



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency

1001 I Street

Sierra Hearing Room, 2nd Floor

Sacramento, CA 95814

January 25, 2013

PANEL MEMBERS

Barry Broad
Chair

Carol Farris
Member

Sonia Fernandez
Member

Michael Hart
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Sam Rodriguez
Member

Executive Staff

Jill McAloon
Acting Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Acting Chair, called the meeting to order at 9:32 a.m.

II. ROLL CALL

Present

Carol Farris
Sonia Fernandez
Ed Rendon
Jan Roberts
Sam Rodriguez

Absent

Barry Broad
Michael Hart

Executive Staff Present

Jill McAloon, Acting Executive Director
Maureen Reilly, General Counsel

III. AGENDA

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

Motion carried, 5 – 0.

IV. MINUTES

ACTION: Mr. Rendon moved and Ms. Fernandez seconded the motion that the Panel approve the Minutes from the November 16, 2012 meeting.

Motion carried, 5 – 0.

Ms. Roberts announced that Janine Montoya, who served on the Panel for over five years, moved on to other pursuits. She thanked her for her years of service, said she was a valuable member of the Panel, and that she will be missed.

V. REPORT OF THE EXECUTIVE DIRECTOR

Jill McAloon, Acting Executive Director, said today we have a large Panel packet that includes both a standard mix of both single and multiple employer projects. Three of the regional office managers are present today to present projects, and Wally Aguilar is joining by teleconference.

Per the Governor's proposed budget introduced on January 10, 2013, there is no transfer of ETF monies to other agencies and ETP was allocated \$49.1 million for the new FY. EDD estimates from ETF revenues indicate there is approximately \$48.1 million for this FY. Should the Panel approve all of the projects before it today; it will have approved approximately \$39.9 million, resulting in \$31.4 million available for contracting capacity for the remainder of the year.

Due to the increased popularity of our small business program, many of our small business projects are approved under SET. Due to the great popularity of our new apprenticeship pilot that is funded under SET, there is a shortage of SET funds this year. She said that with the great demand for apprenticeship, we will not accept any more applications for apprenticeship training this FY after January 31.

We will take applications and develop them, but we will not be presenting any new ones after January 31 until likely May or June, and they would not be funded until the new FY. This would not apply to apprenticeship training and industry sectors that face out-of-state competition such as manufacturing. Regarding alternative funds, ETP will receive funding under the AB 118 program through the partnership with the California Energy Commission (CEC); we anticipate that we will have \$3 million soon for the Section 28.5 process that we started back in August. That process is really slow; it started in August, and we are just now waiting for funds. To support that program on an ongoing basis, we are currently working with the Department of Finance (DOF) to help make that available through the budget process every year, and for the next FY, AB 118 money will be made available through the budget process, which is great because otherwise the process is very slow and it is difficult for marketing. The marketers go out and get businesses, and then they have to wait for funds and then some lose interest, so that will be really good for the program.

The Legislature is currently in session and there are two bills that have potential impact on ETP. Ms. McAloon referred the Panel to the Legislative Update Memo before them, which will also be posted online.

AB 114 (Salas) Proposition 39: Implementation.

(The California Clean Energy Jobs Act)

This initiative was approved by the voters and passed into law in November 2012. It eliminates the ability of multi-state businesses to choose how their California taxable income will be determined, which results in some businesses paying more State taxes. It provides for the transfer of \$550 million annually from the General Fund to the Clean Energy Job Creation Fund for five Fiscal Years beginning with the 2013-14 FY. Funds will be available upon appropriation by the Legislature for funding projects to create jobs, for improving energy efficiency, and to expand clean energy generation. It also provides allocation of some funds to job training and workforce development. What role ETP might play in this is still uncertain, and we will keep everyone informed as we know more.

AB 8 (Perea) and SB 11 (Pavley) Alternative Fuel and Vehicle Technologies: Funding Programs.

