



**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Employment Training Panel  
1100 J Street  
Sequoia Conference Room, 5<sup>th</sup> Floor  
Sacramento, CA 95814  
January 29, 2010

**PANEL MEMBERS**

Barry Broad  
Acting Chair

Greg Campbell  
Member

Barton Florence  
Member

Scott Gordon  
Member

Karnig Kazarian  
Member

Janine Montoya  
Member

Edward Rendon  
Member

Janice Roberts  
Acting Vice-Chair

**Executive Staff**

Brian McMahon  
Executive Director

Maureen Reilly  
General Counsel

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

Barry Broad, Chairman, called the public Panel meeting to order at 9:30 a.m.

**II. ROLL CALL**

Members Present

Barry Broad  
Bart Florence  
Scott Gordon  
Karnig Kazarian (arrived after initial roll call at 9:56 a.m.)  
Janine Montoya  
Ed Rendon (arrived after initial roll call at 9:40 a.m.)  
Jan Roberts  
Rodney Wilson

Executive Staff Present

Brian McMahan, Executive Director  
Maureen Reilly, General Counsel

**III. AGENDA**

Mr. Broad announced that Victoria Bradshaw, Secretary of the Labor & Workforce Development Agency, is unable to be present today; therefore, Brian McMahan will give a presentation on the California Jobs Initiative later in the Agenda.

ACTION: Mr. Florence moved and Ms. Roberts seconded the motion that the Panel approve the Agenda.

Motion carried, 7 – 0.

**IV. MINUTES**

ACTION: Ms. Roberts moved and Ms. Montoya seconded the motion that the Panel approve the Minutes from the December 10 meeting.

Motion carried, 7 – 0.

## V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, said this is the second meeting where ETP has acted to review and take action on projects that come to ETP from a source other than the Employment Training Tax. He said the final four projects under the Non-Profit Nursing Program will be considered at today's meeting. One of the objectives ETP hopes to achieve is to provide support for training that allows non-profit hospitals, particularly those in rural areas, to actually take that financial step in hiring new graduate nurses. He was very pleased to point out that 16 of the 18 projects presented to the Panel under that initiative include a new nurse graduate training component. There were 14 projects approved at the December Panel meeting, training start letters were issued yesterday, and he hopes to have the contracts out within the next week with the dollar amounts specified.

Mr. McMahon said that today, the first seven Clean Energy Workforce Training Program (CEWTP) projects come to ETP through our partnership with the California Energy Commission (CEC). Before reviewing the projects, David Guzman will provide an overview of the guidelines, to give everyone a sense as to some of the areas where the CEWTP adheres to the existing program, and the areas of flexibility, particularly around training new-hires and the portfolio approach ETP is taking in placement of new-hires.

Mr. McMahon said relative to the ongoing current year budget, there are still no funds available under the Employment Training Tax core program appropriation for the year. There are also no programs available for small business project review and for critical proposals at this time. At the last meeting, he spoke about funds that would be reallocated from the Employment Training Fund that he hoped would be available for projects this year. Since he made those comments, we have seen another significant decline in revenues from the Employment Training Tax. At this point, it is not clear how much we will ultimately have available to fund new proposals. However, once that is determined, we will review projects currently in the pipeline, along with critical proposals, and will not open up the application process for new proposals based on those funds. In April or May, we will look at the process as to where the funding is in the legislative review stage and available funds, and make decisions in when we can begin accepting new proposals again.

Mr. McMahon said on a more positive note, the Governor's budget for the 2010-11 fiscal year does not include a transfer to the Department of Social Services for the first time in almost twenty years or a \$3.2 million reallocation to the Department of Industrial Relations. Even with the act of freeing up those funds, ETP's appropriation is expected to be approximately \$52 million for the 2010-11 fiscal year, down almost \$30 million from only three years ago. The program continues to be under a significant degree of financial stress.

In the last few Panel meetings, Mr. McMahon noted that he has discussed, ETP's desire to initiate a process to engage our stakeholders and partners, to help advocate for ETP funding in the core program for the coming fiscal year, as well as the Governor's Jobs Initiative. Some of the components of this effort will be conducting forums around the state where we meet with our stakeholders, and begin to identify ways that they are in contact with local legislators. The objective of this is to help to create an understanding of the value of the program with key legislators who will be making decisions about ETP's budget over the course of the summer. He expects that the legislative review process will not be as easy in

the subcommittee stage this year, as compared to last year, and the conference committee is probably where most of the final decisions about our budget will occur.

Mr. McMahon said that as Mr. Broad mentioned earlier, Victoria Bradshaw, Secretary of the Labor & Workforce Agency, was on the Agenda today to discuss the Governor's Jobs Initiative, and in her absence, he would give that presentation shortly.

Mr. McMahon said another source of alternative funding is AB118, the New Vehicle Technology Clean Fuels, Alternative Fuels Program with the California Energy Commission. It was expected that those funds would be available by this time. However, the CEC is under a great deal of urgency in getting the ARRA funding expended, and our program has assumed a lower priority for the short term. He did not believe that means, in any way, that the CEC is less interested in working with ETP. In fact, they have discussed adding an additional \$1 million, bringing that initiative up to \$6 million. From a practical standpoint, we are most likely looking at late spring or conceivably into the next fiscal year before we will begin bringing projects under that program before the Panel.

