

**STATE OF CALIFORNIA**

**EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency

1001 "I" Street

Coastal Hearing Room, 2<sup>nd</sup> Floor

Sacramento, CA 95814

May 24, 2007

**PANEL MEMBERS**

Barry Broad  
Acting Chair

Barton Florence  
Member

Bob Giroux  
Member

Scott Gordon  
Member

Edward Rendon  
Member

Janice Roberts  
Acting Vice-Chair

Johnathan St. John  
Member

**Executive Staff**

Michael Saragosa  
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 Panel Chair, called the public Panel meeting to order at 9:35 a.m.

**II. ROLL CALL**

Members Present

Barry Broad  
Barton Florence  
Edward Rendon  
Janice Roberts

Members Absent

Bob Giroux  
Scott Gordon  
Johnathan St. John

Executive Staff Present

Michael Saragosa, Executive Director  
Maureen Reilly, General Counsel

**III. APPROVAL OF AGENDA**

Mr. Broad welcomed Barton Florence, the new Panel Member appointed by Speaker Fabian Nunez.

Mr. Broad said there would be a change to the agenda, with the addition of Marty Keller, newly appointed Director of the Office of Small Business Advocate, to be presented after the report of the General Counsel.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded the Panel approve the Agenda, with the addition of Marty Keller, after the report of the General Counsel.

Motion carried, 4 – 0.

#### **IV. APPROVAL OF MINUTES**

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Panel Minutes of April 26, 2007.

Motion carried, 4 – 0.

#### **V. REPORT OF THE EXECUTIVE DIRECTOR**

##### Legislative/Budget Report

Michael Saragosa, Executive Director, said if funds are fully appropriated today, ETP will have expended the entire amount for the fiscal year. He said projects submitted for consideration at the June meeting will be approved for that budget year and unless there is a budget in place, they would proceed at their own risk pending the Governor signing the 07/08 budget. He said that through the second round of budget subcommittee hearings, ETP's budget was an open item in the Senate and they voted to keep ETP's budget as proposed by DOF so our budget essentially remains the same at \$56.3 million. He said there remains approximately \$17.5 million in the actual fund and this amount is not appropriated for any other purpose. He said the ETP budget will likely pass conference committee since it is a closed item and we will wait until the budget is signed to see if any changes will occur.

Mr. Saragosa had anticipated an increased appropriation of \$2.4 million on the readjustment of a tax-sharing ratio with EDD. He said that both the Senate and Assembly subcommittees denied the entire adjustment, instead asking for that to be in out years, because of our general fund shortfall for this year. He said there will be \$2.4 million less in the budget, resulting in \$56.3 million.

##### Proposed Legislation

SB446 – Micro Enterprise Development - Senators Yee and Runner: Mr. Saragosa said this bill would allocate \$5 million from an unspecified fund, to be administered as a grant program by Business Transportation and Housing (BT&H) for Micro Enterprise Development. The ETF, our fund, could be a likely source for those dollars. The bill is currently on suspense because there is not a fund that has been identified but if they move it to ETF, it is something we will scrutinize because it would be a direct appropriation of our dollars. He said that staff will continue to monitor SB446.

Mr. Broad said he worked with Mr. Saragosa and Ms. Carrillo on the budget. He said they worked very hard in the Legislature to try to attempt to repeat last year's goal of obtaining funds. He said the budget is in more perilous shape this year, than last year. He said they were not successful in getting our dollars back from Department of Social Services. Mr. Broad said they are trying to get the money that is in the Employment Training Fund, approximately \$17 million, appropriated. He said it is a reserve, although the reserve is an unappropriated part of our fund. Mr. Broad said we have gone too many years without a resolution of the special tax that funds our operation, and that it can be legally diverted to some other purpose.

