

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency

1001 "I" Street

Byron Sher Auditorium, 2<sup>nd</sup> Floor

Sacramento, CA 95814

April 28, 2006

**PANEL MEMBERS**

Barry Broad  
Acting Chair

Tyrone Freeman  
Member

Bob Giroux  
Member

Scott Gordon  
Member

Edward Rendon  
Member

Janice Roberts  
Acting Vice-Chair

**Executive Staff**

Ada Carrillo  
Acting Executive Director

Maureen Reilly  
General Counsel

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Sacramento, CA 95814  
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**I. PUBLIC PANEL MEETING CALL TO ORDER**

Barry Broad, Acting Chair, called the public Panel meeting to order at 9:37 a.m.

**II. ROLL CALL**

Members Present

Barry Broad, Acting Chair  
Scott Gordon  
Edward Rendon  
Janice Roberts, Acting Vice Chair

Members Absent

Tyrone Freeman  
Bob Giroux

Executive Staff Present

Ada Carrillo, Acting Executive Director  
Maureen Reilly, General Counsel

**III. APPROVAL OF AGENDA**

ACTION: Mr. Rendon moved and Ms. Roberts seconded the Panel approve the Agenda.

Motion carried, 4 – 0.

**IV. APPROVAL OF MINUTES**

ACTION: Ms. Roberts moved and Mr. Rendon seconded the Panel approve the Panel Minutes of March 24, 2006.

Motion carried, 4 – 0.

## **V. REPORT OF THE CHAIRPERSON/PANEL MEMBERS**

Mr. Broad reported that the Senate Budget Subcommittee hearing, chaired by Senator Denise Moreno Ducheny, was held yesterday, April 27, 2006. He said the Subcommittee reviewed the budget of the Labor and Workforce Development Agency and ETP's budget was included at this hearing. Mr. Broad testified on behalf of ETP's Panel and Ada Carrillo, Acting Executive Director, also testified regarding ETP funds transferred to the Department of Social Services. He stated that the funds were generated through a tax paid by employers specifically to fund training. He said that over the last 10 years some of ETP's funds have been transferred to the Department of Social Services. Mr. Broad said we are seeking to recover the funds. He listed some of those present at the Senate Budget Subcommittee hearing in support of the ETP program: California Chamber of Commerce; California Manufacturing and Technology Association; California Labor Federation; an entity representing farm worker training; and a representative from the healthcare industry. He said there was a broad consensus from these groups that represent a significant diverse group from the State of California that funds should be returned to ETP. He said the committee was sympathetic, but that it would have to weigh the budget needs of DSS to meet certain training standards.

Mr. Broad stated he testified that ETP would be prepared to take any or all of the funds back and if the legislature determined that any or all of it should be used for the training of Welfare-to-Work participants. ETP would be prepared to oversee contracts to provide the training and assist the Department of Social Services and the state to meet its Welfare-to-Work requirements under federal law that they have not successfully met themselves. Mr. Broad said there were a number of partners in the community that have had experience training individuals who lacked skills and there was a shortage of individuals in numerous occupations that have career ladders. He gave the example of a prior approved project where individuals moved from CNAs (Certified Nurse Assistants) to LVNs (Licensed Vocational Nurses). He said there would be a way to move individuals on public assistance into CNA and then possibly into LVN positions. Mr. Broad said ETP had a better chance this year at a favorable outcome than in previous years. He said the Governor's budget proposes ETP will receive \$5 million of the total amount of \$81 million. Mr. Broad asked if Panel members had any questions.

Ms. Roberts asked if the \$5 million amount would be the amount allocated to the Welfare-to-Work program. He said ETP would net \$2.5 million of the total \$5 million which would be available for more contracts and would require legislative approval. He said the Subcommittee kept ETP's budget open to possibly seek out ideas how this could work. He said the Subcommittee favored ETP and the Panel's mission.

## **VI. REPORT OF THE ACTING EXECUTIVE DIRECTOR**

Ms. Carrillo said the committee members were impressed with the level of support for the ETP program and that in the past, Senator Ducheny has been very critical of the Panel and its mission, but is now supportive of the ETP program.

Ms. Carrillo said the Governor's budget proposed \$40.3 million for the budget year out of a total of \$81 million. She said that the Assembly portion of the hearing was supposed to have taken place on April 4, 2006, but was postponed. She said that the Assembly Budget Subcommittee consultant informed ETP that the Consent Calendar passed and that ETP was on the Consent Calendar. She said the Assembly Budget Subcommittee is due to meet in the early part of May.

She stated the Governor's May revise will be released on May 14, 2006, and the Senate Budget Subcommittee would meet shortly thereafter. She said ETP will seek additional support from companies benefiting from funds to ensure that funds remain with the Panel.

Mr. Broad explained the budget process and said if one house of the legislature approved the budget on Consent Calendar and the other house did not agree, at a later date the two houses would discuss the open items and go to a budget conference committee. The committee continues to review each budget item and closes them upon approval until they are left with the remainder of items they are undecided on. He said he doubted that ETP would be in the remainder of items and would at some point make a decision with ETP funds. He said that if the ETP budget was indeed closed on the Assembly side that ETP wants something different on the Senate budget. He said we want it to go to conference because we want to have the opportunity to acquire the funds. He said that for those individuals wishing to support ETP, there is a constituency that wants that money to remain with the Department of Social Services and there is going to be a constituency that says bring it back to ETP and the side that wants to change things is the side that has the harder job. He encouraged participation in voicing needs to the legislature. Ms. Carrillo added that ETP is in the Senate Subcommittee #3. She said Senator Ducheny is the Chair, and other subcommittee members were Senators Dave Cox and Wesley Chesbro.

