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## **EMPLOYMENT TRAINING PANEL**

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# **PUBLIC MEETING NOTICE**

### **ETP PUBLIC PANEL MEETING AND ETP STRATEGIC PLANNING WORKSESSION**

**DATE:** May 22, 2003 (Thursday)

**TIME:** 9:00 a.m.

**MEETING PLACE:** Sacramento City Council Chambers  
730 I Street, 1st Floor  
Sacramento, California

### **TELECONFERENCE**

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

*(See enclosed notice for specific address)*

## **PUBLIC PANEL MEETING**

**TIME:** 9:00 a.m.  
**PLACE:** Sacramento City Council Chambers  
730 I Street, 1st Floor  
Sacramento, California 94814  
(916) 327-5640 ETP Central Office  
(916) 327-5260 ETP FAX

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| <b>9:00 a.m.</b> | <b>Call to Order<br/>Roll Call<br/>Approval of Agenda<br/>Approval of Minutes<br/>Panel Member and Staff Reports</b> | <b>Marsha Kwalwasser,<br/>Chairperson</b>                            |
| <b>9:10 a.m.</b> | <b>Review and Action on Agreements<br/>and Amendments</b>  | <b>Diana Torres<br/>Ron Tagami<br/>Creighton Chan<br/>Ruby Cohen</b> |

**The following expert panels will present information on ETP's Strategic Plan. All participants are tentative and subject to change. Times for presentations are estimates.**

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|-------------------|---|
| <b>10:00 a.m.</b> | <b>Using ETP Funding to Promote a High Road Economy</b> <ul style="list-style-type: none"><li><b>• Sally Covington, California Works Foundation</b></li><li><b>• Jack Stewart, California Manufacturing &amp; Technology Association</b></li><li><b>• Stephen Smith, Labor &amp; Workforce Development Agency</b></li></ul> |
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- 11:00 a.m. Promoting Incumbent Worker Training**
- **Richard Moore, Ph.D, California State University, Northridge**
  - **Carol Zabin, Ph.D, University of California Berkeley**
  - **Michael Beason, Alliance for ETP**
- 12:00 Noon Lunch Break**
- 1:00 p.m. Promoting the Best ETP Training Practices and Outcomes**
- **Michael Damer & Tito Sanchez, New United Motor Manufacturing**
  - **Scott Haugi, California Workforce Investment Board Small Business Workgroup**
  - **Tamara Gould, Bay Area Video Coalition**
- 2:00 p.m. Public Comment: Direction to staff on changes needed to up-date the Panel's Strategic Plan.**
- 2:30 p.m. Panel Discussion**
- 3:00 p.m. Adjourn**

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](http://www.etp.ca.gov)).

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).

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## REVIEW AND ACTION

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Following are lists of Agreements and Amendments that may be considered by the Panel on May 22, 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.

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### Agreements/Amendments for a Multiple-Employer Contractor

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#### SAN DIEGO FIELD OFFICE

San Diego-Imperial Counties Labor Council..... \$1,095,315

#### NORTH HOLLYWOOD FIELD OFFICE

South East Los Angeles Workforce Investment Board  
(Amendment)..... \$0  
The Right Way Computer Training Center ..... \$198,702

#### SAN MATEO FIELD OFFICE

Alameda Computer Center, Incorporated ..... \$650,350

#### SACRAMENTO FIELD OFFICE

American Truck School, LLC ..... \$610,325

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### AGREEMENTS/AMENDMENTS WITH A SINGLE EMPLOYER

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#### SAN DIEGO FIELD OFFICE

TaylorMade – adidas Golf Company, Incorporated ..... \$161,803

#### NORTH HOLLYWOOD FIELD OFFICE

Herbalife International of America, Incorporated (Amendment).. \$156,470

#### SAN MATEO FIELD OFFICE

Naprotek, Incorporated..... \$190,400  
Wintec Industries, Incorporated ..... \$230,230

