



**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**  
California Environmental Protection Agency  
1001 I Street  
Sierra Hearing Room – 2nd Floor  
Sacramento, CA 95814  
April 24, 2015

**PANEL MEMBERS**

Barry Broad  
Chair

Janice Roberts  
Vice-Chair

Gloria Bell  
Member

Sonia Fernandez  
Member

Kish Rajan  
Member

Edward Rendon  
Member

Sam Rodriguez  
Member

**Executive Staff**

Stewart Knox  
Executive Director

Maureen Reilly  
General Counsel

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

Chairman Broad called the meeting to order at 9:32 a.m.

**II. ROLL CALL**

Present

Gloria Bell  
Barry Broad  
Sonia Fernandez  
Leslie McBride  
Janice Roberts  
Sam Rodriguez

Absent

Edward Rendon

Executive Staff Present

Stewart Knox, Executive Director  
Maureen Reilly, General Counsel

**III. AGENDA**

Chairman Broad asked for a motion to approve the Agenda.

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

Motion carried, 5 - 0.

**IV. MINUTES**

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the March 27, 2015 meeting.

Motion carried, 5 - 0.

## V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, introduced Gregg Griffin from the North Hollywood Regional Office and Willie Atkinson from the Sacramento Regional Office who are to present Single Employer and Multiple Employer Projects. He said we currently have \$3M available through the Alternative Fuel and Technology Program with \$2.1M for projects still pending. Of the \$2M in General Fund monies allocated to RESPOND, he said there was \$114K remaining, with one outstanding project coming forward in the upcoming meeting.

Regarding CORE funding, we had approximately \$64M at the beginning of the year. The Governor approved an additional \$10M added to that. With the disencumbered funds re-invested, we are at approximately \$94.3M in contracting capacity this year, and that is the largest we've had in quite some time.

To date, for FY2014/15, the Panel has funded approximately \$73.4M through over 350 projects. Today, the Panel will consider an additional \$4.3M, with another \$560K approved by Delegation Order. Should the Panel approve all of the projects before them today, we will have approximately \$13M left for the remaining of the FY. He said that monies not encumbered for the new projects will be used to bring down the liabilities for this FY leaving more funds available for FY 2015/16.

Regarding the Fund Status Report, Mr. Knox said ETP had a total appropriation of \$73.1M after a \$10M augmentation. He said the Report shows a change in the prior year contract liabilities. Looking back at last month's report, it had \$24M; we are increasing that to \$27M, which leaves \$32M in funds with a contracting capacity of \$86M. Mr. Knox acknowledged that projects are performing at a much higher rate this FY, at about 81% to 82%. He attributed this to "right-sizing" and funding caps. One effect of bringing down liabilities from this FY is having more funds available for next FY. He advised the Panel that staff had tentatively allocated approximately \$90.5M on the various contract categories for the next FY. In June, the staff will present what that allocation looks like going into FY 2015/16. Right now, next year's capacity is definitely closer to \$96M.

This year, Mr. Knox said, Single Employer Contracts were allocated \$51.1M; we right-sized that to \$48.8M. After today's meeting, we will have approximately \$9.1M remaining in this category. Multiple Employer Contracts (MEC) were allocated \$15.5M this year. After today's meeting we will have \$1.3M remaining. Small Business Contracts were allocated \$5.4M; after today's meeting we will have approximately \$665K remaining. Critical Proposals were allocated \$6.1M, after today's meeting, we will have approximately \$1.1M left. Apprenticeships were allocated \$10.1M; to date there is approximately \$744K remaining. If the Panel approves the \$4.8M projects today, he said (and as stated earlier) we will have about \$13M left in contracting capacity through the end of this FY.

The Panel adopted a new cap for the Delegation Order in the coming FY, whereby Small Business will be capped at \$50K, and other proposals at \$100K to be approved by the Executive Director on a continuous flow basis. As of today, Mr. Knox reported another 14 projects have been approved by Delegation over \$560K.

For the FY 2015/16, Mr. Knox said, we opened MEC pre-applications on April 1, 2015 along with apprenticeship programs. As of last Friday, we have approximately 52 projects submitted in the first round, with a value of just over \$17M. This is just between the MEC and the apprenticeship programs. We will open up for Single Employers and Small Business pre-applications on May 1, 2015 in order to release the remaining funds. Financially we are looking very strong.

Regarding workload, as previously mentioned at our last Panel Meeting, and especially given the resources remaining and time in the FY, he said that staff has really done a great job developing and monitoring over 350 projects valued at about \$73.5M. By the end of June, we will be closer to the \$90M mark.