Mr. McMahon said other than the Governor's Jobs Initiative, there are no bills pending that would have an impact on the Employment Training Panel. He said we are unsure that will be the case through the entire legislative session, but at this point, there is no significant legislation to report on.

Mr. McMahon said relative to Panel meetings going forward, a meeting is noticed for February 26. One of the issues we will look at is whether or not we have a critical mass of projects that would warrant a Panel meeting. He said Panel meeting notices are posted on the ETP website and staff will keep the Panel informed as to the project workload.

Mr. McMahon said the first action item for the Panel is an expansion of the delegation authority that the Panel granted to him, along with the Panel Chair, to review and approve projects smaller than \$75,000. He requested an expansion of that delegation of authority to include projects that come to ETP from alternative funding sources. For example, the requested delegation of authority could be used to approve a \$7,000 project under the CEWTP program.

Mr. Broad asked if the Panel had any questions with the request to expand the delegation of authority. There were no questions. Mr. Broad said, to clarify, it would include the four projects under \$75,000 from alternative sources. Mr. McMahon said yes, and it would be identical to the process we are using now on other small business projects.

## **VI. REQUEST MOTION TO DELEGATE AUTHORITY FOR APPROVAL OF ALTERNATIVE FUNDING PROJECTS <\$75,000**

**ACTION:** Mr. Rendon moved and Ms. Roberts seconded the delegation of authority for approval of alternative funding projects <\$75,000 and expanded the delegation of authority to include projects from alternative funding sources.

Motion carried, 7 – 0.

## **VII. REQUEST MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM/ACTION**

**ACTION:** Mr. Florence moved and Ms. Roberts seconded the delegation of authority to the Executive Director in consultation with the Chair or Vice Chair, for all matters under consideration.

Motion carried, 7 – 0.

## **VIII. REPORT OF GENERAL COUNSEL**

Maureen Reilly, General Counsel, said the regulation package that was originally submitted to Office of Administrative Law last summer has finally worked its way through the process, was approved Wednesday and filed with the Secretary of State, and will be effective February 26, 2010. There were no public comments, and no revisions. This is the package that includes the amendment to Section 4409, the SET regulation, allowing the Panel to exercise greater discretion in setting the post-retention wage under certain delineated circumstances in order to reach special populations and priority industry groups. The other regulation matters were more in the nature of clarifications.

## **IX. OVERVIEW – CALIFORNIA JOBS INITIATIVE**

Brian McMahon said that in the Governor's State of the State Address, he announced a \$500 million initiative that would have the goal of creating and retaining up to 240,000 jobs in the state. Specifically, the program is aimed at training and placing 100,000 unemployed individuals over an 18-month period of time when funds would be reviewed and allocated, and then there would be a performance period behind those 18 months.

Mr. McMahon said in order to focus on unemployed individuals, the initiative will also target under-employed workers, those for instance in a work share situation who would like to move from working part-time, to full-time. It also looks at hiring associated with business expansion in the state, and situations where there is a demonstration of job retention. Staff is working to refine how broad the definition will be and ultimately that definition, as well as the definition for a number of other critical elements of the initiative, will be included in the guidelines.

Mr. McMahon said, of the \$500 million mentioned, \$200 million will be allocated for the training activity component of the initiative, and \$300 million will be allocated for incentive payments to employers. An employer that hires an unemployed individual, and retains that individual for nine months, becomes eligible for a \$3,000 incentive payment. Staff will go through the same type of process internally that we would use, for instance. In establishing the three-month retention period, and apply that to the nine month period. ETP, under this initiative, will be charged with full administration and implementation of the program, both on the training side as well as the disbursement of the incentive payments. In order to earn the incentive payment, a worker will need to go through ETP-funded training, so there will need to be that connection. We will not extend the incentive payment back to projects already in place, and we will not extend the incentive to the alternative fund projects.

The source of funding for this initiative comes from a loan by the State's Disability Insurance Fund. The source of repayment comes from removing the provision in the Unemployment

Insurance Code that exempts employers that have a negative reserve in their UI accounts paying into the Employment Training Tax. Currently, there are approximately 440,000 employers with a negative reserve status. Companies in the construction and agriculture tend to be in a negative reserve status most often; manufacturers tend to fall in-and-out of negative reserve status.

At present, the Employment Training Panel continues to fund projects for employers that are in a negative reserve status. This raises the question of equity, in that the remaining employers that continue to pay the tax are in fact, subsidizing training for negative reserve employers.

Mr. McMahon said the language that actually implements the loan from the State Disability Insurance Fund, as well as the language that would remove the negative reserve exemption, will be included in trailer bills that accompany the budget measure for the current year. He said this language will be introduced into the special session with the goal of having the language dealt within that session. Some of the original estimates were to have it completed as soon as March 1. He believes that somewhere between March 1 and April 1, is the most likely timeline for a decision by the Legislature on the California Jobs Initiative.

Mr. McMahon said \$32 million will be allocated to the Employment Training Panel for the current budget year, with the expectation that staff would evaluate the pipeline of existing projects for funding under the Jobs Initiative. Also, there will be new positions allocated to ETP in the current budget year with additional positions falling in the 2010-11 budget year.