#### SACRAMENTO FIELD OFFICE

Pacific Coast Producers (Amendment) ..... \$206,700  
Yosemite Concession Services Corporation ..... \$208,000

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**REVIEW AND ACTION**

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**AGREEMENTS/AMENDMENTS USUALLY APPROVED BY THE EXECUTIVE DIRECTOR (<\$100,000)**

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**SAN DIEGO FIELD OFFICE**

Custom Cabs Industries.....\$9,792

**NORTH HOLLYWOOD FIELD OFFICE**

Infonet Service Corporation (Amendment) .....-\$130,487

International Metal Trading, LLC .....\$30,400

King's Hawaiian Holding Company, Incorporated.....\$33,696

**SAN MATEO FIELD OFFICE**

Cerus Corporation .....\$70,200

PerkinElmer Holdings, Incorporated .....\$29,640

**SACRAMENTO FIELD OFFICE**

Johns Manville Corporation.....\$59,540

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

Modesto (Amendment) .....\$9,106

Solano Community College (MEC/SET) .....\$42,750

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**SMALL BUSINESS PILOT PROJECTS**

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**SAN DIEGO FIELD OFFICE**

D.T. Mattson Enterprises, Inc. DBA Pro-Line.....\$23,400

**NORTH HOLLYWOOD FIELD OFFICE**

Dual Graphics, Incorporated.....\$19,440

Gabriel Media Group, Incorporated .....\$7,800

**SACRAMENTO FIELD OFFICE**

La Tortilla Factory, Incorporated .....\$12,600

**SAN MATEO FIELD OFFICE**

Pantonix Corporation .....\$18,000

**STATE OF CALIFORNIA**  
**EMPLOYMENT TRAINING PANEL MEETING**  
Sacramento City Council Chambers  
730 I Street, 1st Floor  
Sacramento, CA 95814  
May 22, 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**  
Sacramento City Council Chambers  
730 I Street, 1st Floor  
Sacramento, CA 95814  
May 22, 2003

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

Aram Hodess, Vice-Chair, called the public Panel meeting to order at 9:00 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).

**II. ROLL CALL**

Members Present

Marsha Kwalwasser, Chairperson (Connected by Teleconference after Roll Call)  
Aram Hodess, Vice Chair  
Barry Broad  
Joan Dean  
Tyrone Freeman  
Robert Lennox  
Tom Rankin (Arrived after Roll Call)

Executive Staff Present

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

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

Motion carried, 6 – 0 (Ms. Kwalwasser and Mr. Rankin absent).

**III. APPROVAL OF AGENDA**

Mr. Hodess recommended moving the presentation of contracts forward on the Agenda.

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

Motion carried, 5 – 0 (Ms. Kwalwasser and Mr. Rankin absent).

**IV. APPROVAL OF MINUTES**

**ACTION:** Mr. Freeman moved and Mr. Broad seconded the Panel approve the Minutes of April 24, 2003.

Motion carried, 5 – 0 (Ms. Kwalwasser and Mr. Rankin absent).

Mr. Rankin arrived at the Panel Meeting.

**V. APPROVAL OF PROJECTS OF LESS THAN \$100,000**

**ACTION:** Mr. Broad moved and Ms. Dean seconded the Panel approve adopting those proposals in funding amounts of less than \$100,000 including the Small Business Pilot Projects (SBPP). The following projects were subject to this motion to approve:

Custom Cabs Industries .....	\$9,792
Infonet Service Corporation (Amendment) .....	-\$130,487
International Metal Trading, LLC .....	\$30,400
King's Hawaiian Holding Company, Incorporated .....	\$33,696
Cerus Corporation .....	\$70,200
PerkinElmer Holdings, Incorporated .....	\$29,640
Johns Manville Corporation .....	\$59,540
Recot, Incorporated d.b.a. Frito-Lay, Incorporated Modesto (Amendment) .....	\$9,106
Solano Community College (MEC/SET) .....	\$42,750
D.T. Mattson Enterprises, Inc. DBA Pro-Line (SBPP) .....	\$23,400
Dual Graphics, Incorporated (SBPP) .....	\$19,440
Gabriel Media Group, Incorporated (SBPP) .....	\$7,800
La Tortilla Factory, Incorporated (SBPP) .....	\$12,600
Pantonix Corporation (SBPP) .....	\$18,000

Motion carried, 6 – 0 (Ms. Kwalwasser absent).

