



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

New City Hall
915 I Street
Council Chambers, Room 1103 – 1st Floor
Sacramento, CA 95814
January 22, 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 9:34 a.m.

II. ROLL CALL

Present

Gloria Bell
Barry Broad
Sonia Fernandez
Leslie McBride
Edward Rendon
Janice Roberts
Sam Rodriguez (arrived after initial roll call)

Executive Staff Present

Stewart Knox, Executive Director
Maureen Reilly, General Counsel
Jill McAloon, Chief Deputy Director

III. AGENDA

Chairman Broad asked for a motion to approve the Agenda.

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

Motion carried, 6 – 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the November 14, 2014 meeting.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, said I'd like to acknowledge one of our staff; she's not here with us today, but Rosa Hernandez put in 29 years with the State of CA, 25 which was at ETP. So many of the policies and procedures you see before you today come from Rosa Hernandez' efforts over 25 years with ETP, so we wanted to recognize her.

Mr. Knox said since we didn't have a Panel meeting in December, we will have a much larger dollar distribution at this meeting. Today we have a mix of single and multiple employer projects. All of the regional managers are present today: Diana Torres, Creighton Chan, Gregg Griffin and Willie Atkinson.

Regarding the budget for alternative fuels as we mentioned before, there was \$3M available. After today's meeting and approval, we should have about \$2.1M available for the remaining Fiscal Year (FY). The Panel also received \$2M in General Funds last year, to serve workers and employers impacted by the drought, under the Panel's RESPOND Pilot. Of that, we have approximately \$532,000 remaining this FY with two outstanding projects that we hope to present shortly, within the next couple of Panel meetings, and with those projects, the full \$2M will have been allocated.

Regarding core funds, ETP had approximately \$64.7M with the addition of the \$10M approved by the Governor, which put us close to \$91M this FY, which is a large amount of money to push out the door. To date, the Panel has committed approximately \$51M. Today the Panel will consider an additional \$9.2M with another \$1.6M approved by Delegation Order. Should the Panel approve all projects before it today, we will have approximately \$31M left after this meeting for the remainder of this FY, which is still a large dollar amount that we are glad to see. I'll talk a little bit more about how much is left in the field offices and in our office as well.

As you recall, the Panel took action in September 2014 to approve a modified version of staff recommendations for funding in 2014-15 and the Panel directed staff to review pre-applications and applications in date of order, which we have been doing. For the single employer contracts, we've allocated \$48.8M, and after today's meeting if all are approved, we will have about \$14M left for single employer contracts. For the MECs we allocated \$19.7M, and after today's meeting, if all are approved, we will have about \$9.7M remaining. We allocated \$6.1M for Critical Proposals and to date we have approximately \$1.1M remaining. Apprenticeships, \$10.1M, and to date there is approximately \$2.4M remaining. If all projects are approved today, at approximately \$9.2M, we will have approximately \$31M remaining in contracting capacity.

The Panel has directed staff to manage the repeat contractors and repeat MECs so as to fund once per FY, with preference provided for first-time single employers. To be consistent with the Panel's direction of continuing the flow of projects, some offices will begin working on repeat contracts. What that means is that some of the field offices have now gone through all of those first-time single employers. The Panel has reduced funding caps: single employer caps reduced to \$425,000; MEC caps reduced to \$650,000 and apprenticeship caps reduced to \$300,000 per sponsor. We will have a planning meeting in March to revisit the allocations

and the caps. At that time, we will have a clearer picture of demand and expenditures under the allocations and the Panel may consider further direction to staff.

The 2015-16 budget looks pretty good at this point. We do have \$10M approved this year that will be ongoing for the next FY as well. We will also look at processes at the March meeting, and have a discussion at the February meeting, about when to open the new allocation process.

The Panel also adopted a new Delegation Order for small businesses capped at \$50,000 and other proposals capped at \$100,000, to be approved by the Executive Director on a continuous flow basis. To date, we have approved 28 projects totaling over \$1.6M.

Regarding workload, as was mentioned at the last Panel meeting, our goal is to maximize dollars with limited staff resources and limited time left in the FY to develop and monitor those projects. Regarding applications in the regional offices, what is out there in single employer contracts, is about \$21M with about \$14M remaining after today's meeting. For the MECs, the regional offices report about \$6.6M of demand with about \$9.7M remaining; small business has about \$1.5M in demand with \$2.3M in remaining funds. Critical Proposals have about \$550,000 in demand with about \$1.1M remaining. That one does change, of course, based on the Governor's discretion and GO-Biz. The Apprenticeship program has about \$2.6M in demand with about \$2.4M remaining to date. Overall funds remaining after today will be about \$31M, and we have about \$33M in projects in the field and in our central office. So we are pretty close; things are not as dire as we assumed them to be, earlier in this FY. Staff is working very hard to develop these projects and to utilize all available funding as we have. Also, I've asked staff to also look at the small business model that we currently have, and come up with ideas for how to simplify it, and we will bring those ideas to the Panel meeting in March for review. The small business projects take just as much time as you all know, as large projects, and so we want to minimize that time spent on those projects in the future. In March we will start to discuss priorities with the Panel and stakeholders for next year. The number of projects in the regional offices by category is: we currently have about 81 remaining in single employer contracts; MECs 21 remaining, small business 49 remaining, critical proposals, 2 remaining; and Apprenticeships, 8 remaining; 47 additional projects in development, for a total of 208 projects. That is where we get the \$33M remaining for demand. So again, pretty close this year. I don't think it's going to be an issue of money; it's going to be an issue of getting them pushed out the door.

To help with developing and monitoring of projects, ETP recently obtained four new analyst positions. Two have been hired in the Sacramento office already; one is in the process of being filled at the San Diego regional office, and one in the Bay Area. So we are staffing up to meet the demand. We will do our best to manage workflow and report our progress at the Panel meetings in the future.

Regarding legislation, just a note within the Governor's budget, in what they call significant adjustments, it does bring up the Employment Training Fund and it says that the budget makes permanent \$10M increase in the Employment Training Fund with resources provided by Chapter 663, Statute 2014, and AB 1476 to address the increased demand for training. There is additional legislation about the budget, in the Budget Act of 2015, both SB 69 and AB 103 make preparations for support for the government operations and basically in both

bills, the ETP language is the same, which addresses the additional \$10 million for the ETP fund.