Existing law until 2016 increases vehicle and vessel registration fees, fees for identification plates, and it imposes smog abatement fees. The revenues generated by those fees are deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and two other funds. This bill will actually extend the fees and the sunset date from 2016 to 2024. That is good for ETP because we are anticipating our participation in AB 118 will be extended.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Ms. Roberts said there are five items on the Consent Calendar, and some have poor performance; but we will address that as we go through them. In the future we will talk more about what goes onto the Consent Calendar because we are looking at past performance as an indicator of whether we should reduce the amount of funding at the time the project is considered or make other adjustments. At this time we are going to approve the five items, but in the future we will look a little more closely at them.

Ms. McAloon asked for a motion to adopt Consent Calendar Items #1 through #5.

Blue Diamond Growers	\$235,720
CVS Pharmacy, Inc. dba CVS Caremark	\$120,000
Fireman’s Fund Insurance Company.....	\$130,000
Gilead Sciences, Inc.	\$191,250
Intuitive Surgical Operations, Inc.	\$240,496

ACTION: Mr. Rendon moved and Ms. Farris seconded approval of Consent Calendar Items #1 through #5.

Motion carried, 5 – 0.

VII. MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

Ms. McAloon 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: Ms. Farris moved and Ms. Fernandez seconded the motion to delegate in event of loss of quorum.

Motion carried, 5 – 0.

Ms. Roberts said the Panel will lose a quorum today unless another Panel member arrives, as she has a conflict of interest on some of the proposals.

VIII. DELEGATION ORDERS

Maureen Reilly, General Counsel, referred to Tabs A - D in the back of the Panel Packet binders, summarizing the Delegation Orders that were approved. Between all four, we approved a total of approximately \$2.1 million, so this process is working very smoothly. She

said staff will be presenting Chairman Broad with another Delegation Order, scheduled for January 31.

IX. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

Allergan, Inc.

Diana Torres, Manager of the San Diego Regional Office, presented a Proposal for Allergan, Inc. (Allergan) in the amount of \$325,700. Allergan is a global, technology-driven health care manufacturing company. The company's initial focus was developing and manufacturing eye care products; however, today it has expanded into several medical specialties including ophthalmology, neurosciences, medical aesthetics, medical dermatology, and obesity intervention. Allergan manufactures products like RESTASIS and REFRESH for eye care, and ALPHAGAN and LUMIGAN for glaucoma. The company also manufactures a Natrelle collection for breast aesthetics; and Botox, Latisse, and Juvederm for medical aesthetics. Allergan operates in two segments: specialty pharmaceuticals and medical devices, serving the needs of patients through physicians and medical specialists.

Ms. Torres introduced Anne-Marie Converse, Director, Global Learning and Organization Development.

Ms. Fernandez asked how they plan to maintain their records since they have three facilities. Ms. Converse said they were planning to use their Learning Management System (LMS), although she understands there is a review by ETP of the system, to see if it meets ETP's standards for tracking. That is basically what they believe is their best business practice for tracking and recording their training, so they would like to use it if possible. She said they also keep rosters of all their training, and that is how the LMS administrator knows what data to input into their system, and they could fall back on that if needed.

Mr. Rodriguez asked if these are primarily front-line employees that require training. Ms. Converse said many of them are. They have approximately 15% of those who are supervisors and managers and in fact some of them, such as her, are called directors but they are hands-on managers and do much of the work. Mr. Rodriguez asked if she could give the Panel a sense of the job skills that are needed for frontline workers. Ms. Converse said there are a variety of skills needed for frontline workers. She said she is responsible for HR type of training such as professional and leadership skills, communication, and conflict resolution. But they do have someone like her; her colleague is in charge of functional training, and they do quite a bit of job skills training on the manufacturing side including continuous improvement. They have very strong programs in that area in manufacturing and the sales side, they need quite a bit of product knowledge training and a good understanding of biology and medicine to be able to speak with their physicians. They have quite a bit of training needs for R&D and also clinical research knowledge. Mr. Rodriguez said you plan to hire 100 new employees, and of those, are there workers who will be hired that have less than a college degree and if so, who are they in terms of their occupation. Ms. Converse said she was unsure, but assumes that a college degree is not required for their manufacturing employees. She said it is required for sales and R&D and quite a few have Masters and PHD's in the sciences. Mr. Rodriguez said so you are

still hiring folks that are technicians with some college, but work closely with your R&D folks. Ms. Converse said yes, exactly.

Ms. Roberts said this is a great contract, their first time to ETP, and wished them the best of luck.

