

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Milton Marks Conference Center  
455 Golden Gate Avenue  
San Francisco, CA 94102  
December 15, 2006

**PANEL MEMBERS**

Barry Broad  
Acting Chair

Tyrone Freeman  
Member

Bob Giroux  
Member

Scott Gordon  
Member

Edward Rendon  
Member

Janice Roberts  
Acting Vice-Chair

Johnathan St. John  
Member

**Executive Staff**

Ada Carrillo  
Acting Executive Director

Maureen Reilly  
General Counsel

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

Janice Roberts, Acting Chair, called the public Panel meeting to order at 9:30 a.m.

**II. ROLL CALL**

Members Present

Janice Roberts  
Edward Rendon  
Johnathan St. John  
Bob Giroux (arrived at 9:40 a.m.)  
Scott Gordon (arrived at 10:00 a.m.)

Members Absent

Tyrone Freeman  
Barry Broad

Executive Staff Present

Ada Carrillo, Acting Executive Director  
Maureen Reilly, General Counsel

**III. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS**

**EcoTerra Appeal Status/Action**

With the absence of Barry Broad, Chairperson, Spencer Kenner, Staff Counsel, provided an overview of the status of the EcoTerra Appeal. He said this was a second-level appeal that came before the Panel by way of a hearing in July 2006, on the basis of an overpayment of approximately \$130,000. At the hearing in July 2006, where Chairman Broad acted as hearing officer, he urged the parties to settle as an alternative to his ruling. The parties immediately engaged in discussions, and recently reached settlement.

Mr. Kenner explained that EcoTerra is a start-up company that failed to receive sufficient capital to continue in business. He said all employees were trained, but EcoTerra did not complete the other performance requirements for ETP funding. Chairman Broad's primary concern was that the employees receive pay for having worked approximately 3 to 4 months. EcoTerra agreed to pay the employees' back wages as full settlement of the overpayment, by the next Panel Meeting date of January 26, 2007. If they are not paid by then, the settlement agreement becomes null and void, and Chairman Broad would bring a proposed ruling to the Panel for consideration at its February meeting.

Ms. Roberts, Acting Chairperson, announced that with the absence of a quorum, there would be a change in order of the meeting Agenda.

#### **IV. CONTRACTORS' PERSPECTIVES ON THE ETP PROGRAM**

Charles Lundberg, Manager of the Economic Development Unit, introduced the contractors included on the Agenda as part of the Contractors' Perspectives on the ETP Program, as follows: Mindy Aronoff, Director of Business Development/Bay Area Video Coalition; Keith Murayama, Plant Manager/Thermionics Metal Processing, Inc.; and Wendy Miller, Senior Director of Learning and Optimization/Agilent Technologies, Inc.

##### **Bay Area Video Coalition**

Ms. Aronoff explained that Bay Area Video Coalition (BAVC) is a non-profit media arts center that trains individuals in media technology. She said BAVC employees produce documentaries that are released at venues such as Sundance. Ms. Aronoff said BAVC began working with ETP some eight years ago, and has built a rapport with hiring managers to place BAVC's trainees, including hard-to-place individuals. She said BAVC trainees are from a range of various companies such as Pixar, Apple, graphic design studios and game design companies such as Sega. She said, in BAVC's experience, numerous employers are passionate in their belief that ETP-funded training creates a stronger workforce, and offered to provide the Panel additional employer feedback.

Ms. Roberts encouraged promoting the ETP program with California contractors. Ms. Aronoff said that because BAVC is a non-profit company, they were extremely motivated to earn the ETP funding. She said procedures were streamlined in order to make the most of the funding, and in fact, BAVC has been close to 100 percent on performance standards.

##### **Thermionics Metal Processing, Inc.**

Mr. Murayama thanked the Panel and staff for awarding Thermionics their first ETP contract in 2005. He said that in their first project they accomplished becoming ISO certified and executed a comprehensive training system. He said their direct labor workforce is approximately 96 percent Latino and they had been experiencing problems with communication. Through ETP funding, they were able to train staff using documents translated into Spanish. He said that productivity has since increased, morale has gone up, and employees are more confident in their customer communication skills. Mr. Murayama

said they are a privately-owned, small chemical cleaning house located in Hayward. He said the business is growing due to the word getting out that time delivery, quality and communication has improved. He said that, when the ETP-funded project first started, they employed 92 workers, and now they have 104. He projected an increase in workforce to 120 in February 2007.

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

Wendy Miller said that Agilent Technologies is a world leader in electronic and bio-analytical measurement instruments and equipment, headquartered in Santa Clara. They have generated \$5 billion dollars in revenue and have approximately 19,000 employees in 110 different countries. She said 6,000 employees are in California and Agilent's research and development facilities are in Palo Alto and Santa Clara.

Ms. Miller explained that training was crucial to Agilent, given the severe downsizing it experienced after the economic "bubble" burst in 2000. The year previously, she said, Agilent had hired over 11,000 new employees. After downsizing, it went from approximately 42,000 employees worldwide to 19,000. By 2005, Agilent's revenue had dropped \$14 billion dollars to \$5 billion dollars. Ms. Miller said ETP funds allowed the company to continue development at the employee level. Some of the training projects funded by ETP included: Six Sigma white belt, process management, project management and new skills for emerging markets. Ms. Miller said it is her belief that, if Agilent had not had the use of ETP funds to "seed" training and to develop the skills of its remaining employees, the company would probably be a year or two behind its competitors at this time.

Ms. Miller called the Panel's attention to a recent publication by the American Society of Training and Development (ASTD), which was handed out, that discusses the role of government funding and programs such as ETP, for employee skill development. She described it as "a call to action for employers, employees, and the education system and for the ASTD.