For the future, to show what our audit unit does, I'll be e-mailing the Panel a brief synopsis of the audit and findings, and if you'd like additional information, we will follow-up.

Sam Rodriguez arrived at 9:39 a.m. after initial roll call, and was present for the remainder of votes.

VI. REQUEST MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #9. Ms. Roberts asked about the 27% turnover rate on Tab #2 Chaya Centers, Inc. dba Greenridge Senior Care, and said I understand around the turnover rate in that industry. Is this something that we have done in the past with high turnover rates in these facilities, that we approve them without any penalty or concession? Mr. Broad said in the past we asked them to improve their turnover rate and withheld more money in the end, so we could remove it from Consent Calendar and hear it, but I don't think we can change it without removing it from Consent Calendar, and this is certainly any member's prerogative. I have no objection to it, it's up to you, and it's a worthwhile discussion. Ms. Roberts said I do recall that we have made some concessions, 27%, he said the industry is 44%. It seems high to me, and they are saying that the majority of these people will take jobs at higher paid jobs as an LVN or RN and I think that's okay, but we give that 20% buffer any way for those kind of situations, so now we are actually adding another percent on top of that for other things, so that was my concern. Mr. Broad asked if she would like to remove the Tab #2 proposal from the Consent Calendar. Ms. Roberts said yes, I would like them to come to the Panel. Mr. Broad said it will be removed, and we will take it put it over to the next month.

Tab #1	Auto Center Auto Body, Inc. dba Fix Auto	\$118,925
Tab #3	Conifer Revenue Cycle Solutions, LLC	\$147,000
Tab #4	DocuSign, Inc.	\$188,000
Tab #5	Houweling Nurseries Oxnard, Inc.	\$106,704
Tab #6	JFK Memorial Hospital, Inc. dba John F. Kennedy Memorial Hospital	\$161,280
Tab #7	Johanson Dielectrics, Inc.	\$175,680
Tab #8	Triumph Aerostructures, LLC – Vought Aircraft Division	\$181,440
Tab #9	ZOLL Circulation, Inc.	\$189,000

ACTION: Ms. McBride moved and Ms. Roberts seconded approval of Consent Calendar Tab #1 and Tabs #3 through #9. Tab #2 Chaya Centers, Inc. dba Greenridge Senior Care, was not approved, and removed from Consent Calendar.

Motion carried, 7 – 0.

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

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

Motion carried, 7 – 0.

Mr. Broad said I'd like to comment our decision to review the now declining back-log of applications on a first-in order. First in doesn't necessarily mean first out, and I want folks to understand that because some projects to take longer to review than others, some are more complicated, and we certainly can't hold up everything while we are waiting for information on one particular project. So they are going to be reviewed as they come in, sort of first come, first served, but that doesn't mean that the staff's review of them is going to be first out. Obviously, we want to try to do that, that's the idea; but it's not a perfect system, so I want people to understand that so nobody feels they are being treated unfairly.

VIII. REPORT OF GENERAL COUNSEL

Ms. Reilly said I wanted to direct the Panel's attention to the listing of the Delegation Orders, the last tab in your packet. The list includes the proposals approved by Delegation Order as of the date we published on line, which was January 12. We've had other proposals since then, and they will be reported on at the next meeting. There are 33 that have been approved so far between November and mid-January, approximately \$1.62M, and that includes 13 small businesses at about \$4.27M.

IX. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

EastWestProto, Inc. dba Lifeline Ambulance

Gregg Griffin, Manager of the North Hollywood Office, presented a Proposal for EastWestProto, Inc. dba Lifeline Ambulance (Lifeline), in the amount of \$314,548. Lifeline provides customized, inter-facility, non-emergency ambulance transport services. The company operates 24/7 providing transport for Basic Life Support (BLS); Critical Care (ACLS); Neonatal and Pediatric Intensive Care Unit (NICU/PICU); and bariatric patients. Lifeline also offers special event stand-by emergency services.

Mr. Griffin noted a correction to the in-kind contribution. The correct amount of in-kind contribution is \$344,513.

Mr. Griffin introduced Max Gorin, CEO.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for Lifeline in the amount of \$314,548.

Motion carried, 7 – 0.

The Boeing Company

Mr. Griffin presented a Proposal for The Boeing Company (Boeing), in the amount of \$747,676. Boeing is a manufacturer of commercial jetliners and military aircraft. Boeing also

designs and manufactures defense systems, satellites and launch vehicles. The company's customers include most domestic and international airline carriers, NASA and all branches of the military.

Mr. Griffin introduced Noreen McQuinn, Boeing Technical Fellow.

Mr. Broad asked where the facility is located. Ms. McQuinn said they are in Long Beach and Seal Beach. Ms. Roberts asked if they are existing facilities. Ms. McQuinn said yes, they are existing facilities.

Mr. Rodriguez asked if there was consideration of Boeing expanding its operations in Lancaster. Ms. McQuinn said I don't know for certain; I know we do have some facilities up there but I don't know if we are expanding any. Mr. Rodriguez asked, is this also part of your application for California Competes? Ms. McQuinn said no, it is not.

Ms. Roberts asked, of the 180 new employees you are bringing in to California, are they from Washington State or are they new local individuals you are hiring here. Ms. McQueen said they are a mix of college hires and individuals from the Seattle region, and all over the state, and also people from other programs.

Mr. Rodriguez said, in Seattle there is a huge union workforce. He asked if there is, at this time, no public statement of any reduction in force in the greater Seattle area. Ms. McQueen said that's correct, as I understand it.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Proposal for Boeing in the amount of \$747,676.

Motion carried, 7 – 0.

Alta Newport Hospital, Inc. dba Newport Specialty Hospital

Diana Torres, Manager of the San Diego Office, presented a Proposal for Alta Newport Hospital, Inc. dba Newport Specialty Hospital (Alta), in the amount of \$307,966. Alta is licensed to operate as a general acute care facility to provide services to the patient population in Orange County. Alta operates a network of facilities in Los Angeles, Hollywood, Van Nuys and Norwalk.

Ms. Torres introduced Larry Bottorff, CNO/COO; Amanda Lombardo, Clinical Nurse Education Specialist; and William Parker, Consultant.