He said it has been litigated once, the case was settled, and is an outstanding legal issue. He said that with the Panel's permission, he would like to direct staff to seek an Attorney General's opinion about the lawfulness of the diversion of our funds. He explained that an Attorney General's opinion does not carry the force of law, but that in the absence of a court decision, it is very persuasive. No Panel Members objected. He asked staff to develop a draft letter to the Attorney General on this issue. He suggested staff bring it back to the Panel for review. He asked if it could be reviewed in public or if it required a closed executive session. Ms. Reilly said staff could prepare the draft letter so the Panel can see how the issue is framed. Ms. Reilly said she would research whether or not the possibility of future litigation might affect the open meeting requirements for discussing the issue. Mr. Broad said it was important to ensure we are protected.

Request Motion to Delegate in Event of Loss of Quorum

Mr. Saragosa asked for a motion to delegate to the Executive Director the authority to approve projects, in consultation with the Panel Chair or Vice Chair, if a quorum does not exist.

ACTION: Ms. Roberts moved and Mr. Rendon seconded the Panel delegate to the 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

Mr. Saragosa asked for a motion to adopt Consent Calendar items #1 through #19, with the exception of Tabs #2 and #17, as these projects were withdrawn.

Alignmed, Inc. ....	\$15,600
Alyn Industries .....	WITHDRAWN
Appareltex USA, Inc. ....	\$3,120
Conejo Industries, Inc. ....	\$12,480
Empower RF Systems, Inc. ....	\$36,400
Keller Lumber Sales, Inc. ....	\$18,480
Kruger Foods, Inc. ....	\$39,000
LaserCard Corporation .....	\$44,838
Lender Support Systems, Inc. ....	\$44,200
Mellano Enterprises, Inc. ....	\$153,900
Rocker Bros. Meat & Provisions Inc. ....	\$34,320
Seventh Velocity, Inc. ....	\$1,320
Team Surgical, Inc. ....	\$49,896
3D-CAM, Inc. ....	\$18,720
Tolar Manufacturing Company, Inc. ....	\$31,200
US Safety & Supply Company.....	WITHDRAWN
VanDorpe Chou Associates, Inc. ....	\$49,062

Winslow Automation, Inc. ....	\$49,400
ZVX Corporation.....	\$5,280

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of Consent Calendar Items #1 through #19, with the exception of Tabs #2 and #17, as these projects were withdrawn.

Motion carried, 4 – 0.

**VI. REPORT OF THE GENERAL COUNSEL**

Maureen Reilly, General Counsel, had nothing to report.

**VII. MARTY KELLER, DIRECTOR OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

Marty Keller, Director of the Office of Small Business Advocate, was appointed last week by the Governor. He explained he is responsible for working with all of the agencies in state government that have the responsibility to assist and work with small businesses. He said he looks forward to working with ETP and the Panel to assist small businesses in taking advantage of the opportunities that ETP presents. Mr. Broad congratulated Mr. Keller on his appointment and said the Panel looks forward to working with him. He encouraged Mr. Keller to send interested applicants to ETP.

**IX. MARKETING & ECONOMIC DEVELOPMENT ACTIVITIES REPORT**

Kim Smith, Assistant Director, gave an overview of ETP marketing efforts. She said the Economic Development Unit (EDU) is a sales force that markets the ETP program. She said they develop a yearly marketing plan based upon the Strategic Plan adopted by the Panel. She said the mission statement is “The Economic Development Unit will utilize all available internal and external resources to market ETP’s mission to provide financial assistance to California businesses, to promote customized worker training through partnerships with government, business and labor.

Ms. Smith said in the last year, EDU has spent a considerable amount of time on two main goals: 1) Dispel misconceptions regarding ETP and create a positive brand for the agency and 2) Utilize every resource that could assist in outreach efforts. She said EDU has a staff of five.

Ms. Smith said that in the past, EDU overlooked some basic marketing activities. She explained that in the year 2000, 2003, 2004, and 2005, only one press release was issued. She said the press releases were not based on the projects coming before they Panel, instead, they were major events going on within the agency. In 2006, EDU issued nine releases and it is anticipated that amount will be exceeded. She said staff attempts to get a press release out after every Panel meeting to every media market throughout the state, targeting some of the projects the Panel has considered and approved. Ms. Smith said the branding of ETP is getting the attention of the administration, businesses, and communities throughout California.