ACTION: Ms. Farris moved and Mr. Rendon seconded approval of the Proposal for Allergan in the amount of \$325,700.

Motion carried, 5 – 0.

C&D Zodiac, Inc.

Ms. Torres presented a Proposal for C&D Zodiac, Inc. (C&D Zodiac), in the amount of \$447,750. C&D Zodiac designs and manufactures aircraft interior components, such as seats, overhead bins, cabinets, galleys, stairways and doors. Established in 1972 as an aircraft holding-tank company, C&D Zodiac evolved into a major manufacturer for commercial and private aircraft companies such as Boeing, Airbus, and Bombardier.

Ms. Torres said this proposal was scheduled to be heard at the December 2012 Panel meeting. Therefore, staff recommends “grandfathering” the calendar year 2012 wages to ensure there is no detriment caused by the cancellation of December’s meeting where, as here, some occupations would not meet calendar year 2013 wages.

Ms. Torres introduced Phil Dixon, Corporate Training Manager.

Ms. Roberts said in their prior contract, they had 225 individuals that were actually new-hires, but they only retained or trained 73 of them, is that correct? Mr. Dixon said those are the numbers that they reached, at the 24-hour minimum, and he believes when their projections are all said and done they will be a little bit higher, but let’s keep it with what we have right now, at about 73 or 21% of the numbers. He said they have many people in that 15-20 hours of training range. They have totally revamped their training process and have developed an engineering phase step wise program. They completed the first phase and a good deal of that hiring group was in engineering. There was some manufacturing and general office training, but much of it was engineering and they are in the first phase of that, which is happening today. It took them a little while to develop that training, and it got pushed out a little bit. Ms. Roberts noted they are doubling the amount they are requesting in this proposal, at almost \$500,000, but performance was not so good, but it is job creation. She said there is some wiggle room because of job creation, and if they earn more than \$250,000, but this is new job creation so there is no substantial contribution. That is a very low amount and so is the cost-per-trainee. She asked what percentage of their workforce earns \$8.04 per hour. Mr. Dixon said a low percentage of the total workforce earns \$8.04 per hour and they are trying to provide training to these employees to raise their proficiencies; they have general manufacturing, basically puzzle pieces that get put together and glued together to make the parts in the planes, and it does not require a college education for that. They promote from within, and he would say that about 70% of their managers and supervisors have come from within and come up from the production floor. He said he did not know the exact percentage that earn \$8.04 per hour, but estimated it was less than 10%. Ms. Torres said yes, that is correct; all of those are the job creation, so it is a very small percentage, in order to train as many people as possible.

Ms. Torres said it was important to understand the method staff used, in trying to project what people can earn. She said the prior project amount of \$246,960 was 100% earned. She said we cut them back by half when they originally came to the Panel. So, they had the need for double that amount, and that is why they went above-and-beyond the \$246,960, but we were only able to reimburse them that, which is why we felt we could be a little more liberal.

Mr. Rodriguez asked, since the total amount over the last couple of years is close to \$1 million, and you state that 58% of the training is focused on manufacturing skills, can you briefly elaborate on where is the actual need? Mr. Dixon said as you may know, manufacturing jobs in the U.S. are suspected to be going to other places, and we are trying to keep them here in CA by training our employees to be the best possible and doing the most with the least. Regarding the demand for training they are launching, it is going on right now; and there is a continuous improvement initiative by their parent company which will require 20 hours of training for all 10,000 employees worldwide. So they are looking at 24 hours right off the bat for all of their manufacturing employees to make them more effective at what they do. It is an assembly line like most manufacturing facilities. They get pieces from Washington State and they basically put a puzzle together. So we are trying to determine how we can do that most effectively and safely and try to make sure the flow, called "tack times" which is how the production works, that it works as quick as possible, and we have the most highly-skilled manufacturing employees as we can to keep the work here in CA and in the U.S. since they are an international company.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the Proposal for C&D Zodiac in the amount of \$447,750.

Motion carried, 5 – 0.

Frito-Lay, Inc.

Ms. Roberts recused herself from discussion and action on all four of the Frito-Lay, Inc. proposals. She passed the gavel to Panel member Ed Rendon to present the Frito-Lay, Inc. proposals.