Ms. Kwalwasser joined the Panel Meeting via teleconference located at the ETP North Hollywood field office.



## **VI. AGREEMENTS AND AMENDMENTS**

### **San Diego-Imperial Counties Labor Council**

Diana Torres, Manager of ETP's San Diego field office, presented a One-Step Agreement for San Diego-Imperial Counties Labor Council in the amount of \$1,095,315. The San Diego-Imperial Counties Labor Council formed a partnership with the San Diego Building Trades and Construction Trades Council to recruit, train, and place participants in building and construction trades jobs. Representatives from the area's local Joint Apprenticeship Training Committees, Building Trades Council, and the San Diego-Imperial Counties Labor Council state that there is a shortage of applicants who are able to successfully pass entrance exams and succeed in apprenticeship programs for the building and construction trades. The San Diego-Imperial Counties Labor Council proposes to train 195 unemployed individuals, who have multiple barriers to full-time employment, in pre-apprenticeship training skills (Construction, Business and Literacy Skills).

Ms. Torres introduced Mark Hanson, Ph.D., Director of Training & Development, and Christopher Pearson, Coordinator. Mr. Hodess questioned the high school diploma or GED equivalent requirements for the apprenticeship programs. Mr. Pearson stated all of the apprenticeship programs require a high school diploma or a GED equivalent except the Carpenters Local 547. He stated the San Diego-Imperial Counties Labor Council has other funding sources to provide education to adults who do not have their GED.

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

Motion carried, 7 - 0 (Roll call vote: Mr. Broad – aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Rankin – aye, Mr. Hodess – aye, Ms. Kwalwasser - aye).

### **South East Los Angeles Workforce Investment Board**

Ron Tagami, Manager of ETP's North Hollywood field office, presented an Amendment to an Agreement for South East Los Angeles Workforce Investment Board (SELACO) requesting a waiver to the ETP required minimum wage for trainees represented by a union. The Contractor's representative stated that the ETP-required minimum wage excludes some union member trainees from participating in the ETP-funded project, and the negotiated wage at any union shop should be the minimum wage. The Contractor is also requesting to add language to allow it to provide center-based training to multiple employers employing fewer than 100 employees.

Mr. Tagami introduced Larry Lee, ETP Coordinator. Mr. DeMauro stated that the Panel does not have the authority to waive the minimum wage requirement except in

very limited circumstances. California Unemployment Insurance Code Section 10201(f) does not include any provision to waive the ETP minimum wage requirement except for working poor trainees in areas of high unemployment. Mr. Lee stated that SELACO could go forward with its training project without the waiver to the minimum wage. He asked the Panel to consider allowing SELACO to provide center-based training to participating employers employing fewer than 100 employees. He stated the center-based training would provide customized training with no actual production taking place. Ms. Carrillo stated staff will work with SELACO regarding the customization of its training. Mr. Hodess recommended the Panel approve the project (1) as a pilot project, (2) without the wage waiver, (3) staff to monitor the training to assure the training is customized, and (4) the training is geared to employers with 100 or fewer employees.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the Amendment as a pilot project, without the wage waiver, with staff monitoring the training to assure the training is customized, and the training geared to employers with 100 or fewer employees.

Motion carried, 7 - 0 (Roll call vote: Mr. Broad – aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Rankin – aye, Mr. Hodess – aye, Ms. Kwalwasser - aye).