Ms. Smith said that in addition to increasing press release distribution, EDU has developed an E-newsletter. She said there are approximately 3,500 individuals on the database and the E-newsletter is currently distributed bi-monthly.

Ms. Smith said the ETP website is being re-designed in order to make it more user-friendly for internal and external users. She said ETP's website links placed on marketing partner's websites and efforts are paying off. She said to date, three marketers have brought in 192 pre-applications resulting in 66 projects that have gone before the Panel.

Ms. Smith said that ETP has entered into formal agreements with partners through the bid process. In October 2005, we went out for bid for three marketing contracts totaling \$425,000. We awarded those contracts to the three following partners:

1. California Manufacturing and Technology Association (CMTA)  
CMTA targets companies in new and emerging industries such as life science, biotechnology, advanced transportation, etc. CMTA also markets the ETP program to manufacturing and aerospace industries. CMTA has brought in 19 applications under this contract, resulting in contracts totaling over \$4.2 million.
2. California Labor Federation (CLF)  
CLF markets the ETP program to joint labor employer training ventures including construction, healthcare, aerospace, and other industries that foster labor management collaboration. CLF has been working diligently to bring in contracts to the Panel; in fact, there are two on the agenda today for your consideration: The Southern California Operating and Maintenance Engineers Apprenticeship Trust Fund of Local 501 and the Andrew Furuseth School of Seamanship Training Plan Trust.
3. California Workforce Association (CWA)  
CWA helped with myth busting with a lot of the WIBs around the State. They conducted publicity and marketing efforts to promote the ETP program to their members including the WIBs around the State. They conducted six regional forums for WIBs, published ETP success case studies on their website, and conducted three webinars to educate CWA members regarding the ETP program. The measure of success is the applications that came to the Panel; CWA did a fantastic job. Ms. Smith said they hope to continue their efforts in this direction as well as targeting efforts to bringing in more projects for the Panel to consider. She said they are confident that their activities are working and are always open to suggestions.

## **IX. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS**

### **Critical Proposal**

#### **Aisin Mfg., California, LLC**

Ruby Cohen, Manager of the ETP Sacramento Office, presented a critical funding proposal for Aisin Mfg., California, LLC (AMC), in the amount of \$370,500. She said that AMC manufactures doorframes and other auto parts for New United Motor Manufacturing, Inc. and is the only remaining major auto assembly plant in California.

Ms. Cohen introduced Kurt Nakanishi, President; Kelli Gessner, Human Resources Specialist; and Terry Violett, Plant Control Division Manager.

Ms. Roberts asked if operations would begin at the end of the year. Mr. Gessner said NUMMI will be launched at the end of the year and they currently occupy the building. Ms. Roberts asked if AMC received any enterprise or redevelopment funds. Mr. Gessner said they plan to apply for the hiring credit for the enterprise zone.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for AMC in the amount of \$370,500.

Motion carried, 4 – 0.

### **Single Employer Contractors**

#### **Lockheed Martin Aeronautics Company**

Ms. Kendrick presented a funding proposal for Lockheed Martin Aeronautics Company (LM Aero), in the amount of \$1,261,008. She said that LM Aero is engaged in the design, research and development, systems integration, production, sustainment, support and upgrade of advanced military aircraft, air vehicles, and related technologies.

Ms. Kendrick introduced Paul Meehan, Director of Human Resources.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for LM Aero in the amount of \$1,261,008.

Motion carried, 4 – 0.

#### **National Oilwell Varco, L.P.**

Diana Torres, Manager of the ETP San Diego Office, presented a funding proposal for National Oilwell Varco, L.P. (NOV), in the amount of \$356,400. She said that NOV designs, manufactures, and sells major mechanical components/integrated systems for both land and offshore drilling rigs.