Mr. Knox reported on potential funding for applications already submitted to the regional offices. Single Employer Contracts requests total \$8M, and \$9M remains. MEC regional offices are about \$495K in demand and \$1.3M remains. Small Business are about \$125K; \$666K remain. Critical Proposals are about at \$835K in demand, and \$1.1M remains. Apprenticeships are about \$547K in demand, and \$744K remains. Over all, this means there are remaining funds of some \$13M, and about \$10.1M in demand.

Mr. Knox reported on the number of applications remaining to be developed in the regional offices. Single Employer Contracts at 29, MEC's at 4; Small Business at 6, Critical Proposals at 4, and Apprenticeship at 2. He also reported on the numbers of projects remaining to be determined eligible by category: Single Employer at 5, MEC at 0, Small Business at 0, Critical Proposals at 0, Apprenticeship at 2; for a total of 7 projects left at that level. In other words, he said, almost everything is in the field offices.

He informed the Panel that ETP had hired new analyst to help with developing and monitoring projects; two in the Sacramento Regional Office, one in the San Diego Regional Office, and two in the Bay Area Regional Office.

Mr. Knox next reported on legislative activity that could affect ETP. He said, we continue to follow the Governor's proposed budget bills, and don't anticipate any changes in the appropriation method for FY 2015/16. Additionally, we continue to track Senate Bill 3, which is a minimum-wage adjustment bill introduced by Senator Mark Leno will increase the minimum wage on or after January 1, 2016 to \$11 per hour, and after July 1, 2017 to not less than \$13 per hour.

**VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS**

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #3. He said these were all amendments to increase funding that had been cut in half when the projects were originally approved in August 2014.

|                                       |           |
|---------------------------------------|-----------|
| Glendale Community College.....       | \$273,902 |
| Kern Community College District ..... | \$375,198 |
| Studio Arts, Ltd.....                 | \$375,375 |

ACTION: Ms. Roberts moved and Ms. McBride seconded approval of Consent Calendar Items #1 through #3.

Motion carried, 6 – 0.

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

Mr. Knox asked for a motion for the Panel to delegate authority to the Executive Director to approve Proposals and Actions on the Agenda in consultation with the Panel Chair or Vice Chair.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval to delegate authority in event of loss of quorum.

Motion carried, 6 - 0.

## **VIII. ACTION ON SMALL BUSINESS INCENTIVES FOR MULTIPLE EMPLOYER CONTRACT**

Mr. Knox reminded the Panel that they approved a “Small Business Incentive” cap of \$1.2M for the coming FY. He said, based on the last presentation, staff recommended this increase in funding if there was a number of small business participants in the Multiple Employer Contract (MEC). He said, one of the commitments I had mentioned is to keep this as simple as possible. The incentive cap on a regular MEC is \$950K. By increasing this to \$1.2M, the difference is \$250K, depending on the “right sizing” of the proposal amount. The point is to reach more small businesses with the option of that \$250K. This small business component may be comprised of several job numbers, which is the normal process; it could be priority or non-priority, HUA, or SET. If the overall funding is greater than the \$950K, the differential of \$250K cannot be shifted from a small business job number to a non-small-business job number. The differential of \$250K must remain as a reserve to avoid overestimating the small business component. However, the funding may be shifted from a small business job number to a non-small-business job number if the total amount of funding is less than \$950K for the MEC. If it’s below that, it doesn’t really make any difference, that is just a standard cap for the MEC. We are going to be really looking at how to assess that \$250K tipping. The Regional Office will work with the contractors in determining this.

Mr. Broad asked, are we changing the overall cap for the MECs? Mr. Knox said, yes, by \$250K; this was approved at the last Panel Meeting. So if you are a MEC with a substantial small business component, you can go to the \$1.2M, so that’s an increase of \$250K over a standard MEC. Mr. Broad said, when MECs come to us with set of good intentions, and “placeholder” names for participating employers, how do we know they will really get that same number of small business? We’re not reducing our volume of small business applicants for single employer contracts; we’re just going to get MEC applicants trying to drive their own \$250K bump ups for themselves. How is the shift going to take place? Mr. Knox said, it shifts in two different ways. The small businesses that come directly to the Panel, as we see in the Delegation Order, will request anywhere from \$10K up to \$50K. Those will be referred to a MEC that would have funding of \$1.2 million available to them. We will do referrals to the MEC; but again, we won’t turn them away. If they come back to

us, we will serve them. But if they are served through the MEC, the process could be quicker. It's true; a MEC applicant will have a set of businesses that start off as "placeholders", and that ebbs and flows. That's where the Regional Office will have some flexibility in determining whether they need all or part of the extra \$250K.