Ms. Miller also said that, although the ETP process is difficult for a larger company such as Agilent because of internal controls and financial accountability, they had been able to meet performance standards. She added that ETP staff had been helpful and professional in guiding Agilent through the process.

Mr. St. John asked about Agilent's investment in employee development, and the impact of training on the future of their organization. Ms. Miller said the residual impact was great. She said she would not approve any project unless she expected it to continue for a minimum of three years, with a business imperative to ensure longevity.

Ms. Roberts thanked all three of the contractors for their presentations and said it was very beneficial, as the Panel has been unable to conduct field visits.

Ms. Roberts requested that roll call be taken, as Panel Member Bob Giroux arrived and there was now a quorum present.

**V. APPROVAL OF AGENDA**

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

Motion carried, 4 – 0.

**VI. APPROVAL OF MINUTES**

ACTION: Mr. Giroux moved and Mr. St. John seconded approval of the Panel Minutes of October 27, 2006.

Motion carried, 4 – 0.

Request Motion to Delegate in Event of Loss of Quorum

Ms. Roberts asked for a motion to delegate to the Acting Executive Director the authority to approve projects, in consultation with the Panel Chair or Vice Chair, if a quorum did not exist. Mr. Giroux asked if this motion was pursuant to the action item approved at the October 27, 2006 Panel meeting. Ms. Carrillo said it was an ongoing motion.

ACTION: Mr. Rendon moved and Mr. Giroux 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.

Request Motion to Adopt Consent Calendar Projects/Action

Ms. Carrillo asked for a motion to approve Consent Calendar items #1 through #31 with the exception of Tab 28, Travidia, Inc., which was withdrawn.

A&D Engineering, Inc. ....	\$35,910
A&V Engineering, Inc. ....	\$7,020
Advanced Electromagnetics, Inc. ....	\$31,200
Barksdale, Inc. ....	\$174,420
Barton Brands of California, Inc. ....	\$19,440
Bay Alarm Company .....	\$126,510
Cypress Surgery Center .....	\$77,000
Domino Plastics Manufacturing, Inc. ....	\$183,456
Schlosser Forge Company .....	\$216,000
Forged Metals, Inc. ....	\$252,720
Hawaii Pacific Apparel Group, Inc. dba Mimi and Maggie .....	\$6,240
INTA Technologies .....	\$49,920
Internet Specialties West .....	\$27,258
JD Engineering .....	\$168,480

J. R. & L, Inc. dba Powertek Learning Center .....	\$197,540
Keeley Aerospace, Ltd.....	\$15,600
Phenomenex, Inc. ....	\$298,800
Reborne, Inc. ....	\$94,424
Redwood Regional Medical Group, Inc. ....	\$75,600
Riverside County Economic Development Agency.....	\$294,040
Robert Wall Enterprises dba Sawing Services Company.....	\$28,080
Ross Engineering Corporation.....	\$38,688
Silicon Space, Inc. ....	\$27,040
South Bay Inspection, Inc. ....	\$49,500
The Conrad Corporation dba Conquest Imaging .....	\$47,520
The Olivia Companies LLC.....	\$133,100
Total Airport Services, Inc. ....	\$7,040
Turn Around Communications, Inc. ....	\$48,906
Ushio America, Inc. ....	\$32,400
Verdegaal Brothers, Inc. ....	\$10,560

## VII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

### Single Employer Contractors

#### **Bank of America Corporation**

Ms. Ruby Cohen, Manager of the ETP Sacramento Office, presented an amendment request by the Bank of America Corporation (B of A), for additional funding in the amount of \$501,750. B of A provides banking, credit card services, loan processing, and account management services for customers located throughout the United States and internationally.

Ms. Cohen introduced Angel Sanchez, Vice President of Government Partnerships for B of A and Steve Duscha, the company's administrative consultant.

Mr. Giroux asked if, now that B of A is no longer a California-based bank, would the employees be trained and then moved into other states. Mr. Sanchez said it the intent of B of A to keep this workforce in California. He explained that, even though B of A is an international bank, California represents one of the largest markets. Since starting the previous contract with ETP, he said, B of A has increased its full-time staff by 15 percent for the units within the contract.

Mr. Giroux moved, but Jan Roberts had another question.

Ms. Roberts asked if the current contract would end in July 2007. Mr. Sanchez answered in the affirmative, adding that he was sure they had time to meet performance requirements

for the additional funding based on training capacity plans. Ms. Roberts pointed out that there were only about five months remaining, including the 90-day retention period, in order to train all the individuals. Mr. Sanchez remained confident in their ability, and need, to provide the increased level of training.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded approval of the Amendment for B of A in the amount of \$501,750.

Motion carried, 4 – 0.

### **Certified Stainless Service, Inc.**

Ms. Cohen presented a One-Step Agreement for Certified Stainless Service, Inc. (Certified), in the amount of \$405,000. She said that Certified is a manufacturer of tanker trailers used primarily in the dairy, wine, food and oil industries; and, training would take place in a high unemployment area.

Ms. Cohen introduced William Doughty, Vice President of Finance.

There were no questions from Panel members.

**ACTION:** Mr. Giroux moved and Mr. St. John seconded approval of the One-Step Agreement for Certified in the amount of \$405,000.

Motion carried, 4 – 0.

### **Altera Corporation**

Creighton Chan, Manager of the Foster City Office, presented a One-Step Agreement for Altera Corporation (Altera), in the amount of \$1,262,700. He explained that Altera designs, manufactures, and markets semiconductors that its customers program to perform desired logic functions within their electronic systems.

Mr. Chan introduced Laurie Hastings, Senior Manager of HR Planning, Learning & Development.