Ms. Torres introduced Owen Unruh, Director of Plant Operations; Nancy Ingram, Manager/Warehouse; and Dave Nagy, Bolero Associates LLC.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for NOV in the amount of \$356,400.

Motion carried, 4 – 0.

### **Peregrine Semiconductor Corporation**

Ms. Torres presented a funding proposal for Peregrine Semiconductor Corporation (Peregrine), in the amount of \$201,600. She said that Peregrine designs, manufactures and markets high performance Radio Frequency Integrated Circuits and mixed-signal communication products.

Ms. Torres introduced Gene Lyons, Vice President of Quality Systems and Sarah Canfield, Human Resources Assistant.

Mr. Broad asked about the high turnover and wages. Ms. Canfield said the higher turnover is in the manufacturing area and the higher wages are the engineers; the majority of their workforce. Mr. Lyons said it is a competitive market for engineers and technicians and they are often lured away by more attractive wages.

Ms. Roberts asked how many years Peregrine has been in business. Mr. Lyons said approximately thirteen. Ms. Roberts asked, prior to RFIDs, what the company manufactured, since they are relatively new to the market. Mr. Lyons said they manufacture RF ICs (Radio Frequency Integrated Circuits).

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for Peregrine in the amount of \$201,600.

Motion carried, 4 – 0.

### **ROHR, Inc., dba Goodrich Aerostructures**

Ms. Torres presented a funding proposal for ROHR, Inc., dba Goodrich Aerostructures (Goodrich Aerostructures), in the amount of \$720,000. She said that Goodrich Aerostructures specializes in adhesive bond, composite bond, and assembly.

Ms. Torres introduced Shirin Folsom, General Manager; Antonio Fulk, Manager of Human Resources; and Al Rosales, Business Representative/District Representative for District Lodge 725.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for Goodrich Aerostructures in the amount of \$720,000.

Motion carried, 4 – 0.

## **Tait & Associates, Inc.**

Ms. Torres said the representatives from Tait & Associates, Inc. were not yet present and suggested postponing the project until their arrival.

## **Delta Dental of California**

Ms. Cohen presented a funding proposal for Delta Dental of California (Delta Dental), in the amount of \$408,996. She said that Delta Dental is a health carrier providing dental insurance coverage to workers and their dependents throughout California, as well as throughout the United States.

Ms. Cohen introduced Michael Kaufman, Senior Vice President and Trudy Currier, Manager.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Delta Dental in the amount of \$408,996.

Motion carried, 4 – 0.

## **Land O'Lakes, Inc.**

Ms. Cohen presented a funding proposal for Land O'Lakes, Inc. (LOL), in the amount of \$347,616. She said that LOL produces and markets butter, spreads, cheese and related dairy products under its own brand as well as national and regional brands. She said the cooperative also produces and distributes animal feeds, seeds, crop nutrients and eggs.

Ms. Cohen introduced Stacy Martin-McNabb, HR Manager and Steve Duscha, Duscha Advisories.

Mr. Broad asked about purchasing new equipment and training and said that typically, training is included with the purchase of the equipment. Ms. McNabb said training dollars are budgeted separate from the capital expenditure program so the manufacturer focuses on the high-level training with the engineering and maintenance staff, which is part of the package. She said for operators that must utilize the equipment, training is kept separate in order to control some of the parameters in and around the training and how it is used.

Ms. Roberts said most of the time when equipment is purchased that only a specific amount of training hours are covered and it is usually not adequate. She said trainers charge a high dollar amount per hour to be on site and the amount is too monumental for a company to support.

**ACTION:** Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for LOL in the amount of \$347,616.

Motion carried, 4 – 0.

### **Millipore, Inc.**

Ms. Cohen presented a funding proposal for Millipore, Inc. (Millipore), in the amount of \$180,360. She said that Millipore provides biomedical and biopharmaceutical products and services to clinical, analytical, and research laboratories.

Ms. Cohen introduced Supriya Chakraborty, Process Excellence Manager.

Ms. Roberts asked how many facilities are located in California. Mr. Chakraborty said the three facilities in California are located in Temecula, Ramona, Anderson.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Millipore in the amount of \$180,360.