In the 2010-11 budget year, another \$140 million will be available for the training function, and during that fiscal year, it is estimated that some of the incentive payments would be drawn down. At this point, the estimate is that approximately \$90 million would be available in the 2010-11 budget year for incentive payments. ETP will need help to effectively execute this program and will be looking at partnerships to market, to assist staff in project development, and to assist in aspects of program administration. ETP will look to Workforce Investment Board partners, community colleges, labor training organizations, and industry associations geared toward helping us reach local businesses that will allow this program to be as successful as we all hope it will be.

The first phase of the legislative review process will begin next Thursday in the Senate Budget and Fiscal Review Committee at 9:30 a.m. in Room 4203. Mr. McMahon said he will be there, along with representatives from the Department of Finance and the Labor & Workforce Development Agency, to discuss the initiative before that committee.

One of the questions that will arise in meetings with legislative budget staff will be if ETP has the framework in place. Much of that framework has been described; and many more details need to be worked out. ETP has started the process of developing fairly specific guidelines, and these guidelines will go through the subcommittee created to consider alternative funding sources. As the meeting process goes forward, staff will have the ability to receive input from our stakeholders and partners about how the program is shaping up. ETP would like the process to be as visible, and as open to input, as possible.

Mr. Broad said, for the edification of the audience, Brian McMahon is an appointee of the Governor and he is not. While Mr. McMahon will be at that committee supporting the administration's program, as he should be, he will be at that same committee meeting opposing it. He explained what the controversy is: the State Disability Insurance (SDI) Fund system is a 100% worker-paid program – a tax on workers. The program has a significant amount of funds in it now, and it automatically adjusts the tax downward when it reaches a certain level of funds. It is generally viewed in the political world, as an organized labor's fund for workers to receive disability, family coverage, etc.

Mr. Broad said in the current political environment, the view of organized labor, and perhaps the view of the employers from what he is hearing, is that we would not lend our money to the Legislature and the Governor for whatever reason. A loan, at this point in the current budget situation, would need to be repaid by a future administration, because this one is leaving and it may never get repaid. So from that perspective, it is a non-starter. Economic stimulus is a great idea, but he doubts it will come from the State Disability Insurance Fund. He said there are other sources, such as zeroing out the California Enterprise Zone Program. He said he does not give this particular iteration of this proposal long; as it has a short half-life. The whole idea of economic stimulus is a good one; economic stimulus coming through this Panel would have to produce a job for every trained worker, for it to be economic stimulus. Training people for jobs that do not exist, only because jobs might exist in the future, will not function as a stimulating effect on the economy, except for stimulating the training sector of the economy, which is not a high priority for America.

Mr. Broad said, while I love the Employment Training Panel program and fight for this program, it is best as a tightly controlled program to deliver the funds only for jobs that are created.

Mr. Broad said the negative reserve is a different issue. Historically, California has some very basic industries that have structural unemployment in them: seasonal industries such as construction, agriculture, the movie industry, and food processing. The idea basically, is that you have a number of people that work at some pretty good jobs. They are anchor jobs in the communities where they work, such as the canneries up and down the valley and the movie industry in Los Angeles. In any year, even though the people might have some work, they are not working full-time. They are working during the cannery season, and then they are typically unemployed or under-employed for the remainder of the year.

Mr. Broad said we have allowed the negative reserve system to function, even though it may be viewed by some as a type of socialism in which employers that are not negative-reserve employers subsidize employers who are. It is a policy decision that it is good for the entire economy to keep those workers from moving out of those communities from becoming migratory. Construction workers were a migratory workforce; they would go from job-to-job and place-to-place, which is not a very efficient use of the labor market. You want people to stay in the community, and to be permanent members of the community. That is the theory; repealing the negative reserve exemption would be a source of significant money, approximately \$54 million this year, to the Employment Training Fund. The business community is not thrilled about this, especially the ones that are negative reserve employers, because their argument is that those businesses are already suffering, particularly in this recession, and that this will simply add to that. It will, however, eliminate socialism for those

that do not like socialism. You will see some very powerful interests arguing about this such as the movie, agriculture, and construction industries, saying don't do that to us even though it is \$7.00 per worker per year. They will say it adds up, and that it is a further stressor.

Mr. Broad said that is the other side of the debate, which I believe is important for everyone to know. Where it will end up, is anybody's guess in the current budget situation, but it does not look very good.

Again, I want to caution everyone that the very kind way ETP has been treated in the budget in the past, is likely to have a short half-life because ETP funds will be a target for borrowing and diverting, because anything that is not absolutely nailed to the ground is subject to that.

Mr. Broad said that as an example, there were several billions dollars in public transit and highway construction funds that were diverted by the Legislature and the Governor. That money is largely based on ballot measures that dedicated that funding. The grieved parties went to court, the Supreme Court determined that it was illegal, and they were told to pay back the funds. Now they are promptly proposing to do exactly the same thing again. He said it is what is known as "borrowing by litigation". In the time it takes to litigate that case, and the time it takes to actually get the Government to pony-up the money, you can at least get to the next budget year. If you are term-limited, the next budget year is fine for you because it will not be your problem anymore, which is a general difficulty that we have. So if they are willing to take their billions, then I would be very concerned about ETP's millions. They have a strong history of taking our funds, and they know the funds are there.

