

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Shelter Pointe Hotel  
Voyager Room  
1551 Shelter Island Drive  
San Diego, California  
July 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

Steven Suchil  
Assistant Executive Director

Pamela Haynes  
Assistant Executive Director

Peter DeMauro  
General Counsel

Ada Carrillo  
Chief of Staff

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**I. PUBLIC PANEL MEETING CALL TO ORDER**

Ms. Kwalwasser, Chairperson, called the public Panel meeting to order at 9:40 a.m.

**II. ROLL CALL**

Members Present

Marsha Kwalwasser, Chairperson  
Barry Broad  
Joan Dean  
Tyrone Freeman  
Tom Rankin (Arrived after Roll Call)

Member Absent

Aram Hodess  
Robert Lennox

Executive Staff Present

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

**III. REPORT OF THE EXECUTIVE DIRECTOR**

Mr. Suchil reported the shortfall in the Employment Training Fund is estimated to be approximately \$17 – \$24 million. He stated that ETP is working with the Labor Agency to determine the best possible solution for the shortfall situation.

Mr. Suchil reported on two ETP Budget Change Proposals that have been submitted to the Labor Agency: (1) a request for the reduction of funds that are diverted to the Department of Social Services; and (2) a request to separate ETP from the Employment Development Department.

Mr. Suchil stated that, with the absence of a State Budget, all projects approved at the July meeting would proceed at the Contractor's risk. Mr. DeMauro explained that contracts that have been approved without a budget would include a proviso that contractors proceed with training but do so at their own risk. He stated that no progress payments would be made until a budget is approved.

Mr. Suchil requested a motion from the Panel to recognize projects approved at the July meeting are approved in absence of a State Budget, and payments will not be made until a budget is enacted. Contractors may proceed with training but will do so at their own monetary risk.

**ACTION:** Mr. Broad moved and Ms. Dean seconded the Panel recognize projects approved at the July 2003 meeting are in absence of a State Budget, and payments will not be made until a budget is enacted.

Motion carried, 5 – 0.

Ms. Kwalwasser recommended moving the presentation of contracts forward on the Agenda because of an anticipated quorum problem later that day.

Mr. Suchil stated that, due to a quorum problem and a Panel member's recusal, the project for Kraft Foods, Incorporated – Oscar Mayer, which is included in a grouping of projects under \$100,000 that are normally approved as a group will be presented and considered separately.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve adopting those proposals in funding amounts of less than \$100,000 including the Small Business Pilot Projects (SBPP) with the exception of Kraft Foods, Incorporated – Oscar Mayer, which will be considered separately. The following projects were subject to this motion to approve:

Arlon, Inc. ....	\$78,416
CardioDynamics International Corporation.....	\$95,680
CERCOM, Inc.....	\$98,358
Kmart Corp. (Amendment).....	\$4,032
Trim-Lok, Incorporated .....	\$70,460
Industrial Modification & Repair, Incorporated .....	\$45,000
Mentor Corporation .....	\$41,106
PractiveXpert Services Corporation.....	\$48,000
Chen-Tech Industries, Incorporated (SBPP).....	\$8,640
El Clasificado (SBPP).....	\$24,560
Davis Industries .....	\$7,800

Motion carried, 5 – 0.

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

Motion carried, 5 – 0.

Ms. Kwalwasser recommended moving the presentation of contracts forward on the Agenda due to an anticipated quorum problem.

ACTION: Mr. Broad moved and Ms. Dean seconded the Panel approve the Agenda.

Motion carried, 5 – 0.

Ms. Kwalwasser requested the minutes of June 24, 2003, be corrected on Page 17 and 19, Office Depot, Incorporated, and Kraft Foods, Inc., San Leandro, were approved by the Executive Director, after consultation with the Chair and/or Vice Chair, since no quorum was available.

ACTION: Mr. Rankin moved and Mr. Freeman seconded the Panel approve the minutes as corrected.

Motion carried, 5 – 0.

