$3,840

SAN MATEO FIELD OFFICE

Wingard Quality Supply LLC.....	\$20,280
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**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Sheraton Concord Hotel
Walnut Room
45 John Glenn Drive
Concord, California
April 24, 2003

PANEL MEMBERS

Marsha Kwalwasser
Chairperson

Aram Hodess
Vice Chair

Barry Broad
Member

Joan Dean
Member

Tyrone Freeman
Member

Robert Lennox
Member

Tom Rankin
Member

Executive Staff

Peter McNamee
Executive Director

Steve Suchil
Assistant Executive Director

Pamela Haynes
Assistant Executive Director

Peter DeMauro
General Counsel

Ada Carrillo
Chief of Staff

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Sheraton Concord Hotel
Walnut Room
45 John Glenn Drive
Concord, California
April 24, 2003

I. PUBLIC PANEL MEETING CALL TO ORDER

Aram Hodess, Vice-Chair, called the public Panel meeting to order at 9:30 a.m. Mr. Hodess announced that, due to conflicting schedules and quorum problems, portions of this Panel meeting would be held via teleconference per Government Code Section 11123(b). He recommended moving the presentation of contracts forward on the Agenda.

ACTION: Mr. Hodess moved the Panel delegate to the Executive Director the authority to approve projects in consultation with the Chair and/or Vice-Chair for which a quorum does not exist at today's meeting. Ms. Dean seconded the motion.

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

II. ROLL CALL

Members Present

Marsha Kwalwasser, Chairperson (Connected by Teleconference)
Aram Hodess, Vice Chair
Barry Broad
Joan Dean
Robert Lennox (Connected by Teleconference)
Tom Rankin

Member Absent

Tyrone Freeman

Executive Staff Present

Peter McNamee, Executive Director
Steve Suchil, Assistant Executive Director
Pam Haynes, Assistant Executive Director
Peter DeMauro, General Counsel
Ada Carrillo, Chief of Staff

III. APPROVAL OF MINUTES

ACTION: Mr. Rankin moved and Ms. Dean seconded the Panel approve the minutes of March 27, 2003.

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

IV. APPROVAL OF AGENDA

ACTION: Mr. Broad moved and Ms. Dean seconded the Panel approve the Agenda with the revision of moving the projects forward.

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

V. AGREEMENTS AND AMENDMENTS

AT&T Corporation (presented out of order)

Ms. Kwalwasser and Mr. DeMauro recused themselves from review, discussion, and action on the AT&T Corporation proposal.

Creighton Chan, Manager of ETP's San Mateo field office, presented a One-Step Agreement for AT&T Corporation in the amount of \$2,102,308 to retrain 898 employees. Retraining for 686 employees qualifies for regular ETP funding, and 212 retrainees will use Special Employment Training funds for the retraining of frontline workers in occupations that pay the State average hourly wage. The Communication Workers of America (CWA), AFL-CIO, District 9, has reviewed the training plan and supports its implementation for its members.

Mr. Chan introduced Charlie Tapia, Employee Relations Manager, Bret Anderson, Operations Manager, Jim Weitkamp, Assistant to the Vice President of CWA District 9, and Edward Solomon, Senior Manager of Deloitte & Touche. Mr. Hodess requested adding to the contract the phrase "trainees will not produce products or services during training." Mr. Tapia had no objection. Mr. DeMauro stated that ETP has made provisions to insert that phrase in all ETP standard contracts.

ACTION: Mr. Rankin moved and Ms. Dean seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 - 1 (Roll call vote: Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Mr. Hodess, yes; Ms. Kwalwasser recused).

Intel Corporation (presented out of order)

Mr. Broad and Ms. Dean recused themselves from discussion and action on the Intel Corporation proposal. Mr. Hodess stated that until a quorum is present, the Panel would be acting as a committee of the whole. The Panel members present would listen to the contractor's presentation but without a quorum would not be able to take any action on the proposal.

Mr. Chan presented a One-Step Agreement for Intel Corporation in the amount of \$1,688,154. Intel Corporation manufactures semiconductor chips, and various computer components, networking and communications products. Retraining is proposed for 2,823 technology-manufacturing technicians, analysts, and managers. The ETP-funded training program will include Manufacturing, Computer, Continuous Improvement, and Business Skills training. Mr. Chan requested the Panel give the Executive Director the authority to approve the finalized Agreement.

Mr. Chan introduced Karen Weitz, Director of Intel University, Brian Launer, Training Analyst, Shannon Beaty, Finance Analyst, and Steve Duscha from PriceWaterhouseCoopers. There were no questions from the Panel.