### **The Right Way Computer Training Center**

Mr. Tagami presented a One-Step Agreement for The Right Way Computer Training Center in the amount of \$198,702 to train 51 new hire trainees. The Right Way is proposing to train new hires at a cost of \$3,192 to \$4,788 per trainee. This is based on the Fixed-Fee rate of \$15 per training hour for 200 training hours and a negotiated rate of \$11.25 per training hour for 300 or 400 training hours, with an additional 8 percent allowable support costs to support the recruitment of trainees, job development and placement services. These amounts are more than double the ETP average cost. The applicant stated that training hours are directly related to the complexity of the work, coupled with the fact that some trainees have no experience. Training is one-half classroom and one-half monitored laboratory practice. A large portion of the training is comprised of fundamentals, concepts, and principles of medical billing/coding and front office activities. Trainees will be given the opportunity to work on computers in a hands-on environment. The applicant stated that the new-hire training program will enable trainees with no experience when placed to receive at least \$10 to \$12 per hour in Los Angeles County. Trainees with more advanced skills will be placed at a wage rate of \$13 to \$15 per hour. Trainees in these occupations have significant wage increases after one year of training to \$16 to \$18 per hour, and after two years of training to \$19 to \$25 per hour.

Mr. Tagami introduced Martha Molitor, PhD, Executive Director, Retha Jacobs, Assistant Director & Placement Services Coordinator, and Lily Anne Cruz, Assistant Director & Support Services Coordinator. Ms. Kwalwasser questioned the hours and

cost of training. Ms. Molitor explained that individuals with no medical background are taught coding for medical billing which requires many hours of complex and highly customized training.

Mr. Broad suggested that the Panel consider a requirement that a certain percentage of trainees who are unemployed and unskilled come from CalWorks. Mr. Rankin stated that ETP needs to increase its attempts at retrieving diverted ETP funds in order to work with programs dedicated to taking people off of welfare and into jobs. Ms. Carrillo stated the Panel has a regulation on Welfare-to-Work and recommended the Panel revisit the requirements. She stated the Panel gives a lot of waivers to that population. Mr. McNamee stated that individuals from CalWorks might not be eligible for ETP-funded training.

Mr. Freeman had concerns with the training cost. Ms. Molitor stated that the training is very specialized and it takes many hours of training to acquire the skills required for efficient medical billing.

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

Motion carried, 7 - 0 (Roll call vote: Mr. Broad – aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Rankin – aye, Mr. Hodess – aye, Ms. Kwalwasser - aye).

### **Alameda Computer Center, Incorporated**

Creighton Chan, Manager of ETP's San Mateo field office, presented a One-Step Agreement for Alameda Computer Center, Incorporated, in the amount of \$650,350 to train 125 unemployed individuals in Computer Skills.

Mr. Chan introduced JoAnna Wilson Moore, Executive Director, and Norris Moore, Director of Recruitment and Admissions. Mr. Hodess questioned the in-kind contribution. Ms. Moore stated the in-kind contribution of \$180,444 includes computer equipment the trainees will keep.

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

Motion carried, 6 - 0 (Roll call vote: Mr. Broad – aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye, Mr. Rankin absent from vote).

Mr. Rankin absent from the remainder of the Panel meeting.

### **American Truck School, LLC**

Charles Rufo, Manager of ETP's Sacramento field office, presented a One-Step Agreement for American Truck School, LLC, in the amount of \$610,325 to train 200 individuals as truck drivers and place them in full-time, year-round jobs. Training will take place at the school's three sites: Redding, Fortuna, and Oroville. The truck-driving program will consist of either 180 hours of instruction for 175 trainees or 270 hours for 25 trainees with limited work experience or remedial job skills. The core group of participating employers plans to conduct additional training, including driving with an experienced driver, cargo handling, and other procedures specific to the employer. American Truck School has agreed to pay for the required drug testing of all trainees.