Maureen Reilly, General Counsel said, we talked about this with the Regional Office Managers. They go through the normal process of verifying the commitment from the core group of employers that are named when the MEC first applies for the funding. At this point, we "right size" the amount of funding to recommend to the Panel. That process, when the MEC with a small business component identifies their core group, staff contacts the core group. Regional Office staff makes the phone calls to these employers to be sure they are still committed. When we go for a MEC proposal that is over the \$950K, staff will verify the commitment up by \$50K, \$100K, or up to \$250K in additional funding. The small business component has to be significant or substantial enough to justify the additional amount. That is all going to the part of the "right sizing". Then, like Mr. Knox mentioned, the extra \$250K must be reserved for the small business job numbers. Hopefully that will also deter overestimating.

Ms. Roberts said, since it's a substantial amount, is small business participants at 20% of the contract, otherwise it's going to be arbitrary? Mr. Knox said, we're thinking of at least %50 on the first year of this incentive cap. On the second year, that can potentially go up. We've also talked to quite a few of the MECs that have had this type of contract, to get an idea of what that percentage would look like. Mr. Davidson, from El Camino Community College, mentioned that theirs is around 51%-52% participation, and they also have some of the larger employers. Others are as high as 75% for small employers. Mr. Broad said, I don't want to create a situation where what happens is, for workload consideration, every time a small business comes in, we automatically send them to MEC. I'm worried about that, because that seems like the natural tendency. If these small businesses have very specialized needs for specific training, I don't want to send them off to a generic training. That doesn't seem right to me. How would we deal with that issue?

Mr. Knox said, I think it will be going back and forth in the early stages, especially as inquiries come to the Economic Development Unit (EDU), they will determine what the small business need. If the small businesses have a MEC in their local area that could serve them, they would send them that way. There are a lot of factors to consider. The EDU will make those determinations; they will work with the Regional Office Managers and see if there are other MEC's in their local area. I have one example that worked really well, with the California Workforce Association in Humboldt County, where an employer wanted specific training that the MEC can provide very quickly. The training was completed in 8 days, as opposed to the typical 90 day cycle for a Single Employer. We can look at it from a policy standard to make sure that the small businesses are being served well. If we can't find a MEC, we will process them as a regular contract.

Ms. Reilly said, we have been looking at small business, and how we can best serve them for some time. We have run some data that shows the vast majority of small businesses we serve are through MECs. We will continue to offer the small business Single Employer as an alternative. We are hoping this higher \$1.2M cap will incentivize the MECs, and encourage their marketing efforts to really reach out and increase our bandwidth. Mr. Broad said, the

relationship between our employees and MECs, there's a potential here for conflicts of interest. I want to make sure that we have a very clear policy regarding this matter. I don't want our employees going out to lunch with people who could benefit from these referrals. I don't want there to be any gifts exchanged. We should have a guideline to protect everybody. This is a very sensitive area. Ms. Reilly said, we follow the Political Reform Act disclosure requirements, but our analyst staffs are typically not designated for that level. Mr. Broad said, you need to determine what their designated roles are. If someone is in the position of handing out business to somebody else, it could start out as something benign, and sometimes end up in the newspaper. That may be something you need to actively consider, whether you need to extend disclosure to that level.

## **IX. PUBLIC COMMENTS**

### Steve Duscha, Consultant

Mr. Duscha said, as someone who's been moving small contracts to MECs, I want to explain what I have in mind, - and it is not referring these small applicants. People apply for small amounts of money to Glendale Community College for one of their programs, or to one of the other colleges for one of their programs. They have great programs, and they do wonderful things for ETP, but my sense is, most of the very small single employer contractors that are coming to ETP have their own program. They want to do their own training, they have their own trainers. The notion that I have, - and have practiced to some extent with the California Workforce Association (CWA) contract, and would like to do on a bigger scale with the CWA - is to take referrals but we don't want put them into a canned training program. We would simply do the administrative work for those small employers. So instead of having to go through the entire ETP contracting process, they can submit a certification statement to the CWA to make the process go faster. We would have a sub-agreement between the small business and CWA, which holds the ETP contract. That way, as the as Executive Director said, we have instances where we have been able to get training started in one week after the business comes to us. But we are not providing training for them, and we are not putting them in a canned training program.