Ms. Carrillo referred everyone to the Fund Status Tab in the Panel Packet. She said that if all projects were approved that day, there would be approximately \$1.4 million available to encumber for the remainder of the fiscal year. This results in approximately \$4 million in contracts. She stated that in June, ETP would begin using funds from the following fiscal year contingent upon the budget passing.

Ms. Carrillo said there were three bills proposed that directly impact ETP:

**SB 1690 (Romero)** This is a repeat of last year's SB 314 which passed through the legislature but was vetoed by the Governor. The bill moved from the committee and has now been referred to the Appropriations Committee. She said the change that was made from the bill that passed through legislature last year, sponsored by FIELD, is that employers must be eligible to contract with ETP. She said the California Chamber of Commerce and the California Manufacturers Technology Association still oppose the bill.

**AB 2498 (Arambula)** would require the Panel, by January 1, 2008, to develop an ETP Express Program that offers a standardized basic curriculum for employees and a standardized contract for employers, to offer the standardized curriculums throughout California on or before October 31, 2007, and to guarantee that employees of the employers that choose to use these standard curriculums are trained within 21 days. She said this bill

was introduced by the author and scheduled for hearing on April 19, 2006. The hearing was canceled and it is understood that the author will not move forward.

**AB 2617 (Saldana)** identifies the ETF (Employment Training Fund) as a potential funding source for a solar training program within the Employment Development Department (EDD). The law was enacted in 2002, but did not identify a specific funding source. ETP recommends opposition to this bill. After discussions with the sponsors of the bill, California Solar Energy Industry Association, they have removed ETP as the funding source, and stated they may come to ETP directly in the future seeking funds, which she fully supports.

Request Motion to Delegate in Event of Loss of Quorum

Ms. Carrillo asked for a motion to delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded the Panel delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

Motion carried, 4 – 0.

Consent Calendar Projects

Ms. Carrillo asked for a motion to approve the single employer contracts placed on Consent that are less than \$150,000 and do not appear to have any controversial issues.

**ACTION:** Mr. Rendon moved and Mr. Gordon seconded the Panel approve the following proposals:

American Commercial Claims	
Administrators, Inc. ....	\$85,995
Del Mar Office Products of Solana Beach.....	\$49,500
InterMotive, Inc. ....	\$46,800
Intersil Corporation .....	\$20,280
North Coast Resource Management .....	\$12,000
Pacific Advanced Civil Engineering, Inc. ....	\$144,000
Pacific Aquascape, Inc. ....	\$24,080
Rocky Road dba Grove Office	
Supply and Equipment.....	\$42,920
Simpson Timber Company .....	\$45,500
Sky Onc, Inc. dba Vertex China.....	\$19,200
Tayden Enterprises LP dba DirectBuy	
San Diego North .....	\$44,400
Unigen Corporation.....	\$99,450
VBN Corporation.....	\$23,000

Motion carried, 4 – 0.

Ms. Carrillo said ETP staff strives to continually improve the ETP program and to be responsive to the contracting community. She said about 3 years ago, ETP implemented the very successful small business program which simplified the contract and process for those direct small business contracts employing 100 or less employees. She said that recently the process has been simplified for training entities with small businesses employing less than ten individuals, but at least one individual. She said this is to train the owners of the company. She expects the simplification will help the contracting community, since it has given them a higher fixed-fee as a small business and also made other modifications for a simpler process. She said the ETP has also simplified the contract and process for contracts directly with employers, regardless of size, provided the contract amount does not exceed \$50,000. In an effort to promote the ETP program and its improvements, ETP will release the e-mail News Link Newsletter in the upcoming week. She said it will be sent directly to employer communities throughout the State. She expects the e-newsletter will help promote the ETP program and inform employers that ETP is interested in conducting business with them and the positive improvements made with the program.

## **VII. REPORT OF GENERAL COUNSEL**

Ms. Reilly had nothing to report.

### **Single Employer Contractors**

#### **Ameron International Corporation**

Diana Torres, Manager of the San Diego Office, presented a One-Step Agreement for Ameron International Corporation (Ameron), in the amount of \$450,450. Ameron manufactures engineered products and materials for the chemical, industrial, energy, transportation, and infrastructure markets. It operates in four segments: performance coatings and finishes; fiberglass-composite pipe; water transmission; and infrastructure products.

Ms. Torres introduced Terrence P. O'Shea, Vice President of Human Resources; Daniel D. Gutierrez, Group Human Resources Manager; and David L. Alloway, President/Founder of Horizon Training and Development.

There were no questions from Panel Members.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for Ameron in the amount of \$450,450.

Motion carried, 4 – 0.

#### **Kimberly-Clark Worldwide**

Ms. Torres presented a One-Step Agreement for Kimberly-Clark Worldwide (Kimberly-Clark), in the amount of \$386,308. Kimberly-Clark is a manufacturer of various personal

and home consumer products that include facial tissue, adult/children's diapers, baby care products, bathroom tissue, wet wipes, industrial wipers, paper towels, feminine hygiene products, and medical supplies (gowns, gloves).