Mr. McNamee, after consulting with the Chair and Vice Chair, approved Intel's proposed Agreement in accordance with the Panel's delegation of authority in regard to projects where a quorum was not present. (See Page 2.)

VI. REPORTS OF PANEL MEMBERS

Legislative Subcommittee

Mr. Rankin, Chairman of the Legislative Subcommittee, reported on the Senate and Assembly Budget Hearings. No decisions were made in either Committee regarding the diversion of ETP funds. Mr. Rankin reported on four bills pending in the Legislature that directly pertain to ETP. He stated AB 1061 (Firebaugh) has been amended to ETP's satisfaction. The intent of the bill is to increase the number of direct single employer contracts with small businesses, especially those that are subcontractors for aerospace and defense prime contractors. Mr. Rankin stated SB 817 (Ducheny) might be problematic. He recommended to the Panel a position of oppose unless amended. This bill is not limited to the nursing shortage, but includes all non-profit organizations and public entities. It deletes industries threatened by out-of-state competition as a funding criterion. He stated AB 817 should be amended to require non-profits and public entities to pay into the Employment Training Fund to relieve other employers of the burden of paying for

those employers that would be included under this bill. The scope of this bill should be specifically narrowed only to the nursing shortage issue. The out-of-state competition criterion should also be added back in.

Mr. Suchil reported SB 817 was amended on April 21, 2003. The main effect of the bill is to extend ETP's program to make non-profit and governmental entities eligible to receive training funds. These entities currently are excluded because they do not pay Unemployment Insurance/Employment Training Tax. He stated currently there is no sponsor for this bill and it is not set for hearing. He stated Senator Ducheny's staff had informed ETP that SB 817 is intended to address California's shortage of nursing staff. Mr. Suchil stated the major difficulty of this bill is that it is not limited specifically to nursing staff, and it is extending ETP's program to all non-profit organizations and public entities.

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel oppose SB 817 unless amended to solely limit to the nursing issue and exclude public entities. If non-profit entities are to be included, a funding source should be created for those entities that do not pay into the Employment Training Tax. Industries threatened by out-of-state competition as a funding criterion should not be deleted.

Motion carried, 5 – 0 - 1 (Roll call vote: Mr. Broad, yes; Mr. Lennox, yes; Mr. Rankin, yes; Mr. Hodess, yes; Ms. Kwalwasser, yes; Ms. Dean abstained).

Mr. Rankin stated at the Senate Budget Subcommittee Hearing held on April 3, 2003, the United Farmworkers requested to have 5 percent of ETP's training funds dedicated to agricultural training. Mr. McNamee sent a letter to Senator Ortiz and the United Farmworkers addressing the questions raised at the Hearing. Mr. McNamee had stated that while ETP's mandate is on training for high-wage, high-skill, secure jobs, ETP recognizes the importance of assisting workers and businesses in the State's agriculture section. He stated the Panel has continually sought and will continue to address the training needs of seasonal workers to the extent possible within the parameters of ETP's enabling legislation. Mr. Broad requested staff to research what ETP can do for the seasonal employees and report back to the Panel. Mr. McNamee stated staff would recommend to the Panel (in the context of the May discussion on the Strategic Plan) that the Panel adopt a goal to assess how ETP can promote more secure employment and greater earnings for seasonal workers.

VII. APPROVAL OF PROJECTS OF LESS THAN \$100,000

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve adopting those proposals that are less than \$100,000 including the

Small Business Pilot Projects (SBPP). The following projects were approved:

Prometheus Laboratories, Incorporated	\$67,600
R.E.M. Concepts, Incorporated d.b.a. ABC Window Company	\$99,866
SMC Corporation of America (Amendment)	\$13,195
The Pacific Lumber Company	\$9,400
Avencom, LLC (SBPP)	\$3,020
Proactive Packaging and Display (SBPP)	\$24,960
Solid State Stamping, Incorporated (SBPP)	\$24,960
Ideal Grinding Technologies, Incorporated (SBPP)	\$2,146
Sawing Services Company (SBPP)	\$2,400
Holly Yashi, Incorporated (SBPP)	\$19,500
Joseph Phelps Vineyards, LLC (SBPP)	\$3,840
Wingard Quality Supply LLC (SBPP)	\$20,280

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

VIII. AGREEMENTS AND AMENDMENTS CONTINUED

South East Los Angeles Workforce Investment Board

The proposed Amendment to the South East Los Angeles Workforce Investment Board Agreement was withdrawn from consideration at this month's Panel meeting.

TriNet Networking and Training, Incorporated

Dolores Kendrick, Manager of ETP's North Hollywood field office, presented an Amendment to the Agreement for TriNet Networking and Training, Incorporated, in the amount of \$467,090 to add a second phase of training to the original Agreement to retrain 210 additional employees.