Ms. Torres said she will present all four Frito-Lay, Inc. proposals under Tabs #8, #14, #15, and #23. Tab #8 Frito-Lay, Inc. in the amount of \$249,912; Tab #14, Frito-Lay, Inc. in the amount of \$249,696; Tab #15, Frito-Lay, Inc. in the amount of \$249,984 and Tab #23, Frito-Lay, Inc. in the amount of \$249,750. She said these are all separate proposals.

The Tab #8 proposal is for the Rancho Cucamonga facility; Tab #14 is for the Bakersfield Manufacturing Plant, Tab #15 includes 25 locations throughout CA for sales operations and distribution; and Tab #23 is for a Modesto facility and the Modesto Exchange Warehouse Stores products. She said there has been a reduction from \$2 million down to below \$1 million for all four facilities. In addition, the four proposals cumulatively represent the maximum of \$1 million funding cap for this Fiscal Year (FY).

Frito-Lay, a division of PepsiCo, Inc., manufactures and distributes a wide variety of snack and convenience foods including Fritos, Doritos, Ruffles, Lays Potato Chips, Cheetos, and Sun Chips. Frito-Lay's customers include major retail outlets such as Sam's Club and Costco, vending retailers, major grocery stores, and food service distributors.

Ms. Torres introduced Nancy Cramer, Management & Development Manager and Barbara Ann Sierra, Frito-Lay North America SoCal Region Office.

Ms. McAloon noted that with the recusal of Acting Chair Roberts, there is no Panel quorum to consider the Frito-Lay proposals. She said we will hear each proposal now, and then she and Chairman Broad will review them on January 31.

Mr. Rodriguez asked why there were so many projects coming into so many different ETP offices from the same company. Ms. Cramer said at one time they were combined but then they went to be separate units. She said they are now separate functions and are spread out across CA, and then divided up between San Diego, Sacramento and Los Angeles. At one time, they were all combined, and now they are separate because each one has its own staffing, budgets, and is run independently. Mr. Rodriguez asked if they are incorporated separately. Ms. Cramer said no, they are not incorporated separately; but they each have their own budgets, so they are all separate manufacturing facilities. Ms. Sierra said they are all Frito Lay but they operate under separate budgets. She said the Kern facility has their own budget, the Modesto facility has their own budget, Cucamonga has their own budget, and the sales office has its own budget, which is why they came under separate contracts. Mr. Rodriguez said there are many companies with separate budgets because they have different sites in California. Ms. Cramer said staff wanted to see them come in together because of the cap.

Mr. Rodriguez asked staff if this was our decision then. Ms. Reilly asked if Mr. Rodriguez was referring to why we are going up to \$1 million for one company. Mr. Rodriguez said yes, that is correct. Ms. Reilly said we have done this in the past, even up to \$1.2 million where it is a large company, and it is coincidental that they are all coming to the Panel this month; I believe two of them were held over from the December cancelled meeting. In fact, I believe we even asked Frito-Lay to delay into this FY for some projects that they wanted in the prior FY because we had a shortage of funds. So we have gone up to as high as \$1.2 million for companies where there are multiple locations and many employees. Mr. Rodriguez asked where Frito-Lay is headquartered. Ms. Cramer said in Plano, Texas. Mr. Rodriguez said there are many companies in CA that have significant divisions located in various sites, and he was concerned whether this is a practice or a policy. Ms. Reilly said it is a policy but it has been in practice, and she could provide if he was interested, a list of other companies for which we have gone up to \$1.2 million. Mr. Rodriguez asked if this is a policy in writing. Ms. Reilly said no. Mr. Rodriguez said so it is a practice. Ms. Reilly said yes, it is practice, and it has been in effect for the past year or two. Mr. Rodriguez said since we do not have a quorum and have multiple projects to be presented, he asked where the company representatives traveled from to be at the meeting. Ms. Cramer said they are both from Southern California. She said she is responsible for the California region but is housed in Irvine in Southern CA. Mr. Rodriguez asked how many units she is responsible for. Ms. Cramer said she has three manufacturing plants in Modesto, Kern and Rancho Cucamonga and sales operations at the 28 distribution centers. Mr. Rodriguez said, so there are not four of you in these different units, correct? In other words you are responsible for an entire region. Ms. Cramer said she is responsible for the entire region and then they have point contacts in each one of the manufacturing plants. Mr. Rodriguez said, so logically you could have introduced a regional grant proposal. Ms. Cramer said yes, they have done that in the past. Mr. Rodriguez said he would reserve additional questions for Chairman Broad, since these proposals will be considered by him. Ms. Reilly said strictly speaking, these