Mr. Rufo introduced Roger Smith, Owner, and Ron Goble, Vice President. Mr. Hodess questioned the training follow-up after ETP training. Mr. Smith stated the trainees enter into a second phase of training that is provided by the company hiring that trainee. Each company has its own on-the-job training period. Mr. Goble stated typically a company's additional cost to train drivers is approximately \$15,000. Mr. Hodess and Ms. Kwalwasser had concerns regarding the in-kind contribution. Mr. Hodess stated it appears as if the in-kind contribution credit is being given to training that is mandatory on going training and not supplemental. Ms. Kwalwasser asked if the Panel has, in the past, allowed follow-up training as an in-kind contribution. Mr. McNamee stated American Truck School's in-kind contribution is consistent with prior policies to count contributions by employers that are made towards training that will be provided following ETP funded training.

Mr. Broad had concerns with the cost of training. Mr. Goble stated American Truck School only trains three or four trainees at a time per instructor. American Truck School charges, other than ETP training, \$3,495 for its four-week program and \$4,995 for its six-week program.

**ACTION:** Mr. Freeman moved the Panel approve the One-Step Agreement with a contingency that staff ensures that the in-kind contributions being credited for follow-up training is for training that is provided in addition to what is provided in the normal course of business. Ms. Dean seconded.

Mr. Hodess had concerns with in-kind contributions, hours of training, and wages. Mr. Lennox stated companies that are using ETP funding as a subsidy to train drivers does not meet Panel priorities. Mr. Broad suggested a longer retention period. Mr. DeMauro suggested a longer retention period but allowing more than one employer within the industry. Mr. Goble agreed to a 120-day retention period with more than one employer.

Mr. Freeman withdrew his motion.

Mr. Broad moved the Panel approve the One-Step Agreement with 120-day retention period that can be completed with more than one employer. Mr. Freeman seconded.

Motion carried, 4 - 2 (Roll call vote: Mr. Broad – aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – no, Mr. Hodess – no, Ms. Kwalwasser – aye).

Mr. Broad absent for the remainder of the meeting. Mr. Broad requested the Panel allow him to state his votes for the remaining projects.

Mr. Hodess opened the vote for TaylorMade Golf Company, Incorporated.  
Mr. Broad voted yes.

Mr. Hodess opened the vote for Herbalife International of America, Inc. Mr. Broad abstained from vote.

Mr. Hodess opened the vote for Naprotek, Incorporated. Mr. Broad voted yes.

Mr. Hodess opened the vote for Wintec Industries, Inc. Mr. Broad voted yes.

Mr. Hodess opened the vote for Pacific Coast Producers. Mr. Broad voted yes.

Mr. Hodess opened the vote for Yosemite Concession Services Corporation.  
Mr. Broad voted yes.

Mr. Hodess suspended the votes until the projects were presented to the Panel.

### **TaylorMade Golf Company, Incorporated**

Ms. Torres presented a One-Step Agreement for TaylorMade Golf Company, Incorporated, in the amount of \$164,775 to retrain 325 incumbent workers in Business, Continuous Improvement, and Computer Skills.

Mr. Torres introduced Jim Vaughan, Global Human Resources Director, Organizational Development. Ms. Kwalwasser questioned the percentage of Directors and Managers being trained. Ms. Torres stated the 20 percent of Managers and Supervisors to be trained is within the ETP guidelines, which is 40 percent.

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

Motion carried, 6 - 0 (Roll call vote: Mr. Broad – previously voted aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye).

### **Herbalife International of America, Incorporated**

Mr. Tagami presented an Amendment to the Agreement for Herbalife International of America, Inc., for an additional \$156,470 to retrain 395 employees. The Contractor stated that as a result of a change in ownership, Herbalife is now under new management. Herbalife's new executive staff conducted an organization-wide needs assessment and an in-depth evaluation of the ETP training program. Herbalife's executive staff decided to complete training for trainees who were already in the program, but wished to redefine their training requirements and reorganize the program to accommodate current company goals.