Ms. Roberts asked if they were previously under Pacific Health. Mr. Bottorff said Pacific Health Corporation sold Newport Specialty Hospital to Alta Hospital.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for Alta in the amount of \$307,966.

Motion carried, 7 – 0.

Balfour Beatty Construction, LLC

Ms. Torres presented a Proposal for Balfour Beatty Construction, LLC (Balfour Beatty), in the amount of \$350,400. Balfour Beatty is a construction management company for private developers and public entities such as K-12 school districts and higher education facilities.

Ms. Torres introduced Brian Cahill, President/Southwest Division; Denise Dye, Controller/Southwest Division; and Kyle Frandsen, Sustainability Project Manager.

Mr. Broad asked if they have 48,000 employees worldwide and 2,300 in the U.S and if they are an international construction management company. Mr. Cahill said Balfour Construction U.S. is one of the top five construction companies in the U.S.

Mr. Rodriguez asked if this is their first ETP proposal and how they became engaged with ETP. Mr. Cahill said yes, I heard of this program through general research, participated in the Webinar, and learned about ETP. Mr. Rodriguez asked if their Dallas Texas employees are aware that ETP exists in CA. Mr. Cahill said I don't think they do. Mr. Rodriguez said pass ETP along to the Chairman and CEO of your company in Texas.

Ms. Fernandez asked for clarification; are you strictly project management? Mr. Cahill said we do design projects in the construction area but we are one of the top education construction management companies in CA. For the funds we are requesting today, this program is focused on increasing employee productivity, efficiency and job skills. As we get into the program and get more experience, we are looking at expanding the curriculum.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for Balfour Beatty in the amount of \$350,400.

Motion carried, 7 – 0.

Thales Avionics, Inc.

Ms. Torres presented a Proposal for Thales Avionics, Inc. (Thales Avionics), in the amount of \$277,200. Thales Avionics is a manufacturer of interactive In-Flight Entertainment (IFE) and connectivity systems for the airline industry such as Airbus and Boeing. The company offers a wide range of cabin systems designed to make flying a more enjoyable experience for passengers and crew before, during and after flight.

Ms. Torres introduced Samantha Sverdloff, Manager of L&D Operations & Business Partnering.

Ms. Roberts asked staff if they are a repeat contractor. Ms. Torres said yes, that is correct; they had a previous contract many years ago.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of Thales Avionics in the amount of \$277,200.

Motion carried, 7 – 0.

United Parcel Service, Inc.

Ms. Torres presented a Critical Proposal for United Parcel Service, Inc. (UPS), in the amount of \$749,576. UPS is a global leader in logistics, offering a broad range of solutions including: transportation of packages and freight; facilitation of international trade and deployment of advanced technology. UPS also provides industry-specific customer solutions in the areas of healthcare and e-commerce. UPS services 1.5 million pick-up customers and 7.9 million delivery customers daily.

Ms. Torres introduced Brenda Fountain, West Region Tax Director.

Ms. Roberts said her employer uses UPS to train their workers, so she knows how viable and valuable that type of training is for employees in logistics.

Mr. Rodriguez asked, in her experience of 31 years in the position, what has been the highlight of training, as the company has transformed. Ms. Fountain said at the Phoenix, Arizona location, the drivers walk on platforms. ETP helped us with our last sales training, right now much of it is CBT training. We invest in our employee training, and that is why people stay with the company for so long.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the Critical Proposal for UPS in the amount of \$749,576.

Motion carried, 7 – 0.

Fox Factory Holding Corp.

Creighton Chan, Manager of the Foster City Office, presented a Proposal for Fox Factory Holding Corp. (Fox), in the amount of \$314,936. Fox and its subsidiary, Fox Factory Inc., designs, engineers and manufactures high-performance shock absorbers and racing suspension products. Merchandise is fabricated for mountain bikes, snowmobiles, motorcycles, all-terrain vehicles, utility terrain vehicle, off-road and on-road vehicles and trucks, sports utility vehicles and specialty vehicles. Fox supplies to and services customers consisting of OEM bike and powered vehicle manufactures, military vehicles, race teams, after-market dealers and distributors of bike and powered vehicle components.

Mr. Chan introduced Martha Chavarria, HR Business Associates and Dale Silvia VP of HR.

Ms. Roberts asked if they do any work with track chairs for disabled veterans. Mr. Silvia said we've actually worked with one of the racers that have used our product, we worked with him in creating an artificial leg using technology we did, and he has a company that sells to veterans. So while we haven't worked with the track chairs, we have used the technology.

Ms. Bell said regarding your strategies for recruitment for the 106 workers, what are your strategies, because you are competing with the agricultural workers. Mr. Silvia said they have six facilities and it's more difficult to recruit workers in Watsonville than it is in their El

Cajon facility. Ms. Chavarria said they are reaching out through job fairs, organizations, economic workforce and in colleges.

Mr. Broad asked staff about the footnote that says “the proposal was scheduled to be heard in December 2014. Staff recommends grandfathering the calendar year 2014 wages to ensure there has been no detriment caused by the cancellation of December’s meeting where, as here, some occupations would not meet the calendar year 2015 wages.” He asked how many workers are included and what for difference in wages.

Ms. Reilly said we have done this in the past when we cancelled the December Panel meeting. In other words, we are just holding the contractor harmless because it was something that they could not have recently anticipated at the time when they were projected to be here in December. We’ve only made this footnote annotation to recommend that the Panel basically hold them harmless under equitable principle when they need it. I’m looking at the wage tables now as published on our website, and for example in San Diego County, the difference for job creation is an increase of .28 cents per hour. Mr. Broad said yes, that’s my point; the equity here may be on favor of the workers as opposed to the employer in this situation. Because also, they could have just been scheduled for January Panel meeting and they may meet the .28 cents, I don’t want to do this automatically when they don’t need it. Can you pay somebody .28 cents more per hour to meet this? Ms. Chavarria said yes, absolutely. Mr. Broad said we don’t grant waivers of these rules for no reason; there needs to be a good reason for it. I don’t think the waivers should be automatically granted when it comes to what workers are paid; that’s my point. We don’t need to do this; we can hold them to the 2015 wage. He asked if the company representatives were in agreement. Both company representatives agreed.

ACTION: Mr. Broad moved and Ms. Roberts seconded approval of the Proposal for Fox in the amount of \$314,936.