Motion carried, 4 – 0.

### **Tait & Associates, Inc. (presented out-of-order)**

With the arrival of the company representative, Diana Torres presented the funding proposal.

Ms. Torres presented a funding proposal for Tait & Associates, Inc. (Tait), in the amount of \$283,500. She said that Tait is a construction and architectural engineering firm that provides civil engineering, construction, surveying, architectural and environmental services.

Ms. Torres introduced James Streitz, Chief Financial Officer.

Ms. Roberts asked about the prior project and Tait's understanding of the ETP administrative requirements. She asked why the subcontractor was not counseling them on the requirements. Mr. Streitz said this applies to the beginning of the program and that when the consultant audited the program, issues arose. Mr. Streitz said there was an issue of retraining managers. He said they were not familiar with paperwork requirements and found training time was not being documented. Ms. Roberts asked what systems are now in place. Mr. Streitz said they have assigned an individual to monitor the contract, and to prepare time sheets with the training rosters.

Mr. Broad asked if Tait plans to return for an amendment, provided they show improvement in earning funds. Ms. Torres agreed and said improved performance on the administration of the contract will also be considered.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Tait in the amount of \$283,500.

Motion carried, 4 – 0.

## **GDA Technologies, Inc.**

Creighton Chan, Manager of the ETP Foster City Office, presented a funding proposal for GDA Technologies, Inc. (GDA Technologies), in the amount of \$82,584. He said that GDA is a provider of electronic design services (EDS) and silicon intellectual property (SIP) solutions for the networking and consumer electronics markets. She said GDA develops products in the areas of desktop, server, embedded computing, digital audio and video applications, Internet appliances, and voice and data networking applications.

Mr. Chan introduced Sebastian Nedumala, Senior Director and Mahalakshmi Krishnan, Manager of Human Resources.

Mr. Broad asked if the company representatives were the new owners. Mr. Nedumala disagreed and said they are the old owners.

Mr. Broad asked how many people left the company. Mr. Nedumala said 20 people left. He said the acquisition took more time than expected and because of that, many employees were uncertain of how the merger would affect GDA.

Mr. Broad asked him to describe what the company does. Mr. Nedumala said they have experts in design, consumer networking, and system software.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for GDA Technologies in the amount of \$82,584.

Motion carried, 4 – 0.

## **KLA-Tencor, Inc.**

Mr. Chan presented a funding proposal for KLA-Tencor, Inc. (KT), in the amount of \$894,000. She said that KT produces equipment and software used by semiconductor manufacturers for the inspection, testing, and analysis of integrated circuits.

Mr. Chan introduced Efren Lopez, Senior Director.

Mr. Broad asked about the company. Mr. Lopez said they produce equipment and software used by semiconductor manufacturers. Mr. Broad asked if they are trying to make nanotechnology. Mr. Lopez agreed and said they are allowing the customer to see at the nanotechnology level in order to develop smaller technologies required for many of the devices used today and technology in the industry. Mr. Broad asked if customers market products or if they are still in the formulative nanotechnology stage. Mr. Lopez said they are in both stages and that they are seeing the continued engineering happening with the complexities of having circuit design and trying to improve a yield.

**ACTION:** Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for KLA Tencor in the amount of \$894,000.

Motion carried, 4 – 0.

## **Orcon Corporation**

Mr. Chan presented a funding proposal for Orcon Corporation (Orcon), in the amount of \$230,040. He explained that Orcon is a manufacturer of reinforced films, tapes, and thermal/acoustic insulation components for aerospace and transportation industries.

Mr. Chan introduced Kim Kellner, Human Resources Manager and Sallyanne Monti, Senior Consultant.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for Orcon in the amount of \$230,040.

Motion carried, 4 – 0.

## **Special Employment Training (SET) Projects**

### **Los Alamitos Medical Center**

Dolores Kendrick, Manager of the ETP North Hollywood Office, presented a funding proposal for Los Alamitos Medical Center (LAMC), in the amount of \$297,792. Ms. Kendrick said that LAMC is a full-service, accredited, acute care facility.

