



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**
California Environmental Protection Agency
1001 "I" Street
Coastal Hearing Room, 2nd Floor
Sacramento, CA 95814
January 28, 2011

PANEL MEMBERS

Barry Broad
Acting Chair

Sonia Fernandez
Member

Barton Florence
Member

Janine Montoya
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Sam Rodriguez
Member

Michael Webb
Member

Executive Staff

Brian McMahon
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Vice Chair, called the meeting to order at 9:40 a.m.

II. ROLL CALL

Present

Barry Broad (arrived after initial roll call)
Sonia Fernandez
Barton Florence
Janine Montoya
Edward Rendon (arrived after initial roll call)
Janice Roberts
Sam Rodriguez
Michael Webb

Executive Staff Present

Brian McMahon, Executive Director
Maureen Reilly, General Counsel

Ms. Roberts introduced the two newly appointed Panel members; Sam Rodriguez, appointed by the Speaker of the Assembly and Michael Webb, appointed by the Business, Transportation & Housing Agency. Mr. Rodriguez said it is an honor and a privilege to serve as an appointee of Speaker John Perez and said he is currently the State Director for Comcast Cable. Mr. Webb said he is with the Business, Transportation & Housing Agency and handles their legislative affairs. He said he was very pleased to be serving on the Panel.

III. AGENDA

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

Motion carried, 6 – 0.

IV. MINUTES

ACTION: Ms. Fernandez moved and Ms. Montoya seconded the motion that the Panel approve the Minutes from the December 8, 2010 Panel meeting.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, welcomed the two recently appointed Panel members; Michael Webb and Sam Rodriguez.

Mr. McMahon said at today's meeting, the Panel will hear most of the remaining 2009 pipeline projects and will begin hearing projects that have come to the Panel through ETP's partnership with the California Energy Commission (CEC) under the AB 118 Alternative and Renewable Fuels Program. It appears at this point, that we will have completed most of the 2009 pipeline, with the remainder likely going forward at the March Panel meeting.

Mr. McMahon said in the ETP's current budget at this time, we are beginning to see a trend emerging of collections that are slightly above the original projection. ETP received \$42.3 million from EDD and we are currently approximately 15% ahead of that figure. Staff has not yet changed the Fund Status Report to reflect those increased collections and will wait to see how strongly the trend materializes in the next couple of months. Any funds collected in excess of the projection, will be allocated to the four categories of projects that the Panel is now reviewing: 1) critical proposals from the Governor's Office of Economic Development (GoED); 2) small business projects; 3) projects that are job creation in nature; and 4) MEC proposals. One of the difficulties in managing the fund in a year such as this, is the fact that most of ETP's collections, almost 40%, comes in the month of May so it puts ETP in a difficult position in accurately forecasting revenue levels.

In regard to alternative fund sources, ETP received \$1 million in Workforce Investment Act (WIA) 15% Discretionary Funds through the Budget Act this year, which has already been allocated to healthcare projects in the 2009 pipeline. He said that as of late yesterday afternoon, ETP has been approved for a \$6 million healthcare initiative with current year WIA 15% funding that allows ETP to enter into standard two-year contracts with those funds. As discussed at earlier meetings, we will not be limited only to nursing occupations, and will expand to allied-health jobs in this proposal, and will accept both non-profit and for-profit proposals. Staff intends to have guidelines finalized next week and there will be a need to open the application cycle very quickly, by next week if at all possible. It will be a short application cycle, likely running through the month of February. As is usually the case, we will likely receive twice as many proposals and funding demand as available monies.

In the Governor's proposed budget for the 2011-12 Fiscal Year (FY), ETP's appropriation for the program is fully intact based on collections. There are no transfers to the Department of Social Services or to the Department of Industrial Relations again this year. He said this is likely because overall collections are so low, and they recognized that there are not funds that can be redirected away from the program. He said ETP is entering into an early budget process this year with subcommittee hearings beginning next week. At this point, it does not appear that ETP will be a discussion item in this initial round of budget hearings, but staff expects confirmation on Monday. Staff has not adjusted the Fund Status Report, which gives ETP approximately \$25 to \$26 million to fund the 2009 pipeline and the proposals in the four categories mentioned earlier.

