



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**
California Environmental Protection Agency
1001 I Street
Sierra Hearing Room, 2nd Floor
Sacramento, CA 95814
March 25, 2016

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Sonia Fernandez
Member

Leslie McBride
Ex-Officio Member

Gretchen Newsom
Member

Edward Rendon
Member

Sam Rodriguez
Member

Executive Staff

Stewart Knox
Executive Director

Maureen Reilly
General Counsel

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING
California Environmental Protection Agency
1001 I Street
Sierra Hearing Room, 2nd Floor
Sacramento, CA 95814
March 25, 2016

I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Acting Chair, called the meeting to order at 9:31 a.m.

II. ROLL CALL

Present

Gloria Bell
Janice Roberts
Sonia Fernandez
Leslie McBride
Gretchen Newsom
Edward Rendon

Absent

Barry Broad
Sam Rodriguez

Executive Staff Present

Stewart Knox, Executive Director
Maureen Reilly, General Counsel

III. AGENDA

Vice Chair Roberts asked for a motion to approve the Agenda.

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

Motion carried, 6 - 0.

Mr. Knox said, at the company's request, we are pulling out Item #14, Abbott Vascular Inc. from the Agenda. We will also have a discussion on the Multiple Employer Contract (MEC) Broker Model at 10:00 a.m., but we will not be taking any action on that matter. All the information regarding the MEC Broker Model will be posted on our website after our Panel meeting for the public to see.

IV. MINUTES

ACTION: Ms. McBride moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the February 26, 2016 meeting.

Motion carried, 6 - 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, said, welcome and good morning Panel members, applicants, and stakeholders. I would like to introduce Gretchen Newsom, our newest Panel Member, appointed by the Speaker of the Assembly, Toni Atkins. Ms. Newsom was sworn in on March 18, 2016.

Ms. Newsom said, it's a pleasure to be here. Thank you.

Mr. Knox said, following the last Panel meeting in February, we have a smaller Panel meeting today with approximately \$7.6M in projects with an additional \$366,000 in Delegation Orders for a total of just over \$7.9M. I will also update you on how we are doing on our funds as we get closer to the end of the Fiscal Year (FY) 2015/16.

Today we have a mix of single employer and multiple employer projects. Regional Office Managers Greg Griffin, Creighton Chan, and Willie Atkinson are here today to present those proposals.

Regarding the Budget for Alternative Fuels and Vehicle Technology Program in partnership with the California Energy Commission, we have about \$200,000 remaining in this FY. Since December 2015, the \$2M of drought funding has been completely encumbered, and we have not been allocated additional funds.

In regards to the CORE funding for the FY 2015/16, to date, the Panel will consider an additional \$7.6M in projects with another \$366,000 approved by Delegation Order. Should the Panel approve all the projects today, the Employment Training Panel (ETP) will have approximately \$4.2M for the remainder of FY 2015/16, which will take us fairly close to the end of the FY. As I mentioned at the previous Panel meeting, we will not hold a meeting in April, but we will have a meeting in May, and we will also hold a planning meeting with the Panel Members to discuss how the funds are allocated. Beginning in June 2016, the funds for the next FY will be released. We will also present the funding projection for the upcoming FY; it will be similar to this year's funding, about \$90M.

Under Delegation Order, all project proposals are capped at \$100,000 to be approved by the Executive Director on a continuous flow basis, and as of today, we have approved 11 projects totaling over \$366,000.

For the FY 2015/16 program funding, to date, we have approximately over 680 projects submitted in the first and second round of applications, with a value of just over \$130M. Our demands are still very high. If all the projects are approved today, the Panel will have approved close to \$86.5M in proposals. Financially we look very strong. We are not cutting

out the pre-applications. Most of the applications that are coming in, as noted from the last Panel Meeting, are repeat contracts, and they are getting in line for the next year's funding cycle.

In regards to the FY 2015/16 Fund Status Report, staff has been adjusting the funds through the current projections for the remainder of the FY to maximize each funding category.

Regarding applications for contracts that are still in the regional offices: Single Employer Contract requests are at \$25M in demand. Multiple Employer Contract (MECs) requests are at \$7M in demand; \$1.4M in allocations. Small Business has \$4M in demand; \$1.4M in allocations. Critical Proposals are at \$560,000 in demand; \$755,000 in allocations. Apprenticeships are at \$5.1M in demand; \$1.2M in allocations. Overall demand is approximately \$40M.

Regarding the number of projects remaining in the regional offices today: Single Employers 110, MECs 9, Small Business 89, Critical Proposals 2, Apprenticeships 11; total of 221. AAU by category: Single Employers 64, MECs 13, Small Business 60, Critical Proposals 1, Apprenticeships 15; total of 153. As we've gotten closer to the start of next year's funding cycle, we have had an uptake of new applications. Staff is currently working very hard with those projects; about 70% have been assigned to the regional office thus far.

In regards to the legislative update, the following bills have been introduced in the 2015-16 legislative session that have a potential or direct impact on the ETP, or that may be of interest to the Panel:

AB 1598 Budget Act of 2016 and SB 825 Budget Act of 2016. These are the budget bill placeholders for this year's budget.

AB 2288 Apprenticeship Programs: Building and Construction Trades. This bill would require the California Workforce Development Board and each local board to ensure that pre-apprenticeship training in the building and construction trades follows the Multi-Craft Core Curriculum developed by the California Department of Education, and that programs funded by the federal Workforce Innovation and Opportunity Act of 2014, and directed to apprentice occupations in the building and construction trades, include plans to increase the percentage of women in those trades. By imposing new requirements on the local workforce development boards, this bill would impose a state-mandated local program.

AB 2642 Removing Barriers to Employment Act. This bill would enact the Removing Barriers to Employment Act, which would require the California Workforce Investment Board to work with the Employment Development Department to create a grant program to provide funds to local workforce investment boards and community-based organizations working in partnership on proposals that will address the needs of persons who have multiple barriers to employment, to prepare them for training, apprenticeship or employment opportunities that will lead to self-sufficiency and economic stability. The bill would additionally appropriate an unspecified amount from an unspecified fund to the CWIB for an administration of the grant program.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #10.