Ms. Roberts asked Mr. Broad, so you don't have a problem with actually creating more jobs in the State, you have a problem with where the funding would come from, correct? Mr. Broad said yes; if they are going to borrow the funds, they better pay it back in a month and a half later, with real money. Ms. Roberts asked, if we look at the rules and regulations around funding different projects, would they still fall under the wage requirements of the existing ETP programs? Mr. Broad said it would all depend on how the bill was formulated. Ms. Roberts said it could possibly fund lower paying jobs that would not make sense to fund, such as jobs at fast food restaurants. Mr. Broad said, I think the argument is going to be something along these lines, with regards to its relationship to training. If the idea is to stimulate the economy, you want people working and buying things with their money. And if you employ them, they are not on unemployment; they are working. We are at a place now, where one-quarter of the children in the United States are on food stamps. I don't know if people realize just how dire it is out there. So the argument may be the John Maynard Keynes argument, which is find a ditch and build a bridge over it. That is what you do in severe recessions; you put people directly to work at doing whatever socially useful thing you can find for them to do at whatever skill level, however low or high. He said if there is a training component, it needs to be one that turns into a job. He said he knows someone who was funded by ETP training, and received really good training. That person may get a really good job some day, but now they have only moved from position 34 to 33 on a list to get a job. He said the jobs are just not out there. The construction business is so off; there is just no work. There are no expansions; there are people laid off that are prepared to come back to work. That person has been waiting perhaps a year, and there is still no job. The individual is going back to pursue his bachelor's degree and try to get trained. That is great; that is sort of the equivalent of what you do if you train someone. Let's say that we pay that

person to go to school and it improves his situation; you will not see the benefit of that for another half a decade. That is not going to stimulate the economy now; it is going to be great for that person, and it may be great for the society eventually, but it is not going to solve the pressing economic problem we have now, which is 12% unemployment. We need to put people to work now, and that is what I would argue we should do if that funding comes to us, to try to have a stimulating effect on the economy. As much as I love the ETP program, I cannot in good conscience say we should take the funds just because we could train people if there are no jobs for them to get.

Mr. McMahon said in conversations he has had with Legislative Analysts, the Department of Finance, and the Governor's Office; one of the reasons why ETP has been designated as the central component of the program, because of proven infrastructure that we have. To the degree that it seems appropriate, we will use the existing wage rates. Much of the detail will be flushed out in guidelines, relative to whether there are special population carve outs for the new-hires, but he would assume that for the retraining component of this initiative, we would be using the existing wage requirements in the program, so that we do get the higher skill, higher wage outcomes.

Mr. Broad said that we will see what they will do; there is no way to predict the outcome of the process.

## **X. REVIEW AND ACTION ON NON-PROFIT NURSING PROPOSALS**

Mr. Guzman said the first alternative funding source is the Non-Profit Nursing Skills Training Program and at today's meeting, we will be hearing about the last four, for a total of 18 projects. The funding available for this Non-Profit Nursing Skills Program is \$5.4 million in total. We had approximately \$6.85 million in requests for funding; therefore, all of the 18 projects will be reduced. Some projects will be reduced at the level of a reduction of 24%, and others at 14%. The 14% is attributable to those hospitals that are in rural areas, as designated by the Federal Department of Health Services.

The Non-Profit Nursing Program is designed to provide job skills specifically to RNs and LVNs at non-profit hospitals. This is a segment that ETP would not be able to serve under the core program because of the eligibility requirement of paying into the Employment Training Fund. There are also high-unemployment areas involved in some of these projects, although the high-unemployment areas here are not affected, as no wage waivers are being requested in this program. ETP funding will help these non-profit hospitals overcome some of the resource limits in today's economy. As you know, hospitals have nurse staffing ratios, particularly in rural areas. It is very difficult to retain some of the healthcare professionals, such as LVNs and RNs. This program will hopefully provide monies to deliver training in areas that ETP has not been able to previously serve. The Non-Profit Nursing Skills Program was modeled after the core program; the medical skills training (MST) program will be featured at a blended rate of \$22.00 per hour for all of the training components in the agreement, which is an average between the high wage advance technology rate and the standard rate. This program is focused on the delivery of MST clinical preceptor training and didactic training, and has an ancillary feature of continuous improvement and computer skills. With recent input from the public, staff has decided to provide for a measure of computer-

based training in the curriculum. These four projects have been submitted for a total of \$1.8 million, and after reductions, it will be approximately \$1.4 million.

Mr. Guzman said the second alternative funding source is the Clean Energy Workforce Training Program, also known as CEWTP. Today there are seven projects to consider. The CEWTP program is a partnership between ETP and the California Energy Commission. The design of this program is to promote skill development and career advancement in the emerging clean, green economy. ETP will administer CEWTP using most of the core program features, to the extent possible, with some specialized new features, considering the community, and particularly with some features that are unique to the program and that were recommended by the labor community in terms of retention after training. There is approximately \$4.5 million available for these programs. These seven projects are only about 40% percent of the total number of CEWTP projects we will have. These projects will likely be reduced in the same way as with the Non-Profit Nursing Program projects. We do not know to what extent yet, because we do not have the rest of the projects evaluated. The CEWTP proposals are capped at \$500,000 for single-employers and \$750,000 for multiple employer contracts. This is in anticipation of the funding shortfall, as there is more demand than there are dollars available.