proposals are going on Delegation Order because each project is right under \$250,000 but it is going to be presented by our Executive Director Jill McAloon at the Delegation Order meeting because that has been set up previously. She said this is for the motion to delegate in event of loss of quorum that was adopted at the start of this meeting and is adopted at the start of every meeting. She said you can relay your questions through Ms. McAloon, and they will be taken into consideration when she meets with Chairman Broad next Thursday. Mr. Rodriguez said yes, thank you.

Ms. Farris asked if the training needs are different or similar on all four proposals. Ms. Cramer said there is some similar training in the manufacturing plants, but each one of them has some different technology, and some are older that do not have the technology. The distribution centers are different from the plants so there are some similarities but also some large differences around technology.

Mr. Rodriguez asked if there is only one training director. Ms. Cramer said she oversees the training and development for the California region, but within each plant, they have their own training and management section. Mr. Rodriguez asked if there is one training information system or four different training systems. Ms. Cramer said there are four different training information systems. Mr. Rodriguez asked if they report back or if they are synthesized. Ms. Cramer said they report back. Mr. Rodriguez said he has worked for large corporations globally, and he recognizes that there are different units, divisions, and various training going on, but sometimes there is just one centralized case management system for training for employers. Do you operate that? Ms. Cramer said no, she does not.

Mr. Rendon said as there was no Panel quorum, the four Frito-Lay, Inc. proposals would be considered on January 31, by Chairman Broad and Jill McAloon, for review by the motion taken earlier to delegate in event of loss of quorum. Ms. Roberts returned in her capacity as Acting Chair for the remainder of proposals.

Illumina, Inc.

Ms. Torres presented a Proposal for Illumina, Inc. (Illumina), in the amount of \$320,775. Illumina develops and manufactures microarray-based products and services for genetic analysis, sequencing, genotyping, gene expression, and protein analysis.

Ms. Torres introduced Jamy Salazar, Senior Manager of Training & Development and Donna Bartlett, CEO representing Spectra Consulting, LLC.

Ms. Roberts asked about the substantial contribution currently at 15%, but said since this is their third contract that we sometimes increase it to 30%. Ms. Torres said in the previous agreement, there was no substantial contribution. Although they had a previous agreement, they earned very little; therefore, we could not apply it, since they did not go over the \$250,000 threshold. So in policy and in practice, what we do when it is the first time we are going to impose a substantial contribution, we start with a baseline of 15%. She said it can go as high as 30%, and that is at the Panel's discretion. If they come in for a subsequent agreement because they have received a substantial contribution on this one, then the baseline would be 30% going up to, I believe, 50% for the subsequent one. So that is kind of the way we do policy and practice but as you know there is a correct range.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for Illumina in the amount of \$320,775.

Motion carried, 5 – 0.

Physicians for Healthy Hospitals, Inc.

Ms. Torres presented a Proposal for Physicians for Healthy Hospitals, Inc. (PHH), in the amount of \$398,000. PHH is a coalition of local doctors whose mission is to create strong, state-of-the-art hospitals that serve as centers of medical excellence in the Hemet, San Jacinto, and Meniffee Valleys in Southern California. This for-profit entity has two full-service, acute care hospitals in Riverside County that are the focus of this training proposal.

Ms. Torres introduced Beth Gardner, Chief Nursing Officer.

Ms. Roberts asked if they have a training manager onboard or a training staff person to administer this proposal since this is their first one, and asked how they handled documentation in the past. Ms. Gardner said they have two RNs that are clinical educators that are both master prepared and she also shares a secretary with them, so they will be able to handle the documentation. Ms. Roberts asked if they have conducted training in the past and kept records. Ms. Gardner said yes, they have. Ms. Roberts said it was important because she has seen some healthcare proposals in the past that have had poor performance for various reasons. She wanted to ensure they have a dedicated training person onboard. Ms. Gardner said yes, they do, and it is a requirement for hospitals and any healthcare organization if they are giving continuing education units to the RNs. They have to have a very detailed and complete record keeping system.