#### **IV. AGREEMENTS AND AMENDMENTS**

##### **Associated General Contractors of California**

Creighton Chan, manager of ETP's San Mateo Field Office, presented a One-Step Agreement for Associated General Contractors of California (AGC) in the amount of \$126,926. AGC is a professional organization consisting of 1,097 construction firms and industry-related companies. AGC proposes to train 270 workers from several companies in Commercial Skills, which include Construction Lead Training and Safety Coordinator Training. AGC has provided individual safety and supervisory skills training in the past through its training and education program. The classes have been short-term, one-day stand alone sessions, not organized to support career ladders or promotional opportunities. The Safety Coordinator Training has not been emphasized as a separate career track in the past and there has been no formalized effort to identify and require intensive safety procedures training for those who advance in this career path. Existing supervisor training is often provided as a one-day session after a promotion and provides only minimum standards.

Mr. Chan introduced Richard Mallory, Partnering and Management Consultant, Global Leadership Alliance, and Tony Grasso, Executive Director, AGC. There were no questions from Panel members.

Action on Associated General Contractors of California was postponed due to a lack of a quorum. Mr. Rankin was not present at the time of voting. (See below for action)

### **El Camino Community College District (CACT)**

Ms. Kwalwasser recused herself from discussion and action on an amendment to the ETP contract held by El Camino Community College District. Mr. Broad presided as Chair. The ETP Agreement with El Camino College was approved by the Panel in September 2002 to upgrade the skills of 300 full-time employees working for eligible employers that are in the process of transitioning to a high performance workplace.

Dolores Kendrick, a manager of ETP's North Hollywood field office, presented the Proposed Amendment for El Camino Community College District/Center for Applied Competitive Technologies in the amount of \$222,400. CACT provides customized training, workshops, and technical assistance primarily to employers that are manufacturing/metalworking companies and are suppliers for the aerospace industry.

Ms. Kendrick introduced William Yates, Jr., Director, and Deborah Imonti, Training Coordinator. There were no questions from Panel members.

Mr. Broad stated there was not a quorum to act on El Camino Community College District; therefore, action was referred to the Executive Director for approval after consultation with the Chair and/or Vice Chair.

Mr. Rankin rejoined the meeting. With a quorum present, Mr. Broad called for action on Associated General Contractors of California.

**ACTION:** Mr. Broad moved and Ms. Dean seconded the Panel approve the One-Step Agreement for Associated General Contractors of California.

Motion carried, 5 – 0.

Ms. Kwalwasser resumed as Chairperson.

### **Employers Group**

Ms. Kendrick presented a Proposed Amendment for Employers Group in the amount of \$552,380. The Employers Group was created to assist California employers with human resource-related information and management. It offers a wide range of

services, from interpreting complex employment laws to helping employers restructure their businesses to be more profitable and competitive.

The Contractor's representative states that they have experienced an extremely high employer demand for training. The Contractor is requesting 910 additional training slots.

Ms. Kendrick introduced Jeffrey Hull, Director. Mr. Freeman requested clarification on type of training proposed in this Amendment. Mr. Hull stated there is no change in the curriculum. They are adding more training slots in order to meet the continued participating employer demand. Mr. Rankin questioned the wage ranges. Panel members requested staff be more specific when listing wage ranges.

**ACTION:** Ms. Dean moved and Mr. Broad seconded the Panel approve the Proposed Amendment.

Motion carried, 5 – 0.

### **Elite Aviation, Incorporated**

Ms. Kendrick presented a One-Step Agreement for Elite Aviation, Inc., in the amount of \$138,600. Elite Aviation is a private jet charter service, an aircraft management company, a manager of an aircraft fuel program for companies to buy fuel at discounted prices, and a representative for aircraft sales. Elite Aviation asserts that there is a new standard in the industry, and the Company must achieve a high performance workplace to increase its competitiveness in the marketplace. Elite Aviation proposes to train 83 current workers in Commercial Skills, Business Skills, Computer Skills, and Continuous Improvement.