Mr. Guzman said the purpose of the CEWTP program is to give skills to incumbent workers in order to provide a trained workforce focusing on the green, clean industry sector. He said the Panel has copies of the guidelines for the CEWTP program funding that was approved at the November 22 Panel meeting. One of the features for the new-hire component, as well as the retraining component in this program, is a portfolio retention model. Once they have been trained, if they do not receive employment within a period of time, if the training were under the regular program, the trainer would earn no funds. In this particular case, they are going to earn 70%, with no need to return any of those funds. This is only available when a certification of proficiency is earned via the training. The core program's retention features are going to be tailored, particularly when it comes to the trades. We are going to be allowing a 200-hour retention within 365 days; that will be at one end of the spectrum. We will also have 500 hours within 180 days at the other end of the spectrum. There are going to be seven projects presented and if there are any questions, let me know, otherwise we will begin the presentation.

Mr. McMahon said that Mr. Guzman mentioned the excess demand for these program dollars; and Mr. McMahon commented that ETP expects to be able to use some 15% WIA discretionary funds to augment the monies available for these projects, in order to fund more and reduce less.

### **Hoag Memorial Hospital Presbyterian**

Diana Torres, Manager of the San Diego Regional Office, presented a Non-Profit Nursing Proposal for Hoag Memorial Hospital Presbyterian (Hoag Memorial), in the amount of \$499,500. Hoag Memorial has three facilities in this proposal; two of which are in Newport Beach and the third in Irvine, which is currently undergoing reconstruction and which is projected to open in August 2010. Hoag Memorial proposes to train 375 registered nurses, 175 of which are new RN jobs at the Irvine facility. The new facility will initially create approximately 600 new jobs in Orange County when fully staffed. The proposed training will

allow Hoag Memorial to upgrade the skills of RNs and help address the amount of shortages of skilled healthcare professionals. All training provided in this project is included in the Non-Profit Nurse Training Curriculum in the Panel Packet under Exhibit B.

Ms. Torres introduced Judy Bethe, Program Manager of Nursing Education/Quality Improvement.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the Non-Profit Nursing Proposal for Hoag Memorial.

Motion carried, 8 – 0.

### **SJCH Foundation dba San Joaquin Community Hospital**

Ms. Torres presented a Non-Profit Nursing Proposal for SJCH Foundation dba San Joaquin Community Hospital, (San Joaquin Community), in the amount of \$499,950. This facility is located in the City of Bakersfield, and they propose to train 219 RNs and 56 new graduate RNs, for a total of 275 RNs. This hospital is owned and operated by Adventist Health, a non-profit corporation headquartered in Roseville. The Versant training is an extended residency program. Each new graduate nurse will go through a minimum of 150 hours of didactic classroom and close to 400 hours of clinical preceptor training. The ETP funds will cover a maximum of 300 hours of the Versant training, primarily the preceptor. San Joaquin Community will also expand training for incumbent nurses in the specialty areas. All training provided under this project is also part of the non-profit nurse training curriculum.

Ms. Torres introduced Jeanell Guenther, Director of Education & Training.

Mr. Broad commented on an issue raised internally, which he does not see as a major issue. Mr. Broad continued, stating that some of the non-profit hospitals are religiously-based institutions. It is quite clear that our dollars have to be training people only for secular purposes; the whole hospital is basically for a secular purpose.

Ms. Guenther said the agenda for the training program is clearly defined as secular. Mr. Broad said he did not believe it was an issue, but thought it was worth mentioning publicly so everyone was clear.

There were no questions from the Panel.

**ACTION:** Ms. Montoya moved and Mr. Florence seconded approval of the Non-Profit Nursing Proposal for San Joaquin Community.

Motion carried, 8 – 0.

### **Private Industry Council of Butte County, Inc.**

Creighton Chan, Manager of the Foster City Regional Office, presented a Non-Profit Nursing Proposal for Private Industry Council of Butte County, Inc. (PIC), in the amount of \$336,666.

PIC proposes to serve 20 incumbent RNs and 44 new graduate nurses in nine hospitals in the counties of Butte, Plumas, Shasta and Siskiyou. The participating hospitals are being affected by high unemployment and loss of health coverage, which increases cost and reduces availability of training budgets. PIC has also had difficulty in recruiting experienced RNs due to the hospital locations. In addition, novice and new graduate nurses are typically not prepared to assume responsibility for patient care and must receive training from experienced preceptors.

Mr. Chan introduced Brian Boyer, Grants Manager, representing Nortec.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Florence seconded approval of the Non-Profit Nursing Proposal for PIC.

Motion carried, 8 – 0.

### **St. Joseph Health System – Humboldt County**

Mr. Chan presented a Non-Profit Nursing Proposal for St. Joseph Health System – Humboldt County (SJHS), in the amount of \$499,320. SJHS is a full-service community healthcare provider with two locations. St. Joseph Hospital is a 174 licensed-bed hospital located in Eureka; and Redwood Memorial Hospital is a 25 licensed-bed critical care facility specializing in patient-centered holistic care located in Fortuna. Under this proposal, SJHS plans to train 300 incumbent RNs and 65 new graduate nurses. SJHS has experienced difficulty attracting and retaining skilled nursing professionals. To address the shortage, SJHS is implementing a new nurse residency program called Versant, mentioned earlier, which was developed at the Children’s Hospital in Los Angeles.