Baycorr Packaging Inc. dba Heritage Paper.....	\$196,416
Building Skills Partnership.....	\$58,260
City of Richmond Workforce Investment Board.....	\$127,350
Giligia College.....	\$48,428
Ly Brothers Corporation dba Sugar Bowl Bakery.....	\$184,992
Mt. San Antonio College.....	\$205,382
PAMC, Ltd. dba Pacific Alliance Medical Center, Inc.	\$155,328
Professionals In Human Resources Association.....	\$236,200
Valley Crest Companies dba The Brickman Group, Ltd.	\$216,000
Watsonville Hospital Corporation dba Watsonville Community Hospital.....	\$126,360

Ms. Newsom asked, regarding Item #1, Baycorr Packing Inc., the post-retention wage under Job Number 1 is \$15.60 per hour and \$6.02 per hour may be used to meet the post-retention wage; \$6.02 seems high. That amount would drop the hourly rate below the California minimum wage of \$10 an hour. Mr. Knox said, we did check on that amount and caught the error yesterday; it should be \$4.60. Our legal counsel will make the correction within the contract. In addition to that, Mr. Chan reached out to the company for verification.

Ms. Roberts said, correction noted.

ACTION: Mr. Rendon moved and Ms. Bell seconded approval of Consent Calendar Items #1 through #10.

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 other action items on the Agenda in consultation with the Panel Chair or Vice Chair.

ACTION: Ms. Newsom moved and Ms. McBride seconded the approval to delegate authority to the Executive Director in event of loss of quorum.

Motion carried, 6 – 0.

VIII. MEC BROKER MODEL

Mr. Knox said, as I mentioned before, we will have a discussion around the MEC (Multiple Employer Contract) Broker Model. All the information regarding the MEC Broker Model will be posted on our website for the public to view after this Panel meeting.

The Broker Model is reflected in Development Fees, Support Costs, Administrative Fees and Training Costs for each MEC. It is typical for this model that development is by the Vendor,

but fees are waived. Also, Support Costs and Administrative Fees are split with the Vendor; and all training by the Vendor, to be paid at the applicable hourly rate. The split of fees/costs is outlined in the subcontract between MEC and Vendor, and shown in the ETP 130.

ETP experience shows that the Broker Model usually arises when the MEC is held by a Chamber of Commerce, a Community College, or a Workforce Development Board (WDB). All of those entities are either public or non-profit.

For purposes of this discussion, only private schools and for-profit entities are considered Vendors. In other words, this discussion concerns public-sector contractors that act as a pass-through for ETP funds paid in large part to private, for-profit sector Vendors.

Background

The Panel has expressed concern over the Broker Model for many years. This issue “came to a head” last month, when the Panel denied a proposal by South Orange County Regional Chamber of Commerce (SOCRCC ET16-0340) for almost \$1.2M including Support Costs at 6%. The denial, by roll-call vote, was primarily based on the fact that half of the costs/fees and all training funds would be paid to one private-sector Vendor: Saisoft, Inc. (Note: Of the \$1.2M requested by SOCRCC, all but \$100,000 would have been paid to the Vendor.)

The Panel also considered that all training was for Computer Skills paid at the Class/Lab rate, although almost all delivery was web-based (E-Learning). Also, that the same Vendor had been retained by SOCRCC in a recent MEC; and the same Vendor had been retained in other MECs during the same Fiscal Year 2015-16. However, these factors were not the primary basis of denial.

Issue

The Panel raised two primary issues in discussing the Broker Model last month:

1. If a contractor does not do development, administration or training then does it have sufficient “skin in the game” to justify fees/costs as a MEC? If so, at what percent?
2. If the same Vendor brokers its services to two or more MECs in the same Fiscal Year, does this “beat the system” when there are limited funding allocations?

The Panel also questioned whether the Class/Lab rate was justified for training when delivery is web-based (E-Learning). However, that subject requires research on rate-setting and is reserved for a later discussion.

Discussion

The Broker Model raises policy concerns and funding priorities that can only be assessed in discussion by the full Panel. An outline of the work required to earn ETP funding is shown below, to foster such discussion:

Development work includes Needs Assessment, Marketing/Recruitment, and preparation of the Application/Proposal. Development fees may be waived or paid up-front. These fees are expected to be paid by a source other than ETP funds. (Note: The Panel put an informal cap on Development Fees at 10% of contract value, which is not at issue.)

Needs Assessment and Marketing/Recruitment is also directly reimbursed by ETP through Support Costs, typically 8% of contract value. Under the Broker Model, Support Costs may be passed-through to a Vendor even if Development Fees are waived.

Administrative work includes trainee enrollment, maintaining attendance rosters and tracking hours of training delivered, meeting with ETP monitoring staff, invoicing and fiscal close-out. These fees are capped at 13% of payment earned, for retraining.

Training delivery includes all methods but is primarily Class/Lab (including E-Learning) or Computer-Based Training. When the MEC is held by a community college or college district, it is unclear why a Vendor is needed to deliver training. Rather, a college may be expected to bring its own expertise to bear in the delivery of training. Payment is by hourly rate(s) based on trainee population, employer size and method of delivery

Summary

In general, performance under the Broker Model has been good. For example, payment earned is projected at 99% for the most recent contract held by SOCRCC (ET14-0303). As well, trainee surveys have demonstrated satisfaction with the quality of training delivered. (Note: Satisfactory training delivery under the Broker Model is not at issue.)

Under the Broker Model, a Vendor can earn the bulk of funding for multiple contracts in the same Fiscal Year. This “beats the system” when MEC funding allocations are limited. The purpose of the Broker Model becomes even more blurred when the Vendor is a training entity, capable of holding its own MEC with proper licensure and certification.

Recommendation

Staff recommends that the Panel take action to restrict Broker Model MECs by one or more of the following methods, on a pilot basis.

- Restrict a single Vendor to $\leq 50\%$ of total Training Delivery in a single MEC
- Exclude Development Fees for any Vendor that also receives part of Support Costs
- Reduce Support Costs for the MEC overall, regardless of the split with any Vendor

Staff further recommends that the action(s) be implemented case-by-case as proposals are presented for funding in the next Fiscal Year (FY) 2016/17. The effectiveness of this approach would be subject to evaluation at the end of next FY, along with any other concerns about the Broker Model overall.

Ms. Roberts said, we are not taking an action on the MEC Broker Model; we are just discussing at this point. The memo will be posted on our website after the Panel meeting for the public to see.