Relative to the application process, staff discussed at the December 2010 Panel meeting, having a phased approach to the application process beginning December 1. Staff opened the

cycle on December 1 for all four project categories. The cycle was closed at the end of December 2010 for the Multiple-Employer Contracts (MECs) and during the month of December, 70 proposals were received, totaling close to \$21 million. He said staff has received a large submission of applications in the other funding categories. At this point, it is expected that we will close the application cycle for job creation projects and small businesses on January 31, 2011 and to remain open for critical proposals that would come from the GoED. Staff has received approximately 101 small business proposals totaling \$3 million; four critical proposals projects totaling \$600,000; and 30 job creation proposals totaling more than \$5 million in total demand. Staff has been aggressive during the application evaluation process to stress to applicants that the job creation projects are just that; only projects that are seen as 100% job creation will go to the Panel under that category. Therefore, it is likely that the \$5 million in demand will drop significantly as ETP goes through the development process.

Mr. McMahon referred to the Legislative Memo distributed to the Panel and said there are a couple of bills of interest to ETP, and no legislation yet, that has a direct impact on the program. He said AB 77, introduced by Assemblyman Gorell, is a bill attempting to consolidate all of the taxing activities of the State; from the Franchise Tax Board, to EDD's collection of the Unemployment Insurance Tax, to the State Board of Equalization. If the bill were to be signed into law, then the Employment Training Tax (ETT) would shift to the State Board of Equalization for collection. AB 29, introduced by Speaker John Perez, is a bill that would put the GoED in statute. He said ETP works with that office very closely on economic development projects and ETP is one of the agencies that lend support to the office.

VI. MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

Mr. McMahon asked for a motion to delegate in event of loss of quorum, authorizing the Executive Director in conjunction with the Panel Chair or Vice Chair, to approve projects.

ACTION: Mr. Rendon moved and Ms. Fernandez seconded the motion to delegate in event of loss of quorum.

Motion carried, 8 – 0.

Mr. Broad said he believes the new administration will look closely at consolidating functions. He said that in discussions with the business and labor communities, there is an interest in perhaps consolidating all worker training, funding, and business development functions in a newly reformulated structure that would follow the elimination of the Labor and Workforce Development Agency. For those interested in these types of structural government items, and ideas about what a reformulated consolidation would look like, feel free to contact me or Marty Morgenstern, the Secretary of Labor & Workforce Development Agency. He said they are open to ideas on how to consolidate and there could be many significant changes ahead. He said it makes structural sense, to house the different entities in the same location to easily have discussions between those that hold the money and the people that wish to attract business to the State; something that he sees as a very real possibility of happening. He said the current situation, in which a piece of it is at ETP, and part of it is at the Workforce Investment Board, and a portion is at the Business, Transportation & Housing Agency, does not make much sense to him and many others. Ideas are encouraged that would consolidate agencies to save money

and the efficiencies that would be generated. He said he viewed this as a positive development rather than a negative development.

VII. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel, reported that nine projects were approved through a Delegation Order process earlier this month. She said all of the projects are funded at \$50,000 or less and the nine projects totaled less than \$300,000. She referred the Panel to the Delegation Order Tab in the Panel Packet. Mr. Broad asked about the status of the project that was removed from the Delegation Order before it was approved. Mr. McMahon said that project is not moving forward.

VIII. REVIEW AND ACTION ON PROPOSALS

Critical Proposal

General Dynamics NASSCO

Diana Torres, Manager of the San Diego Regional Office, presented a Critical Proposal for General Dynamics NASSCO (NASSCO), in the amount of \$299,700. NASSCO designs, builds and repairs large, ocean-going vessels for the U.S. Navy, and oil tankers and dry cargo carriers for commercial markets. NASSCO is a master ship repair contractor for the U.S. Navy and the Military Sealift Command (MSC) and provides maintenance of U.S. Navy amphibious classes of ships home-ported on the West Coast.

Ms. Torres introduced Valerie Houlihan, Manager of Employee Development and Tom Fawcett, Director of Labor Relations/Benefits/Security/Compensation.