Mr. Broad said, that means a MEC can come in, and all of a sudden we have a \$1.2M proposal, then what happens to our staff? I think maybe, what we ought to say is, increase the MEC cap by the amount of the small business that gets referred by the staff. Otherwise what will happen is just raising the MEC cap; we aren't going to do anything with these referrals that are coming in through the small business application. Mr. Duscha said, I think that these are two different issues. I'm not sure I understand what is being proposed in the cap on the MECs, going from \$950K to \$1.2M. Mr. Broad asked Mr. Knox if these issues are linked. Mr. Knox said, yes, basically if you're coming to ETP as a regular MEC, you can serve any size business for that \$950K. But if you're going to serve a substantial amount of small businesses, you can go to the \$1.2M. So again there's a \$250K difference. So as staff works with that MEC, we will look at what percentage of the participants are small businesses. Mr. Dushca asked, do you have to have a small business job number that equals \$250K? Mr. Knox said, yes. Mr. Duscha said, then what do you do for apprenticeship on building trades contracts, where you no longer have small business job numbers, are they excluded from the \$1.2M cap? Mr. Knox said yes.

Ms. Reilly said, you would need to have small business job numbers equating that amount. We will verify the demand to support the additional funds, and it might not be the full \$250K. Mr. Broad said I don't think that's what happens around here; they just come in for the cap. Ms. Reilly said, we have to verify the demand because the money is allocated between the job numbers. When we are "costing" up the project, based on hours of training and reimbursement rate, the funding gets allocated between job numbers. Each job number has costing based on hours of training, estimated number of trainees, and reimbursement rate. During the life cycle of the contract, we may shift funds back and forth.

Mr. Broad said, wouldn't it be easier if the cap on MECs were just left where it is, and if you take one of those referrals, it doesn't get charged against your cap? I thought we we're talking about reducing our staff's workload? Mr. Duscha said, I don't think that has anything to do with the small business. Mr. Broad said, we are trying to move people that are coming to us; but I'm not sure I like the idea of generally raising the cap by a quarter of a million, unless there is a separate reason in doing that. We do have a small business streamline program. I feel that the MECs can serve the small businesses, or large businesses. There needs to be a separate reason to raise the caps further. If we have a situation, where the staff is referring a small business to a local MEC that can get the process going in 10 days, instead of a month and a half, fine. The MECs can deal with the procedural issues and it won't be counted against their annual cap. Mr. Knox said, that was the reason of trying to increase the cap; it was to encourage that MEC to take on the small business.

Ms. Roberts said, according to Ms. Reilly, most of the MEC have small businesses that are already being served. Ms. Reilly said, we find that we serve the vast majority of small businesses through MECs, and they are effective in their marketing. One of the policy goals of this approach in raising the cap up to \$1.2M is to encourage the MECs to do more of the outreach, and increase our bandwidth on reaching small business; not necessarily through staff referrals, but also through their own marketing. Referrals of the really small contracts, which is around \$8K-\$10K, is not going to equate to a quarter of a million for a given MEC contract. That is a separate goal. We will try to refer really small projects when their training needs line up with the MEC. Also, the MEC must have a curriculum in place in the geographic region, and the time period of classes being offered must coincide with what the small business wants. That's not going to get you \$250K worth of referrals. The main hope we have here is that the MECs will broaden their outreach.

Mr. Broad asked, are we not serving enough of small businesses generally? Ms. Reilly said, we find that the MEC's can reach more businesses and there are a lot of small businesses throughout California that are not familiar about the ETP program. That's the feedback we get. Mr. Broad said, this would be a separate discussion, if we should raise caps. If we raise the caps on any category, people will come to us, and try to do their hardest to get to the cap. Mr. Duscha said, I don't think any of us would know what the demand for the money is going to be next year. Maybe we can make that decision in 6 months.

Mr. Broad said, the problem that we are looking at is the amount of staff time dedicated to dealing with small business. It probably costs the taxpayers more money to review the application than what the contract is worth. We can't respond to the wonderful news that the economy is getting better, and ETP has more money, so we could raise caps, but ETP can't hire more people. I realize we're directing the Incentive Cap to small businesses, it's just



allowing a MEC to spend more money, which might be a viable thing. But instead of going to \$1.2M, maybe we should have them go to \$1M here, and put more money into the allocations for apprenticeship on single employers. Or maybe caps should be raised generally. Is there a way to cut this thing into two pieces?

Mr. Knox said yes. Mr. Duscha said, if you do leave in a higher cap for MECs dealing with small businesses, let's talk about how it works before we adopt. It needs to be simple and clear before it's done. Mr. Broad said, what I have in mind is this: our staff contacts the MEC, say we're referring a small business to you, and will you be able to serve them? They are encouraged to say "yes" because that cost of training doesn't count against the cap.