Mr. Chan introduced Paula Felden, Manager of the Clinical Education Department and William Parker, representing National Training Systems.

Ms. Roberts asked if the company sources out of Humboldt State or local community colleges. Ms. Felden said yes; they source from Humboldt State and College of the Redwoods.

**ACTION:** Ms. Roberts moved and Mr. Gordon seconded approval of the Non-Profit Nursing Proposal for SJHS.

Motion carried, 7 – 0 (Mr. Rendon absent for the vote).

## **XI. REVIEW AND ACTION ON CEWTP PROPOSALS**

### **Home Energy Systems, Inc.**

Ms. Torres presented a Clean Energy Workforce Training Program (CEWTP) Proposal for Home Energy Systems, Inc., in the amount of \$110,500. She said this proposal is for incumbent retraining for a small business of less than 100 employees. Home Energy Systems, Inc. is located in San Diego, which specializes in the design, fabrication,

installation, and maintenance of solar-powered electricity generating systems for commercial, residential, industrial, and governmental institutions. The company plans to expand its workforce to meet the growing demand for both residential and commercial, photovoltaic installations in San Diego County and other regions of Southern California. The company is expected to hire 10 additional solar panel installation technicians and train them, along with 15 of its currently employed workers. All workers will receive training in operation of photovoltaic systems, site assessment, mounting, wiring, testing, and troubleshooting. This training will lead to certification by the North American Board of Certified Energy Practitioners (NABCEP).

Ms. Torres introduced Robert Greacen, General Manager.

There were no questions from the Panel.

**ACTION:** Mr. Kazarian moved and Mr. Florence seconded approval of the CEWTP proposal for Home Energy Systems, Inc.

Motion carried, 7 – 0 (Mr. Rendon absent for the vote).

### **Farmworker Institute of Education and Leadership Development**

Wally Aguilar, Manager of the North Hollywood Regional Office, presented a Clean Energy Workforce Training Program (CEWTP) Proposal, for Farmworker Institute of Education and Leadership Development, (FIELD), in the amount of \$663,840. FIELD is a statewide 501(c)3 nonprofit organization founded by Cesar Chavez and the United Farm Workers in 1978, to promote economic and social prosperity for Latinos and other low-income individuals and their families in the San Joaquin Valley. With a staff of 25, FIELD operates three main business units: Industrial Services, Community Services, and Educational Services.

The corporate office is located in Bakersfield, providing administrative support for the organization's programs including finance, human resources, information technology, legal, audits, property management, and program development. Local FIELD offices are located in Wasco, Greenfield, Monterey County, and Modesto.

EDD provided data reports showing that the agricultural communities of Wasco, Shafter, Arvin, and McFarland in Kern County have unemployment rates ranging from 27% to 38%; and that the Monterey County communities of Greenfield, Soledad, and Gonzalez have unemployment rates that average 20%. FIELD intends to train and place 120 unemployed and dislocated workers as residential solar panel installers in Kern and Monterey counties. Training is designed to provide all of the skills that trainees need to successfully enter the job market. At the end of training, students will receive a Certification of Recognition of entry-level training from the North American Board of Certified Energy Practitioners (NABCEP). This CEWTP-funded training program will be a collaborative effort among FIELD, the participating communities, and EDD. To date FIELD, in partnership with state and local entities, have provided workforce development programs in agricultural communities since 2002 and have served over 25,000 low-income, low-skilled workers by providing literacy skills, English and Vocational English as a Second Language (ESL and VESL), and adult

charter high school diplomas. Although these are areas of high unemployment, there has been no request for reduction of the wage after retention.

Mr. Aguilar introduced David Villarino-Gonzalez, President/CEO; Joaquin Garza, Program Manager; and Ponciano Madrigal, Human Resource Manager of The Burchell Nursery Inc.

Ms. Roberts asked how they plan to utilize the solar photovoltaic program. Mr. Madrigal said they are looking at solar, because their electricity bill goes up to \$50,000 per month.

Mr. Villarino said as you may know, the purpose of this proposed contract is to prepare 120 new-hires in rural communities that have chronic high unemployment and low per-capita incomes, usually dominated by seasonal agriculture. FIELD has been diligent in trying to prepare this workforce, and there is an opportunity to employ this workforce into solar panel installations. He said they intend to hire forty individuals in a for-profit business; their Board has approved the business, and they are now looking for capitalization to go forward.

Mr. Villarino said in the meantime, over the last year, they have improved their capacity and have started training in solar panel installation. In Kern County they received some funding from WIB and are working with a community college. The curriculum is from a community college and we are delivering it. We intend to hire 40 individuals over the course of the contract and have a partnership with a company called "GoGreen". He said the Senior Partner is the former Lieutenant Governor, Cruz Bustamante, who is here today. He said they have a number of projects around the state and will be referring up to sixty of their graduates to contractors for these projects and they are looking to the laborer's union to help in the job placement of the trainees.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded approval of the CEWTP proposal for FIELD.

Motion carried, 8 – 0.

Mr. Broad acknowledged the presence of former Lieutenant Governor and Speaker of the Assembly, Cruz Bustamante.