Ms. Torres introduced Sissy Claxton, Human Resources Manager.

Mr. Broad asked if this was Kimberly-Clark's first proposal. Ms. Claxton answered in the affirmative. Ms. Roberts noted the positive contract, wages and low turnover rate.

There were no questions from Panel Members.

**ACTION:** Mr. Rendon moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for Kimberly-Clark in the amount of \$386,308.

Motion carried, 4 – 0.

### **Herbalife International of America, Inc.**

Mr. Broad postponed hearing this project due to questions concerning the application and the company and asked ETP staff to further research the project. He said the project would be re-visited later that day.

### **Kings Hawaiian Holding Company**

Dolores Kendrick, Manager of the North Hollywood Office, presented a One-Step Agreement for Kings Hawaiian Holding Company (Kings Hawaiian), in the amount of \$251,550. Kings Hawaiian is a manufacturer of fresh wheat bread, pastries, rolls, and other bakery goods.

Ms. Kendrick introduced Mark Taira, Chief Executive Officer.

Mr. Rendon asked who conducted the training. Mr. Taira said the training was done internally.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Kings Hawaiian in the amount of \$251,550.

Motion carried, 4 – 0.

### **United Fabricare Supply, Inc.**

Ms. Kendrick presented a One-Step Agreement for United Fabricare Supply, Inc. (United Fabricare), in the amount of \$192,000. United Fabricare is a supplier/distributor of retail dry cleaning and laundry supplies for dry cleaners throughout Southern California and Nevada.

Ms. Kendrick stated the company representative was unable to attend the meeting due to a family emergency and asked the Panel if they wished to vote on the project that day or to

postpone the project until next month when the company representative could be present. She said there were no apparent issues with the project. Mr. Broad said the Panel was prepared to vote on the project.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for United Fabricare in the amount of \$192,000.

Motion carried, 4 – 0.

### **Agilent Technologies, Inc.**

Creighton Chan, Manager of the Foster City Office, presented a One-Step Agreement for Agilent Technologies, Inc. (Agilent), in the amount of \$1,473,000. Agilent develops and manufactures products that sense, analyze, display and communicate data for use in the life sciences, communications and electronics industries.

Mr. Chan introduced Wendy Gordon-Miller, Senior Director of Learning Optimization.

Mr. Gordon asked if the training was conducted in-house. Ms. Gordon-Miller said both in-house and external vendors were used for training purposes. She said that when training was delivered by external certified vendors and/or faculty that they selected trainees from highly regarded universities and that Agilent had restricted control over the faculty used outside of the company.

Mr. Gordon asked Ms. Gordon-Miller to discuss how the company has progressed with the completion of prior contracts. Ms. Gordon-Miller said that Agilent was only six years old and a fairly new company. She said that as the company was launched, Agilent had endured nine consecutive quarters of financial non-performance. She said they struggled and although ETP funds were a very small portion of the company investment in training and development, it had a large impact on Agilent's ability to set priority for first-line individual workers and deliver training during a time when they would have been unable to do so. The first two contracts invested funds in programs now funded through the operations. In 2000, Agilent spent approximately 1.4 percent of payroll on training and development, and have increased that amount by 75 percent in 2005 spending over two percent in payroll, amounting to approximately \$32 million.

Ms. Roberts asked about wages and occupations and asked for clarification regarding the management occupation. Ms. Gordon-Miller said there was a criteria for wage range levels. She said their split was at the operating manager level where 50 percent of their job was focused on operations, depending upon whether they carried individual projects along with management duties, or they managed an operation. Ms. Roberts asked how many employees out of the total 3,000 employees were salaried and manage others. She asked if it was less than 50 percent of all employees. Ms. Gordon-Miller said less than 50 percent of all employees were salaried that manage others. Ms. Gordon-Miller deferred to Phillip Herrera, representing Herrera & Company, for further clarification.

Mr. Herrera said he was the administrative agent for the company. He said that when he reviewed the operations manager category they looked at individuals with more frontline activity than managing activity or setting company policy. He said they reviewed the total workforce amount of 4,000 employees, and took 3,000. He said the remaining 1,000 individuals who are not part of the ETP program are managers that set company policy and who have little frontline activity. Ms. Roberts asked how many employees were managers out of the total 3,000 workers. Mr. Chan referred to the occupation and wage range of Operations Manager. He said the amount listed was 385 and that out of a total of 3,000 individuals, this resulted in approximately 12 percent. Ms. Roberts asked if other occupations listed on the Training Plan Table had the responsibility of managing others. Mr. Herrera said they did not manage others and that it was a high-tech leading edge firm, with very eclectic highly-trained individuals that manage technology.

Mr. Broad asked if employees meet the definition of frontline worker under the regulations. He said there were standards set for high-wage employees and a question of how California law treats overtime. He added that assuming the project is approved, that ETP must ensure all employees meet the definition of frontline worker under the regulations. Mr. Herrera said they could provide a further description of the 385 individuals to staff and Panel members. Mr. Broad agreed a further description would be useful.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for Agilent in the amount of \$1,473,000.

Motion carried, 4 – 0.

### **YRC Worldwide, Inc.**

YRC Worldwide, Inc. was withdrawn from consideration at this month's Panel meeting.