Ms. Torres said NASSCO is requesting to waive the Substantial Contribution (SC). Mr. Broad asked for the reason for the Panel to waive the SC. Ms. Torres answered that the company has a critical need for all funding, as stated on Page 2 of 6 in the ETP 130. She said the proposal was originally submitted with an Agreement request of \$648,000; however, due to the ETP budget restrictions imposed by the Panel, the project has been reduced to \$299,700. She said their need is much greater and to apply a SC of 30%, it would severely impede their ability to meet their critical need. Mr. Broad asked if the company plans to spend \$600,000 for training. Ms. Houlihan said yes, that is correct. Mr. Broad said he agreed with waiving the SC as long as the company invests \$600,000 for the training.

Ms. Roberts was concerned about setting a precedent in waiving the SC in Critical Proposals in going forward and suggested that it is a matter that should be further reviewed. Mr. Broad said yes, I believe the Panel may need to discuss it. He said the Panel instituted the SC in part, to respond to repeat contractors who avoided never having to invest in a SC or rarely having to. The Panel wanted to see a SC more often, but he understands that this company is willing to invest \$600,000 of their own money to train employees.

Ms. Torres said she believed that is why the Panel moved for this regulation, allowing a modification to the SC under Critical Proposals, because it is a unique situation.

Mr. Broad asked if the company would be agreeable to submitting a formal letter stating they plan to spend a specified amount of money on training. Ms. Houlihan said absolutely, it would be no problem to submit the letter and said they would also be agreeable to an audit to ensure they are accountable to the training. Mr. Broad asked if the Panel was agreeable to the company submitting a formal letter. There were no objections by the Panel.

ACTION: Mr. Florence moved and Ms. Montoya seconded approval of the proposal for NASSCO in the amount of \$299,700, with the condition that the company submit a formal letter stating that NASSCO will invest \$600,000 in training.

Motion carried, 8 – 0.

Proposals for Single Employers

Gate Gourmet, Inc.

Wally Aguilar, Manager of the North Hollywood Regional Office, presented a proposal for Gate Gourmet, Inc. (Gate Gourmet), in the amount of \$249,912. Gate Gourmet provides airline catering, last mile provisioning, and onboard retail solutions for international and domestic major airline companies. The company also provides catering and provisioning services for non-airline customers such as railway companies, light rail and airport lounges, and business aviation.

Mr. Aguilar introduced James Anderson, Managing Director; Duncan Lavery, General Manager; and Rosie Gomez, Senior Manager of Human Resources.

Ms. Roberts said the training curriculum states the company will provide some literacy skills, and that no more than 45% of the training dollars would be dedicated to that need. She asked if several employees at Gate Gourmet lack literacy skills. Mr. Anderson said that for a large percentage of their workforce, English is their second language. He said they are working with employees from the San Francisco, Los Angeles, and San Diego locations and have a multi-cultural workforce. As they introduce online computer training programs and modernize for the future, the workforce must be prepared for that.

Ms. Roberts asked why the company experienced an 18% retention rate and said that in these economic times, 18% seems a little high and asked if they have a revolving door situation. Mr. Anderson said if you consider the turnover rate absent their first 90 days, 18% is where the company is today, which is down from 120% in 2005. He said they are very proud of where they are today and believe they have an opportunity to further reduce that number.

Ms. Roberts asked about staff dedicated to training, the training infrastructure, and monitoring documentation. Ms. Gomez said the company at the LAX location has been working at trying to roll out the training and they have put programs together in working with ETP and the analysts. Ms. Roberts suggested working closely with ETP staff since they have multiple locations across the state, which creates difficulty in documenting the training. She said that due to the high number of contracts that come to the Panel, we want to be sure we are funding at an amount to the right individuals that can support the contract. Ms. Gomez said she is committed to monitoring and tracking hours.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the proposal for Gate Gourmet in the amount of \$249,912.

Motion carried, 8 – 0.