Mr. Bustamante said the idea of GoGreen began two years ago, after identifying a dramatic need for renewable energies. They began talking to individuals in the industry and said a part of what they wanted to do, is to ensure there were quality people installing at the various facilities. He said the industry responded by telling them that they sent several supervisors out to the area and placed some want ads in the newspaper. He said there are so many people out of work that they have no problem obtaining interested individuals and they train them on-site. Mr. Bustamante said he is not used to doing business that way. He said maybe it has been working for you and lowers your cost, but I want people who are going to be there to be trained, or people who have had some training, so that we do not have to deal with those issues down the road. So we contacted Mr. Villarino, and said we are going to be doing this green activity. We already have five allies and are projected to complete over the next five years, well over 100 mega-watts. He said we are energy agnostic, but solar is going to be a major part of that effort. I asked Mr. Villarino if FIELD could form a program together with us, to help bring people together, and Mr. Villarino agreed. He said Mr. Villarino began

working on it right away, brought his folks to the table and started putting the pieces together, and workforce development will be part of GoGreen's effort. He said he is very proud to work with Mr. Villarino, who brings class leadership not only to FIELD, but also to the labor movement. He said they are very happy to move forward, and thanked the Panel for approving the project. He said that hopefully, they can put some real jobs together on the ground so that we can get some folks in there working and actually make sure that all those new technology jobs that people are talking about, will actually occur.

### **California Labor Federation, AFL-CIO**

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Clean Energy Workforce Training Program (CEWTP) proposal for California Labor Federation in the amount of \$749,203. This project proposes to retrain 247 incumbent workers and 687 unemployed workers. Trainees will be journey-level electricians, sheet metal workers, plumbers, laborers. The training outlined in this proposal is specifically designed to provide skills training in green technology.

Ms. Hernandez introduced Tim Rainey, Executive Director of the California Labor Federation Workforce and Economic Development Program, and Jan Borunda, Project Coordinator for the Workforce and Economic Development Program.

Mr. Gordon recused himself from participation and discussion of this proposal.

Ms. Roberts asked if the company is considering constructing facilities under LEED (Leadership in Energy and Environmental Design) certification in the future. Mr. Rainey said the crafts they are training in this project will be doing work in new construction that is LEED certified. He said even though there is currently a great deal of unemployment and the economy is very soft in commercial construction, public buildings, schools, colleges, and other structures; they nevertheless see work coming down the line.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded approval of the CEWTP proposal for California Labor Federation.

Motion carried, 7 – 0 – 1 (Mr. Gordon Recused).

### **Shasta Tehama Trinity Joint Community College District**

Ms. Hernandez presented a Clean Energy Workforce Training Program (CEWTP) proposal for Shasta Tehama Trinity Joint Community College District, in the amount of \$137,410, to train 35 incumbent workers and 35 unemployed workers. Shasta College, within the Tri-County College District, is an accredited California Community College and has provided workforce training for over a decade. The renewable energy program operates at the district's Tehama County location in Red Bluff. The training outlined in this proposal is specifically designed to provide occupational skills in wind-generation technology, utility-scaled wind technicians, and photovoltaic technician to photovoltaic installers in the construction industry. According to the Tri-County College District, the wind technology program has no certification procedures, as of yet. Currently, the training provides skill sets specifically identified by the American Wind Energy Association (AWEA), as important for a

utility scale wind technician. On January 22, 2010, Shasta College received notification from the North American Board of Certified Energy Practitioners, that this application to become a registered provider of the photovoltaic exam was approved. Tri-County College District has already begun a four-part training program to deliver an eight-week program, totaling 320 hours. Only the final two weeks, 80 hours will be funded under CEWTP. Tri-County College District representatives state that the first three parts, 230 hours will be funded by other sources including grant monies. Participating employers will be drawn from the small businesses engaging construction. Recruitment will be coordinated through the Shasta Builders Exchange, comprised of approximately 850 building and construction contractors.

Ms. Hernandez introduced Suzanne Clark, Assistant Project Director.

Ms. Roberts asked about wind energy generation. Ms. Clark said it is proposed that there be 20% wind energy by 2020 on a utility scale. She said residential scale is about 20-30 feet high, and utility scale is between 250 – 350 feet high. They are training utility scale; utility scale wind is literally all over the world. The people they have trained so far work all over the country. She said one of their students still lives here, but travels throughout the country on a traveling team. She said there are many different types of opportunities out there. We suggest that to enter into the wind industry, to go in as a technician as an entry-level position, and identify if they want to stay in the industry, and where they would want to go, when they continue their education to advance.

**ACTION:** Mr. Florence moved and Mr. Kazarian seconded approval of the CEWTP proposal for Shasta Tehama Trinity Joint Community College District.

Motion carried, 8 – 0.