Mr. Duscha said, from my perspective, you want to set up special MECs to do this. You want to set up somebody who creates an administrative process to handle these small contracts in a very simple way that can be monitored by your staff. You don't necessarily want to make these referrals to 15 different MECs who have their own training program. You want specialists to do this, and work closely with your staff. This is for the administrative work, not the training. Since the beginning of time, ETP has tried to refer little applicants to existing MECs, and it really hasn't worked. The training that the small employers usually want is not congruent to what the MECs are providing. Mr. Broad said, so what you're saying is that certain MECs would have a dedicated process for dealing with this issue.

Mr. Knox reminded the Panel that they already approved the \$1.2M Incentive Cap at the meeting last month. Basically the \$250K additional is dedicated to serve the small businesses. He said bear in mind that MECs are not equal. To date, we only have two MEC pre-application that came in at \$1.2M for the new FY. The MECs realize there is not an easy way to take this on. What I could suggest is, since the \$1.2M was already approved at the last Panel Meeting, we can continue working in the appropriate level of commitment by small business participants with the Regional Office. We can bring back a much simpler version to the Panel the next time we meet. We are raising the caps to incentivize the MECs.

Mr. Broad said, let's put this over for a month. Maybe the staff should have some conversation with our contractor community about who is willing to do this. Ms. Roberts said, maybe we should get some statistics of how many actual small businesses are under each MEC, and how many small businesses have their own training curriculum.

#### Eldon Davidson, El Camino Community College

Mr. Davidson said, at the last meeting I shared with you the fact that, based on our studies, we are serving 46% small business overall, already. In our own institution the rate is at 51%, I also said that we, all the colleges, under the Education code, have to be self-sustaining. We don't have any funding that comes from the State to sustain us. We have to sustain ourselves. Just as much as it costs ETP, to actually market or serve small businesses - it's just as expensive for us to serve that market.

You're talking smaller numbers, and what is considered small? There are categories of small that are 10 employees, which are very difficult to serve; and there are some that are 30 employees. The ones that are easier to serve are probably those with employees of 50 or more. The employers we deal with don't have trainers, we're actually providing instructors. It becomes a difficult issue when we're dealing with small employers, especially 30 or less because they don't have enough people for us to do the training class right at their location.

So we have to bring multiple small employers together, which is a lot of paperwork. There's a lot of administrative work involved in serving the small businesses.

We serve the small business because they're part of our community. Small business provides a lot of jobs. As a community college, we try to take this seriously, We do return on investment surveys to see if we are actually doing what we promised to do, and that includes our subcontractors and small business. We do get feedbacks. We're not out there in a rush to get funding from ETP. Our demand is for training higher than what we can provide.

Mr. Broad said, would you be arguing that the cap could go up further? Mr. Davidson said, I didn't come here to get an extra \$300K. Even though we serve, at our college, 51% small business - there's only three of us on staff. We don't have the capacity to service the small sector. That's a whole new marketing issue, just like it was with AB 118, It's a whole new project. We need more time to gear up for this. Ms. Roberts said, instead of raising the cap, another alternative would be to look at your support cost because a lot of this is the marketing aspect and other work versus having the infrastructure to support the training. I'm just giving some alternatives versus raising the caps.

## **X. REVIEW AND ACTIONS ON PROPOSALS**

### **Single Employer Proposals**

#### **PRN Ambulance, Inc.**

Gregg Griffin, Manager of the North Hollywood Regional Office, presented a Proposal for PRN Ambulance, Inc. in the amount of \$120,160. Founded in 2000, PRN is a non-emergency inter-facility ambulance provider serving the greater Los Angeles area. PRN operates over 60 emergency response vehicles from its headquarters in North Hills, and two satellite facilities in East Los Angeles, and Glendale. This is PRN's second ETP Agreement. PRN services include basic life support transports, advanced life support transports, and critical care transportation. Mr. Gregg Griffin presented Patrick Chapman, Director of Clinical Operations and Bill Parker, Consultant,

Mr. Chapman said, we regret that our performance from the first time was disappointing, and we won't let that happen again. The key people in charge of the program were in the process of transitioning out of the company. We found out too late that over 15 employees were mislabeled as full-time during the training process and at the final invoicing. It was discovered by our administrator that these employees did not have full-time hours required. We are making each training roster for the employees with the correct jobs status per the recommendation by ETP analyst and all the rosters will be personally checked by myself and verified by human resources before that entry. Ms. Fernandez asked, what is the commitment level this time from your organizational leadership to make this a success? Mr. Chapman said, the PRN has been briefed and they are on board this time. They are aware of what is required of the company. The institutional knowledge was held by one person in the past, and that person left the company. Ms. Roberts asked how many part-time employees will be training under this agreement. Mr. Chapman said he doesn't know off the top of his head; and he doesn't have a roster in front of him. However, he did not believe that

any of them would be training part-time. We are moving more towards keeping a full-time staff rather than hiring part-time employees at all.