Good Samaritan Hospital, a California Limited Partnership

Mr. Aguilar presented a proposal for Good Samaritan Hospital, a California Limited Partnership (Good Samaritan Hospital), in the amount of \$151,686. Good Samaritan Hospital is an accredited, 124-bed facility that provides psychiatric and general acute care services. The hospital's services include an intensive care unit, inpatient and outpatient surgery, pediatric services, an urgent care center, a transfusion-free surgery program, cardiology and pulmonary care, and laboratory services.

Mr. Aguilar introduced Maurice Long, Quality Assurance Officer and William Parker, President/CEO of National Training Systems Inc.

Mr. Broad asked for the percentage of patients that are payees from the County and how many are private insurance. Mr. Long said they are a County designated facility for 51/50's. He said they accept patients from 31 counties, since different counties' mental health systems of care have decreased and are looking elsewhere to house their clients who are a danger to themselves or others. He said they have been transporting patients from various counties to ensure they are cared for in the manner that fits the chronically, mentally ill. Mr. Broad asked if they are a County facility, in effect, if their patients are 51/50 and involuntary committed. Mr. Long said yes, in many cases. Mr. Broad asked if the payer is the Government, rather than private insurance. Mr. Long answered no, and said they also have a large chemical dependency program which is all private insurance and private paid. He said that while a large percentage of their patients come from County agencies, they have expanded over the last few years to accept more clients in the mental health area.

Ms. Fernandez noted that in their last ETP proposal they only had a 39% completion rate due partially to an increase in patients not having coverage. She asked what steps have been taken, in order to allow those that need the training to be able to access it to ensure a higher success rate this time. Mr. Long said they have significantly expanded their staff development, human resource, and quality assurance departments, so they can manage the patients safely on the unit while taking those nurses off the floor to assure that training is delivered. Ms. Fernandez asked if they will have enough nurses to cover those employees that are going into training. Mr. Long answered yes, absolutely. Ms. Fernandez said, as has been mentioned before, she was very concerned in using ETP funds wisely in these economic times.

Mr. Rodriguez asked if they utilize Bakersfield Community College as their pipeline for nurses and allied workers. Mr. Long said they have contracts with Bakersfield College and California State University Bakersfield, which produces quite a number of nurses. He said one of the uses for this grant will be to develop a new grad program specializing in psychiatric nursing. He said psychiatric nursing has become much more of a specialty as patients become sicker with less follow-up. When they see them inpatient, they are much more ill than they used to be because they do not receive any general care in the community; so training new nurses to fulfill that role is one of the primary goals of this grant. Mr. Rodriguez asked if they have a strong case

management system for new and incumbent employees. Mr. Long answered in the affirmative and said they have a strong preceptor program.

Ms. Roberts asked how many new-hires they had over the last six months. Mr. Long said they have hired approximately 45 new nurses and mental health workers. Ms. Roberts asked if out the 159 they expect to train, if 45 are new employees. Mr. Long agreed and said Good Samaritan Hospital has been expanding when others are shrinking and they appreciate this opportunity to continue to grow.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the proposal for Good Samaritan Hospital in the amount of \$151,686.

Motion carried, 8 – 0.

Quinn Group, Inc.

Mr. Aguilar presented a proposal for Quinn Group, Inc. (Quinn), in the amount of \$220,500. Quinn began as a farm implement dealer to provide agricultural, construction, and industrial equipment sales and services throughout California. The company expanded through acquisitions adding manufacturing, repair and rental services for the following machines: asphalt/paving/concrete equipment, compaction equipment, crawler loaders, dozers, excavators, motor graders, pipe layers, scrapers, and wheel loaders. Quinn specializes in component rebuild for heavy construction equipment. In addition, Quinn prepares equipment appraisals, financing and leasing, insurance, and transportation/hauling.

Mr. Aguilar introduced Jerry Douglas, Manager of Training & Development.

Ms. Roberts asked if the 100 new employees the company expects to hire over the next two years are new-hires or hiring through attrition. Mr. Douglas said those employees will likely be new-hires and that they have some projects that will require them to bring on new employees such as the Tier 4 project. He said the Tier 4 project involves trying to clean up the air and get their omissions down which will require additional people as well as a new vocational truck. He said they have worked on engines, but need to hire people that have already been trained, as well as train some current employees.