Ms. Roberts announced the arrival of Panel Member Scott Gordon at 10:00 a.m.

Mr. St. John commented on Altera's outstanding turnover rate and asked if half of Altera's workforce was in California. Ms. Hastings answered in the affirmative and added that corporate headquarters are located in San Jose, while the engineering and marketing staff is located in San Diego and Santa Cruz.

**ACTION:** Mr. Giroux moved and Mr. Gordon seconded approval of the One-Step Agreement for Altera in the amount of \$1,262,700.

Motion carried, 5 – 0.

## **Applied Materials, Inc.**

Mr. Chan presented an Agreement for Applied Materials, Inc. (Applied Materials), in the amount of \$1,983,200. He said that Applied Materials designs, develops, manufactures, markets and services the machines that are used in the primary process of integrated circuit chip fabrication. He explained that the proposal consists of training for Applied Materials employees as well as workers of supplier companies.

Mr. Chan introduced Jack Franks, Manager of Supplier Training and Development; Patrick Lamey, Strategic Programs of New Business/New Products Group; and Phillip Herrera of Herrera & Company, ETP Consulting.

Mr. Gordon asked if training would be outsourced, or performed by frontline managers through a “train-the-trainers” program. Mr. Franks said outsourcing is utilized, depending on the training topic.

Mr. Giroux said that, over the years, he has had good experience in working with representatives of Applied Materials and he thought the company was a model for employment in the Silicon Valley, and California as a whole.

Ms. Roberts noted that Applied Materials has had two previous ETP contracts, and has done an excellent job of fulfilling the obligations in order to earn almost three million dollars for each training project.

**ACTION:** Mr. Gordon moved and Mr. Giroux seconded approval of the One-Step Agreement for Applied Materials in the amount of \$1,983,200.

Motion carried, 5 – 0.

## **Autodesk, Inc.**

Mr. Chan presented a One-Step Agreement for Autodesk, Inc. (Autodesk), in the amount of \$606,816. Autodesk is a global supplier of design software and services.

Mr. Chan introduced Barbara Straw, Technical Training Manager. Ms. Roberts asked if a substantial contribution would be paid by Autodesk based on its earnings under prior ETP contracts. Ms. Carrillo said there were no contributions due because that training had been at different locations. Ms. Roberts asked if tracking employees would be difficult since they were from various locations. Ms. Straw said Autodesk has detailed tracking of exactly where employees are, and which employees are receiving funding on which contracts. Ms. Carrillo said ETP can make a determination by facility, as to whether a company had reached the \$250,000 substantial contribution threshold. She said such an assessment was conducted here, and the contribution was found to be inapplicable.

**ACTION:** Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for Autodesk in the amount of \$606,816.

Motion carried, 5 – 0.

### **Hyatt Hotels Corporation**

Mr. Chan presented a One-Step Agreement for Hyatt Hotels Corporation (Hyatt), in the amount of \$912,000. Hyatt is a privately-owned company that manages 23 Hyatt hotels and resorts in California, he said, seeking funds to train convention/conference staff at 14 facilities. He explained that the company derives at least 25 percent of its gross annual revenue from out-of-state visitors, thus it satisfies the Panel's out-of-state competition requirements.

Mr. Chan introduced Steve Trent, Managing Director, Christy Sinnott, Director of Training and Lisa McInnes, Area Training Director.

Ms. Roberts asked Mr. Chan about the substantial contribution on this contract. Mr. Chan said these are all different properties than where previously trained.

Ms. Roberts observed that the turnover rate is rather high and wages are fairly low, and asked about efforts to reduce the high turnover. Ms. Sinnott said the company has made a significant commitment to training, and it was helping to reduce turnover across the nation, but particularly in the State of California, and that it intends to continue training efforts in 2007. Ms. Roberts asked if the 19 percent turnover rate is a national or California average. Ms. Sinnott said it was a California turnover average. Ms. Roberts asked if the national turnover rate was higher than in California. Ms. Sinnott said it was, but that the overall turnover rate for the hotel industry was close to 40 percent nationwide.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for Hyatt in the amount of \$912,000.

Motion carried, 5 – 0.

### **Nortel Networks Limited**

Mr. Chan presented a One-Step Agreement for Nortel Networks Limited (Nortel), in the amount of \$1,344,600. He said Nortel is a global supplier of telecommunications and network communication equipment.

Mr. Chan introduced Ray Patterson, Director of Employee Learning & Development and Julianna Kirby, President of Training Funding Partners.

Ms. Roberts said Nortel was a manufacturing company that offered high wages and low turnover, and was in full support of the contract.

**ACTION:** Mr. Rendon moved and Mr. Gordon seconded approval of the One-Step Agreement for Nortel in the amount of \$1,344,600.

Motion carried, 5 – 0.

### **Northrop Grumman Corporation Marine Systems**

Mr. Chan presented a One-Step Agreement for Northrop Grumman Corporation Marine Systems (Northrop), in the amount of \$1,004,400. Northrop, he said, designs and manufactures propulsion, launch, and control equipment for the United States Navy and other U.S. Department of Defense customers which are used in submarines and aircraft carriers.

Mr. Chan introduced Carol Armstrong, Deputy Vice President and Director of Strategic Planning and Robert Hyde, Human Resources Manager.

Mr. St. John asked if this proposal is for one facility only. Ms. Armstrong answered in the affirmative and said the facility is located in Sunnyvale. She explained that, as part of the marines systems division, the company has another site in Maryland, but none of the employees at that site would be trained with ETP funding. Mr. St. John commented on the \$40 million factory modernization program and asked how it had affected the Sunnyvale facility. Ms. Armstrong explained that it is a 100-year-old facility and that Northrop has invested \$40 million over the past nine years, specifically for machinery, which has helped extend their capacity and improve productivity. Due to modernization, she said, the delivery time for some of the company's key processes have been reduced by approximately 30-40 percent. She explained the purpose of applying for ETP funds is to continue improving the company's competitiveness and delivering more value to their customers.