**ACTION:** Ms. Roberts move and Ms. Bell seconded the approval of the Proposal for PRN Ambulance, Inc. in the amount of \$120,160.

Motion carried, 6 – 0.

### **C&D Zodiac, Inc.**

Mr. Griffin presented a Proposal for C&D Zodiac Inc. in the amount of \$306,060. This company designs and manufactures aircraft interior components, such as seats, overhead bins, cabinets, galleys, lighting, stairway and doors. Mr. Griffin introduced Mr. Ferdinand Lansangan, Corporate Training Manager.

There were no questions from the Panel.

**ACTION:** Ms. Roberts move and Ms. McBride seconded the approval of the Proposal for C&D Zodiac Inc. in the amount of \$306,060.

Motion carried, 6 – 0.

### **Ricoh Americas Corporation**

Mr. Griffin presented a Proposal for Ricoh Americas Corporation in the amount of \$137,850. This will be the fourth ETP Agreement for Ricoh Americas Corporation (Ricoh). Founded in 1962, Ricoh distributes, imports, markets, sells, and services digital office equipment including copiers, printers, facsimile systems, scanners, digital duplicators, wide format copiers, digital cameras, projectors, and network accessories. The Company also offers managed document and information technology services. Ricoh serves large to medium size companies requiring high volume, high speed, and multiple finishing capabilities as well as small-sized businesses and individuals requiring multi-function production. Mr. Griffin introduced Michael McGurvey, Senior Manager.

Mr. Broad said, regarding your prior proposal, there was a problem with meeting performance. It is because the employees paid on commission did not make enough to meet the ETP minimum wage requirement? How many of the employees were on commission under proposed agreement? Is there anyone other than sales staff? Mr. McGurvey said, the sales representatives are the only ones on commission. Mr. Griffin said that there are 15 employees this group. Michelle Rychener, Training Funding Partners, informed Mr. Broad that the agreement he was referring to several years ago, ended in 2007.

Mr. Broad said, for your commission sales staff not meeting our ETP minimum wage, is that likely to happen again? Ms. Rychener said, that is Special Employment Training or SET wage. This is a higher wage of \$27, not the regular \$14-\$16 hour wage. Some of the sales staff didn't get to the SET wage, the way we had structured the last project, which is why they earned 73%. This project is structured where such that the staff to be trained will be better matched to the required wage job groups. Mr. Broad asked, is it possible for you to achieve

100%? Ms. Rychener said, we've looked at the wage requirements, and we structured the project so that we believe the sales job group will meet the wage with commission. Mr. Broad said I just don't want to structure one of these proposals, where someone can possibly earn that 100%. Mr. Griffin said the sales staff is a small percentage of the overall training population the way the average is 40, so it's relatively small.

**ACTION:** Ms. Roberts moved and there was a second on the motion for the approval of Ricoh Americas Corporation in the amount of \$137,850.

Motion carried, 6 – 0.

### **Caber Enterprises, Inc. dba Mission Care Group**

Willie Atkinson, Manager of the Sacramento Regional Office, presented a Proposal for Caber Enterprises, Inc. dba Mission care group in the amount of \$424,614. Caber Enterprises owns and operates four rehabilitation and skilled nursing care facilities in Visalia, Tulare and Hanford. The Company now employs 300 professionals, providing 24-hour recovery services and nursing care to patients following an illness, injury or surgery. All four facilities will participate in training under this proposal. Mr. Atkinson introduced Mark Fisher, President, Jill Meeuwsen, Consultant.

Ms. Roberts said the contract is excellent. I can tell by how dedicated you are, I'm looking at the percentage of your turn over, it's really low for this industry. It's an outstanding infrastructure, and you have dedicated people. You're a hands-on kind of person, that's really what we want to see in these contracts. I know this is your first time, there's a lot of money involved. I believe you can do it.

There were no questions from the Panel.