### **Herbalife International of America, Inc. (Revisited – Out of Order)**

Ms. Kendrick presented a One-Step Agreement for Herbalife International of America, Inc. (Herbalife), in the amount of \$454,680. Herbalife is a global sales and marketing company that distributes weight management, nutritional, and personal care products.

Ms. Kendrick pointed out two changes to the agreement. The first change is on Page 3, under Health Benefits. The amount per hour is not \$3.65 per hour; it should read \$2.25 per hour. The second change is on Page 6 under the Subcontractors list. The Elkind Group of San Francisco, California, is receiving \$300,000 for training, not the \$600,000 amount listed.

Ms. Kendrick introduced Michele M. Crocker, Vice President of Organizational Development and Maribel Hines, Manager of Training Organizational Development.

Ms. Crocker shared a testimonial. Ms. Roberts asked about advanced technology. Ms. Crocker said they updated their operating system from HP 3000 to Oracle and that the

advanced technology training was primarily Oracle training. Ms. Roberts asked about the hourly wage of \$20.00 and advanced training. Ms. Carrillo said the Oracle training is very sophisticated and meets the definition of high-technology training. Ms. Hines said the advanced technology training incorporates Oracle and Coldfusion and both are considered advanced technology courses. Ms. Roberts asked about the direct cost of training determined to be between \$3,000 and \$6,000 per day and asked how many employees this included. Ms. Hines said the trainer to student ratio was 1-10. She said the rate per day was for 20 students and Herbalife was aware that if they had at least 20 students in an IT classroom, it would require two trainers. She said the rate was based on 20 students and based strictly on advanced technology courses. She said this is an estimate depending on which vendor they worked with. Ms. Roberts asked if this was an eight hour day. Ms. Hines answered in the affirmative. Ms. Roberts asked about the hourly wage that trainers receive as well as the total dollar amount trainers received for a day of training. Ms. Hines said they outsourced the training and the daily rate would be approximately \$2,800 to \$3,200 per day for advanced technology training. Ms. Roberts asked about the total cost of all Subcontractors combined at approximately \$470,000 based on the correction stated earlier for The Elkind Group. She said the contracted amount was only \$454,000 and asked if the remainder would come out of pocket. Ms. Hines said the remainder would come out of pocket and that their training budget was \$1.2 million in addition to what is being approved by ETP.

Mr. Gordon asked about new hires and if they receive employee manuals outlining training. Ms. Crocker said that new hires completed orientations at which the company distributed training brochures. She said they also trained frontline supervisors to meet with new hires as an on-board program. Mr. Gordon asked if new employees were informed of expectations in the upcoming year for continued education and stressed its importance. Ms. Crocker agreed new hires were informed of expectations and continued education. She said the company conducted employee satisfaction surveys and encouraged training need suggestions. She said they collect preliminary training data from the surveys and then speak to employees for validation. She said they have meetings to discuss the programs offered in the year to come. Ms. Hines added that once new hires completed the week orientation process, that the departments had separate orientation processes to train new hires in their roles. Ms. Hines said in the first few weeks of hire they provide training resources, have an online library available, and access to various developmental resources through the intranet.

Mr. Rendon applauded the practice of not outsourcing the jobs and wished to see it continue. Ms. Crocker thanked him and said they will continue to keep the jobs here.

Mr. Broad asked about wage progressions upon completion of training, particularly at the lower wage levels, and said the Panel liked to see wage progressions outlined in the Training Plan Table. Ms. Crocker said there were level one, two and three agents. She said that level one employees receive basic training and learn how to take a sales order. She said they purchased a recording system for quality monitoring and that each representative has four calls monitored a month and are reviewed and evaluated. She said at level 2 employees receive an additional \$1.25 per hour and level 3 is an elite, super

agent. She said the different levels are in place at the call center. Mr. Broad asked if Herbalife was agreeable to a 4 percent increase in wages upon completion of training. Ms. Crocker agreed to a 4 percent increase in wages upon completion of training. She said they had annual appraisals and averaged 4 percent increases. Mr. Broad asked if there were any pending investigations involving Herbalife. Ms. Crocker said she called Herbalife's Chief Legal Counsel earlier that day and inquired about company litigation. She said the response was that there was pending litigation with the company and mentioned that there was probably no company that did not have some kind of litigation pending. Mr. Broad asked if there was any criminal litigation. Ms. Crocker said she was unaware of any pending criminal litigation. Mr. Broad asked that Herbalife's Chief Legal Counsel consult with ETP's Legal Counsel and added that upon approval of the project if issues arise, that the project is to be brought back to the Panel next month for further review.

**ACTION:** Mr. Rendon moved and Mr. Gordon approved the One-Step Agreement for Herbalife in the amount of \$454,680, with the condition that Herbalife's Chief Legal Counsel consult with ETP's Legal Counsel to ensure no criminal litigation is pending and that upon approval of this project if an issue arises, that the project would be brought back to the Panel next month for further review.

Motion carried, 4 – 0.

### **Special Employment Training Contractors**

#### **Cancer Care Associates of Fresno Medical Group, Inc.**

Ruby Cohen, Manager of the Sacramento Office, presented a One-Step Agreement for Cancer Care Associates of Fresno Medical Group, Inc. (Cancer Care Associates), in the amount of \$183,680. Cancer Care Associates specializes in comprehensive care for adults with cancer and blood-related disorders.

Ms. Cohen introduced Nita Edde-Jensen RN, Research Program Manager and Rebecca Henderson, Human Resources Manager.