Ms. Roberts asked about the previous ETP contract completed in 2005, in regard to other Northrop facilities in California. Ms. Armstrong said Northrop has many locations throughout California, but the Sunnyvale facility had not applied for funding in more than seven or eight years.

**ACTION:** Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for Northrop in the amount of \$1,004,400.

Motion carried, 4 – 0. (Mr. Giroux was not present for the vote)

### **Adams Rite Manufacturing Company**

Dolores Kendrick, Manager of the North Hollywood Office, presented a One-Step Agreement for Adams Rite Manufacturing Company (Adams Rite), in the amount of \$387,828. She said Adams Rite is a door and door equipment manufacturer.

Ms. Kendrick introduced Deon Arnol, CFO & Vice President-Operations and Cindy Goodwin, Human Resources Manager.

**ACTION:** Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for Adams Rite in the amount of \$387,828.

Motion carried, 4 – 0. (Mr. Giroux was not present for the vote)

### **Korea Radio, Inc. dba Radio Korea, Inc.**

Ms. Kendrick presented a One-Step Agreement for Korea Radio, Inc. (Radio Korea), in the amount of \$399,360. She said Radio Korea produces live and on-line broadcast in radio, television and internet venues and broadcasts to Korean-American listeners in California and 12 other states, as well as to foreign markets such as South Korea.

Ms. Kendrick introduced David Choi, Manager of Legal Affairs & Strategic Planning and Lisa Jee, Executive Director of ATI College.

Ms. Roberts expressed concern about the high cost of training, for such a small company. She said that most companies invest \$1,000 per employee per year for training but Radio Korea is investing almost seven times this amount, approximately \$5,000 to \$6,000 per employee. Mr. Choi said he has been with the company for three years, but there is a core workforce that has been employed there for more than a decade. During that time, he said, training had remained stagnant. Now, he said, Radio Korea was willing to invest a significant amount in training because of competition overseas and the importance of advancing into new technologies.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded approval of the One-Step Agreement for Radio Korea in the amount of \$399,360.

Motion carried, 5 – 0.

### **Marquez Brothers International dba Marquez Brothers**

Ms. Kendrick presented a One-Step Agreement for Marquez Brothers International (MBI), in the amount of \$1,249,560. She explained that MBI manufactures and distributes Mexican style dairy products, meat and food items, and canned goods to customers in the West and Midwest United States, Canada and Europe. In addition, MBI is a major importer of national leading brand grocery items from Mexico and other Latin American countries.

Ms. Kendrick introduced David Villanueva, Chief Financial Officer & Executive Vice President.

Mr. Gordon asked if warehouse workers are taken “off-line” or if their training is on-the-job. Mr. Villanueva said training for warehouse workers is “off-line”. Mr. Gordon asked if course competency curriculums are outlined. Mr. Villanueva said training seminars for the

warehouse staff are generally held on Saturdays or at the end of the week so business is not interrupted. He said warehouse workers come “off-line” for direct training to ensure safety requirements and minimize accident rates. Mr. Gordon asked if instructors were outsourced. Mr. Villanueva said there is some outsourcing, but the majority of training is conducted by in-house managers. Mr. Gordon asked if trainees are offered continued education. Mr. Villanueva answered in the affirmative.

Mr. Rendon asked about the 15 percent turnover rate. Mr. Villanueva said the company is currently working on lowering its turnover rate, especially in management. He expressed the difficulty in selecting employees who will be a “right fit” for management positions.

**ACTION:** Mr. Giroux moved and Mr. St. John seconded approval of the One-Step Agreement for MBI in the amount of \$1,249,560.

Motion carried, 5 – 0.

### **Jacuzzi Brands, Inc.**

Diana Torres, Manager of the ETP San Diego Office, presented a One-Step Agreement for Jacuzzi Brands, Inc. (Jacuzzi), in the amount of \$864,000. She said training will take place at two facilities in Chino for both Jacuzzi and Sundance Spas, manufacturing bath, spa and shower systems. The Jacuzzi and Sundance companies qualify for funding as a “group of employers” with similar training needs.

Ms. Torres introduced Bill Cahill, Director of Human Resources.

Mr. Giroux asked about the high turnover rate. Mr. Cahill said the high turnover was due to a downturn in the market within the last four months. He said the reduced housing starts contributed dramatically toward increased turnover, which is typically not that high but is closer to 12 percent. Mr. Cahill said the company distributes throughout the U.S. and is impacted by housing starts nationwide. Mr. Giroux asked if Jacuzzi is selling less product, and Mr. Cahill answered in the affirmative. He said business is cyclical and it is expected it will increase in March.

Mr. Gordon asked if training helped with loss control under prior ETP-funded projects. Mr. Cahill answered in the affirmative and said Jacuzzi has significantly reduced scrap as a result of its last contract when compared a time when it did not offer much training. He added that Jacuzzi used external trainers in the past, but is now beginning to use in-house trainers. Mr. Gordon asked if they could trace reduced workman’s compensation claims to safety training. Mr. Cahill said Jacuzzi has a significant safety training program and has dramatically reduced claims although that training is not funded by ETP.

**ACTION:** Mr. Gordon moved and Mr. Giroux seconded approval of the One-Step Agreement for Jacuzzi in the amount of \$864,000.

Motion carried, 4 – 0. (Ed Rendon was absent for the vote)

## **Millipore, Inc.**

Ms. Torres presented a One-Step Agreement for Millipore, Inc. (Millipore), in the amount of \$345,600. She said Millipore provides biomedical and biopharmaceutical products and services to clinical, analytical, and research laboratories.