Mr. Tagami introduced Jim Esterle, Vice President Human Resources. There were no questions from the Panel regarding the Amendment.

**ACTION:** Mr. Lennox moved and Mr. Freeman seconded the Panel approve the Amendment.

Motion carried, 5 – 0 - 1 (Roll call vote: Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye, Mr. Broad – previously abstained).

### **Naprotek, Incorporated**

Mr. Chan presented a One-Step Agreement for Naprotek, Inc., in the amount of \$190,400 to retrain 70 employees in the use of a newly implemented continuous improvement process and advanced technologies in order to operate as a high performance workplace.

Mr. Chan introduced Najat Badriyeh, CEO, and Micheline Thomas, Quality Manager. There were no questions from the Panel regarding the Agreement.

**ACTION:** Mr. Lennox moved and Mr. Freeman seconded the Panel approve the Agreement.

Motion carried, 6 - 0 (Roll call vote: Mr. Broad – previously voted aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye).

## **Wintec Industries, Incorporated**

Mr. Chan presented a One-Step Agreement for Wintec Industries, Inc., in the amount of \$230,230. Wintec Industries manufactures an array of computer memory modules and customized original equipment manufacturer memory products for telecom, desktop, notebook, server, printer, and removable storage applications. Wintec's customers are technology firms that require products manufactured at the best price, highest quality, and quickest turn-around time. In an effort to improve its competitiveness, Wintec is requesting the Panel's assistance to retrain 230 employees in Manufacturing Skills, Continuous Improvement, Computer Skills, and Business Skills to become a high performance workplace.

Mr. Chan introduced Michel LaCasse, Facility Manager. There were no questions from the Panel regarding the Agreement.

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

Motion carried, 6 - 0 (Roll call vote: Mr. Broad – previously voted aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye).

## **Pacific Coast Producers**

Mr. Rufo presented an Amendment to the Agreement for Pacific Coast Producers for an additional \$206,700. Pacific Coast Producers proposes to train an additional 129 employees who currently work as Forklift Operators in Manufacturing Skills and Continuous Improvement for its transition toward a high performance workplace.

Mr. Rufo introduced Robert Jeremic, Assistant Manager, and Dave Wilson, Business Agent for Teamsters Union Local 601. Mr. Jeremic stated that Pacific Coast Producers cans and distributes approximately 30 million cases of fruits and tomatoes per year.

**ACTION:** Mr. Freeman moved and Mr. Lennox seconded the Panel approve the Amendment.

Motion carried, 6 - 0 (Roll call vote: Mr. Broad – previously voted aye, Ms. Dean – aye, Mr. Freeman – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye).

## **Yosemite Concession Services Corporation**

Mr. Freeman recused himself from discussion and action on the Yosemite Concession Services Corporation. Mr. DeMauro stated Mr. Freeman's' recusal was not for a financial interest and he would be counted for a quorum.

Mr. Chan presented a One-Step Agreement for Yosemite Concession Services Corporation in the amount of \$208,000. Yosemite Concession Services Corporation proposes to retrain 250 frontline workers in Business Skills, Continuous Improvement Skills, and Computer Skills, and 100 managers and supervisors in Management Skills. Yosemite is requesting a waiver of the ETP minimum wage requirement of \$10.98 per hour, and instead proposes to pay a minimum of \$10.50 per hour. The pay scale for entry-level service positions is low because of the limited level of skills required. At the end of the 90-day retention period, the Company is committed to increase the wages of these employees by a least 7 percent.

Mr. Rufo introduced Cynthia McFann, Manager of Training, Joe Raban, Jr., Human Resource Manager, and Debra Rockwood, Field Representative of SEIU Local 535. Mr. Hodess questioned the minimum wage paid and the guarantee of service charges. Ms. Carrillo stated the Contractor would not be reimbursed for training if the trainees do not earn \$10.50 per hour.