Motion carried, 7 – 0.

On-Site Manager, Inc.

Mr. Chan presented a Proposal for On-Site Manager, Inc. (On-Site), in the amount of \$233,512. On-Site is a cloud-based software provider of solutions for the rental real estate business. The company provides a full-featured leasing platform for property managers and their renters. Products include software for building websites, processing rental applications and payments, and generating and storing leasing documents. The company’s products also provide lead generation (for property management companies), website, advertisement syndication, online rental application and document generation and cloud-based file storage and management.

Mr. Chan introduced Emily Mavrodudis, Director of Training.

Ms. Roberts asked who will actually do the training for your employees. Ms. Mavrodudis said her, or a designee, and two other full-time training specialists to assist with this effort.

Mr. Broad asked for an explanation of what the company does. So, essentially you are creating platforms for online applications for renters to rent from property owners to replace the traditional paper process? Ms. Mavrodudis said our clients purchase our software for building websites, processing rental applications and payments, and generating and storing leasing documents.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the Proposal for On-Site in the amount of \$233,512.

Motion carried, 7 – 0.

Sungevity, Inc.

Mr. Chan presented a Proposal for Sungevity, Inc. (Sungevity), in the amount of \$334,776. Sungevity provides services to residential homeowners in photovoltaic solar lease and purchase programs. Customers can sign a 20-year lease or purchase a solar system. While Sungevity does not manufacture solar panels, it does market, design, and provides customer support.

Mr. Chan introduced Brett Johnson, Training Manager and Lee Edenfield, Consultant.

Mr. Rodriguez said you are taking advantage of the Enterprise Zone Easy Credits? Mr. Edenfield said no, they are not eligible for those credits right now.

Ms. Roberts asked if their primary customer base is residential rather than government agencies. Mr. Johnson said yes, it is primarily a residential base. Ms. Roberts asked if the residential customers own their solar system. Mr. Johnson said we offer whatever the customer wants. We used to install only, but have moved into the purchase of the solar systems now too.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for Sungevity in the amount of \$334,776.

Motion carried, 7 – 0.

Mr. Broad said I wanted to mention that the issue that we just dealt with, in regard to the December moving to January post-retention issue. It comes up in two more proposals today, under Tab #22 and Tab #24. He suggested the representatives for those proposals; think about their answer to the question of whether they can pay the extra .22 cents per hour.

Sutter Home Winery, Inc. dba Trinchero Family Estates

Willie Atkinson, Manager of the Sacramento Field Office, presented a Proposal for Sutter Home Winery, Inc. dba Trinchero Family Estates (Trinchero), in the amount of \$749,700. Trinchero produces 35 different brands of wines which are sold worldwide. Customers include retail grocery chains, club stores, restaurants and establishments where liquor is sold. On a yearly basis, Sutter Home produces approximately 20 million cases of wine in their production facilities located in California.

Mr. Atkinson said these will be net new jobs. This will be made a condition of the agreement, but is not included in the ETP 130.

Mr. Atkinson introduced Tom O'Brien, Managing Director of Human Resources and Nicola Duffy, Training and Development Manager.

Ms. Roberts said this is a large contract and asked if they have any additional assistance from any outside administrator. How familiar are you with ETP? Ms. Duffy said she is relatively new to the company; she's been in the states for about a year and half. I have done similar applications in Ireland in the last company I worked with, training a workforce of about 700 employees. Ms. Roberts asked how many facilities they will be training from. Ms. Duffy said they will train in Napa and primarily in Lodi. Ms. Roberts said first proposals do get very complicated, lean on staff if needed, it's a great contract and we want you to be successful.

Ms. Bell asked of the 330 employees at their other facility, 230 are transferring. How do you plan to recruit for the remaining employees in Lodi. Mr. O'Brien said, we intend to hire from the local community so primarily from the Lodi, South Sacramento and Stockton area. There are quite a few other wineries in that area that we would be able to draw from, in terms of experience. It's also in an area that has a fairly high unemployment rate so we are hoping to find employees in the local community.

Mr. Rodriguez asked if the company still owns many acres of vineyards or have they moved now to where they have purchased the grapes from other companies, and you are now in the processing part of the business now. Mr. O'Brien said over the last several years they have added to their acreage in terms of their vineyards, going from about 4,000 or 5,000 to about 7,000 on our way to 10,000 over the next couple of years. Like all wine companies, we have an in-house process where we actually grow our own grapes, and then we also purchase from other growers. Over the years, that balance has gotten a little out of whack, to the point that we have been not in full control of acreage, which can affect your quality, which is very important, so we are getting that back in balance, so there are many investments we are making.

Ms. Bell asked if they grow throughout CA. Mr. O'Brien said yes, they do. Ms. Bell asked if they grow in Monterey County. Mr. O'Brien said yes, I believe we have operations in Monterey County, Central Coast; it may be Santa Barbara that we have some vineyards.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Critical Proposal for Trinchero in the amount of \$749,700.

Motion carried, 7 – 0.

Multiple Employer Proposals

Cargo Network Services Corporation dba CNSC Corporation

Mr. Griffin presented a Critical Proposal for Cargo Network Services Corporation dba CNSC Corporation (CNSC), in the amount of \$293,216. CNSC is a membership-based trade

organization that supports the air cargo industry in the United States. CNSC is recognized worldwide for its unique skills training in the air cargo sector. The training programs ensure workers are up to date with aviation industry standards that include air navigation services, airline management, aviation law, aviation safety and security and ground operations.

Mr. Griffin introduced Theresa Light, Manager and Rocio Vegas, Operations Manager.

Ms. Roberts asked since this is your first time to ETP, how would you normally receive funding to do your training. Ms. Light said we have a global training organization; we train our industry members worldwide. Our wholly-owned subsidiary CNS is focused primarily in the U.S. We charge a fee for our training programs. One of the reasons that brought us here is that we have a very successful partnership and relationship with the State of Florida. They have a similar program there where they allocate funds annually to certain industries, and one of those industries is trade and logistics. Because we had such tremendous success with that program, we wanted to bring a similar business model to the West Coast. We have many members that are based here and our freight forwarders and airlines are desperate for quality training; through research, Rocio was able to identify ETP.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the Proposal for CNSC in the amount of \$293,216.