Ms. Torres introduced Jim Powers, Director of Manufacturing and Supply Chain Operations.

There were no questions from Panel members.

**ACTION:** Mr. Giroux moved and Mr. Gordon seconded approval of the One-Step Agreement for Millipore in the amount of \$345,600.

Motion carried, 4 – 0. (Mr. Rendon not present for the vote)

## **Special Employment Training Projects**

### **The Permanente Medical Group, Inc.**

Mr. Chan presented a One-Step Agreement for The Permanente Medical Group, Inc. (PMG), in the amount of 540,000. He explained that PMG is a major health care provider that operates under three corporate umbrellas: Kaiser Foundation Health Plans and Kaiser Foundation Hospitals. Both are nonprofit, professional corporations of physicians that are responsible for providing and arranging necessary medical care. PMG qualifies for Special Employment Training (SET) for retraining frontline workers who earn the state average hourly wage.

Mr. Chan introduced Egbert Schillings, Managing Director of Special Projects & Patient Care Service; Vincent Reed, Assistant Medical Group Administrator & Director of Nursing Practice, and Steve Duscha, administrative consultant.

Mr. Giroux acknowledged the letter of support from California Nurses Association and asked if the UHW supported this project. Mr. Reed said many employees in the emergency department are affiliated with UHW, such as emergency department technicians. He said PMG supports employees with good wages and flexible work schedules while they are studying to become RNs. He said that, upon RN graduation, a number of graduates enter the emergency department training program.

Mr. Duscha said the CNA represents all RNs in Northern California. Mr. Giroux asked if the proposal includes only the Northern California Kaiser facility. Mr. Schillings said this proposal includes a total of 17 PMG facilities. Ms. Roberts asked if the 150 nurses are dispersed among the 17 facilities upon completion of training. Mr. Schillings answered in the affirmative and said they would be new to the work setting, and would require special attention for a smooth transition into that environment. Ms. Roberts asked if any of the

nurses being trained are at a supervisor or management level. Mr. Schillings said all training is for staff nurses only. Ms. Roberts asked if there is an opportunity for nurses to advance into supervisor or management positions. Mr. Reed said sometimes nurses make the best supervising “preceptors” because they have been through the schooling and are familiar with the subject matter.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded approval of the One-Step Agreement for PMG in the amount of \$540,000.

Motion carried, 5 – 0.

### **Riverside Healthcare Systems, LLC dba Riverside Community Hospital**

Ms. Torres presented a One-Step Agreement for Riverside Healthcare Systems, LLC dba Riverside Community Hospital (RCH), in the amount of \$799,200. She said RCH is a full-service, acute care hospital in Riverside, California, with a licensed bed capacity of 379. RCH qualifies for SET funds for retraining of frontline workers in occupations that pay the State average hourly wage.

Ms. Torres introduced Pearl Lee, Director of Education and William Parker, President of National Training Systems Inc.

Ms. Roberts asked why RCH’s wages were much lower in comparison to Kaiser. Ms. Lee said RCH recently became unionized. Ms. Roberts asked if wages would increase due to the unionization. Ms. Lee said they are currently in wage negotiations with the union. Ms. Roberts noted the high turnover rate, and Ms. Lee responded that many nurses trained by RCH decide to accept positions at other health facilities such as Kaiser due to higher wages.

Mr. Giroux announced he would abstain from the vote for RCH.

**ACTION:** Mr. Gordon moved and Mr. St. John seconded approval of the One-Step Agreement for RCH in the amount of \$799,200.

Motion carried, 4 – 1 (Mr. Giroux abstained from the vote)

### **Multiple Employer Contracts**

#### **Kern Community College District – Bakersfield College**

Ms. Cohen presented a One-Step Agreement for Kern Community College District – Bakersfield College (Bakersfield College), in the amount of \$498,960. She said that Bakersfield College proposes to administer a regional training program designed to promote full-time job retention in high-wage occupations, provide skills for transitioning to high performance workplaces, support priority industries in California and serve employers located in high unemployment areas of the state. She explained that this contract is a

result of efforts to address the long-standing economic and social problems of California's San Joaquin Valley, and will serve the region's manufacturing companies as well as the logistics, goods movement, and construction industries. In addition, she said the Partnership (through the region's community colleges) is attempting to leverage incumbent employee training in order to reduce turnover and improve overall job stability in the region. Bakersfield College, the flagship of the regional college coalition, intends to enroll 432 workers in a training program that will serve to continue economic growth and help redress the severe socioeconomic problems in California's San Joaquin Valley.

Ms. Cohen introduced Ed Knudson, Vice President and Susan Scaffidi, Assistant Director of Corporate and Community Services.

Ms. Roberts said she was involved in the California Partnership of San Joaquin Valley and currently working with Northern California community colleges.

There were no questions from Panel members.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded approval of the One-Step Agreement for Bakersfield College in the amount of \$498,960.

Motion carried, 5 – 0.

### **Sonoma County Junior College District, Santa Rosa Junior College**

Ms. Cohen presented a One-Step Agreement for Sonoma County Junior College District, Santa Rosa Junior College (SRJC), in the amount of \$309,925. She said SRJC has provided educational services to the business community in Lake, Napa, and Sonoma Counties since 1988. SRJC will retrain employees at companies facing out-of-state competition, including small businesses.

Ms. Cohen introduced Kathleen Kearney, Coordinator of Workforce Training.

Ms. Roberts noted that SRJC struggled to earn the full amount on prior projects and asked if SRJC has re-organized or considered placement in the proposed contract. Ms. Kearney answered in the affirmative and said SRJC now makes sure the trainees are placed with employers before enrollment.