Ms. Kendrick introduced David Johnson, Director of Education.

Mr. Rendon asked about the turnover and the shortage of nurses. Mr. Johnson said the 18 percent turnover rate is not solely for nurses, but includes all staff overall. He said the nursing turnover rate is lower than 18 percent and that is not out of the ordinary for their industry, particularly in the Southern California area. He said they have a great number of hospitals and healthcare systems in Orange County. He said their workforce is highly mobile and that wages and benefits are usually one of the reasons why people move. He said the turnover rate is a quality indicator. He said hospitals focus on recruitment and retention in order to maintain well qualified staff.

Ms. Roberts asked about training implementation for nurses. Mr. Johnson said that due to staffing ratios it is difficult to get staff into classrooms for training. He said that one of their goals is to train preceptors so that the nurses can stay in the clinical areas but be observed and mentored in advanced skills. He said it is a challenge, and is extremely difficult. He said they have enough registry, part-time, and per diem staff for coverage in order to take full-time nurses off the floors for training.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for LAMC in the amount of \$297,792.

Motion carried, 4 – 0.

## **Memorial Hospital of Gardena**

Ms. Kendrick presented a funding proposal for Memorial Hospital of Gardena (MHG), in the amount of \$295,650. She explained that MHG is an accredited General Medical and Surgical 173-bed center licensed by the Joint Commission on Accreditation of Hospital Organizations.

Ms. Kendrick introduced Steve Popkin, Chief Executive Officer.

Mr. Broad asked if MHG is unionized. Mr. Popkin disagreed. Mr. Broad said the previous proposal, Los Alamitos Medical Center, and MHG appeared to be identical proposals. He said the curriculum and the number of hours of training appear to be the same but the training cost is 50 percent higher per trainee in this proposal. He asked what the difference is between the training in each contract. Mr. Popkin said he was unfamiliar with the Los Alamitos contract. Ms. Carrillo said the difference in the cost-per-trainee is driven by the advanced technology training. She said MHG has more hours of advanced technology training, which is at a much higher rate. She said that is where the preceptor is going to be doing the training on a 1:1 with the registered nurses.

**ACTION:** Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for MHG in the amount of \$295,650.

Motion carried, 4 – 0.

## **Multiple Employer Contractor**

### **Dentex Group, Inc. dba Dentex Dental College**

Ms. Kendrick presented a funding proposal for Dentex Group, Inc., dba Dentex Dental College (Dentex), in the amount of \$184,821. Ms. Kendrick said that Dentex is a private training school that concentrates in teaching and preparing students for employment in the specialized Dental Technician field. She explained that the college is accredited by the State Bureau for Private Postsecondary & Vocational Education (BPPVE) for the Dental Technician Course program provided in the curriculum.

Ms. Kendrick introduced Nathan Ku, Vice President.

Mr. Broad asked if trainees receive licenses upon completion of training. Mr. Ku said dental technicians are not required to have a license since they have no patient contact.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for Dentex in the amount of \$184,821.

Motion carried, 4 – 0.

## **Employers Group**

Ms. Kendrick presented a funding proposal for Employers Group in the amount of \$1,195,460. Ms. Kendrick said that Employers Group is the largest and oldest non-profit business association in the United States dedicated to human resources management.

Ms. Kendrick introduced Jeffrey Hull, Director of Learning Services.

Ms. Roberts asked about the contract running concurrently. Mr. Hull said the last day of training is May 31, 2007. Ms. Roberts asked if this contract is for a new group of employers or the same employers. Mr. Hull said this contract includes both new and current employees. He said they have multiple training programs.

**ACTION:** Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for Employers Group in the amount of \$1,195,460.

Motion carried, 4 – 0.