Motion carried, 7 – 0.

Santa Clarita Community College District

Mr. Griffin presented a Proposal for Santa Clarita Community College District (Santa Clarita CCD), in the amount of \$468,551. Santa Clarita CCD is a two-year fully accredited community college. The district offers students a full range of vocational and academic programs necessary for transfer to a four-year institution. Santa Clarita has an enrollment of approximately 31,000 students. Santa Clarita CCD includes a contract education, Employee Training Institute (ETI), which customizes training and education programs for employers. ETI is also part of the district's economic development division whose main goal is to support economic and community growth in the region.

Mr. Griffin introduced Joe Klocko, Dean, Economic Development College of the Canyons and John Milburn, Director of Employee Training Institute.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. McBride seconded approval of the Proposal for Santa Clarita CCD in the amount of \$468,551.

Motion carried, 7 – 0.

Santa Ana Chamber of Commerce

Ms. Torres presented a Proposal for Santa Ana Chamber of Commerce (SCC or Chamber), in the amount of \$649,865. SACC has worked to bring a higher level of economic prosperity

to area business owners, workers, and residents through its business development programs in Orange County. The Chamber works in partnership with and relies upon input from its councils, committees, and task forces to identify and implement strategies and programs that benefit its constituency. These working bodies provide an opportunity for involvement of SACC members and stakeholders with a broad representation of business, government, non-profit and educational entities. One of the Chamber's major initiatives is workplace development in key industries. SACC has identified sustainable employment opportunities in a handful of priority, technology-driven industries: IT/technology; automotive; business services; construction; healthcare; biotechnology; logistics/transportation; aerospace/defense; manufacturing and new media.

Ms. Torres said this proposal was first presented during the November 2014 Panel. The Chamber was asked to return to the Panel to fully address questions from the Panel. When the Chamber first began offering ETP training in IT computer skills, its agreements focused on companies in the greater Orange County area; these companies had other facilities with the same training needs located throughout CA. As such, ETP has allowed Santa Ana the flexibility to train employees statewide from other geographic areas. Training will be provided using online software to deliver live instructor-led E-learning training via the Internet. Classes are completed on formal lecture and instruction demonstrations and interactive hands-on laboratory exercises, under the guidance of a live instructor. Training will be provided by Saisoft, a training vendor specializing and delivering IT training using the latest technologies. Santa Ana's VP of Operations will coordinate the delivery and compliance of the proposed ETP funded training. Santa Ana has contracted both the administration and all training.

Ms. Torres introduced Marty Peterson, VP of Operations and A.K. Thakore, President of Saisoft.

Mr. Broad said before we begin, we have some outstanding issues to address. Mr. Knox said one of the things we were directed to do by the Panel last time, was to answer some questions that were brought up. Our General Counsel has looked at several of those questions, and Ms. Reilly has some comments on the research that was done on the legal issues.

Ms. Reilly said issue I looked at, is whether or not there is an additional requirement for a licensure or subscription for the proprietary software that you are using, to train your people in. I don't have a legal opinion on that, except to say it's a matter of whether or not the proprietary software company chooses to come to you and say you are using it improperly. As I understand, you are in licensed in the use of the so called freeware, and have an agreement to use that freeware, and you have several other sources of access to the proprietary software products, including some that you're paying for through your own subscriptions via your servers and some that the trainees themselves have access to their employers and so forth; it's a combination.

Ms. Reilly said I did read your letter to Microsoft, for example, and I understand you have not received a response back to them. We talked to our own IT people and apparently these things are open to interpretation, so basically I'm saying, it's up to you, Microsoft, and the other proprietary software manufacturers to reach an agreement as to whether or not the

terms of licensure are being adhered to, as you licensed the freeware. Is that correct, that you do license their freeware, that there's an agreement to use it?

Mr. Thakore said as we explained in our response, the open-source software which is all the different variations of Linux, those are freely available for any corporation to download and use without any restrictions; that is the nature of open-source software. Coming specifically to the trial version of vendor's software, such as Microsoft, no; Saisoft has not entered into any agreement with Microsoft and the employers are the ones who are using the trial version of that software, for the purpose of testing and evaluation and internal use for a limited period of time; training being one of those activities.

Mr. Broad said here is how I think we need to resolve this issue, because it's not the Panel's responsibility to make sure that people have licensing. Therefore, I suggest that we have a standard provision in our contracts, if we don't have it there already, that whoever is making the application indemnifies the State of CA for any liability that you have for failing to obtain the software. I'm concerned about the liability of the State. We are granting money, we are aware that you are using the free trial software. That's not a very enviable position for us to be in, because we are not in control of this situation, and it's not easy to get an answer from Microsoft, but Microsoft could decide they don't want to answer our question or your question, and sue everybody anyway. So I think there should be a standard provision in our contracts in which the applicants indemnify the State for any liability that arises from the use of software. We are giving out the money and assuming you are acting lawfully in all capacities.

Ms. Reilly said yes, we do have an indemnification provision and we can make it more specific on this issue. Mr. Broad said yes, I think given that we are in the age of the Internet; we probably need to have a robust and specific provision in place. Mr. Peterson said yes, we would agree with that provision, which is fine. Mr. Broad said it seems to me just listening to this situation and talking with staff, it may be that a company such as Microsoft totally wants this or it may be that they don't, and it may vary from company to company, and that's incumbent upon you to figure out when you are putting together your training.

Mr. Peterson said to make you aware, we actually use a lot of software with this. Because there are all different arrangements, the software that runs in the classes, Mr. Thakore has licenses for all of the participants. The teachers that demonstrate with the software, they own licenses for that. The software that is used for the evaluation comes into play through the labs via the class, not in the actual presentation part of that. There is a myriad of arrangements with that, such as freeware. Then there are certain people that he runs servers for. There were two that were kind of a gray area; Microsoft and another. Unfortunately they were two of the larger ones too. That's where we sent letters to try to get approval. In our opinion, the Microsoft area is less gray. We feel strongly that there's enough there that a reasonable person would say this is okay; now with the other, even less so. With this provision, I'm willing to only allow certain people to get training if the company already owns the software and they use their own computers. Mr. Broad said I think that sounds like a fair solution and I appreciate you making the effort. It seems that for simplicity, all your ducks need to be in a row, licensing agreements go on page-after-page, and may assert their rights one day in licensing agreements.