Ms. Roberts asked if the company has any vehicles that are moving towards green emissions, hybrid or electrical. Mr. Douglas said they are looking into those vehicles and that Tier 4 will reduce their emissions for heavy earth moving equipment the most. Ms. Roberts said there is funding available for that, such as AB 118 for instance.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Quinn in the amount of \$220,500.

Motion carried, 8 – 0.

Southern California Permanente Medical Group

Mr. Aguilar presented a proposal for Southern California Permanente Medical Group (SCPMG), in the amount of \$249,480. SCPMG is a for-profit arm of Kaiser Permanente, health care

provider. Kaiser Permanente operates under three corporate umbrellas. 1) Kaiser Foundation Health Plans; 2) Kaiser Foundation Hospitals; and 3) Permanente Medical Groups.

Mr. Aguilar introduced Terry Bream, Manager/SCPMG Nursing Administration and Steve Duscha, representing Duscha Advisories.

Ms. Montoya said the ETP 130 states the company will train LVNs and Medical Assistants (MAs) in new ways of managing patients of primary care facilities, which are generally doctor facilities. She asked if the reason for that is due to the economic crisis, medical funding problems, if nurses are taking on more responsibilities, and if there is a doctor shortage. Ms. Bream said there is a doctor shortage in primary care, but Kaiser Permanente systems support medical offices. She said they have a very extensive program that makes LVN, RN, and MA roles very important today in the doctors' offices. She said they are seeing a shift from acute care in the hospital to ambulatory care, which requires staff to support that type of care. Mr. Duscha said it is really about quality and not saving money. Ms. Bream said yes, without a doubt. She said they are not swapping LVNs and MAs for positions; they are looking at the team being efficient and trying to handle the access of patients that are going to have healthcare coverage because they will be in the medical office buildings and hopefully, not as many in the hospitals.

Ms. Roberts asked if the new medical complex is a pre-existing structure or new construction. Ms. Bream said it is new construction and the medical office building always precedes the hospital. She said they are partnering with their Fontana facility which will be replaced, but this is a new facility set to open November 1, 2011. Ms. Roberts asked if some of the Fontana employees will move to the Ontario area. Ms. Bream said yes, and that some employees that work in Orange County and wish to be closer to home, may move to Ontario. Ms. Roberts asked if the Fontana facility is closing. Ms. Bream said no, it is not. Ms. Roberts asked where the facility is located in Ontario. Ms. Bream said it is located off Freeway 71, approximately 10 miles from the Fontana facility.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the proposal for SCPMG in the amount of \$249,480.

Motion carried, 8 – 0.

Genesys Telecommunications Laboratories, Inc.

Creighton Chan, Manager of the Foster City Regional Office, presented a proposal for Genesys Telecommunications Laboratories, Inc. (Genesys), in the amount of \$249,696. Genesys develops and provides software suites that help manage customer interactions over the phone, smart phone, Web, e-mail, and via online chat, connecting customers to the right self-service or assisted-service resources. The software is designed to fill customer requests, optimize customer care goals, and efficiently use resources.

Mr. Chan introduced Joan Tice Lee, Certification Manager.

Mr. Rodriguez asked if they have adopted a new software training program for all of their employees. Ms. Tice Lee answered yes, I guess you could say that. Mr. Rodriguez asked if it

has been adopted in the last year. Ms. Tice Lee said Genesys has not necessarily adopted any one software training program. She said they have a number of software training programs that are available, but not every employee in the program is required to take all of the classes. Mr. Rodriguez asked if the proposal will have separate training for identified workers, or if it is integrated. Ms. Tice Lee answered it is an integrated program in that they track and monitor all of the training plans for their employees. If an employee is identified as requiring new technologies and skills, then in their Learning Management System they would put together a training plan for them and they would be assigned or recommended to take those particular classes.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the proposal for Genesys in the amount of \$249,696.

Motion carried, 8 – 0.