**ACTION:** Ms. Roberts move and Ms. Bell seconded the approval for Caber Enterprises, Inc. dba Mission care group in the amount of \$424,614.

Motion carried, 6 – 0.

### **Dole Packaged Foods, LLC**

Mr. Atkinson presented a Proposal for Dole Packaged Foods, LLC in the amount of \$424,320. In 2011, Dole committed to a three-phase training plan that would allow for incumbent workers to improve their skills, and promote into higher skilled positions. This plan anticipated hiring as many as 75 new employees to increase the Company's production, and enhance their ability to compete in a global market. Mr. Atkinson introduced Arcelia Cruz, Human Resource Manager, and Larry King, Director of Human Resources.

Mr. Rodriguez said your collaboration is exactly what we are looking for. This is a nice proposal. It's good to see this training going on for workers that work and live in your area. Mr. King said we're very proud of the people who work for us, we have a very low turnover, and we have a large returning population that comes back every year. We think it's

because we've done a great job training our supervisors and knowing how to work with those individuals. We see ourselves as servants to the people who make our products.

**ACTION:** Mr. Rodriguez moved and Ms. Fernandez seconded the approval for Dole Packaged Foods, LLC in the amount of \$424,320.

Motion carried, 6 – 0.

**Lancaster Burns Construction, Inc. dba LB Construction, Inc.**

Mr. Atkinson presented a Proposal for Lancaster Burns Construction, Inc. LB Construction, Inc. (LBC) in the amount of \$140,280. Founded in 1991 and headquartered in Roseville, LBC fabricates and constructs steel foundations, drywall, rough carpentry, wood, and metal stud install-ready assemblies. Customers include domestic general contractors in the construction industry. Mr. Atkinson presented Iza Garcia, Human Resource Manager, and Janice Ballard, Consultant.

There were no questions from the Panel.

**ACTION:** Ms. Roberts moved and Ms. Bell seconded the approval for Lancaster Burns construction, Inc. DBA LB construction, Inc. in the amount of \$140,280.

Motion carried, 6 – 0.

**Mary Ann's Baking Co., Inc.**

Mr. Atkinson presented a proposal for Mary Ann's Baking Company, Inc. for the amount of \$424,616. Founded in 1961 and located in Sacramento, Mary Ann's Baking produces a variety of fried and baked products for distribution in the continental United States, Alaska, Hawaii, Canada and Mexico. The Company's products are transported and distributed in both fresh and frozen conditions.

Mary Ann's Baking has committed to hiring 94 new employees under Job number 3. The company notified us that they will hire temporary to permanent position and that will be in the actual contract agreement. Approximately 10 employees will be hired from temporary to permanent position. The rest will be direct hires. Mr. Atkinson introduced Bob Burzinski, Chief Financial Officer.

Mr. Burzinski said, this is our second request for funding. We had about a 90% completion on our approved funding. We would have had 100%, but we had a major client that decided to pull out of California. We tried to replace that business but we lost about \$4 million. Over that time period of a year and a half, we lost about 30 people over that year and a half period. We are in the position now where we have picked up several big customers; we do a lot of co-packing. Ms. Roberts asked, did you have a vendor or consultant working with you on your last agreement? Mr. Burzinski said no.

**ACTION:** Ms. Roberts moved and Ms. Fernandez seconded the approval of the Proposal for Mary Ann's Baking Company, Inc. for the amount of \$424,616.

Motion carried 6 – 0.

### **MedAmerica Billing Services, Inc.**

Mr. Atkinson resented a Proposal for MedAmerica Billing Services, Inc. for the amount of \$420,000. Founded in 1975, MedAmerica provides medical coding and billing services including custom electronic submission of claims, auditing, accounts receivable, management, physician coding, documentation education, and custom data analysis services. MedAmerica serves over 115 customer locations in nine states, with approximately 4.3 million patients and over \$2.5 billion in physician charges per year. The Company provides services to customers in practice areas such as emergency medicine, hospitalist, wound care, urgent care, radiology, physical therapy and family practice. This will be MedAmerica's fourth ETP funded training. Mr. Atkinson presented Stephanie Montanez, Director of Human Resources.

Mr. Broad asked, of the 310 employees that we are training, how many are actually receiving the \$12 per hour or less? Ms. Montenez said, it really depends on the position that they are hired in. Our billing specialists, which will be the majority of the trainees, are at \$10 an hour for the Modesto office, and \$12 an hour for our Ontario office. Our coding specialist is at \$13.75 per hour. Our Ontario office is in a higher wage area.