Mr. Broad said the company was in a high-unemployment area, not requesting a waiver, and had a low turnover rate. He said that this was the type of contract the Panel liked to see and hoped the ETP process would be a positive first time experience for the company.

**ACTION:** Mr. Gordon moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for Cancer Care Associates in the amount of \$183,680.

Motion carried, 4 – 0.

#### **Riverside County Economic Development Agency**

Ms. Torres presented a One-Step Agreement for Riverside County Economic Development Agency, (EDA) in the amount of \$469,260. EDA provides employment and training

services to economically disadvantaged and dislocated workers in Riverside County through three full service Workforce Development Centers and several satellite offices. EDA promotes economic and community development through programs including: Job Training; Employer Services; Community Development Block Grants (CDBG); Housing Programs; Economic Development Loans; Redevelopment Project Areas; and Enterprise Zones.

Ms. Torres introduced Kathryn Fortner, Assistant Director/Workforce Development Administrator.

Ms. Roberts asked about literacy skills provided to nurse assistants. Ms. Fortner said the literacy skills were primarily English as a Second Language (ESL) skills and also increasing literacy in order to successfully complete the LVN program. Ms. Roberts asked if LVN examinations were offered in other languages than English. Ms. Fortner said the test was offered in English only. Ms. Roberts asked what options were available if they did not pass the exam. Ms. Fortner said that if trainees did not pass the exam the first time, they worked with California Nurses Educational Institute, Inc. (CNEI) and continued to provide trainees with additional tutoring to prepare them to re-take the test.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for EDA in the amount of \$469,260.

Motion carried, 4 – 0.

### **Adcon Technical Institute dba ATI College**

Ms. Kendrick presented a One-Step Agreement for Adcon Technical Institute dba ATI College (ATI), in the amount of \$834,480. ATI provides computer training and systems development to California businesses throughout the state. ATI specializes in training for an enterprise accounting software called MAS (Management Accounting System), as well as Microsoft software, Oracle, PeopleSoft, and Cisco products.

Ms. Kendrick introduced Lisa S. Jee, Executive Director.

Mr. Broad commended ATI on prior projects and the completion rate. There were no questions from Panel members.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for ATI in the amount of \$834,480.

Motion carried, 4 – 0.

### **Glendale Community College Professional Development Center**

Ms. Kendrick presented a One-Step Agreement for Glendale Community College Professional Development Center (Glendale PDC), in the amount of \$1,700,313. Glendale PDC provides customized, job-specific training for business and workers.

Ms. Kendrick introduced Sharleen Wagner, Executive Director and Kimberly Holland, Program Manager. This will be the 30<sup>th</sup> ETP-funded project. Ms. Wagner thanked ETP for funding over the years. She said over the years that Glendale PDC has received \$40 million in ETP funds, trained 28,000 workers, 3,800 companies, and 75 percent of the companies employed less than 100 employees.

Mr. Broad thanked Ms. Wagner for spending her career dedicated selflessly to training over the years. He said she deserved major thanks from her community, from the ETP, the Panel, and the taxpayers.

Ms. Roberts asked if Glendale PDC received WIA funds. Ms. Holland said they did not receive any WIA funds. Ms. Roberts asked if any of the proposed trainees were new employees. Ms. Holland said all proposed trainees were already employed with the companies.

Ms. Carrillo said it was great to see Sharleen and that she has been involved with the ETP program almost since the program began. She said she could always count on Sharleen to be very candid about how ETP was doing and at the same time because of her passion, ETP knew that her intent was positive and she helped the ETP program evolve. She thanked Sharleen for her contributions over the years.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Glendale PDC, in the amount of \$1,700,313.

Motion carried, 4 – 0.

Mr. Broad asked that the Panel take a vote to honor the Glendale PDC program and Sharleen Wagner's contributions and commitment to the program during her career.

**ACTION:** Mr. Broad moved and all Panel members seconded the Panel vote to honor the Glendale PDC program and Sharleen Wagner's contributions and commitment to the program during her career.

Motion carried, 4 – 0.

### **GoTrain, Inc.**

Ms. Kendrick presented an Amendment for GoTrain, Inc. (GoTrain), in the amount of \$462,000. GoTrain is a private for-profit training agency. Employers are recruited from GoTrain's databases, prior training contacts, and from other membership organizations.

Ms. Kendrick introduced Reggie Akpata.

Ms. Roberts asked whether the 119 employees in this contract signified the company's cap since it was the same number of employees listed in the prior contract, or whether this was just a coincidence. Mr. Akpata said all proposed trainees were new trainees and explained that in the initial contract they managed to serve 12 companies and have a remainder of 14

companies in the existing agreement. He added that the 119 employee number was just coincidence.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded the Panel approve the Amendment for GoTrain in the amount of \$462,000.

Motion carried, 4 – 0.

### **NTMA Training Centers of Southern California**

Ms. Kendrick presented a One-Step Agreement for NTMA Training Centers of Southern California (NTMA), in the amount of \$1,556,100. The centers train new and incumbent employees for small and medium-sized machine shops. These member companies design and manufacture special tools and machines, dies, jigs, fixtures, gauges, and precision-machined parts; they are involved in virtually everything that is fabricated or consumed.

Ms. Kendrick introduced Michael Kerwin, President and Norma Meza, ETP Coordinator.