IX. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel, said, I have nothing to report.

X. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

Certified Aviation Services

Gregg Griffin, Manager of the North Hollywood Regional Office, presented a Proposal for Certified Aviation Services (CAS) in the amount of \$492,000. CAS is a leading provider of maintenance, repair, and overhaul services that include airport line-maintenance for fleet operators around the world. CAS is committed to hiring and retraining Veterans.

Mr. Griffin introduced Alex Vorobieff, CFO, George Bandow, Director of Training, and Paul Johnson, CalTraining, Inc.

Ms. Roberts said, you picked great wages. You have a small base of employees to train under this contract and you are requesting 200 hours. The wages, of course, went way up, and that sends up a red flag. Do you have a plan or training schedule in place?

Mr. Brandow said, I have worked with our executive and upper management staff. It has to come down from them to allow our employees to go to training; if not, it doesn't work. The rest of our management team is fully committed in training our employees. Most airlines won't allow you to work on their aircraft unless you meet a specific training. In Europe, where training is taken even more seriously, they have the European Aviation Safety Agency (EASA). Their mechanics are called engineers; they have to go through a lot more extensive training than what the FAA requires for us. I have met with American and Delta Airlines instructors, and their training is 5 weeks per aircraft, which is 200 hours. Currently, we have a contract with Hawaiian Airlines to work on their new aircrafts, and the minimum training required is 5 weeks per mechanic.

Ms. Fernandez said, I'm excited to see this proposal come through; you pay good wages. Creating opportunities for veterans, like myself, is a key component for people that are great leaders who take pride in what they do. I commend your organization for committing to hiring veterans.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the proposal for Certified Aviation Services in the amount of \$492,000.

Motion carried, 6 – 0.

Lance Camper Mfg. Corp.

Mr. Griffin presented a Proposal for Lance Camper Mfg. Corp. (Lance Camper) in the amount of \$490,200. Founded in 1965 and located in Lancaster, Lance Camper builds and

manufactures truck campers, travel trailers, toy haulers, and most recently, ultra-light travel trailers.

Mr. Griffin introduced Jack Cole, President, Roger Strong, Human Resources Manager, and Judith Kreigsmann, Judith's Training Services.

Ms. Roberts said, I'm very proud of your company. I'm glad you chose to stay in California after the economic down turn.

Ms. Bell said, please describe the temporary to permanent employee process? How long are they temporary employees before they become full time permanent employees and receive medical benefits? Mr. Strong said, we use Aerotek to vet qualified candidates to make sure that they are a good match with our company. As part of our contract, at 4 months we convert the temporary employees to permanent status. Once they become a permanent employee, they receive medical benefits immediately. Ms. Bell asked, so a permanent employee can receive medical benefits on day one after the 4th month? Mr. Strong said, absolutely. Ms. Bell asked, what is the percentage of employees that pass the training? Mr. Strong said, our pass rate is over 90%.

There were no further questions from the Panel.

ACTION: Ms. McBride moved and Ms. Bell seconded approval of the proposal for Lance Camper Mfg. Corp. in the amount of \$490,200.

Motion carried, 6 – 0.

Vista Cove Care Center at San Gabriel, Inc. dba Vista Cove Care Center in San Gabriel

Mr. Griffin presented a Proposal for Vista Cove Care Center at San Gabriel, Inc. dba Vista Cove Care Center in San Gabriel (Vista Cove) in the amount of \$420,544. Vista Cove is requesting funding for its employees and those of its close affiliates located in Southern California. This will be Vista Cove's first ETP Agreement.

Mr. Griffin introduced Richard Swartzbaugh, Director of Human Resources.

Ms. Roberts said, I want to commend you on your low turn-over rate. Usually, when we see these types of contracts, we get some sort of excuse as to why they can't keep their numbers under 20%. You've done a great job with 9%; rarely do we see that. Mr. Swartzbaugh said, we have a great team.

ACTION: Mr. Rendon moved and Ms. Bell seconded approval of the proposal for Vista Cove Care Center at San Gabriel, Inc. dba Vista Cove Care Center in San Gabriel in the amount of \$420,544

Motion carried, 6 – 0.

Abbott Vascular Inc.

Withdrawn

Saama Technologies, Inc.

Creighton Chan, Manager of the Foster City Regional Office, presented a Proposal for Saama Technologies, Inc. (Saama) in the amount of \$316,800. Saama provides data and analytics services to help companies fast-track product launches, streamline supply chain, optimize forecast demand, improve marketing strategies, and establish new business models.

Mr. Chan introduced Jennifer Thom, Human Resource Coordinator, Sonya Jeter, Director of Human Resources, Kimberly Kleca and Maria Assalone, RSM US Consulting.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Ms. Bell seconded approval of the proposal for Saama Technologies, Inc. in the amount of \$316,800.

Motion carried, 6 – 0.

VF Outdoor, LLC

Mr. Chan presented a Proposal for VF Outdoor, LLC (VF Outdoor) in the amount of \$327,600. VF Outdoor manufactures outdoor apparel and gear for the active life.

Mr. Chan introduced Angela Gannon, Director of Human Resources and Ann Ervin, Tax Credit Company.

Ms. Roberts ask, why haven't you come before the Panel in the past? Ms. Gannon said, to tell you the truth, I've only been with the company for a couple of years in this location. I was in Nashville for several years. This is the first time that I've heard of ETP. When the company developed an initiative to look at it, they determined that this is something that we should apply for. Ms. Roberts asked, is your facility on Plaza Drive? Ms. Gannon said, yes. One of our facilities is located on Plaza Drive in Visalia.

Ms. Newsom said, I want to commend you on your sustainability initiatives. You're in a high unemployment are (HUA) and you're not asking for a wage modification. I really appreciate that.

ACTION: Ms. McBride moved and Ms. Newsom seconded approval of the proposal for VF Outdoor, LLC in the amount of \$327,600.

Motion carried, 6 – 0.