## **Los Angeles Pacific College**

Ms. Kendrick presented a funding proposal for Los Angeles Pacific College (LAPC), in the amount of \$238,600. She said that LAPC is a private degree granting institution and vocational training facility providing occupational skills to individuals seeking new or enhanced employment. As a vocational technical education training provider, LAPC is approved by the Bureau for Private Postsecondary and Vocational Education (BPPVE) and Department of Veterans Affairs, and has authorization from the United States Immigration and Customs Enforcement to enroll foreign students.

Ms. Kendrick introduced Mary Yoon, Student Service Coordinator.

Ms. Roberts asked about the multiple barriers. Ms. Yoon said the multiple barriers are individuals that do not have strong educational backgrounds and have a need to supplement basic math and/or vocational English. Ms. Roberts asked if literacy was a barrier. Ms. Yoon agreed. Ms. Roberts asked if welfare-to-work and multiple barriers are one and the same. Ms. Carrillo said they are currently two separate categories. Multiple barrier groups, for purposes of funding, must demonstrate they have at least two barriers to employment. She said that in the past, there were quite a few welfare recipients that were served in that population but now that the Panel has a welfare-to-work category, it is tracked as a distinct group.

Mr. Broad asked about problems the company has experienced in previous contracts. Ms. Yoon said they experienced problems with ETP mailing marketing flyers to UI recipients. Ms. Carrillo said that until a few years ago, ETP used to offer recruitment to eligible UI individuals and coordinated with the Employment Development Department (EDD) staff but discontinued them as they were found ineffective and costly to administer. She said ETP advised the contracting community on recruiting unemployed individuals as to needing to work with EDD

or a one-stop center. She said ETP gives contractors an eight percent support cost to reach out and work with local communities to draw those trainees. She said to provide flexibility in recruiting unemployed individuals they are requesting funds under the Special Employment Training (SET) multiple barrier category to help alleviate concerns about being restricted to UI eligible trainees.

Mr. Broad said LAPC will need to increase their outreach efforts in order to earn enough funds on the contract.

Ms. Roberts asked about multiple employer support and if the funds are paid up front. Ms. Carrillo said it is tied within the cost-per-trainee and must be earned by meeting contract performance.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for LAPC in the amount of \$238,600.

Motion carried, 4 – 0.

### **Southeast Los Angeles County Workforce Investment Board (SELACO WIB)**

Ms. Kendrick presented a funding proposal for Southeast Los Angeles County Workforce Investment Board (SELACO WIB), in the amount of \$2,065,850. She explained that SELACO WIB is a nonprofit organization formed pursuant to the federal Workforce Investment Act of 1998, Section 121(c). It is governed by elected officials under a Joint Powers Agreement in coordination with private sector representatives including business owners, labor unions, corporate executives, various California state agencies, community based organizations, public assistance agencies, rehabilitation, economic development, and public education agencies.

Ms. Kendrick introduced Larry Lee, Business Services Manager and Kevin Kucera, Organizer/Business Representative for International Association of Machinists and Aerospace Workers, District Lodge No. 190.

There were no questions from the Panel.

**ACTION:** Mr. Florence moved and Ms. Roberts seconded approval of the funding proposal for SELACO WIB in the amount of \$2,065,850.

Motion carried, 4 – 0.

### **Southern California Operating and Maintenance Engineers Apprenticeship Trust Fund for Local 501**

Ms. Kendrick presented a funding proposal for Southern California Operating and Maintenance Engineers Apprenticeship Trust Fund for Local 501 (ATF Local 501), in the amount of \$170,825. She explained that ATF Local 501 is responsible for the union's

Training Center that was formed to provide vocational education to promote better job opportunities, up-to-date industry skills, and more secure employment.

Ms. Kendrick introduced Dennis Lundy, Director of Training and Cynthia Escanuelas, Coordinator.

There were no questions from the Panel.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for ATF Local 501 in the amount of \$170,825.

Motion carried, 4 – 0.