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

Motion carried, 5 – 0 - 1 (Roll call vote: Mr. Broad – previously voted aye, Ms. Dean – aye, Mr. Lennox – aye, Mr. Hodess – aye, Ms. Kwalwasser – aye, Mr. Freeman abstained).

## **VII. ETP STRATEGIC PLANNING WORKSESSION**

### **Using ETP Funding to Promote a High Road Economy**

Mr. Hodess introduced the first Panel consisting of Jack Stewart, President of the California Manufacturing & Technology Association, Sally Covington, Director of the California Works Foundation, and Steve Smith, Acting Secretary of the Labor and Workforce Development Agency. The first Panel presented their views on how to use ETP funding to promote a "high road" economy.

Mr. Stewart spoke on the importance of the manufacturing industry and its impact on California's economy. He stated California's manufacturing has been steadily declining. He stated the cost of operating a business in California is much higher than in other States thus causing many businesses to relocate outside of California. He stated that although providing training to employees will not offset the high operating costs, it would benefit those manufacturers who are looking at continuing to produce in California.

Ms. Covington stated that key economic trends suggest that California is losing ground. She stated that California needs to strengthen its labor standards by encouraging firms to achieve competitive success on the basis of quality goods and services, innovation and value, and not exclusively on the basis of cost cutting. She



stated ETP can demonstrate a different approach to helping the economy grow by adopting a sector-based approach that further concentrates training dollars on growing industries that partner with unions to create accessible living wage jobs with good advancement opportunity, job security, and health and pension benefits. She stated ETP should target its strategies to rebuild middle-tier jobs. She said the contract-to-contract approach is scattering training funds in an unstrategic manner. She stated it would be better to regionally focus and concentrate funds to specific industry clusters.

Mr. Smith stated that for California to compete in the global economy California needs to focus on an educated, skilled, well-trained workforce. He stated education and skills training are critical to California's workforce in order to be successful. He stated there is an emerging "bottleneck" in California's economy where there are a lot of low-wage jobs and a significant number of high-wage jobs. He stated the middle-income jobs seem to be disappearing. He suggested focusing on emerging technologies. He stated the Labor Agency would be focusing on a review of career ladders opportunities. He stated career ladders structures might help correct the growing bottleneck.

#### Promoting Incumbent Worker Training

Mr. Hodess introduced the second Panel consisting of Richard Moore, PhD, Professor of Management, College of Business and Economics at the California State University at Northridge; Carol Zabin, PhD, Chair, University of California Berkeley Center for Labor Research and Education; and Michael Beason, Chairman, Alliance for ETP. The second Panel presented their views on how to use ETP-funded training to promote the expansion of incumbent worker training in California's economy.

Dr. Zabin spoke on the criteria and best practices for incumbent training. She stated training subsidies should be investments that firms would not make on their own, investments that workers would benefit from by increased wages and job stability, and investments that support, rather than undermine, high road firms. She stated training should be in the context of industry upgrading and led by intermediaries, such as unions, that bring firms together. She stated ETP should focus on industry sectors where there is some movement and potential for upgrading. She suggested looking for sectors where there are institutions, such as unions, that can bring firms together, sectors where policy can help the process along, and sectors that have an infrastructure for collaboration and sustainability. She stated there still is a need to build more apprenticeable occupations and jobs with career ladders opportunities. She stated other states have created sectorial partnerships that have been successful.

Dr. Moore spoke on employment motivations for both employers and employees. He stated the key focus should be on funding training that would not occur

otherwise. He stated that ETP needs to target companies that are least able to survive ETP's process and constraints. He stated the biggest gains are to be had, for both workers and companies, for the companies who are furthest from industry's best practices but are willing to move towards them, those companies who are on the low road but would like to go to the high road (the small companies, new companies, new industries who do not have training infrastructure). He stated in-kind contributions also have a significant effect on the success of training.