American Funds Service Company

Mr. Griffin presented a Proposal for American Funds Service Company in the amount of \$722,040. Founded in 1931, The Capital Group Companies, Inc. (CGC) provides investment management services to individuals, corporations, governments, pension and retirement plans, and non-profit organizations through financial intermediaries. Headquartered in Los Angeles, CGC is comprised of several subsidiaries with 7,000 associates in national and international locations to serve clients. Three of its subsidiaries, all located in Irvine, will participate in the proposed training plan: American Funds Service Company (AFSC), as the lead Single Employer contract holder; and two closely-related affiliates, Capital Bank & Trust Company (CBTC) and Capital Group Companies Global, Inc. (CGCG). A substantial contribution does not apply to this proposal because neither AFSC nor its affiliates have earned \$250,000 or more within five years at the same facility.

Mr. Griffin introduced Mariellen Hamann, Training and Development Senior Manager, Vice-President.

Ms. Roberts asked, Mr. Griffin, regarding the substantial contribution, it indicates here in the packet that neither AFSC nor its affiliates earned more than \$250,000. Even though their previous contract is a half million dollars, each affiliate would have a different FEIN. Did they have another location other than Irvine? I'm confused as to why we are not applying substantial contribution. Mr. Griffin said, no particular facility has earned over \$250,000 or more.

Ms. Roberts asked, are all your facilities located in Irvine? Ms. Hamann said, it's all one campus and the first contract was all in one campus. We have a parent company, and multiple companies fall underneath that. We are all a part of one campus. The last contract was for all of them, and there were three separate companies underneath the Capital Group umbrella.

Mr. Griffin said, we're looking at them as three separate locations. Neither of those locations earned over \$250,000, therefore substantial contribution would not apply. Ms. Roberts asked, was the previous contract a Job Creation contract? Ms. Hamann said, it was primarily for Job Creation. 200-220 were new hires and the rest were existing employees that we upskilled.

Ms. Roberts said, I know that staff is good about taking notes, but I only see what is in front of me. Mr. Griffin said, we do have a note here that the \$123,000 from the last Agreement was for Job Creation, so substantial contribution would not apply. Ms. Roberts said, OK. Thank you for the clarification.

Ms. Newsom said, it states in the Panel packet that the ETP training may result in some associates receiving some American Society of Pension Professionals and Actuaries (ASPPA) certificate or credentials. Can you give me an estimate of how many trainees would receive that certificate? Ms. Hamann said, on the Irvine campus, it's probably below 50. Ms. Newsom asked, do you have a threshold estimate? Ms. Hamann said, it's probably 25-50 people. What we're saying is that they'll get some training from the retirement plan industry for the training that we do through a certification through ASPPA.

There were no further questions from the Panel.

ACTION: Mr. Rendon moved and Ms. McBride seconded approval of the proposal for American Funds Service Company in the amount of \$722,040.

Motion carried, 5 – 0 – 1 (Ms. Fernandez recused).

Arlon Graphics LLC

Mr. Griffin presented a Proposal for Arlon Graphics LLC (Arlon) in the amount of \$224,160. Arlon is a repeat contractor and has earned a total of \$818,152 in reimbursement from ETP within the last five years. Thus, Job Number 1 is assessed a 50% substantial contribution on this project.

Mr. Griffin introduced Lynn Levoy, Director of Human Resources.

Ms. Roberts said, I know that staff has looked at the substantial contribution very carefully. I have a concern about this because in your previous contract, you were approved for \$270,000. Now you're requesting \$459,000 and the substantial contribution is 50%. You're back at the original amount that you have requested. The number of employees for the previous contract was 220, and the number of employees to train in the current proposal is the same. The amount you are requesting for is 50% more and the substantial contribution is 50%. Ms. Levoy said, we are going to cross-train our employees with the new product line and equipment. In addition to that, we brought in a new ERP system. The training funds will cover the initial implementation of the ERP system. Now we have the ancillary modules that are incorporated in the planning, scheduling, and financial reporting, so it will touch everybody in the company that will need additional training.

Ms. Roberts said, Mr. Griffin, I don't want to pick this apart. From my understanding about substantial contribution, if a proposal for \$250,000 come before the Panel with a 50% substantial contribution, the amount would drop down to \$125,000; that would make sense to me. Mr. Griffin said, staff recommends 50%. However, the Panel has the discretion to go to 30%. Ms. Roberts said, you're recommending a 50% substantial contribution, but the amount they are requesting is \$459,000.

Ms. McBride said, they've had substantial hiring and growth since the previous contract and that's maybe a contributing factor in addition to the investment and expansion beyond that. Ms. Levoy said, yes, that is correct. The numbers of our employees have increased to 280. Ms. Roberts said, you had 220 employees from your last contract; I'm ok with that. I just don't want others to beat the system and think that they can come in with a bigger proposal with a 50% substantial contribution. Ms. Levoy said, I understand.

Ms. Newson asked, will the wages for the employees be higher? In looking at the post-retention wage, with the employer share of cost for healthcare premiums, it looks like they are only receiving a penny increase after the training. For the employees who will receive the training, can they expect higher wages? Ms. Levoy said, yes, they could. We have a whole matrix on the training that our employees receive. Their salary level would be based on the amount of cross-training.

There were no further questions from the Panel.

ACTION: Ms. McBride moved and Mr. Rendon seconded approval of the proposal for Arlon Graphics LLC in the amount of \$224,160.

Motion carried, 6 – 0.

loanDepot.com, LLC

Mr. Griffin presented a Proposal for loanDepot.com, LLC (loanDepot) in the amount of \$372,330. loanDepot is a national mortgage banker and direct consumer lender that packages mortgage loans nationwide.

Mr. Griffin introduced Minh Tong, Vice President, Learning and Development.

Ms. Newsom said, you stated that you were voted the number one employer in Orange County and equated to being the Google campus of the mortgage security industry. Mr. Tong said, yes. Ms. Newsom said, I also read an article stating that your employees are sometimes offered a merit increases, can you please elaborate? Mr. Tong said, we are a production-based company; our employees are compensated based on how they perform.

Ms. Newsom said, in 2010, your CEO stated that one of the things that make your company so different is that you would never push your customers into higher cost loans; is that still the case? Mr. Tong said, absolutely. We are highly regulated. Our loan officers and mortgage bankers are not compensated on any product that we give our borrowers. They are compensated the same no matter what we give our borrowers across the board. Ms. Newsom said, thank you.

Ms. Newsom asked, what is the percentage of your products that are related to adjustable rate mortgages (ARM)? Mr. Tong said, probably less than 5%. There is a market for fixed mortgages right now.