SF Parking, Inc. dba SFO Shuttle Bus Company

Mr. Chan presented a proposal for SF Parking, Inc. dba SFO Shuttle Bus Company (SFO Shuttle), in the amount of \$142,542. SFO Shuttle provides planning, design, and operation of bus services for airports, corporations, hotels, and municipalities. Under the SFO Shuttle branch, the company employs drivers, dispatchers, administrative staff, and managers/supervisors to operate a fleet of coaches, minibuses and vans.

Mr. Chan noted a correction that should be made to Page 5 of 6 of the ETP 130. It states that all but a dozen workers in the trainee population as a whole, are non-union. He said this is incorrect, and it should state that 45 workers are non-union.

Mr. Chan introduced Irene Camarena, Director of Human Resources and Jan Borunda, representing California Labor Federation.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the proposal for SFO Shuttle in the amount of \$142,542.

Motion carried, 8 – 0.

BAE Systems, San Diego Ship Repair, Inc.

Ms. Torres presented a proposal for BAE Systems, San Diego Ship Repair, Inc. (BAE), in the amount of \$249,480. BAE refurbishes and repairs marine vessels for government and commercial customers. The majority of shipyard work at BAE centers on the U.S. Navy fleet landing platform docks, dock landing ships, cruise ships, tankers, and barges. BAE's ship-repair capabilities include structural and piping modifications, machinery repairs and alterations, combat systems and electronics upgrades, ship conversions, and modernizations.

Ms. Torres introduced Robert Kilpatrick, President & General Manager and Jeffrey Sallay, Training Manager.

Mr. Rodriguez asked about their workforce fluctuating in the San Diego ship repair marketplace, ship movement, and if the Navy is their primary contractor. Mr. Kilpatrick said in the ship repair marketplace, ships come-and-go so they had to stabilize that with the Navy. They occasionally repair cruise ships, but for the most part in the San Diego location, the U.S. Navy is the principle customer. Mr. Rodriguez asked about the company's overall goal to stabilize their workforce. Mr. Kilpatrick said the area that the Navy is looking for them to improve, is in the technical requirements and assessments of their needs. He said there are not as many sailors handling ship repairs, so the Navy is looking to them for repairs. He said that is where they must grow their personnel in, and this training would help them immensely. Mr. Rodriguez asked where their pipeline is for new workers. Mr. Kilpatrick said principally in the new area it has been more in quality assurance, ship superintendants running the programs, and foremen. He said the workforce is aging and they must develop some of their mid-line managers, which this training will help them to do.

Ms. Roberts said the training curriculum states the company is wishing to enhance technical skills based on the Navy's needs, but the curriculum does not include technical skills, but rather soft skills, business skills, and computer skills. She was concerned that their curriculum does not match their intent. Mr. Sallay answered that in the manufacturing area in particular, advanced welding skills and laser alignments are techniques that require much training, work, and experience. He said the average person doesn't get the opportunity to participate in that to the level they need to be. He said they are working on a certification for shafting repair, and these skills will help when they receive the certification. He has been working with a machinery repair shop, for instance, to implement those aspects so it is advanced as far as possible within the day-to-day demands of the workload. Ms. Roberts said they did not meet the last contract by less than 50%, and stated the reason was due to mandated training whether environmental or OSHA compliance. She was concerned it could be the same scenario going forward. Mr. Sallay said in their last ETP contract, all of their employees went through 10-hour OSHA training and supervisors went through a 30-hour OSHA training, which was mandated training. He said now all of their employees are up to that skill level, which was a large problem as was the variation in the workforce. They have established a core workforce to maintain that level, and he is confident they can meet these goals.

ACTION: Ms. Montoya moved and Ms. Roberts seconded approval of the proposal for BAE in the amount of \$249,480.

Motion carried, 8 – 0.

Integrated Healthcare Holdings, Inc.

Ms. Torres presented a proposal for Integrated Healthcare Holdings, Inc. (Integrated Healthcare), in the amount of \$249,498. Integrated Healthcare provides medical/surgery, obstetric, geriatric, psychiatric, radiology, respiratory therapy clinical laboratory, pharmacy, and physical/occupational therapy services on an inpatient/outpatient basis.

Ms. Torres introduced Gretchen Lindeman, Director of Human Resources representing Chapman Medical Center and William Parker, President/CEO representing National Training Systems Inc.