**ACTION:** Ms. Roberts moved and Ms. Bell seconded the approval of the proposal for MedAmerica Billing Services, Inc. for the amount of \$420,000.

Motion carried 6 – 0.

### **Valley Truck and Tractor Co.**

Mr. Atkinson presented a Proposal for Valley Truck and Tractor Co., for the amount of \$239,520. Founded in 1948, Valley Truck and Tractor Co. is an agricultural vehicle dealer in the Sacramento Valley. The Company sells and services commercial and residential agricultural equipment including tractors; combines and sprayers; riding mowers, utility tractors and snow equipment; and specialized golf course and turf equipment. In addition to equipment sales, the Company supports John Deere Agriculture Management Solutions, which assists farmers with the management of their crops by using technology and GPS. Mr. Atkinson introduced Sharon Reeder, Human Resource Manager, and Diane Samson, Sierra Consultant.

Mr. Broad asked, how are the tractors operated by the satellite? How does the tractor get programmed? Ms. Reeder said, it is integrated solutions; we have towers that have the information that goes through; we have dedicated employees who fill the systems for the farmers. We have four employees to handle the GPS system. They install the software for the customer and customize the software to meet their needs. We just hired an employee who will actually sit every day and data input all the information in for these customers. It is all satellite based. This program will help the farmers program how much water to release; it

will help the farmers save on staffing, and fertilizing. This year, we will be adding drones. This will make it even better for the farmers. The drone systems can show you problems that you are having, you will be able to see the actual location on the ground, so you can go directly to the issue, and fix them, therefore saving time and energy. That is a new technology for us. With the drought, it is important for us to partner with the farmers so that they can actually get their business is going, and we can help keep them going and feed America.

Ms. Roberts said, this is your first contract with ETP, and you have Sierra consulting with you, Will you have the right staff dedicated at those 10 locations to support the training? As an HR person will you be traveling to these 10 locations? Ms. Reeder said, we have a training facility, and we will provide trainers to meet all of the training needs. I would be the one administering the technical portion of it. I also have another dedicated employee who is just a trainer, and I have four other people who are dedicated to train as well. We will not be doing all the training; we will be looking for more qualified people to train for the specific needs. We have the facility to make this happen. Mr. Broad asked, is there an actual individual in the tractor to physically operate the machinery? Ms. Reeder said, yes, there is person in the tractor as a back-up.

**ACTION:** Mr. Rodriguez moved and Ms. Roberts seconded the approval of the Proposal for Valley truck and tractor Company in the amount of \$239,520.

Motion: 6 – 0.

### **Multiple Employer Contractors**

#### **El Camino Community College District, Center for Applied Competitive Technologies.**

Greg Griffin, Manager of the North Hollywood Regional Office, presented a Proposal for El Camino Community College District, Center for Applied Competitive Technologies for the amount of \$649,350. Founded in 1947, El Camino is a two-year community college offering academic and vocational education programs. The college enrolls more than 25,000 students each semester and boasts a curriculum of over 850 highly regarded academic and career programs taught by exceptional faculty. Mr. Griffin introduced Eldon Davidson, Director, Center of Customized Training.

Mr. Davidson said, thank you for looking at our project. We work with other community colleges. Not all community colleges can afford the administration fees to serve the customers. We're proud that we were working with Antelope Valley, as well as Cerritos College. This is just one of the 17; I'd like to share briefly, this particular industry, Esterline Defense. They are located past Palm Springs. There was a point when the Federal spending was reduced. We got involved in Esterline Defense. Under the dollars, they were able to retain sales in the amount of \$1.6M, create 12 new jobs, and retain 21 jobs and increase product productivity about 15% during the downturn. Mr. Broad asked, you're training vendors of Cerritos College and Antelope Valley College, essentially you're operating kind like a consortia community colleges on this proposal? Mr. Eldon said, you can call it consortia college partners. There are a lot of benefits with partnership. A good example is Cerritos College. I have a company right down the street from our office that needs plastic technology training. El Camino doesn't have that type of training. Partnering with Cerritos,

who offers the training, it made sense for our customer to bring Cerritos College into the territory. Community colleges, by nature, we're competitive. There are a lot of benefits we get by sharing instructors.

There were no questions from the Panel.

Action: Miss Roberts moved and Ms. McBride seconded the proposal for El Camino Community College District, Center for Applied Competitive Technologies for the amount of \$649,350.

Motion carried 6 – 0.

## **XI. MEETING ADJOURNMENT**

ACTION: Ms. Roberts moved and Ms. Bell seconded meeting adjournment at 11:23 a.m.

Motion carried 6 – 0.