### **California and Nevada Labor Management Cooperation Trust**

Mr. Chan presented a Clean Energy Workforce Training Program (CEWTP) proposal for California and Nevada Labor Management Cooperation Trust (LMCT), in the amount of \$450,175. LMCT is a legal entity for the California Labor Management Cooperating Committee of the International Brotherhood of Electrical Workers (IBEW) and the National Electrical Contractors Association (NECA). LMCC seeks funding to retrain 225 unemployed electricians (Job Number 1) and 100 incumbent electricians (Job Number 2) throughout California. LMCT has coordinated the delivery of industry-driven technical training to some 34,000 state certified electricians and 2,000 licensed electrical contractors by using training sectors operated statewide by 23 joint apprenticeship training committees. The training that is being proposed is being offered in none of those JATCs; this is a pilot program that they hope to expand on from here. This was developed through collaboration with partners such as the California Energy Commission, the UC Davis California Lighting Technology Center, the California Investor-owned and Municipal Utilities, and the National Lighting Manufacturer's Association. This is a 50-hour certification course in a new type of training, which is California Advanced Lighting Controls Training Program (CALCTP). This training proposal will help them train their membership in those skills.

Mr. Chan introduced Bernie Kotlier, Director of Green Energy Solutions and Barbara Cox, Green Energy Grants Coordinator.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Mr. Florence seconded approval of the CEWTP proposal for California and Nevada Labor Management Cooperation Trust.

Motion carried, 8 – 0.

### **Northern California Solar Energy Association, Inc.**

Mr. Chan presented a Clean Energy Workforce Training Program (CEWTP) proposal for Northern California Solar Energy Association, Inc. (NorCal Solar), in the amount of \$266,620. NorCal Solar is a non-profit educational association whose mission is to accelerate the use of solar energy technology through training advocacy and the exchange of information. NorCal Solar is a membership-based association governed by an eight-member Board of Directors, with a six-member Board of Advisors. Under this proposal, there are 120 incumbent workers of small businesses with fewer than 100 employees under Job #1 and 20 workers of large business as under Job #2. The workers will receive training to be solar PV installers or solar PV system designers. NorCal Solar anticipates that retrainees will primarily be employees of small solar installation, electrical, and roofing contractors who need to increase worker skills to capitalize on expanding the green marketplace. Retrainees will be individuals who have never received formal classroom training such as solar installers, or trade persons who work as electrical roofing and other building contractors who have never been trained in solar installation.

Mr. Chan introduced Elisabeth Holmgren, Executive Director and Michael Hynes, Training and Franchise Development.

**ACTION:** Ms. Roberts moved and Mr. Kazarian seconded approval of the CEWTP proposal for NorCal Solar.

Motion carried, 8 – 0.

### **Solyndra, Inc.**

Mr. Chan presented a Clean Energy Workforce Training Program (CEWTP) proposal for Solyndra, Inc., in the amount of \$350,550.

Mr. Chan said you may remember Solyndra Inc. from last month, who came to the Panel with a critical proposal. Under that proposal, Solyndra Inc. received \$494,000 to provide classroom and laboratory training. This proposal is to provide all productive lab training. Under ETP's core program, we trained the classroom/lab portion and with the CEWTP funds, we will fund the productive lab. With the productive lab, there will be an onsite instructor directing or training during the productive lab, and only the time they spend with the trainees will be counted.

Mr. Chan introduced Patrick O'Brien, Vice President of Manufacturing Operations and Jeanette Anderson, Director of Training and Manufacturing Development.

Ms. Roberts asked how many employees that Solyndra currently has. Mr. O'Brien said they currently have just under 1,000 employees. Ms. Roberts asked if they plan to add an additional 700 employees. Mr. O'Brien said they plan to add approximately 1,000 in total, with 700 in operations. Ms. Roberts asked how the two different Solyndra contracts would be administrated differently; as separate entities, or combined hours. Mr. Chan said they will be separate; on the first project they will track only the classroom/lab, and the second project will only include tracking productive laboratory training. Ms. Roberts asked if there could be some confusion as to how the proposals overlap. Mr. Chan said that is why both projects have the same monitor assigned to the project, Diane Woodside, to ensure there is no overlap, and she will continue to work closely with Jeanette to ensure it is tracked and separate. Ms. Anderson said the subject did arise, of the possible confusion in tracking both projects. She said she provided an overview to Diane Woodside of all the systems in place, and Diane was favorably impressed with how the projects will be kept totally separate.

**ACTION:** Ms. Montoya moved and Mr. Wilson seconded approval of the CEWTP proposal for Solyndra, Inc.

Motion carried, 8 – 0.

## **XII. PUBLIC COMMENTS**

Steve Duscha, representing Duscha Advisories, said I am compelled to say that I am not confident to talk about the State Disability Fund nor would I say that the State should be trusted automatically to re-pay any of its debts from any fund. It is important to say that if the funding issues can be resolved, that ETP is a very good program. He said ETP is precisely the place where the funds should be directed because under the ETP system, if there is no job; there is no money. Mr. Broad said correct, but the important thing is that we do not depart from that system in the rush to get something through the Legislature in a special session. Mr. Duscha reiterated that if the financing issues could be resolved, funding needs to be spent under regular ETP rules. He said it has to be for good paying jobs earning \$14-\$15 per hour, and include training. He said it must include the type of training for a new employee that was just approved in the nursing, where there is one-on-one real training, and training that happens after hire, so you know there will be a job, and you know the money is well spent.

## **XIII. PUBLIC MEETING ADJOURNS**

The public portion of the meeting was adjourned at 11:17 a.m.

## **XIV. CLOSED SESSION**

Mr. Broad announced that the Panel would now enter into a closed session, and then would return and adjourn.