Mr. Broad said the second issue that came up in my mind, was the question about your training model. In thinking about it and boiling it down, here's what I think the issue is. What is really at stake here with these MECs, is how much work the sponsoring entity does versus how much work the contractor if you will, does. Who is contracting with Santa Ana or other companies in any of these situations? My sense of it is that it varies a lot between different MECs and how they operate; they have different models. Some of them use their own employees, providing all kinds of training, and they are really doing it. Some of them are essentially doing less work and are letting the person in your position do almost everything.

Mr. Broad said I am asking the staff to, without prejudice, and having nothing to do with this contract, about whether our 8% support cost fee, should be something that is automatic, which is what we do; or whether we should look at the model. I don't know if yours is more on the side of the spectrum in which you are doing less work to earn your 8% and there is somebody else that is doing much more work to earn their 8%, and maybe you should be earning 4%, and that money can go back for more training. I'm asking staff to look at this issue, to talk about how it varies, and return to the Panel with recommendations, if any, about whether the solution may be to have a sliding scale with support costs, depending on how much support costs you actually need. Sometimes our rates become the going rate, when it's really the maximum amount. So if there's no objection from the Panel, I'm going to ask staff to do that. Mr. Broad asked if there is anything that you'd like to report back to us about your internal findings.

Mr. Knox said no, I think that pretty much covers what we need to look at. One thing that we do need to look at for quite some time, is the AT rate of \$26 per hour for small business, which is a component; they are getting \$18 per hour for Jobs #3 and #4 for the larger companies, and Jobs #1 and #2 are getting \$26 per hour, I believe. This affects all contractors, so this is something that I don't think one size fits all is going to work. But staff needs to look at, what the AT rate is. It's been years that we've looked at that, and that's another issue that staff needs consider; what that rate needs to be. It could be lower and probably should be lower, but at this point we have not analyzed that because it could affect many MECs. Mr. Broad said let's add that topic for staff to look into, and we will discuss it at a future meeting. Our decision will not affect anyone today, and maybe not for some time to come, but obviously your model Mr. Thakore, has caused much discussion. Some of it comes from your competitors and of course, naturally we view that skeptically. That is to say when comments are coming to us from one competitor to another, we are skeptical. They may be true, they may not be true, but we owe ourselves the obligation to be skeptical about those kinds of claims. Nonetheless, it's happened every time you've come before us, so something is going on there in terms of the relationships in the contractor community. I'm trying to figure out how to get to the bottom of it, in a way that is fair and equitable to everyone. In the end, it may be that we are looking at larger questions about MECs and how they are funded, and at what rate, and for what level of work they perform. I think it is fair for us to delve into the question about whether all MECs are created equal and all provide the same thing. We don't treat single employers equally, and look at them in an individual way. We tend to take a more cookie cutter approach with MECs. They are repeat contractors and they do a good job and get the training done. We've favored them over the years, that's been our traditional orientation and maybe it's time to take a look at it, and that is what we will do.

Ms. Roberts said I do have a question about the efficacy of your program, even though we've talked about more around the administration part and the copyrighting. I do a lot of training, and I know that with computer-based training on a screen with multiple people in various locations, that sometimes the effectiveness is not where it needs to be. I'm giving you a scenario, because I asked you to bring to the Panel some testimonials that said they'd been through your program and say I love it, I would never get the job that I have or wouldn't have the skills I have, without your program. Mr. Thakore said there are testimonials on Saisoft's website, attesting to exactly what you just covered. Ms. Roberts said they are saying that they love Saisoft and gone through your programs? Is that what they are saying? Mr. Thakore said yes, there is a testimonial from Affiliated Computer Services; his testimony is on the client's section of Saisoft's website. Mr. Roberts referred to the Six-Sigma program and asked if they give them a week or two weeks of training; what's your program? Mr. Thakore said there is a 40-hour module on it; by the way, that is a very small portion of what we do. Ms. Roberts said I'm just giving you an example; it's just a general idea what green belt Six-Sigma is all about. You don't actually have that person then go out and do projects and come back to you to review what they've done and what kind of efficiencies they've received from those programs. Do you do that? Mr. Thakore said no, we don't. He said trainees bring their live IT projects. Now, what we do is not green belt and Six-Sigma as applied to manufacturing. All of the training is geared towards the IT project management of projects, so the trainees bring their live projects and have group discussions specific to how the quality improvement paradigms are being applied and what the deliverables and metrics are. So there is live discussion around live projects that take place.

Ms. Roberts asked if there is actually a live person that works with them on that, how they interact. Mr. Thakore said they have break-out groups where for lab exercises, the class is broken down into groups of 4-5, this doesn't happen for IT training, this is in response to your specific question about the Six-Sigma quality training. They evaluate what they are learning and how it applies to their projects that they are currently involved in at their companies. It's not the same as having a group that meets again because the most efficient way, I'm sure you're aware, is doing it for a period of several months and the people are being evaluated on the metrics and the results are coming back. That was not feasible in a 40-hour week; we try to do what we can; they like having break-out group discussions and we have a shared white board tool that we use for that purpose. We save the white board notes, and we save those so that they become class notes the participants can take with them. Ms. Roberts asked if their training is across CA. Mr. Thakore said yes, that is correct. Ms. Roberts said ETP has been funding you since 2009 every year. Do you receive funding from any other organization, or is ETP your primary source of funding? Mr. Thakore said we are looking at other states and in fact, a couple of the states I've spoken to have been very impressed with what we are doing here in CA, and we are exploring that now. Again, the same distance model, they are very open to the delivery model, they are very impressed with the quality of training we've done, as well as how we've adapted the live online training model to IT training. There's a big shift going on within the training industry in general, within IT training in particular. If I were to make a prediction, with the companies that are not evolving fast enough, there are already many training companies that are going under. There is a big shift towards live instructor-led online training, simply because of the efficiency. Ms. Roberts said we are seeing many online courses with colleges, so I would think that having a more online model is very effective. Based on some of the e-mails I received as well as some of the other

Panel members, there was a question around your efficacy of your material, which is why I wanted to ask questions about it.