Mr. Beason spoke on how to use ETP-funded training to promote the expansion of incumbent worker training. He stated in a recent survey of ETP developers, some of the reasons companies didn't move ahead for ETP-funded training were that they couldn't afford ETP's minimum wage requirement, the front-end cost was too high, time off the job was too difficult, and, if business was slow, layoffs occurred. He stated incentives need to be established for target industries. He suggested a "supply-chain view" of an industry. He stated to build competitiveness, it is important to help everyone in the supply chain. He recommended partnering with multiple employer contractors to reach hard to serve small and mid-size companies. He stated ETP needs to remove some of the funding requirement barriers for multi-employer small business development. He said that, for a training program to be successful, employers need to be paying a significant share of the training costs.

#### Promoting the Best ETP Training Practices and Outcomes

Mr. Hodess introduced the third Panel consisting of Michael Damer, Manager, Learning and Involvement, New United Motor Manufacturing, Inc.; Scott Hauge, President and Owner of CAL Insurance & Associates, Inc., Member of the California Workforce Investment Board, and Chair of the Small Business Workgroup; and Tamara Gould, Executive Director of Bay Area Video Coalition in San Francisco. The third Panel presented their views on how to use ETP-funded training to promote high-wage secure employment for frontline workers in California's economy.

Ms. Gould stated ETP needs to increase its outreach program by partnering with marketers to increase awareness statewide of the ETP program. She said there are many employers who have not heard about the ETP program. Ms. Gould stated the most frequent complaint from businesses is that there is a need to simplify both the paperwork and the process from enrollment through the training period. Small business owners have not wanted to commit to a training contract because they have stated that there is too much risk. If a trainee leaves the company before the specified 90-day retention period, the company still has to pay for that trainee and there is no reimbursement. Ms. Gould stated there is a need to create standard acceptable procedures to bill ETP for technology used in ETP training programs. As technology training becomes increasingly essential to training workers for advancement opportunities, it will become an ongoing issue for ETP to communicate clear acceptable billing for technology hardware and software.

Mr. Damer suggested three ideas for ETP to better serve California workers and businesses: (1) ETP needs to work with a company's supply chain to the fullest extent possible. (2) Always ensure fiscal soundness and program integrity, but continue to improve and streamline the current processes. Make continuous improvement a day-to-day business practice. (3) Strive for flexibility in development and implementation of programs.

Mr. Hauge stated he works with small businesses and Workforce Investment Boards throughout California, attempting to accelerate economic development. He stated a few of the goals to be accomplished should be: (1) innovation to ensure that all partners have the most timely relevant information about changing workforce needs and investment opportunities; (2) collaboration as an effective partner and advocate bringing system partners together; (3) creation of a culture of innovation.

### **VIII. PUBLIC COMMENT**

Jim Durbin, Foundation College, congratulated the Panel on the excellent meeting and informative work session. He stated the multiple employer contracts (MEC) play a major role in the ETP program.

Steve Duscha, Alliance for ETP, stated there is a need for incentives. He stated businesses need to build an "infrastructure" to put together training programs. He stated there should be a staff workgroup to research the rules and processes of the MECs and single employer contracts.

### **IX. PANEL DISCUSSION**

Ms. Kwalwasser requested contractors, consultants, and employers to let ETP know exactly what the obstacles are in obtaining ETP-funded training. She stated staff could then inform the Panel which processes are discretionary and which are statutorily controlled.

Mr. Hodess stated at a meeting last month with the Joint Apprenticeship Committee, the representatives of the construction industry commented on the onerous reporting process, especially the proof of retention, which is difficult to report because workers work for several different employers.

### **X. EXECUTIVE SESSION**

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

**XI. ADJOURN**

There being no further business and no objection, the meeting was adjourned at 2:50 p.m.