Ms. Newsom asked, I also noted that your company has recently entered the market for personal loans. You seem to be quite successful in that, but I also noted that your annual percentage rate (APR) for personal loans ranges from 6.17% all the way up to 29.99%, which I find striking. I don't want to invest our public dollars on something that might be deemed predatory. Can you please elaborate on how many, roughly, of your clients are at the upper end of that threshold? Mr. Tong said, our personal loans are designed for debt consolidation. In the credit card world, the APR is set at about 30%. A lot of our clients call in to consolidate debt with a more aggressive pay off plan, allowing them to get rid of their debt in an easier and more manageable way. Our APR's are based on loan programs that they choose, and we are able to help Americans get out of their debt in a more manageable, cheaper, and faster way than an average credit card. Ms. Newsom said, a lot of my questions have to do with my perspective in filling our mission statement to make sure that we are attracting and retaining businesses that contribute to a healthy California economy. Mr. Tong said, absolutely.

Ms. Robert said, we have not funded too many banking and loan operations since the downturn of the economy. Ms. Newsom's questions are very relevant as to why we haven't done this in the past. I appreciate your candidness and explanations. I've heard only good things about loanDepot.com.

ACTION: Mr. Rendon moved and Ms. Bell seconded approval of the proposal for loanDepot.com, LLC in the amount of \$372,330.

Motion carried, 6 – 0.

Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System

Mr. Griffin presented a Proposal for Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System (Southwest Healthcare) in the amount of \$426,000. This will be Southwest Healthcare's fifth ETP Agreement, and the third in the last five years. A substantial contribution does not apply to this proposal because Southwest Healthcare has not earned \$250,000 or more within five years in prior agreements at the same facility.

Ms. Griffin introduced Heather Adams, Assistant Chief Nursing Officer.

Ms. Roberts said, Mr. Griffin, on the substantial contribution, you said that there are two facilities. Did both facilities earn under \$250,000? Mr. Griffin said, no single facility has earned in excess of \$250,000.

Ms. Bell said, this is your first contract. Make sure you reach out to our staff if you need assistance. We want you to be successful.

Ms. Fernandez said, in your last Agreement, you completed 78%. What will be different with this proposal? What is the level of commitment from your leadership to ensure a successful contract this time around? Ms. Adams said, this was something that we had talked about before and evaluated. I was not a part of the previous contract. Now, our team is dedicated to ensure that the procedures are followed appropriately. I have already put steps in place to make it easier than last time. There was a change in leadership and that contributed to the 78% performance. Ms. Fernandez asked, is leadership committed this time around? Ms. Adams said, absolutely. My position alone, which is new, will be focused on direct reporting to the department. Ms. Fernandez said, thank you.

Ms. McBride said, this is a note for staff. I know that the training locations were listed in the prior agreements. For future repeat projects that will be presented before the Panel, if you can, include the locations in the narrative to help eliminate some of the confusion when it comes to substantial contribution. Mr. Griffin said, comment noted. Thank you,

ACTION: Ms. Fernandez moved and Ms. Newsom seconded approval of the proposal for Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System in the amount of \$426,000.

Motion carried, 6 – 0.

JPMorgan Chase Bank, N.A.

Willie Atkinson, Manager of the Sacramento Regional Office, presented a Proposal for JPMorgan Chase Bank, N.A. (JPMCB) in the amount of \$749,700. JPMCB proposes to serve as the lead in a single employer contract with J.P. Morgan Investment Management, Inc. Both of these employers are wholly-owned subsidiaries of JPMorgan Chase & Co.

Mr. Atkinson said, I would like to make a correction on page 2. The wage range by occupation table, under Administrative Staff I, it should read \$28.37 not \$19.60.

Mr. Atkinson introduced Jared Zilbert, Vice President, Chip Lee, Executive Director, and Michael Kimball, Vice President.

Ms. Bell asked, can you please explain how you plan to deliver E-learning in 13 different counties? Do you have one trainer in one location and all the trainees will individually log on? Mr. Zilbert said, we are using internal trainers. That particular trainer may be in Ohio, Delaware, or another state. If your manager deems that training is important for your job, they may sign you up for that specific training. The numbers are usually capped at 50 employees. The training is interactive; you log into the system, you can call-in to ask questions, and you can visually see the trainer.

Ms. Fernandez said, I have a couple of questions and concerns. First of all, this is your first agreement and you're covering a large area. Who is in charge of this agreement and do you have any prior ETP experience? Mr. Zilbert said, we tried going after this program in the past. We couldn't fully commit to it because we had concerns over some of the information required by ETP, most specifically the social security number. We got past that compliance issue and now everyone is fully on board. However, there are similar programs in other states where the same information is requested, and we have worked with a larger population of trainees that participated in that contract, and funding was received for that training. I feel that we are fully prepared to max out our proposal.

Ms. Fernandez said, I'm a little concerned about the dollar amount you are requesting, and the large area you are seeking to cover with this proposal. I'm almost inclined to make a motion to maybe give you part of the funding, and see how you do. You can then come back for an amendment for the rest of the funding. I just want to make sure that we see some performance on this contract, because this is a big commitment from us with the monies. Mr. Zilbert said, I can assure you that in other states, we cover more sites, and we capture all that information that is associated with the training. There are more trainees involved in the training, and it's rather flawless.

Ms. Bell said, I have a concern with right-sizing the amount of the grant. Your frontline workers are called managers, but they're frontline workers. Mr. Zilbert said, that's more for our Sacramento office. They are given titles, so it qualifies someone as a frontline manager. I'm a Vice President; I don't have anyone reporting to me. The job titles in the Sacramento office were deemed frontline because we didn't want anyone with a specific title to be excluded from training.

Ms. Bell asked, where would the frontline workers fall under the wage range by occupation table? Mr. Zilbert said, they could be anywhere in the wage range by occupation. There is nothing specific saying that if you have a certain job title, you are going to make a specific dollar amount.

Ms. Bell asked, so the wage for the frontline workers can go all the way up to \$100? Mr. Atkinson said, if you look at the commentary to the wage occupation table, that specifies the difference between someone who is managerial or a frontline worker. Mr. Zilbert said, to be clear; this is for our office population and there are other office employees which would be considered frontline managers who are not included. Ms. Bell said it's confusing.