Ms. Kendrick introduced Karah McCormies, Director of Training. There were no questions regarding the Agreement from the Panel.

ACTION: Mr. Broad moved and Ms. Dean seconded the Panel approve the Amendment as presented.

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

Video Symphony EnterTraining, Incorporated

Ms. Kendrick presented a One-Step Agreement for Video Symphony EnterTraining, Incorporated, in the amount of \$1,188,800 to retrain 750 frontline workers. This will be the fourth Agreement between Video Symphony and ETP. Entertainment media production has been undergoing and continues to experience a major transformation from analog to digital production and delivery methods. Ms. Kendrick stated approximately 50 percent of the training will be mandatory. The Contractor asserts that standard ETP reimbursement rates are insufficient to fund training due to the high cost of instructional time, hardware and software, and the need for small classes due to the technical nature of the material. Video Symphony submitted Budget Workpapers to substantiate its reimbursement rate of \$31.62 per training hour. The rate is consistent with funding previously approved by the Panel for similar types of training and is less than Video Symphony's catalog rates to the public.

Ms. Kendrick introduced Mike Flanagan, President. Mr. Broad had concerns regarding trainees not being paid during training. Mr. Flanagan stated that some of the training is delivered on weekends, not during working hours, and that training is voluntary. Mr. Hodess stated that at a prior Panel meeting it was decided that training was considered mandatory if an employee was under the impression that training was going to be required in order to continue in his job. He stated with the new technologies, employees who are not trained would not be competitive and would be out of a job.

Mr. Hodess questioned the in-kind contribution. He stated the cost of lost production time should not be included in the required 50 percent in-kind contribution.

Mr. Tagami stated that lost production time was not factored into the in-kind contribution calculation.

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement with the understanding that no credit be taken for in-kind contribution for lost production time.

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

CCT Computer Learning Center

Charles Rufo, Manager of ETP's Sacramento field office, presented an Amendment to the Agreement for CCT Computer Learning Center in the amount of \$136,880 to add 80 trainees. CCT provides customized on-site computer software training.

Mr. Rufo introduced David Clark, CEO. There were no questions regarding the Agreement from the Panel.

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve the Amendment.

Motion carried, 6 – 0 (Roll call vote: Mr. Hodess, yes; Mr. Broad, yes; Ms. Dean, yes; Mr. Lennox, yes; Mr. Rankin, yes; Ms. Kwalwasser, yes).

San Joaquin Training Institute

Mr. Rufo presented a One-Step Agreement for San Joaquin Training Institute in the amount of \$199,500 to train 125 new hires. San Joaquin operates as a private training facility designed to meet the occupational needs of the local community. San Joaquin Training Institute is requesting a waiver of the ETP new-hire minimum wage of \$8.98 to \$6.75 per hour to train Casino Dealers at three Casinos, two of which are located on Indian land in San Joaquin County. San Joaquin Training Institute officials have stated that Casino Dealers, in addition to their base wages, receive tips equal to or surpassing their base wages and those tips are reported to the IRS. However, tips, by ETP policy, cannot be included in the wage calculation since they are voluntarily given by individual customers.

Staff recommended denying this funding application because the base wages for trainees after the retention period are at the State minimum wage level and trainees will be placed with employers in an industry with high employee turnover rate. Also, two of the three Casinos have Sovereign status because they are located on Indian land or trust land and are not subject to California law.

Mr. Rufo introduced Tamara Honohan, Campus Director, and Sue Smilie. Mr. Broad asked if the two Indian casinos would waive Sovereign immunity to allow the enforcement of California law. He also had concerns with the wage rate. Mr. DeMauro stated the compacts that the tribes enter into with the Governor are currently being negotiated.

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel deny the One-Step Agreement because of the lack of compacts with the Governor and wage issues.

Ms. Honohan stated she would like to present to the participating employers the issues raised by the Panel. Mr. Rankin rescinded his motion. Ms. Honohan will bring the proposal back to the Panel once the issues raised by the Panel are resolved.

Mr. Lennox excused himself from the remainder of the Panel meeting.

Nugget Markets, Incorporated

Mr. Rufo presented a One-Step Agreement for Nugget Markets, Incorporated, in the amount of \$140,049. Nugget Market was the first store in the Sacramento area to offer self-service in the meat department and refrigerated produce cases in a grocery store. Nugget seeks to train 171 employees in order to provide an elevated level of customer service and to have a qualified team available for company expansion.