Ms. Kendrick introduced Richard Hodkinson, President, and Josefina De La Cruz, Human Resource Manager. Mr. Broad questioned the wage ranges. Mr. Hodkinson stated the wide variance in wages is because of the varying degrees of experience, and skill level.

**ACTION:** Ms. Kwalwasser moved and Ms. Dean seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Nor-Cal Beverage**

Diana Torres, manager of ETP's San Diego field office, presented a One-Step Agreement for Nor-Cal Beverage in the amount of \$361,322 to train 185 employees in Management Skills, Manufacturing Skills, and Continuous Improvement Skills. Nor-Cal submitted a One-Step Agreement proposal to the Panel at the April 2003 meeting and was approved for ETP funding. Business conditions prevented the

Company from beginning training and the Agreement was terminated. The current proposal is essentially the same One-Step Agreement approved previously except it includes an increase in the number of training hours.

Ms. Torres introduced Todd McFarland, Plant Manager.

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

Motion carried, 5 – 0.

### **Notthoff Engineering – L.A. – Inc.**

Ms. Torres presented a One-Step Agreement for Notthoff Engineering – L.A. – Inc., in the amount of \$119,400. Notthoff manufactures structural aircraft parts for aerospace companies. Being an aerospace supplier requires substantial investment in plant and equipment. Due to increasing competition and consolidation in the aerospace industry, training is critical for Notthoff to build a competitive workforce and to become a high performance workplace. Notthoff plans to train 30 employees in Business Skills, Continuous Improvement, Management Skills, and Manufacturing Skills.

Ms. Torres introduced Terry Kaller, President and General Manager. There were no questions from Panel members.

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

Motion carried, 5 – 0.

### **Frito-Lay, Incorporated**

Ms. Kendrick presented a One-Step Agreement for Frito-Lay, Inc., in the amount of \$226,005. This is the 12th Frito-Lay project within the last five years and the 2nd project for this site, which is a Sales and Distribution Center. The Company reports that to ensure a continued success as a Sales and Distribution Center in the competitive food processing and distribution business, it is essential for the Company to implement new strategies and maintain a highly skilled and efficient workforce. In the first Agreement, training centered on basic concepts and short-term goals. In this proposal, Frito-Lay intends to continue building on the foundation begun in the previous Agreement focusing on higher-level skills and knowledge. Frito-Lay proposes to retrain 183 employees in Continuous Improvement Skills, Commercial Skills, Computer Skills, and Business Skills.

Ms. Kendrick introduced Mark Hughes, Region Operations Manager, John Greenbank, Region Productivity Manager. Panel members had concerns with the

number of individual training projects for Frito-Lay. Mr. Broad suggested staff bring forth proposals that include combinations of several locations/operations rather than a separate proposal for each individual location.

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

Mr. DeMauro clarified the denial. He stated the project was denied because of the Panel's concern with the lack of any coordinated training mission on behalf of the Company. He stated with budget constraints, it is not economically feasible for the Company or the Panel to continue funding the same company on a case-by-case basis. Mr. Broad stated his concern was with one company having multiple outstanding ETP contracts.

### **TLD Distribution Company**

Ms. Kendrick presented a One-Step Agreement for TLD Distribution Company in the amount of \$120,000. TLD redistributes bar and restaurant supplies to mostly out-of-state customers. The Contractor reports that competition from larger out-of-state companies whose territories overlap with TLD's territories is forcing TLD to change the way it does business in order to remain competitive. TLD contends that the best way to improve its position in the marketplace is by refocusing its business strategy to include upgrading the skills of its current workers. ETP funding will allow TLD to provide Business Skills, and Computer Skills training to 40 frontline workers.

Ms. Kendrick introduced Muskarn Ferguson, Executive Assistant. There were no questions from Panel members.

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

Motion carried, 5 – 0.