### **Merced County Department of Commerce, Aviation and Economic Development**

Ms. Cohen presented a funding proposal for Merced County Department of Commerce, Aviation and Economic Development (Merced County CAED), in the amount of \$33,345. She said that Merced County CAED is a non-profit, community organization that engages in a wide range of services such as fostering business growth, career training, workforce development and job growth.

Mr. Broad suggested that due to the small dollar amount of this contract that the Panel moves to voting on the project.

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for Merced County CAED in the amount of \$33,345.

Motion carried, 4 – 0.

### **Andrew Furuseth School of Seamanship Training Plan Trust**

Barry Broad recused himself from review, discussion, and action on this proposal, and delegated Janice Roberts to act in his capacity for this proposal.

Mr. Chan presented a funding proposal for Andrew Furuseth School of Seamanship (SUP), in the amount of \$211,048. He said that SUP is dedicated to the improvement of job opportunities in the United States Merchant Marine and meeting the training requirements of maritime employers.

Mr. Chan introduced Terry O'Neal, Training Representative, Sailors Union of the Pacific.

There were no questions from the Panel.

Ms. Roberts said that with Mr. Broad's recusal, there was not a quorum present to pass the project and it would be delegated to the Executive Director.

## **X. DISCUSSION/ACTION ITEM**

Mr. Broad resumed as Panel Chair.

Maureen Reilly, General Counsel, referred to the Regulations Tab in the Panel Packet. She explained that four proposed actions are before the Panel; three amendments and one repeal. She said the Memorandum explains the purpose of the proposed actions and that, following the Memorandum, is the strike-out-and-underline text for each one.

She said staff suggests amending Section 4400(r) the definition of payment earned, in order to simplify the definition and make it easier to use this regulation as a reference in ETP.

Ms. Reilly said the proposed amendment of Section 4409.1 regards the type of costs a Multiple Employer Contractor may charge to the participating employers. She said that the regulation currently requires certain types of notices to be presented in writing and the proposed amendment would clarify that this is a contractual agreement. She said the amendment would also impose more requirements; in particular, review and approval by ETP prior to the use of the ETP name or logo and distinguishing between three types of training related charges: 1) Refundable deposit designed for buy-in to the concept; 2) Non-refundable deposit for training needs assessment or other training services; and 3) Non-refundable deposit when there are out-of-pocket training costs that have to be absorbed by the MEC due to failure to complete the performance standards. She explained that staff also recommends changing the name of this regulation from Employer Contribution to Participating Employer Contributions, for clarity.

Ms. Reilly said staff suggests amending Section 4415, Workforce Training, to implement the Panel's policy directive at the prior meeting. She said the current regulation sets the outside cap at 40 percent, and the amendment would clarify the Panel's interest in establishing a range of 20 to 40 percent to be applied case-by-case. She said a reference would be added to the definition of frontline worker at regulation Section 4400(ee). She said it is clear that managers are those who are exempt from payment of overtime. She also explained that staff recommends changing the name of Section 4415 to Manager Training Cap, for clarity.

Ms. Reilly said that staff recommends the repeal of Section 4440.1, Advances on Payments. She said this procedure is very cumbersome and unnecessary since the ETP system of reimbursement is based on progress payments once training has begun. She said the only possible reason for advances would be when training had not begun, and even then the procedures in Section 4440.1 are so cumbersome and limited in dollar amount, as to be virtually useless.

Ms. Reilly pointed out that the proposed amendments would go out for public comment. She said there is a required 45-day notice-and-comment period under the Administrative Procedures Act. If there is no comment, staff would proceed to submit the proposed regulating actions to the Office of Administrative Law. If there is comment, she said, staff would bring them back to the Panel for further review.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded that the Panel approve the proposed amendment of Sections 4400(r), 4409.1 and 4415, and the repeal of Section 4440.1.

Motion carried, 4 – 0.

## **XI. PUBLIC COMMENT**

Steve Duscha, representing Duscha Advisories, commended Ms. Reilly on clarifying and revising many of the regulations.

## **XII. ADJOURNMENT**

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded to adjourn the meeting at 11:48 a.m.

Motion carried, 4 – 0.