Ms. Roberts noted the wage range of \$10.68 - \$20.00 per hour listed on the Training Plan Table and upon review of spreadsheets of prior contracts, she noted the discrepancy that in 2003, the starting wage was \$10.68 and that the starting wage should have increased to \$11.02. Ms. Meza said the \$10.68 hourly amount was derived by the local office.

Ms. Carrillo said that on Page 3 of the Training Plan Table the reason the wage range stated \$10.68 was that it is the bare ETP minimum wage. She said that Page 5 of the Agreement lists actual wages from previous contracts. Mr. Kerwin said these wages are to verify employment for crediting groups. He said that the demand for machinists has grown tremendously in the last 2 years. He said there were more job orders than graduates at the Norwalk school and that the placement rate is approaching 96 percent. Ms. Roberts asked if they considered raising the wages above \$10.68 per hour. Mr. Kerwin said the wages that most graduates receive are approximately \$12.00 per hour. Ms. Roberts asked if NTMA still anticipated a 60 percent estimated amount earned. Ms. Meza said they now anticipate a much higher number than 60 percent earned.

Ms. Roberts asked about the two active projects granted in 2004 and 2005. Ms. Meza said that the 2004 project is complete with a 90 percent amount earned and 2005 is currently in the 90-day retention period and has a 90 percent amount earned. Mr. Kerwin said in the 2005 contract the Panel requested more on-site training for companies. He said they have offered more on-site training and currently have six programs on-site for companies. Ms. Roberts said that machine operators typically earn higher wages than stated in the Training Plan Table. Mr. Broad agreed that the wages were low, especially for Southern California. Ms. Meza said the \$10.68 wage was for entry-level machinists. Mr. Broad asked if the wage level after 90 days in the proposed contract could be raised to the prevalent hourly wage of \$12.00 per hour and asked if NTMA would agree to the increase. Ms. Meza said they had previously agreed to the increase and were currently above the ETP average. Mr. Broad said there was a rapidly increasing demand for machinists and that the average wage in Los Angeles and Orange Counties was \$12.40 and in San Bernardino and

Riverside, the average wage was \$11.02. He asked if they were willing to raise the minimum wage to \$12.00 per hour after 90 days. Mr. Kerwin agreed to raise the minimum wage to \$12.00 per hour after 90 days.

Mr. Gordon asked if NTMA was a trust fund. Mr. Kerwin said the company was formed from a trust but was non-profit. Mr. Gordon asked if there was a training contribution that goes into the trust. Mr. Kerwin said that in the advanced training program there was a training contribution but not with the new hire program. Mr. Gordon asked what the amount of the annual contribution was. Mr. Kerwin said it was \$100 per employee. Mr. Broad said it was not a collectively bargained trust fund and that it was non-union. Mr. Kerwin said it was arms-length from the chapter and there was a board of trustees they reported to.

**ACTION:** Ms. Robert moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for NTMA in the amount of \$1,556,100 with the agreement that the minimum wage is raised to \$12.00 per hour after 90 days.

### **Oxman College**

Mr. Chan presented a One-Step Agreement for Oxman College (Oxman) in the amount of \$617,820. Oxman is a private, post-secondary and vocational school that specialize in developing and providing customized training programs for California employers. Mr. Chan noted there was a change on Page 6 of the One-Step Agreement. He said that Steve Duscha Advisories should not be listed under Third Party Services. Mr. Chan also clarified the wages on Page 3 of the Training Plan Table. He said the \$10.00 per hour wage after the 90-day retention only applied to individuals residing in counties other than Alameda, Contra Costa, Los Angeles, Marin, Orange, San Francisco, San Mateo, Santa Clara, Sacramento, San Diego and Ventura. He said this was a statewide project and some counties had lower ETP minimum wages that are \$9.68 per hour. He said that upon staff's request, the company agreed to increase the wages for those counties to \$10.00 per hour. However, for the other counties the company declined to increase the wages.

Mr. Chan introduced Michael Dvorkin, President and Marianna Reis, Director of Development.

Mr. Broad asked Mr. Chan to review the county wage levels that the company had declined to increase, and the amount of increase that staff asked them to make. Mr. Chan said this included a \$10.75 per-hour wage for Alameda, Contra Costa, Los Angeles, Marin, Orange, San Francisco, San Mateo and Santa Clara. Mr. Broad asked if staff quoted Oxman a specific amount of wage increase for these areas. Mr. Chan said they did not give a specific amount, but that Oxman declined to go above the \$10.00 per-hour wage. Mr. Chan said the ETP Minimum Wage for Sacramento County is \$10.46 and Ventura County is \$10.31, and that Oxman was asked to raise the wage for these counties as well, but declined. Mr. Broad asked Oxman representatives to explain why they declined.

Mr. Dvorkin said that Oxman could not commit to the salary increase, although he understood the importance of a pay increase for employers. Mr. Broad asked if Mr. Dvorkin would agree to raise the minimum wage by 5 percent above the existing ETP minimum in

the counties listed. Mr. Dvorkin said he was only willing to raise the minimum wage by 5 percent in San Francisco County. Mr. Dvorkin said Oxman does not want to commit to the higher rate because they would lose business. He said that it would be difficult to commit to, even if only 5 or 10 percent of the trainees receive \$10.50 because Oxman is only paid by performance. He said that other funding sources did not request specific salary requirements.