Mr. Thakore said I'd like to address that for staff, monitoring analysts, even some of the auditors. We have had staff Tara Armstrong sit-in on one of our classes. They routinely talk to the trainees and have received very positive responses. Every now and then if a teacher is not performing well, I have to make staff changes, which is true of any service business that is out there. He said by-and-large, companies have been very happy and satisfied, with not only the quality but the efficacy of this model; so that surprises me. Mr. Peterson said I'd like to invite any of you to sit in on classes. The classes that I have sat in on are very impressive; there is much interaction going on. It's not just looking at a presentation, the teacher is talking, they switch back and forth between a live system where they are entering information in, and you can see that going on. Students can text in questions and teachers will answer back where everyone can hear it, and you can see all of the questions that are being texted. It's very well done.

Mr. Rodriguez said, just for my own personal clarification, in looking at the contract. Saisoft has a vendor who will be receiving \$545,616. Saisoft has an administrative service provider who received an additional \$38,972 for a total of \$584,588. ETP is funding in the amount of \$649,865; with a difference of \$55,277. That difference goes to Santa Ana? Mr. Peterson said yes, that is correct. Mr. Rodriguez asked do you concur with those numbers. Mr. Thakore said yes, I do.

Mr. Broad said you are one of two projects where this end of 2015 wage level issue arises. Do you have any problem with the 2015 wage level? Mr. Peterson said no, not at all. Mr. Thakore agreed. Mr. Broad said this is your third time back before the Panel with this proposal. We have heard the substance of it; do any Panel members have any other questions? Mr. Broad asked if Mr. Peterson or Mr. Thakore had any questions or anything further to add before the proposal was voted on. Mr. Thakore said I'd like to address the e-mails you received. Mr. Broad said the e-mails were anonymous. Mr. Thakore asked if the e-mails could be shared with them and said if there is room for improvement, I definitely want to do that. Mr. Broad said I don't see any reason why the staff can't share the substance of the e-mail with you. As I said earlier, anonymous e-mails are due the weight anonymous communications are generally due, which is not a lot. If you feel strongly about something and in the absence of the person you're complaining about, you really should be able to sign your name to an e-mail. So I don't think that we gave that a lot of weight, but we asked that it be addressed. I'm satisfied at this point and prepared to vote for this proposal. Just because you do things maybe that some other people do in a different way, it doesn't make it wrong. Our staff has basically come back over-and-over again, saying there is nothing illegal, nothing wrong here, a little different. Your model raises questions, you have cooperated in answering the questions, we have discussed and talked about how to resolve some of the issues raised, and the extent that the issues raised by this proposal raise issues about MECs generally. We need to look at things fairly and objectively as much as we can. I don't want you to think we are picking on you specifically; we have approved many of your proposals. Mr. Thakore said I appreciate that. Mr. Broad said I'm prepared to vote to approve this proposal but I hope that we can, with the help of staff, reach a comfort level that the trainees that received the training based on taxpayer funds are getting a full bang for their buck.

ACTION: Mr. Broad moved and Mr. Rendon seconded approval of the Proposal for Santa Ana Chamber of Commerce in the amount of \$649,865.

Motion carried, 6 – 0 – 1 (Sam Rodriguez abstained from the vote)

California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund – Northern California

Mr. Chan presented a Proposal for California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund – Northern California (NorCal Ironworkers JATC), in the amount of \$423,715. NorCal Ironworkers JATC operates training centers equipped with the newest training aids and technology in Sacramento, Fresno, San Francisco, San Jose and Benicia. The training centers are a partnership between four International Brotherhood of Ironworker local unions and signatory employers who are participating in this proposal. (Local 118 in Sacramento, Local 378 in Benicia, Local 155 in Fresno and Local 377 in San Francisco). Employers partner with these unions to create and maintain an easily mobilized and highly specialized workforce. Its mission is to provide customers with high quality, on-time, within budget and accident-free craftsmanship.

Mr. Chan introduced Dick Zampa, Apprenticeship Director and Jan Borunda, Project Coordinator, CA Labor Federation.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for NorCal Ironworkers JATC in the amount of \$423,715.

Motion carried, 7 – 0.

California Manufacturers & Technology Association

Mr. Atkinson presented a Proposal for California Manufacturers & Technology Association (CMTA), in the amount of \$649,755. CMTA is a trade association representing a large number of California's manufacturing, processing, service, and technology-based companies. Headquartered in Sacramento, CMTA has worked closely with its member companies and ETP to implement successful work skills training programs for over 20 years. CMTA's comprehensive advocacy and educational initiatives seek to foster a business environment that will lead to the retention and creation of high-wage, high-skill jobs that will enhance the overall prosperity of CA. CMTA promotes training programs and policies that help manufacturers achieve higher performance.

Mr. Atkinson said the training plan table includes the grandfather clause about the 2014 wages; however, they do not need it and will use the 2015 wages.

Mr. Chan introduced Dorothy Rothrock, President; Rob Sanger, Manager of Training Services; and George Wernette, Co-Owner/Vice President, representing Tri Tool, a participating employer in the project.

Mr. Broad congratulated Dorothy in her new position as President of CMTA, and said it is very well deserved.

Ms. Roberts asked how many employees Tri-Tool has. Mr. Wernette said they have 201, and 140 are located in Rancho Cordova.

Mr. Rodriguez asked Mr. Wernette if he could submit his comments to the Panel for the record, and to also share with the Governor's office. Mr. Broad thanked Mr. Wernette for attending the Panel meeting and said it's nice to hear from the people that are receiving the money directly and whose workers are getting the training. Mr. Wernette said it's very nice for us, an employer, to have the State of CA helping us out.

Ms. McBride asked were you under a different name in this proposal? Mr. Sanger said they came a little late, so they were not included on the list of participating employers.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the Proposal for CMTA in the amount of \$649,755.

Motion carried, 7 – 0.

Fresno, Madera, Kings & Tulare Counties Electrical Industries Joint Apprenticeship and Training Committee

Mr. Atkinson presented a Proposal for Fresno, Madera, Kings & Tulare Counties Electrical Industries Joint Apprenticeship and Training Committee (Fresno Electrical JATC), in the amount of \$317,520. Fresno Electrical JATC provides up-to-date skills training and secures high-quality job opportunities for its members. The Fresno Electrical JATC is governed by a Board of Trustees comprised of labor and management representatives, and is a joint effort of the International Brotherhood of Electrical Workers (IBEW) Local 100 and the National Electrical Contractors Association (NECA). All trainees are members of IBEW Local 100 located in Fresno, Madera, Kings and Tulare Counties (Region).