Mr. Giroux asked if SRJC has a film studies program. Ms. Kearney said there was not a significant film studies program but that they offer a broad range of programs that cover almost every occupational area. Mr. Giroux asked about training efforts in the wine industry. Ms. Kearney said in some cases they are cross-training and offering Vocational English as a Second Language (VESL) training. She said SRJC has had positive results as a result of VESL training, and viticulture training. She said this allows individuals who are only doing one aspect of a job to see the whole system. Mr. Giroux asked if they are "feeding" any transfer students into UC Davis. Ms. Kearney said they have a very strong transfer program.

Mr. Gordon commented on the vocational training or “trade tech” aspect of courses offered by community colleges. He suggested enhancing the trade tech program for construction workers offered at the college. Ms. Kearney said she had information about SRJC’s occupational programs and offered it to Mr. Gordon for review.

**ACTION:** Mr. Gordon moved and Mr. Giroux seconded approval of the One-Step Agreement for SRJC in the amount of \$309,925.

Motion carried, 5 – 0.

### **American Security Group, Inc.**

Ms. Kendrick presented an Amendment for American Security Group, Inc. (ASG), in the amount of \$255,658. She explained that ASG trains security officers/guards, and is certified by the Bureau for Private Postsecondary and Vocational Education.

Ms. Kendrick introduced Manny Vela, President; Susan Valdez, Vice President and Lizzette Matos, Training Coordinator.

Ms. Roberts said the Panel would be considering a moratorium on future security guard proposals, and questioned whether funds should be awarded. Ms. Valdez said her company has had success in placing trainees, although the state licensing requirements may cause some delays. She said that they have 155 students enrolled, and 33 students awaiting licensure by the State of California. She said they have 78 students currently working, for an overall 51.3 percent rate in less than 8 months. She said the security industry has changed dramatically and that, despite concerns about low wages in her opinion, the industry pay scale was competitive.

Ms. Kearney said when ASG last approached the Panel for funding they offered trainees a minimum wage of \$10.00 per hour and benefits, but only because they were providing additional training beyond the state licensing requirements. Even so, ASG had performance problems in reaching that wage at the end of retention.

Ms. Roberts said a moratorium would likely be placed on security guard training proposals until results are proven. She also said that Welfare to Work (W2W) programs have reached ETP’s cap of \$2 million dollars, and any future W2W recipients would be scrutinized.

**ACTION:** Mr. Rendon moved and Mr. St. John seconded approval of the Amendment for ASG in the amount of \$255,658.

Motion carried, 4 – 0.

Bob Giroux departed the meeting at 11:30 a.m., and was not present for voting on the remainder of projects.

## **California State University Dominguez Hills Foundation**

Ms. Kendrick presented a One-Step Agreement for California State University Dominguez Hills Foundation (CSUDH), in the amount of \$400,534. She explained that CSUDH is a four year university accredited by the Western Association of Schools and Colleges with present enrollment of over 15,000 students.

Ms. Kendrick introduced Margaret Gordon, Dean and Teresa Stevens, ETP Training Program Coordinator.

There were no questions from Panel members.

**ACTION:** Mr. Rendon moved and Mr. Gordon seconded approval of the One-Step Agreement for CSUDH in the amount of \$400,534.

Motion carried, 4 – 0.

## **Communities in Schools of Southbay, Inc.**

Ms. Kendrick presented a One-Step Agreement for Communities in Schools of Southbay, Inc. (CIS), in the amount of \$217,050. She said CIS is an autonomous non-profit, private post-secondary organization which is a part of a growing network of local, community-based agencies addressing joblessness and the needs of low-income individuals and at-risk youth. CIS provides services such as counseling, health and human services, and job skills training to assist economically and socially disadvantaged adults and youths.

Ms. Kendrick introduced Victoria Adams, Associate Director.

Mr. Gordon asked Ms. Adams if she was familiar with Communities in Schools of Los Angeles. Ms. Adams answered in the affirmative. He asked if she works with that organization. Ms. Adams said no, because CIS in Southbay is autonomous and operates separately from other regions, although they are under the umbrella of a national organization.

Ms. Roberts asked how many trainees in the General Office of 50 employees would receive the \$10.75 range. Ms. Adams said approximately 50 percent would receive this wage, although the majority would be earning more than \$10.75. Ms. Roberts noted that CIS only had a 50 percent completion rate for its prior ETP-funded project, and asked what systems are in place to ensure a higher completion rate this time. Ms. Adams explained that prior contract performance was low because of their attempt to serve incumbent workers. This proposal does not include retrainees.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for CIS in the amount of \$217,050.

Motion carried, 4 – 0.

## **East San Gabriel Valley Regional Occupational Program and Technical Center**

Ms. Kendrick presented a One-Step Agreement for East San Gabriel Valley Regional Occupational Program and Technical Center (ESGV), in the amount of \$299,420. She explained that ESGV is a joint powers agency that provides training, job placement, and related services to community residents, businesses, and educational institutions in a wide range of industries.

Ms. Kendrick introduced Musheer Rasheed, Projects Coordinator of Workforce Development; Eileen Stear, Lead Workforce Development/WASC Coordinator; and Ernie Gomez, Field Human Resources Generalist for 180 Connect.

Ms. Roberts brought up the fact that security guard training is an issue. Mr. Rasheed said the security industry has changed tremendously since July 1, 2004 because of newly-mandated training under state licensure requirements. For this reason, he said, "security guards" are now commonly referred to as "private security officers." He said ESGV is being approached by companies to hire recent graduates of their program. He said they added public safety training, so companies could recruit students for this type of specialized employment at \$12.00 to \$14.00 per hour.