Ms. Roberts said, I do have a question as well. I agree with Ms. Bell and Ms. Fernandez regarding right-sizing the contract. The reason being is, I have the Vice President and Executive Director in front of the Panel members; you guys aren't going to be the hands, arms or legs of the training. You're going to pass this off to somebody else. Mr. Zilbert said, I will personally be the one who is going to manage the program.

Mr. Lee said, we are very involved from our national global level all the way down to the state and regional levels. We have a very tight partnership with all of our training operations.

Ms. Roberts said, the LMS will cover 50% of the grant, which is OK because it provides all the right details. The other 50% of the funding will go towards the classroom training, is this correct? Mr. Zilbert said, our LMS will record the information associated with the classroom training. Ms. Roberts asked, will you, as the VP of the bank, log into the database and enter the information yourself? Mr. Zilbert said, yes, I will personally enter in the information. Ms. Roberts said, I'd like to see that.

Mr. Lee said, if you like, we will be more than happy to set up a weekly, bi-weekly, monthly review session with any of your staff on the program to make sure that we are in compliance; we would be very happy to do that.

Ms. Roberts asked, what other states have you done business with that is similar to this training? Mr. Lee said, we are a national and global organization. We have significant training programs in New York, New Jersey, Delaware, Ohio, Florida, Texas, and Arizona. Those are our main hub sites. This is our first here in California. We have a significant amount of investment in relationships and partnerships, and we are very excited about developing that. We think it's a very strong market and investment for us.

Ms. Roberts said, I'm familiar with all the states that you have mentioned. So are you involved with the Texas Workforce Commission (TWC)? Do you contract with them directly, or do you contract through a community college or technical school? Mr. Zilbert said, we are not currently involved with any program in Texas, but we have been in the past. We do not use the community college. In Louisiana, they have a similar program contracted through the community college, and we did that last year. We utilized the incumbent worker training program. Ms. Roberts said OK.

Ms. Roberts said, LMS is great for tracking training hours, but it is not designed to deliver training. Who is going to deliver the training? Mr. Zilbert said, we have a large staff of

internal trainers who are experts within the fields that the employees will be trained in. We will consult with an outside firm if we need additional training that is not within our trainer's skills or capacity and we will input those training hours in the LMS.

Ms. Newsom asked, how many of your E-learning trainers are located in California; where are the other trainers located? Mr. Zilbert said, I don't have the exact numbers. I can tell you that I've taken these E-learning training several years ago, and I've had several trainers that have worked in California.

Mr. Lee said, we have a mobile sourcing group. Since we have a large headcount and operations here in California; there are trainers in all of our major market. Again, it's a mobile staff in the group that goes in and works geographically within those groups.

Ms. Roberts said, I'm still reluctant about this proposal. You have talked about how the training is going to be delivered by the vendor, but nobody is doing the administration portion of this proposal. This is your first time, and even though you have experience in training your employees in other states, it's still tricky to get the 32 hours that you're asking on average for every employee; 1,400 employees in 13 counties and multiple branch locations. Mr. Zilbert said, this excludes our branch employees. This is just for office employees.

Ms. Roberts asked, where is your office located? Mr. Zilbert said, I work in New York. Ms. Roberts said, that doesn't help. Mr. Zilbert said, Mr. Kimball works in our California office. Mr. Kimball said, I'm based here in Sacramento. Ms. Roberts asked, what is your title? Mr. Kimball said, I'm the Regional Vice President covering California and Nevada. Ms. Roberts asked, will you be covering the training here in California? Mr. Kimball said, I would not be covering the training, but I will work with my colleagues to facilitate the training and share the information with you.

Ms. Newsom said, if I could share the remarks about potentially making a motion to reduce the amount, and with respect to this item and loanDepot.com, the amount of funding is striking to me without it being a priority industry per our Annual Report. Ms. Roberts said, that's a good point.

Ms. Roberts said, you mentioned that there would be 50 people in the classroom training. Mr. Zilbert said, up to 50 trainees; that is our maximum. I would say that the average is 10 to 15 employees per training. In the trainings that I've been in, it's never reached 50. Ms. Roberts said, the ratio for E-learning is 1 to 20, so that's another problem. Based on what I've heard, you're in New York, you're hands aren't really on this contract.

Mr. Lee said, Ms. Roberts, we work very closely with the training operations across the country and each state in the geographic region. I have several staff; Mr. Zilbert will be the one who will manage the training in our various geographic locations in the United States. He has done an excellent job in analyzing, logging, collecting data information, tracking, and partnering with all of the various trainers of individual classes. Mr. Zilbert said, I could refer you to other people in different states.

Ms. Bell said, I appreciate the comment and I don't want to discourage you. I feel very uncomfortable giving you the full amount. Ms. Roberts said, I think you're a confident person.

Obviously you wouldn't be a Vice President in the industry if you weren't. Since this is your first contract, I feel that you don't really understand our process as well as you probably should. You're the Vice President; it would be great if you have a designated trainer here to explain to me the day to day activities. I would recommend, at this point, decreasing the amount of funding. If you would like, you can come back in a year and request for the full amount after you have shown performance in the contract.

Ms. McBride said, decreasing the funding in half is one option. Another possibility is delaying this proposal and come back next month with more information about your training that would give you and the Panel more comfort. It may not be what you want to do, but that's an option.

Mr. Zilbert said, I would love to answer any questions or concerns you may have that is associated over our training delivery. We have done similar work in Delaware where we have 10,000 employees. Last year we trained approximately 2,000 employees. I don't want to share the funding amount, but it's comparable. The training was flawless in providing the information that was requested. Ms. Roberts said, I've heard that Delaware caps your grant at \$50,000. Mr. Zilbert said, no. Ms. Roberts said, I've been through every state, I know each of them. Ohio funds well, but Delaware doesn't; it's a small state. Regardless, you are not very familiar with the ETP process, and this is your first contract. It's a lot of money for a company that doesn't have any administration support. Ms. Roberts said, the requested amount right now is at \$750,000. Does anyone else have any recommendations?

Ms. Bell said, I would like to make a motion to reduce the amount of funding by 50%. Ms. Roberts asked, 50% reduction? Ms. Bell said, yes, 50% reduction. Ms. McBride asked, with the ability to return in 12 months? Ms. Bell said, yes, that's correct; Mr. Rendon said, I'm OK with that; Ms. Fernandez said, I agree. Ms. Newsom said, I second the motion.