Mr. Broad said the problem with multi-employer training was that if ETP spends \$4,500 to train individuals for an \$8.00 per-hour job then the taxpayers' money was not being spent very efficiently. He said if Oxman's training is truly added value, that the wages should be raised. He said it was a different story when discussing training programs that move individuals into higher-skilled occupations, and the Panel had to individually measure each project presented. For example, he said, high wages were not an issue in Job Number 2 for LVN and RN training. He added that the Panel has consistently tried to increase minimum wages in multi-employer contracts for training in semi-skilled occupations.

Mr. Broad said he was hesitant to vote for the project unless Oxman could commit to higher wages. Mr. Broad said he understood that it would put Oxman under some pressure and it would require connecting with employers in advance. Mr. Broad proposed an \$11.00 per-hour wage increase in every county inclusive of health benefits. Mr. Dvorkin opposed the wage increase and stated the company would lose customers as a result.

Mr. Broad asked where the facilities were located. Mr. Dvorkin said they were located in San Francisco, Sacramento and Los Angeles. Mr. Broad asked if the Sacramento facility was currently open and Mr. Dvorkin said it was. Mr. Broad asked if they were opening it for the first time in 2006. Mr. Dvorkin disagreed, saying the facility has been in operation since 1995.

Mr. Broad again stated he would not vote for the project unless Mr. Dvorkin agreed to raise the wages. Mr. Dvorkin said he could not increase wages because Oxman would not be able to meet that performance standard. Ms. Roberts asked if the medical and dental occupations received certifications upon completion of Oxman's training program. Mr. Dvorkin said they would be certified by Oxman College. He said that a dental assistant could apply for the state exam after completing a year of employment. Ms. Roberts said that if he was unwilling to raise the wages that she would not vote for the project. Ms. Roberts asked if the benefit amount would increase the wage to \$11.00. Mr. Dvorkin said no, because not all trainees received benefits in the first year. Mr. Broad said he was prepared to vote on the retraining section of the project but unwilling to vote for the other new-hire section under Job Number 1. He said this was without prejudice and Oxman was free to resubmit and come back to ETP and work with staff to negotiate terms, but that he was not prepared to vote for it today.

Ms. Roberts had more questions about the retraining program. She asked if RNs and LVNs were removed from their current jobs to receive training at Oxman and asked if they were paid wages during this time. Mr. Dvorkin answered in the affirmative. Ms. Roberts asked if employers agreed to permit employees to leave their current jobs to receive

training at Oxman. Mr. Dvorkin said the interruption was minimal, during a 6-12 month span. Ms. Carrillo said that she understood the retraining was conducted at the employer's site, which was corroborated by Mr. Dvorkin.

Ms. Carrillo said she understood that the Sacramento facility was closed, noting that the ETP analyst had attempted to monitor the prior contract and found no training activity at the facility. She asked Mr. Dvorkin if he intended to open the Sacramento facility for the proposed training. Mr. Dvorkin answered in the affirmative. Mr. Broad and Ms. Roberts said this was not what Mr. Dvorkin had stated earlier. Mr. Dvorkin said the facility had never been closed. Ms. Carrillo asked Ruby Cohen to speak to this issue, as her office monitored the existing contract. Ms. Cohen said that approximately a year and half ago, her staff visited the Sacramento facility. She said they found the building and went to the room, which was locked. She said they spoke to the building manager and were told that no one had used the room in 2-3 years. At that point, she said, staff realized there was no training being conducted by Oxman College at the Sacramento site.

Mr. Dvorkin said that the company did not state there was training being conducted at that time. Ms. Cohen said Oxman should have been conducting training at the time of the visit, and that Mr. Dvorkin had testified to this. Mr. Dvorkin disagreed that there should be training conducted at this time. Mr. Broad said that, due to Ms. Cohen's information, there was now a credibility issue with the company. As a result, he said, Panel members were not prepared to vote on the project. Mr. Broad said the issues need to be resolved with the staff, and did not understand how an operation can remain in business with nothing more than a rental agreement for a building where no training is occurring. He said that once the credibility issues were resolved, Oxman was free to come back to ETP.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded to deny approval of the Oxman One-Step Agreement.

Motion carried, 4 – 0.

### **Northern California Construction and Training, Inc.**

Ms. Cohen presented an Agreement for Northern California Construction and Training, Inc. (NCCT), in the amount of \$100,800. The NCCT is a building trade's pre-apprenticeship program that helps prepare individuals for entry into various construction trades apprenticeship training programs.

Ms. Cohen introduced Bill Meehan, President.

Mr. Broad asked about the Welfare-to-Work program. Mr. Meehan said he currently conducts Welfare-to-Work programs and has conducted Welfare-to-Work programs for approximately 12 years. He stated that NCCT is funded by the Human Services Agency in San Joaquin County. Mr. Broad asked if Mr. Meehan could increase the capacity of NCCT if funding was available. Mr. Meehan said the company struggled with trainee placement since they handled displaced/potentially displaced workers and often placed trainees in

locations outside of the collective bargaining unit. Mr. Gordon asked if English as a Second Language (ESL) courses were offered. Mr. Meehan said they offered ESL courses and that previous trainees entered the program requiring four different language needs. Mr. Gordon asked if he worked with any of the associations. Mr. Meehan answered in the affirmative. Mr. Gordon asked Mr. Meehan if he had considered starting a Southern California chapter. Mr. Meehan said he had visited Southern California and has considered a Southern California chapter. He said they are trying to reach individuals in the private industry as opposed to the public industry. Mr. Gordon asked if trainees received certification. Mr. Meehan said trainees received certification and that he worked with both the Sacramento and San Joaquin Office of Education, which funded instructors' salaries.