Ms. Roberts asked if the previous ETP contract was for the Santa Ana location. Ms. Lindeman said Western Medical Center of Santa Ana participated in the previous ETP funding. She said she believes they received their funding in 2009 and it has been successful. Ms. Roberts referred her question to Ms. Torres, and said in doing the math it says that so far to date they have earned \$90,000 of the \$250,000 that was granted. Therefore, they have until August 2011 when the contract stops and the retention starts, so in seven months they must pick up the extra \$150,000 to do the training, is that correct? Ms. Torres said yes, that is correct and they have until July 2011 to complete all of the training. She said we are probably two months from the point of where those numbers are; but given the number of employees and the rate of hours that the nurses are training, and if they stay within the same number of individuals enrolled and number of hours they typically train, they will likely earn at least 80%. She said that although numbers of hours tracked reflects approximately \$90,000 earned, they will likely earn closer to \$200,000. Ms. Roberts asked if she believed they would earn approximately 80%. Ms. Torres said yes, that is correct.

Ms. Roberts referred to a comment in the ETP 130 that states the other three hospitals declined to participate in the 2009 proposal and asked why they were not included in the 2009 proposal. She said for years, the Panel discussed combining contracts versus funding facilities one-by-one, since it is difficult to understand the SC when multiple facilities are involved.

William Parker answered that ETP was in a similar position back then as it is now. He said there were caps of \$250,000 on each project and if the four hospitals were combined into one proposal, it would not have served their needs to the best of ETP. He recalled that Western Medical Center had needs of approximately \$800,000. Ms. Roberts asked if the Panel will return to approving facilities one-by-one because of contract amounts. Ms. Torres said that is something that is a concern to staff because we recognize the Panel's desire to lump these companies together. She said it would have been different if the other hospital was funded only six months ago and if that was the case, then staff would have combined the other hospital with those monies. She said that given that they are almost at the end of their contract and it is in a different fiscal year, staff believed it was reasonable to take on another proposal from Integrated Healthcare. Mr. McMahon said last year with the healthcare initiative for non-profit proposals, staff considered the total amount available to an employer and prepared it on that basis; understanding there was an overall limitation. Ms. Roberts said she understood and had no further questions.

ACTION: Ms. Montoya moved and Mr. Rendon seconded approval of the proposal for Integrated Healthcare in the amount of \$249,498.

Motion carried, 8 – 0.

Quality Discount Ice Cream Distributors, Inc.

Ms. Torres presented a proposal for Quality Discount Ice Cream Distributors, Inc. (Quality Ice Cream), in the amount of \$105,840. Quality Ice Cream is a privately owned corporation that distributes ice cream products to small and medium-size retail businesses. The company has steadily grown from a small mobile ice cream vending operation to a wholesale distribution and

delivery enterprise. In addition to ice cream distribution the company also places, maintains, and refurbishes ice cream freezers at its warehouse.

Ms. Torres introduced Reza Palizban, Vice President.

Ms. Montoya congratulated the company on having the courage to be in an industry where they are competing with the giants and it was great to hear the company is hiring and growing.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Quality Ice Cream in the amount of \$105,840.

Motion carried, 8 – 0.

Proposal for Multiple-Employer Contractors

Irvine Valley College

Ms. Torres presented a proposal for Irvine Valley College, in the amount of \$199,465. Irvine Valley College is a two-year public community college and is part of the South Orange County Community College District. The District consists of Irvine Valley College and two other campuses: the Advanced Technology Education Park (ATEP) in Tustin; and Saddleback College in Mission Viejo. As an institution of higher learning, Irvine Valley College seeks to deliver innovative instruction and programs to serve its students and the community. One of its goals is to provide programs and activities that promote economic development and partnerships with the business community.

Ms. Torres said as you recall at the last Panel meeting, Panel Members asked that the proposed contractors bring forward at least 80% demand up front; Irvine College has done that and staff has confirmed it.

Ms. Torres introduced Bruce Sobczak, Director of Economic & Workforce Development, representing Advanced Technology & Education Park (ATEP).

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Irvine Valley College in the amount of \$199,465.