Mr. Rasheed said many companies request fully certified security officers and this includes firearms training and other state licensure requirements in addition to the 45 hours of mandated training. He said all firearms training is conducted at a firing range, and all instructors are former police officers. He said plastic guns are used in classroom training to teach students about gun components.

Mr. Gordon asked if there has been any communication with the Office of Homeland Security regarding security guard standards. Mr. Rasheed said ESGV communicates with state and federal oversight entities to ensure they are compliant with security standards.

**ACTION:** Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for ESGV in the amount of \$299,420.

Motion carried, 4 – 0.

## **El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT)**

Ms. Kendrick presented a One-Step Agreement for El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT), in the amount of \$1,561,650. El Camino CACT is a two-year community college that offers customized, job-specific training for business and workers through its Center for Applied Competitive Technologies. El Camino CACT's goal is to assist its participating employers in upgrading the skills of their employees to increase productivity, respond to customer demands, and improve the employment security of California workers.

Ms. Kendrick introduced Cristallea Byun, Director of Training and Development and Deborah Imonti, ETP Training Coordinator.

Ms. Roberts asked if the proposed project would run concurrently with the previously approved contract. Ms. Byun answered in the affirmative. Ms. Roberts was concerned about potential confusion, and asked how the contracts would be kept separate. Ms. Imonti did not anticipate any problems since the training positions for the remaining five and one-half months of the old contract have been allocated, while there are 800 individuals waiting to begin training under the new contract.

**ACTION:** Mr. St. John moved and Mr. Gordon seconded approval of the One-Step Agreement for El Camino CACT in the amount of \$1,561,650.

Motion carried, 4 – 0.

### **Santa Clarita Community College District**

Ms. Kendrick presented a One-Step Agreement for Santa Clarita Community College District, also known as College of the Canyons (COC), in the amount of \$442,205.

Ms. Kendrick introduced Dena Maloney, Dean of Economic Development; Dr. Mitijl Carvalho Capet, Assistant Superintendent/Vice President of Instruction; and Kristin Houser, Director of Employee Training Institute.

Ms. Roberts expressed concern about performance problems under the recently completed ETP-funded project and asked about COC's expected completion rate. She said there were a number of internal issues that contributed to the low completion rate in the recent agreement, noting that in prior contracts COC had a much higher completion rate. She said issues have been resolved related to low performance, and she is confident that the new project will have an 80 or 90 percent completion rate.

Ms. Roberts inquired, and Ms. Maloney confirmed, that COC has assigned two full-time staff persons to the administration of the new project.

Mr. Gordon asked if COC offers a trade-tech program. Dr. Capet said the college is committed to that course of study, and that occupational training needs are paramount. He said COC is already offering a survey course under its construction management building curriculum, and is building a new campus for vocational studies. Dr. Capet said that COC's focus is on the occupational needs of California, rather than a trade-tech program.

Mr. Gordon said the Department of Transportation and the Department of Labor is reviewing workforce development. He suggested the term "apprenticeship-prep" programs as the most acceptable language. He explained that public requirements and laws are a large issue. He stressed the importance of using the correct terminology "apprenticeship-

prep” programs as future apprentices can then move into second, third, or fourth period apprentices in one of these major crafts. Mr. Gordon applauded COC’s efforts in this area.

**ACTION:** Mr. Gordon moved and Mr. St. John seconded approval of the One-Step Agreement for COC in the amount of \$442,205.

Motion carried, 4 – 0.

### **Grossmont-Cuyamaca Community College District**

Ms. Torres presented a One-Step Agreement for Grossmont-Cuyamaca Community College District (Grossmont College), in the amount of \$169,910. Grossmont College is the larger of the two colleges in the Grossmont-Cuyamaca Community College District. It serves students throughout San Diego County, most of whom reside in East San Diego County. Grossmont College requests funds for training and employment of unemployed CalWORKS recipients as a W2W Pilot Program.

Ms. Torres pointed out the Customer Service Representative occupation outlined in the training plan table and said Grossmont College will work with ETP staff to make this occupational title more specific.

Ms. Torres introduced Frederick Allen Sr. Dean of Business and Professional Studies and Mary Leslie, Lead Instructor of Office Professional Training Program.

Ms. Roberts asked if Grossmont College could raise the minimum wage to \$9.00 per hour, especially in San Diego County. Ms. Leslie said most students advance to entry-level jobs earning between \$10.00 to \$11.00 per hour. She explained that the \$8.50 wage was given in order for W2W individuals to enter into the field. Ms. Roberts had no further questions on this point.

**ACTION:** Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for Grossmont College in the amount of \$169,910.

Motion carried, 4 – 0.

### **New Horizons Computer Learning Centers, Inc.**

Ms. Torres presented a One-Step Agreement for New Horizons Computer Learning Centers, Inc. (New Horizons), in the amount of \$487,650. New Horizons provides customized training at employer sites, and at its centrally located training facilities, to enable employees of participating employers to increase their IT skills. The New Horizons proposal includes training for frontline workers earning the state average hourly wage.

Ms. Torres introduced Kevin Landry, General Manager and Steve Duscha, administrative consultant.

Ms. Roberts asked how many of the 350 employees would earn the minimum wage of \$11.83 per hour. Mr. Landry said very few would earn only \$11.83 per hour and, upon completion of training, they would quickly progress into other higher-paying positions within the company.

**ACTION:** Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for New Horizons in the amount of \$487,650.

Motion carried, 4 – 0.

### **Westech College**

Ms. Torres presented a One-Step Agreement for Westech College (Westech), in the amount of \$834,070. Westech is an accredited private vocational school with training facilities in Ontario, Irvine, and Victorville. It is an authorized Intergraph Education Center and ArcCADD training center that specializes in Computer-Aided Design and Drafting (CADD) training and also provides drafting, medical billing and coding, and accounting training.