Mr. Atkinson introduced Chuck Stanton, Training Director and Jan Borunda, Project Coordinator, CA Labor Federation.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for Fresno Electrical JATC in the amount of \$317,520.

Motion carried, 7 – 0.

Amendments

Mr. Broad said we have four Amendments remaining. We have obviously heard the proposals before, so unless a Panel member has an objection, I'm prepared to make a motion to approve all four of them. There was no objection by any of the Panel members.

ACTION: Mr. Broad moved and Mr. Rodriguez seconded approval of Tabs #26, #27, #28 and #29, the four remaining Amendments, as follows:

- Tab #26 El Camino Community College District, Center for Applied Competitive Technologies (CACT)
Approved in the Amount of \$80,480
- Tab #27 Hayward Pool Products, Inc., a Division of Hayward Industries, Inc.
Approved in the Amount of \$67,800
- Tab #28 J & R Film Co., Inc. dba Moviola Digital Arts Institute
Approved in the Amount of \$111,200
- Tab #29 Riverside Community College District, Office of Economic Development
Approved in the Amount of \$375,116

Motion carried, 7 – 0.

X. PUBLIC COMMENTS

Mr. Thakore said this has come up several times, I want to understand; so in a situation when a MEC is contracted with a subcontractor for administrative purposes, the regulations limit administrative fees, and I'm assuming the attempt behind that policy or regulation is to ensure the money is dispensed equally. So most of the training money goes to the contractor, but if the contractor doesn't have the ability to train, it gets paid to a subcontractor. Am I right or am I wrong? Mr. Broad said you're right in the general sense. The issue that has arisen with your model is that the contractor is Santa Ana Chamber, they are sort of a ghost and they are really not performing any work; they are kind of a front for you to be able to operate as a MEC. So there has been a lot of argument made to us, mostly inside whispers, not publicly, that this is some kind of a contortion if you will, of the intention of the program. What I've come to conclude about it is, I don't know whether it's what the Legislature intended, or our rules intended for a MEC, and it's clear to me that all MECs are not the same and the kind of training they are doing is not the same and it's a continuum. The continuum on one side is out of the box training for standard office skills such as Microsoft Word, standard basic vanilla computer training. Then all the way on the other side of it, we have some MECs that are providing highly specialized, highly skilled training to very high wage employees in the movie industry, and I believe we've had them in aerospace and in high manufacturing, then there is the middle. Then there's another continuum that's happening, where the actual contracting entity which is doing a lot of the work themselves, and doing the training, and so on, to ones that are essentially lending their name to it and their connections. They don't do much; they are not involved in the training themselves, they are not really supervising the training, they are not talking to the workers, or don't have much connection with the employer. That's the continuum; but what we have is a funding system that treats all of it the same; that's essentially what we have, and we tend to fund it entirely the same. The only conclusion I can reach, is that it is not appropriate to pick on you every time you come to the Panel with the same proposal and the same model, because it's on one side of that continuum or another. The only thing that we can do is respond in the way we are set up to do. We have reached the conclusion collectively with staff that there is nothing inappropriate about your model, and you have been subjected to a degree of scrutiny of that model, that few of your competitors have. I will freely acknowledge that, and I am not comfortable entirely with that. Mr. Thakore asked, do you mean with the model or the degree of scrutiny. Mr. Broad said the degree of

scrutiny of your model, and I think it deserves some degree of scrutiny, but you're not doing anything illegal or wrong. But I think there is a question that it raises, and it's a legitimate question. It's a larger question about MECs in general because I don't know where they all sit, and whether people should be reimbursed at the same rate for less work or more work. I think we need to now have staff take a look at that question, so that the next time you return to the Panel we are not getting questions about what is wrong with the Saisoft model, but this is how to reimburse the Saisoft model and anybody else who adopts your model. This is how we deal with these guys over here, that are teaching people how to build nuclear submarines or something, on the other side of the continuum, and these are the rates, or whether trying to do any of that is too complicated to administer, which is what we are going to be balancing. With that, you are a good sport, you have put up with a lot, you have been very respectful of the process, you've answered the questions, you haven't gotten angry, and I could see how somebody would get angry and resentful. I very much appreciate that as someone who has spent much of his life advocating for things in a public forum, sometimes it's hard to have that level of forbearance. I'm not going to apologize to you because I don't think there's anything that we have done that isn't appropriate or warranted. It's our job as Panel members, and I think you have recognized that, and I think the Santa Ana Chamber has recognized that. You've answered our questions, you've done it in good faith, and I can only say thank you for doing that.

Ms. Roberts asked if Mr. Thakore has contracted with other Chambers of Commerce's. Mr. Thakore said yes, he has. Ms. Roberts said I do remember, and this is what triggered my point, so if you think I am over-harsh on my comments, one time I think you came through, and this is just a scenario, I've been on the Panel for eight years now, so it's been a while. You came through and you had three contracts with three different entities, I think a community college and maybe a chamber. Mr. Thakore said but it wasn't by design. Ms. Roberts said so you were walking out with way over \$1 million, just your company. Mr. Thakore said those were first-timers and they each received \$250,000. Ms. Roberts said whatever the amount of money was; I thought it could be abused. Mr. Thakore said yes, absolutely. Ms. Roberts said you say you are going to do all this training, you're going to get \$60,000, and I'm going to walk away with \$2 million. How do we monitor that? Mr. Thakore said I think that the staff, the auditors, look at it from all angles, and I do appreciate that. In fact on our website, we are very transparent and open. I invite anyone to go to visit our website and make a particular point that these are taxpayer dollars. The whole program is explained in details. Ms. Roberts said more of my comments are around abuse; normally we don't receive anonymous e-mails, so when this comes about, it triggers the Panel and sends red flags. We weren't trying to target you, but somebody else besides ourselves was thinking the same thing, so that's why we had to address that. Mr. Thakore said I'm happy to answer any questions not only at this meeting, but any questions that come afterwards, I'd be happy to answer any questions about operations or training.

XI. MEETING ADJOURNMENT

Mr. Broad adjourned the meeting at 11:58 a.m.