Mr. Rufo introduced John Vergot, Director of Safety and Human Resources, and Mark Benton, Director of Training & Development. Mr. Hodess questioned the in-kind contribution. Mr. Rufo stated the \$114,900 in-kind contribution is primarily for Nugget's cost for training personnel who do not meet the ETP wage requirements. Mr. Rankin had concerns regarding the turnover rate. Mr. Vergot stated the turnover rate of 18 percent is for the total workforce. He stated the turnover rate for the higher wage employees is approximately 5 percent; the entry-level courtesy clerks have a much higher turnover rate.

ACTION: Ms. Dean moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 (Roll call vote: Mr. Broad, yes; Ms. Dean, yes; Mr. Rankin, yes; Mr. Hodess, yes; Ms. Kwalwasser, yes).

Kmart Corporation

Diana Torres, Manager of ETP's San Diego field office, presented a One-Step Agreement for Kmart Corporation in the amount of \$414,718 to retrain 602 frontline workers and 76 managers and supervisors. Kmart Corporation's in-kind contribution will be approximately \$424,928. Kmart Corporation's Mira Loma and Ontario service centers provide integrated order processing, distribution, and related internal services to its store locations inside and outside of California. Company representatives state that increased pressure from its competitors had decreased overall demand for its products. Kmart filed for Chapter 11 bankruptcy protection and consolidated its operations. Kmart has re-examined its performance on every level of its organization and has identified training in key areas of its business as vital to turning the Company around and refocusing its business for future success.

Kmart is requesting a waiver to the ETP turnover rate requirement, which is not to exceed 20 percent. Kmart is confident that it will reduce its turnover rate to below 20 percent during the final year of the Agreement. The Agreement contains language requiring Kmart to achieve a turnover of 20 percent or less during the final 12 months of the Agreement in order to earn the final 25 percent payment.

Ms. Torres introduced Tom Owen, General Manager, and Moira Haw, Human Resources. Mr. Rankin had concerns regarding Kmart's turnover rate and asked if the Contractor would agree to a 150-day retention period. Mr. Owen agreed.

ACTION: Mr. Rankin moved and Mr. Hodess seconded the Panel approve the One-Step Agreement with a 150 day retention period.

Motion carried, 5 – 0 (Roll call vote: Mr. Broad, yes; Ms. Dean, yes; Mr. Rankin, yes; Mr. Hodess, yes; Ms. Kwalwasser, yes).

Mr. Hodess requested the Contract only be entered into after Kmart has emerged from bankruptcy. Mr. Owen agreed.

Recot, Incorporated d.b.a. Frito-Lay, Incorporated - Rancho Cucamonga

Ms. Torres presented a One-Step Agreement for Recot, Incorporated d.b.a. Frito-Lay, Incorporated - Rancho Cucamonga, in the amount of \$357,994 to retrain 562 employees. Recot's estimated in-kind contribution amounts to \$681,696. This is the third Frito-Lay proposal for the Rancho Cucamonga facility within the last five years. Frito-Lay wants to continue building on the foundation begun in the previous Agreements by providing training in the same skill areas but at higher skill levels.

Ms. Torres introduced Nancy Cramer, Continuous Improvement Manager, and Nakyshia Vance, Training Resource. Ms. Kwalwasser questioned Recot's in-house training. Ms. Vance stated Recot provides Safety training. Mr. Hodess questioned the performance on previous contracts. Ms. Cramer stated the previous contract with Rancho Cucamonga has been completed and over 400 trainees have been retained. Other contracts were with other separate facilities. Mr. Broad asked how this training project is different from the prior project. Ms. Cramer explained that the training in this proposal is more in-depth than the training previously provided. Mr. Broad had concerns about ETP continually funding training that should be the responsibility of the Contractor. He questioned the supplemental nature of the training.

ACTION: Ms. Dean moved the Panel approve the One-Step Agreement. There was no second. The motion died for lack of a second.

Panel members had concerns with previous contracts and type of training in this "second phase" of the prior contract. Mr. McNamee suggested the applicant bring this proposal back to the Panel next month with further clarification of the training proposed in this project and Rancho Cucamonga's own commitment to training. Ms. Cramer and Ms. Vance agreed.

Calpine Operating Services Company, Incorporated

Mr. Rufo presented a One-Step Agreement for Calpine Services Company, Incorporated, in the amount of \$234,000 to retrain 320 employees in Commercial Skills, Computer Skills, and Management Skills. This proposal was initially presented to the Panel at the March 2003 Panel meeting. The Panel had concerns about (1) prior contract performance, (2) 200-hour waiver request for 20 trainees in Job Number #3, and (3) possible duplication of existing apprenticeship programs.