Ms. Roberts said, with that, we are going to reduce the amount by 50%. Mr. Zilbert said, OK. Ms. Roberts said, show us what you can do. Obviously, you seem very confident. You may even come back in 3 months when you've shown performance.

ACTION: Ms. Bell moved and Ms. Newsom seconded approval of the proposal for JP Morgan Chase Bank, N.A. in the amount of \$374,850 (amount reduced to 50% with the ability to return for an amendment in 12 months).

Motion carried, 6 – 0.

Rabobank, National Association

Mr. Atkinson presented a Proposal for Rabobank, National Association (Rabobank) in the amount of \$240,000. Rabobank is a financial institution that meets the financial needs of local families, businesses and organizations with banking products including dairy and livestock loans, inventory financing, business loans, equipment leasing, personal banking, and retirement. This will be Rabobank's second Agreement.

Mr. Atkinson introduced Tonya Hamlin, Vice President Learning and Development, and Joseph Gray, Learning Technologist.

Ms. Roberts said, I know we pulled this proposal off of the Consent Calendar last month. I appreciate you both coming before the Panel today. Ms. Hamlin said, no problem. I'm happy to be here, and I'm happy to see some of you again.

Ms. Roberts said, I don't see this proposal as right-sized. That's one of the things I have a problem with. Mr. Atkinson said, let me explain. The overall proposal is right-sized according to the company's needs. The first part that you're looking at is the prior performance. We looked at the 70% as the benchmark; \$113,000 is what they earned from the previous agreement, and they had to justify what happened with their performance. The next part is for the company to show us and justify their needs; how will they substantiate the training, and how will they go about earning those funds. So it's two components, prior performance, and then the discussion going further. Overall, it's right-sized based on their needs. We started the conversation based on what they earned before. We can allow them to do that as long as they can justify both.

Ms. Roberts asked, are the employees that were trained from the previous contract included in this current proposal, which is \$113,000? Ms. Hamlin asked, are you asking me if the employee base is changing? Ms. Roberts said, yes. The employees that were trained under the previous contract, are they the same employees that will be trained under this current proposal? Ms. Hamlin said, they are the same; there are additional employees as well. Historically, when we got the last contract, I had no resource to do the commercial training which is for over 200 employees at the bank; out of the 1600. Now we have new internal trainers. We have vendors that delivered the training. We are doing that now, but our goal is to eliminate that.

Ms. Roberts said, now you have 4 full time employees that are dedicated to this training. They weren't available previously, is that correct? Ms. Hamlin said, I didn't have any of them at all. Ms. Roberts asked, are they dedicated to this ETP proposal? Ms. Hamlin said, absolutely. Ms. Roberts said, you don't have any administration services tied to this proposal; you're only using internal support. Ms. Hamlin said, absolutely. Ms. Roberts asked, do you have LMS as well? Ms. Hamlin said, Joe Gray will be handling our LMS.

There were no further questions from the Panel.

ACTION: Mr. Rendon moved and Ms. McBride seconded approval of the proposal for Rabobank, National Association in the amount of \$240,000.

Motion carried, 6 – 0.

Multiple Employer Proposals

SOMA AEC Inc. dba Oxman College

Mr. Chan presented a Proposal for SOMA AEC Inc. dba Oxman College (Oxman) in the amount of \$543,861. Oxman is a private, post-secondary vocation school. The College provides training in computer programming, computer applications, continuous improvement, and health care. This project will be Oxman's third Agreement in the last five year period (11th overall).

Mr. Chan introduced Michael Dvorkin, President.

Ms. Newsom said, this question is for staff. I'm concerned about the post retention wage for Job Number 4 being at \$11.70, and the prospect of using \$2.76 per hour in healthcare benefits to meet the post retention wage. That amount will drop below the California minimum wage. I find that striking. Mr. Knox said, that actually should be \$1.63 instead of \$2.76. We will make the amendment to the contract as approved.

Ms. Roberts said, I just want to make it clear that you're not charging any of the trainers any tuition fees. Mr. Dvorkin said, we are not charging any fees.

Ms. Roberts said I want to congratulate you on your performance. That was very good on your part. Mr. Dvorkin said, next time, we would like to hit 100%.

Ms. Fernandez said, I wish you a lot of luck, and I think you've done a good job. I would like to make a motion to approve.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the proposal for SOMA AEC Inc. dba Oxman College in the amount of \$543,861.

Motion carried, 6 – 0.

Yuba Shasta UA Local 228

Mr. Atkinson presented a Proposal for Yuba Shasta UA Local 228 (Yuba Shasta JATC) in the amount of \$40,468. Since 1997, Yuba Shasta JATC has trained apprenticeship and journeymen from 13 Northern California counties in the plumbing, pipefitting, welding, and Heating, Ventilation and Air Conditioning (HVAC).

Mr. Atkinson introduced Beth Hammes, Training Coordinator and Jan Borunda, California Labor Federation.

Ms. Roberts said, even though you have a low performance rate, you right-sized the grant. I have no issues with that; it's a small amount. I do wish you luck, being that you've been in your position for just nine months. I'm sure your general manager will be helping you out. Ms. Hamm said, yes. I have a lot of guidance.

Ms. Newsom said, I want to commend you on the building of the clean and green skills for your workforce. That is very important with the passage of SB 350, Clean Energy and Pollution Reduction Act.

ACTION: Ms. Fernandez moved and Ms. Bell seconded approval of the proposal for Yuba Shasta UA Local 228 in the amount of \$40,468.

Motion carried, 6 – 0.

AMENDMENT

Santa Ana Chamber of Commerce

Mr. Griffin presented an amendment Proposal for Santa Ana Chamber of Commerce (SACC) in the amount of \$298,519. SACC has worked since 1889 to bring a higher level of economic prosperity to area business owners, workers, and residents through its business development programs in Orange County.

This Amendment requests a second phase of funding for (Phase II) 118 new trainees in new industries and occupations, receiving a new Curriculum. This Amendment will allow SACC to expand its training plan to serve a wider range of businesses across California.

Mr. Griffin said, I want to make a note. We did an assessment of their veteran component, and they would like to add five veteran trainees to this proposal. We will do that after approval of the proposal; there will be no changes in the funding amount as a result of that.