Ms. Roberts said there were 40 Enterprise Zones in California which offered employer incentives and significant state tax incentives for trainees placed in Welfare-to-Work programs. Mr. Meehan said they currently had Welfare-to-Work programs in place. Ms. Roberts said the substantial state income tax credit is \$31,570 per employee for a five-year program.

Mr. Broad invited Mr. Meehan to a meeting with Senator Ducheny on Monday regarding the Welfare-to-Work program. Mr. Meehan said he was available and agreed to attend the meeting.

Mr. Gordon commended Mr. Meehan on spending his retirement pursuing the training needs of others and empowering individuals.

**ACTION:** Mr. Gordon moved and Ms. Roberts seconded the Panel approve the Amendment for NCCT in the amount of \$100,800.

Motion carried, 4 – 0.

## **VIII. ACTION ON REGULATIONS**

Ms. Reilly referred the Panel to the Regulations Tab in the Panel Packet. She said there were three regulations on the First Page of the Memo set for repeal. She said the revision for the proposed repeals is that the program is no longer operational, or else the guidelines in the regulations are unnecessary because statutory standards are very clear. She referred the Panel to the Public Records Act regulation on page 2 of the Memo. She said the regulation was out of compliance with the statute. She referred the Panel to the last attachment of the Memo, showing the strike out-and-underline text of the proposed repeal for Section 4431, Public Records. With reference to the text, Ms. Reilly explained that: a) requests for public documents can also be made in person or by phone, as well as in writing; (b) ETP does not always charge for document copies, as set forth; (c) ETP currently charges .10 per page for copies, which is not set forth; and (d) a "reasonable charge" is incorrect because the statute states the agency may change the "actual cost" of copying which includes a pro-rata charge for staff labor.

In summary, she said, four regulations are proposed for repeal. If the Panel approves the action, it will go out for public comment and then to the Office of Administrative Law for review.

Mr. Broad asked Panel members if there were any questions. There were no questions from the Panel.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel repeal the four regulations as recommended.

Motion carried, 4 – 0.

Ms. Reilly referred the Panel to the Appeal Tab in the Panel Packet. With reference to the Memo regarding EcoTerra Global, she explained that the Panel must take action that day due to the regulation time-frame once an appeal has been submitted. She asked Panel members to bear in mind that they are not making a decision on the merits of the appeal, but only taking an action on how to proceed. She asked Spencer Kenner, Staff Counsel, to further explain.

Mr. Kenner said that EcoTerra was a company that recycled used tires in a high-unemployment area in Kings City. He said the company was unable to comply with retention and ETP minimum wage requirements. Therefore, the contract was terminated in July 2005, and the company was notified of an overpayment of approximately \$136,000 in December 2005. Mr. Kenner said EcoTerra was unable to provide any substantiating documentation to comply with retention and for that reason the first-level appeal had been denied by Ms. Carrillo, leading to the appeal currently before the Panel.

Mr. Broad asked Mr. Kenner to characterize the basis for the current appeal. Mr. Kenner explained that, other than disputing Ms. Carrillo's findings, EcoTerra was asking for a 45-day extension in order to produce additional documentation on the issue of retention. Ms. Reilly added that the Legal Unit had researched the EDD wage data base, and could not find evidence of retention. She also said the Legal Unit had been made aware of a pending investigation by the Division of Labor Standards Enforcement, from complaints that employees had not been paid. She said that the company asked employees for waivers of payment since they had undercapitalized. Mr. Kenner agreed this was communicated to him in a telephone call to the office of the Labor Commissioner.

Mr. Broad said that the Panel had three options available: refuse to hear the matter, delegate the matter to a subcommittee, or determine whether good cause exists for a 45-day extension. Mr. Broad agreed to hear the case as the "hearing officer subcommittee" and allow EcoTerra the opportunity to establish by preponderance of the evidence they have paid employees. He said this would be a legal proceeding and EcoTerra would need to prove they paid wages throughout the retention period, in the face of the pending labor dispute. Ms. Reilly clarified that the hearing decision would be a recommendation by Mr. Broad, and would require that he report his decision to the full Panel for a final vote.

She said EcoTerra could then appeal to Superior Court if they disagreed with the decision of the Panel.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded Mr. Broad's recommendation to delegate the EcoTerra matter to a subcommittee, conduct a hearing, and make a recommendation to the Panel after the hearing.

Motion carried, 4 – 0.

## **IX. GENERAL PUBLIC COMMENT**

Mr. Duscha said that he was present at the same meeting that Bill Meehan had attended where they learned that the issue of the DSS funds is that they are seeking funds, not training. He said that DSS does not spend the money for training. He said if DSS is spending the money for training, they are filing false reports with the Federal Government which shows they do not spend funds from state agencies like ETP. He said he would prepare the package of data on this subject for those interested. Mr. Broad asked Mr. Duscha to provide him the information.

## **X. ADJOURNMENT**

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded to adjourn the meeting at 12:30 p.m.

Motion carried, 4 – 0.