Ms. Torres introduced Barry Maleki and Steve Duscha, Alliance for ETP.

**ACTION:** Mr. Rendon moved and Mr. Gordon seconded approval of the One-Step Agreement for Westech in the amount of \$834,070.

Motion carried, 4 – 0.

### **VII. REPORT OF THE ACTING EXECUTIVE DIRECTOR (Out of Order)**

Ada Carrillo, Acting Executive Director, had nothing to report.

### **VIII. REPORT OF GENERAL COUNSEL (Out of Order)**

Maureen Reilly, General Counsel, had nothing to report.

### **IX. DISCUSSION/ACTION ITEMS**

#### Welfare to Work Pilot Program

Mr. Rice, Planning and Research Manager, provided an overview of the policy recommendation regarding Welfare to Work (W2W) training. Mr. Rice stated the Panel implemented a W2W pilot program and included in its FY 2006-07 Strategic Plan the goal of approving up to \$2 million for W2W projects in the current fiscal year. Funding for this trainee population is further supported by an additional requirement that at least 20 percent of all trainees in new hire projects must be W2W trainees. However, the Panel will exceed its funding goal, if all W2W proposals considered at the December 2006 meeting are approved. Therefore, staff proposes placing restrictions on further funding.

Mr. Rice pointed out the following issues for consideration:

- The W2W funding target for FY 2006-07 will be exceeded following this month's Panel meeting.
- The Panel can support the state's W2W employment participation efforts by continuing to fund W2W training as a component of new hire projects.
- W2W training is typically at a high cost for low wage jobs.
- Many W2W contract holders are new, without experience with the Panel's performance-based contracting requirements.
- Results of the W2W pilot projects will not be known until such time as there is sufficient reliable data to evaluate its outcomes.

Staff will evaluate the W2W projects that have been approved to date focusing on recruitment, placement obstacles, employment and security and wage issues with preliminary findings available for budget hearings. He said the final report would be submitted by December 2007.

Mr. Rice said that staff recommends imposing a moratorium on the funding of solely W2W projects. This moratorium applies to W2W funding requests received after December 15, 2006. He also suggested continuing to fund training for W2W eligible individuals provided it is limited to 20 percent of the trainee population in a new hire training project.

There were no questions from Panel members.

**ACTION:** Mr. Rendon moved and Mr. St. John seconded imposing a moratorium on the funding of solely W2W projects and continuing to fund training for W2W eligible individuals provided it is limited to 20 percent of the trainee population in a new hire training project.

Motion carried, 4 – 0.

### Security Guard Training

Mr. Rice said the Employment Training Panel's enabling legislation requires that the program emphasize training for high-wage, high-skill, secure jobs. He explained that the Panel has exercised caution in considering proposals to fund training for occupations that typically have low wages, high turnover, and lack of career mobility. He said that today they are considering these issues as they pertain specifically to funding security guard training given an increase of proposals in the last 12 months. He said that with today's approvals you will have committed over \$1 million for six projects to fund training for

security guards in the past 12 months. He said that five of the projects were approved in the last six months.

He said in order to maximize ETP's limited funds, while addressing program priorities, it may be appropriate to restrict or limit training that does not ensure high-wage, high skill, secure employment, such as that for security guards. He said staff will conduct a follow-up evaluation of the security guard contracts approved in the past 12 months. He said the evaluation will focus on project performance, placement rates, post-retention wages, and continued employment. He added that the report will be submitted by December 2007.

Mr. Rice said staff recommends imposing a moratorium on the funding of security guard training which would apply to funding requests received after December 15, 2006.

**ACTION:** Mr. St. John moved and Mr. Gordon seconded imposing a moratorium on the funding of security guard training which applies to funding requests received after December 15, 2006.

Motion carried, 4 – 0.

### 2005-06 Annual Report

Mr. Rice provided an overview of the 2005-06 Annual Report explaining that the Report is to be provided annually to the Governor and Legislature, reporting on the previous fiscal year activities. Mr. Rice stated that in the report year: a) 224 new contracts were approved to train 80,000 workers; b) 179 contracts approved in prior years were completed; and c) 141 contracts approved prior to FY 2005-06 were still active at the end of the fiscal year.

Mr. Rice summarized major activities and accomplishments described in the report, stating that the Panel: Established fixed-fee rate incentives to target priority industries, such as manufacturing and high technology; Continued to support economic development by approving \$23 million dollars for 29 projects that would create close to 7,000 new jobs; Continued to prioritize small business; Implemented a new nurse training initiative, by approving more than \$4 million for nurse upgrades and other healthcare training projects; and approved almost \$14 million for 69 new projects in high-unemployment areas of the state, with a focus on the "working poor".

He proposed that the Panel approve the Annual Report and direct staff to make any requested changes and delegate final approval to the Acting Executive Director.

There were no questions from Panel members.

Ms. Roberts announced since there was not a quorum present, action was delegated to the Acting Executive Director in consultation with the Chairperson or Vice Chair.

## **X. PUBLIC COMMENT**

Public Comment was given by Steve Duscha, Alliance for ETP. Mr. Duscha said he is delighted to see the data in the Annual Report states that at the end of the reporting period, ETP has spent \$1 billion dollars in 24 years to train 650,000 people for 65 thousand employers. He said we tend to see the world through the eyes of individual employers and individual trainees, but when all is said and done, we are really accomplishing something.

## **XI. ADJOURNMENT**

**ACTION:** Mr. St. John moved and Mr. Gordon seconded to adjourn the meeting at 12:20 p.m.

Motion carried, 3 – 0. (Ed Rendon absent for the vote)