### **Lam Research Corporation**

Mr. Chan presented a One-Step Agreement for Lam Research Corporation in the amount of \$501,650. Lam Research Corporation is a global manufacturer and supplier of wafer fabrication equipment and services that are critical processes in manufacturing computer chips for the world's semiconductor industry. The Company proposes to capitalize on the continuing economic slowdown to train its workers and further the conversion to a high-performance workplace. This proposed program, which is a sequel to a previous ETP training contract, would enable employees not trained during the prior contract to gain the necessary skills and knowledge to keep the firm on the cutting edge of competition. Lam Research Corporation proposes to train 1,200 employees in Business Skills, Computer Skills Continuous Improvement Skills, and Management Skills.



Mr. Chan introduced Michele Izor, Senior Director of Tax and Foreign Trade. Mr. Freeman asked the Contractor for assurance that this project will succeed. Ms. Izor stated the Company learned a great deal from the last project. She stated there is more commitment to this project and a cross-functional team has been put into place with individual key performance indicators and goals.

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

Motion carried, 5 – 0.

### **Valero Refinery Company of California**

Mr. Chan stated the Valero Refinery Company of California project has been withdrawn from consideration at today's Panel meeting.

### **Kraft Foods, Incorporated – Oscar Mayer**

Ms. Kwalwasser had recused herself from discussion and action on the project for Kraft Foods, Incorporated – Oscar Mayer. Mr. Rankin presided. Mr. Rankin stated there was not a quorum to act on Kraft Foods, Incorporated – Oscar Mayer, so action was referred to the Executive Director for approval after consultation with the Chair and/or Vice Chair.

## **V. SUPPLIER EXCELLENCE ALLIANCE**

Ms. Kwalwasser recused herself from discussion on the Supplier Excellence Alliance (SEA) presentation. Mr. Rankin continued as Chair.

Robert Nelson, President/CEO of the UAW/LETG, introduced Julie Gissel, Senior Manager of Lean Implementation at Boeing Corporation, Long Beach; Michelle Scarpella, Northrop Grumman Director of Supplies, Quality and Technical Performance; and Marino "Augie" Aguilera, Manager Quality Assurance UTC Hamilton Sundstrand, San Diego, who explained what SEA is about. The SEA is an association of leading aerospace, defense and space prime contractors whose purpose is to develop the capabilities of their supplier companies; to improve supplier capabilities, performance and competitiveness; and to provide performance improvement resources including training materials, best practices, trainers, consultants, and sources of funding for improvement. SEA has been organized primarily to address the need to improve the 2nd and 3rd tier supplier base, which includes most of the smaller suppliers. Mr. Freeman asked about the suppliers' perspective and the selection process. He had concerns about training being a part of production. Ms. Gissel stated symposia have been held throughout the area, and suppliers that have attended have been entirely supportive. She stated each

supplier/employer is responsible for its own implementation plan, and knows which employees could be pulled off the production line for training without disrupting business.

Hilda Pacheco-Taylor, California Training Cooperative (CTC), presented a brief history of her organization. The CTC will provide management and trainer contracting and certification for the SEA project. Mr. DeMauro stated that staff has concerns with the cost of the program and with funding for curriculum development. Mr. Rankin also had concerns with the cost. The SEA will work with ETP staff to address concerns. SEA anticipates presenting a training proposal to the Panel at the August Public Panel Meeting.

Ms. Kwalwasser resumed as Chairperson.

## **VI. SMALL BUSINESS PILOT PROJECT UPDATE**

Ms. Haynes presented an update on the Small Business Pilot Project. Three small business contracts totaling \$41,000 are being presented at the July meeting. If approved by the Panel, these new projects will bring the total number of contracts to 59. These three companies range in size from 17 to 58 employees.

## **VII. PUBLIC COMMENT**

There were no members of the public who wished to comment.

## **VIII. EXECUTIVE SESSION**

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

## **IX. ADJOURN**

There being no further business and no objection, the meeting was adjourned at 11:50 a.m.