Motion carried, 8 – 0.

AB 118 Proposals

David Guzman, Chief of Operations, said the next three proposals, A, B, and C, are proposals under the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program. The partnership with the California Energy Commission (CEC) began in the Fiscal Year 2009-10, with five projects that the Panel approved in June 2010, totaling \$1.8 million.

The AB 118 program is focused on alternative and renewable fuel technologies and low emission renewable fuel vehicles. Alternative fuels in the program are defined as fuels other than traditional gasoline and diesel petroleum sources. Examples of alternative fuels are bio-diesel, ethanol, methanol, electricity, propane, compressed or natural gas, and hydrogen. The three projects to be heard total \$1.2 million and it is the first opportunity to hear the AB 118 proposals in Fiscal Year 2010-11. If the Panel approves the three projects under the CEC AB 118 program presented today, they will total \$3 million from the total allocation available of \$5.4 million.

California Labor Federation, AFL-CIO

Mr. Aguilar presented a proposal for California Labor Federation, AFL-CIO (CalFed), in the amount of \$999,460. CalFed is an umbrella organization comprised of more than 1,200 AFL-CIO unions, representing 2.1 million members in manufacturing, retail, construction, hospitality, public sector, health care, entertainment, transit, and other industries. CalFed reports that it has been a leader in research and initiatives that support California's green movement, and is committed to keeping California union workers well trained for jobs in this evolving industry.

Mr. Aguilar noted that approval for the Sacramento Regional Transit District is recommended upon submission of a union support letter that has not yet been received.

Mr. Aguilar introduced Tim Rainey, Executive Director of California Labor Federation; Jan Borunda, Project Coordinator of California Labor Federation; Ronnie Ridgeway, Maintenance Trainer of Sacramento Regional Transit; Kerry Kopp, LRV Maintenance Trainer of Sacramento Regional Transit; and Russell Anderson, Supervising Maintenance Instructor of the Santa Clara Valley Transportation Authority.

Ms. Roberts asked about the outstanding union support letter. Mr. Aguilar said staff is expecting a letter from the Administrative Employees Association for the Sacramento Regional Transit Authority. He said staff recommends approval for the other two transit authorities and for Sacramento, contingent on receipt of that support letter. Ms. Roberts asked if he sees any obstacle in obtaining the union support letter. Mr. Aguilar answered no, and said he believed they are currently in a transition. Ms. Borunda said District Council 57 recently had an election which changed the bargaining agent, and they are trying to obtain the letter now. Ms. Roberts asked if she expects any problem in obtaining the letter. Ms. Borunda answered no, and said it is for nine employees only.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the proposal for CalFed in the amount of \$999,460, under the condition that a union support letter is received supporting the Sacramento Regional Transit District.

Motion carried, 8 – 0.

MV Public Transportation, Inc.

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a proposal for MV Public Transportation, Inc. (MV), in the amount of \$180,000. MV provides ancillary services in passenger transportation including bus maintenance, transit technology, scheduling/reservation,

facility maintenance and management, and related services to regional transit agencies and/or authorities, cities, counties, federal entities, public-private partnerships, and private companies.

Ms. Hernandez introduced Vicki Wells, Director of Compensation and Benefits and Richard Hans, Regional Director of Maintenance.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded approval of the proposal for MV in the amount of \$180,000.

Motion carried, 8 – 0.

Blue Sky Bio-Fuels, LLC

Mr. Chan presented a proposal for Blue Sky Bio-Fuels, LLC (Blue Sky), in the amount of \$59,280. Blue Sky produces biodiesel fuel from a variety of feedstock using its proprietary process. The biodiesel fuel can be used by any diesel vehicle such as trucks, generators, and diesel cars.

Mr. Chan introduced Paul Lacourciere, CEO.

There were no questions from the Panel.

ACTION: Mr. Florence moved and Ms. Roberts seconded approval of the proposal for Blue Sky in the amount of \$59,280.

Motion carried, 8 – 0.

X. PUBLIC COMMENTS

There were no public comments.

XI. PUBLIC MEETING ADJOURNS

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

Motion carried, 8 – 0.