Calpine officials stated that the previous ETP-funded training project was done at a time when the company had no experience with the ETP program, nor any experience implementing company-wide, comprehensive training programs funded by the company. Calpine officials state that they have a better understanding of the training process and of ETP requirements. Calpine will not subcontract with a training administrator, but will perform all administrative tasks themselves.

Calpine officials provided a comprehensive description of the Commercial Skills portion of the curriculum to ETP staff. This curriculum was submitted to the Division of Apprenticeship Standards (DAS) of the California Department of Industrial Relations for review. DAS has provided a written confirmation that there is a duplication and overlap between the proposed program for Power Plane Operator and the Stationary Engineer program offered by the Northern California & Northern Nevada Stationary Engineers Joint Apprenticeship Committee. The Stationary Engineer program offers extensive instruction in power plant operation and maintenance, and electricity. Mr. Rufo stated the ETP apprenticeship policy allows for journey level upgrade training for trades with DAS approved apprenticeship programs. Calpine representatives certify that each of its employees receiving training in the Commercial Skills curriculum will have worked the equivalent number of hours required by the DAS for completion of apprenticeship in the industry in which they are to receive training.

Mr. Rufo introduced John Cole, Director of Training, and Sue Middleton, CMMS Training Specialist. Mr. Hodess requested documentation on individuals who are being provided journeyman upgrade training certifying they have the equivalent number of hours for Stationary Engineer work as well as assurance that the training is journeyman upgrade training and not an apprentice curriculum.

Mr. Rankin questioned the number of managers included in this training proposal. Mr. Cole stated Calpine has grown tremendously and the managers need supplemental skills.

ACTION: Mr. Broad moved and Mr. Hodess seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0 (Roll call vote: Mr. Broad, yes; Ms. Dean, yes; Mr. Rankin, yes; Mr. Hodess, yes; Ms. Kwalwasser, yes).

IX. REPORT OF THE EXECUTIVE DIRECTOR

ETP's Strategic Plan

Mr. McNamee reported ETP has a statutory requirement to submit an update to ETP's Strategic Plan for the next three-year period, which is due to Legislators in July. A two-day Panel meeting is being planned for May with one day dedicated to the presentation of proposals and policy issues, and one day directed specifically at collecting information for revisions to the Strategic Plan.

Update on Implementation of Current ETP Strategic Plan Goals & Objectives

Mr. McNamee recommended the Panel defer the issue of supplemental training to the June Panel meeting. Staff has been extremely busy as a result of staff shortages. Mr. McNamee recommended the discussions on new hire occupations and SET growth sectors in the economy be postponed until after the May worksession discussions. He stated the establishment of an ETP Customer Advisory Committee for the IT initiatives has been deferred until next year when staff will be able to devote more time to its establishment.

Mr. McNamee reported there were three successful bidders for ETP Marketing Agreements. Contract negotiations have been finalized for the California Chamber of Commerce, the California Labor Federation, and the California Manufactures and Technology Association. He also noted that ETP has renewed its Interagency Agreement with the Technology, Trade and Commerce Agency for marketing activities.

Small Business Pilot Project Update

Ms. Haynes reported eight Small Business Projects were presented at today's Panel meeting bringing the total number of contracts approved to 36 (35 projects) representing a total of \$429,440 in funds committed to the SBPP. This month's projects represent employers from the manufacturing sector, services sector, and the construction industry. A total of 144 workers will be trained under these eight contracts. Wages range from \$11 to \$49 per hour with only one employer having to use health benefits to meet the ETP hourly wage requirement. The total ETP training cost for the eight projects is \$101,740 and the total in-kind contribution for all eight employers totals approximately \$112,000.

Ms. Haynes announced an Interagency Agreement is being developed with the Ohrenschall Center for Entrepreneurship, College of Business at California State University, San Francisco, to perform the SBPP evaluation. Mr. McNamee recommended continuing the SBPP until after the final data has been presented by the Ohrenschall Center.

X. REPORT OF THE GENERAL COUNSEL

Regulation 22 CCR Section 4416, Out-of-State Competition

Mr. DeMauro stated that due to a lack of a quorum, the presentation and discussion on the Regulation for Out-of-State Competition would be postponed until next month's Panel meeting.

XI. PUBLIC COMMENT

Steve Duscha, Alliance for ETP, spoke on the Alliance's public relations campaign for ETP. The Alliance recently submitted newspaper articles that have appeared in several newspapers throughout the State highlighting ETP's accomplishments.

XII. EXECUTIVE SESSION

There was no Executive Session at this month's Panel meeting.

XIII. ADJOURN

There being no further business and no objection, the meeting was adjourned at 12:20 p.m.