Mr. Griffin introduced Marty Peterson, Vice President of Operations and Will Trikha, Senior Consultant, Lean QA.

Ms. Roberts said, it sounds like Lean QA is right on track, especially with the in-classroom training; there's value added. Mr. Trikha, how long have you been doing the training? Mr. Trikha said, this company was originally started by my father, AK Trikha; no relation to Saisoft. The company has been in operation since 2000. He incorporated the company in 2006. We have industry professionals that have been conducting the trainings. We started this type of training in 2006. The trainings are based on helping individuals and organizations to reach their full potential; purpose and vision aligned. We have developed systems in place where we actually go into the company and assess their need. We work with them in attaining their goals. We want to make sure that we're addressing all of their undesirable points. We have a Lean QA process where we measure them based on "4P's", which stand for people, product, process, and profit. In those "4P's", we look for their undesirable traits and target a training that would actually help improve their undesirable traits. Upon completion of the training, we like to stay with them for a little bit, so that the training they have received becomes a habit. We want to make sure that they actually use the training that they have received. We train them for six weeks to make sure that it becomes a habit. After the full training, we set up a score card and objectives.

Ms. Robert said, so you do a training assessment for every company and then you do a follow-up training. Mr. Trikha said, we do a follow-up with objectives and score cards. Ms.

Robert said, that sounds really good. Do you have master black belts? Mr. Trikha said, we have master black belts.

Ms. Fernandez asked, do you have any experience with the ETP process prior to this contract? Mr. Trikha said, AK, who is my father, has worked with Cheesecake Factory Bakery. They have their own ETP contract, and he is aware of the administration and roster collection process. He was a vendor; not an actual ETP administrator. Ms. Fernandez asked, for the record, just to be clear, you are not affiliated with Saisoft. Mr. Trikha said, no relations.

Ms. Roberts asked, Mr. Peterson, are you going to be doing the administration portion of this? Mr. Peterson said, yes. Ms. Roberts said, that's good. I like to see that the chamber has their hands-on and involvement in this proposal.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the amendment for Santa Ana Chamber of Commerce in the amount of \$298,519.

Motion carried, 6 – 0.

XI. PRESENTATION OF ANNUAL REPORT

Mario Maslac, Manager of the Planning and Research Unit

Mr. Maslac said good morning Panel members. I would like to provide you with a brief overview of our last year's Annual Report. First of all, I would like to thank all of the Planning and Research Unit team members who worked on this project. They are Elisabeth Testa, Tiffany Woodruff, Bryan Lytle, Jeff Brooks, and John Saunders. We usually just provide a copy, after the Labor Workforce and Development Agency has approved it, and it's sent to the Governor's Office and Legislature. This year, we decided to do a short overview with highlights of the report.

Characteristics of Panel Trainees

In this section, I would like to highlight the demographic characteristics of our trainees. The vast majority of trainees who completed the training that closed out during the annual report year were 319 new hires; 37% female, 63% male; 14% veterans; 51% education level less than a high school graduate; 2% college graduate. Ethnicity: 15% White, 26% African-American, 31% Hispanic, and 24% Asian. The total of retrainees were 38,788; 33% female, 67% male; 2% veterans; 37% education level less than a high school graduate; 5% college graduate. Ethnicity: 38% White, 5% African-American, 32% Hispanic, 15% Asian, and 1% Native American. One notable observation here is that new hires who were unemployed trainees, the demand steadily declined with the level of education.

Contract Activity

During the report year, ETP staff administered 953 core training contracts; 402 new contracts, 308 completed, and 242 ongoing. The total amount of trainees were 177,573; 83,403 new trainees, 39,107 completed, and 55,423 ongoing. There was an increase of 104 contracts over the prior year.

Summary of Completed Core Contracts

During the 2014/15 report year, 308 contracts were closed, providing just short of \$50M in earned training funds for over 39,000 trainees. The average cost per trainee was \$1,277.

Completed Contract Performance Per Industry (CORE)

Industries served: construction, healthcare, manufacturing, services, high tech and technical services (software development, multimedia/entertainment, computer programming and systems designs, engineering, and telecommunications), and other (agriculture, finance, trade and transportation). Trainees placed: 5,435 construction; 2,421 healthcare; 15,059 manufacturing; 2,014 services; 5,925 high tech and technical services; 8,253 other. Amount earned: \$7,730,680 construction; \$4,156,743 healthcare; \$18,239,653 manufacturing; \$2,113,073 services; \$6,951,903 high tech and technical services; \$10,741,501 other. Number of businesses served: 1,239 construction; 52 healthcare, 766 manufacturing; 218 services; 533 high tech and technical services; 389 other. Percentage served per industry: 39% construction; 2% healthcare; 24% manufacturing; 7% services; 17% high tech and technical services; 12% other. Total trainees placed: 39,107; total amount earned: \$49,933,553; total numbers of businesses served: 3,197.

Ms. Bell asked, under what category does the agriculture industry fall under? Mr. Maslac said, the agriculture is included under the "Other" section. If it's a small number, it's lumped in the 12% "Other" category. Ms. Bell asked, what else is considered under "Other" industry? Mr. Maslac said, agriculture, finance trade, and transportation. Ms. Bell asked, do you have any idea what the percentage is; is it higher in agriculture or transportation? Ms. Maslac said, I can provide those details to you after the meeting.

Ms. Fernandez said, I know we didn't really track it before, but I just really want to commend the staff for all the efforts that have been made to create opportunities for veterans. I know that there's been a lot of effort in the last year to create opportunities for veterans. Thank you. Mr. Maslac said, I believe this year is going to be even better.

Ms. Robert said, I would also like to thank the staff, Mr. Knox, Ms. Reilly, the managers, and everyone behind-the-scenes. Getting 104 more contracts and staffing up correctly, it's great for ETP. It increases our credibility, and everything that we need to do for our constituents behind the scenes. Mr. Maslac said, it's my pleasure. Thank you

Mr. Maslac said, I just want to make note that our full Annual Report is available in our website for the public to view the details and all the numbers.

XII. PUBLIC COMMENTS

There were no public comments.

XIII. MEETING ADJOURNMENT

Ms. Bell moved and Ms. Newsom seconded meeting adjournment at 11:27 a.m.