ACTION: Ms. Fernandez moved and Ms. Farris seconded approval of the Proposal for PHH in the amount of \$398,000.

Motion carried, 5 – 0.

Tyco Healthcare Group LP dba Covidien

Ms. Torres presented a Proposal for Tyco Healthcare Group LP dba Covidien (Covidien), in the amount of \$599,200. Covidien specializes in the development, manufacturing, and sale of healthcare products for use in clinical and home settings. The company's customers include hospitals, surgical-centers and alternate site facilities, including long-term care facilities, imaging centers, and drug manufacturers in over 140 countries.

Ms. Torres introduced Corey Walker, Technical Training Project Manager.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for Covidien in the amount of \$599,200.

Motion carried, 5 – 0.

United Parcel Service, Inc.

Ms. Torres presented a Proposal for United Parcel Service, Inc. (UPS), in the amount of \$599,616. UPS is a global leader in logistics, offering a broad range of solutions including the transportation of packages and freight; the facilitation of international trade, and the deployment of advanced technology to efficiently manage the world of business.

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

Mr. Rodriguez asked about staff's recommendation to approve this proposal, as only 12% payment was earned. Ms. Torres said in a typical situation, we likely would not have brought this to the Panel, but as she mentioned before, we look at everything historically, the situations that happened, what do they have going forward, the stability of the company, and other companies that are in recovery right now. So we felt comfortable that the agreement amount of \$500,000 was appropriate, and therefore we did give our recommendation for this amount. Mr. Rodriguez said, I assume you asked for an explanation of the payment earned. Ms. Torres said yes, definitely; part of the application process is that when a prior proposal has earnings of 70% or less, we ask for a very detailed explanation of what happened, and what they will do differently this time so that it does not happen again. As Ms. Fountain mentioned, the economy was one factor but there were also other factors. We hear so many stories that when the economy is bad, companies strategically do many different things, so that is not unusual. Perhaps an additional question might be, do you plan to have any other large strategic changes that can also affect this project? Mr. Rodriguez asked if the company transformation is still in process. Ms. Fountain said no, the transformation was back in 2010, so they have already downsized, many management staff lost their jobs and were down-graded. They are through that, and see positive trends in business right now. Their earnings do not come out until next Thursday, but they are seeing positive trends and that is another reason why they need to get their employees trained. Their drivers will require training as they have new driver mapping systems that they want to begin training on in February called Orion, which basically helps the driver trace where he needs to go in his package car to deliver in the most expeditious way.

Ms. Torres added that in the field they do not see everything as black and white, and we do that to be better prepared to answer the Panel's questions. One thing affects the other, so we understand that and try to take all of those things into consideration before we do bring the proposals before the Panel. I appreciate you asking those questions because then you know what we are doing in the field.

Ms. Roberts said I admire UPS just as Mr. Rodriguez does, and in fact she works for a company that actually purchased some of the UPS training programs for their drivers. She said I believe you are the second largest fleet in the world, and I know Frito-Lay is perhaps seventh. She is taking a course right now in training, and UPS is highlighted in the manual textbook as being an exemplary training machine. So I am curious, because you put that so much in the forefront, why that would happen; but understanding your company, and I understand the downturn as well, something through contingency must be cut and training is usually what gets cut. She agreed that 12% payment earned is very low; they had requested \$1.3 million in their prior project; we now have capped it at \$600,000, so the amount has been reduced. She asked if the high earner number only goes back five years. Ms. Torres said yes, that is correct.

ACTION: Mr. Rendon moved and Ms. Fernandez seconded approval of the Proposal for UPS in the amount of \$599,616.

Motion carried, 5 – 0.

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

Ms. Torres presented a Proposal for Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System (Southwest Healthcare), in the amount of \$390,296. Southwest Healthcare encompasses two acute care hospitals: Rancho Springs Medical Center and Inland Valley Medical Center. Both hospitals operate under the Southwest Healthcare System umbrella. Rancho Springs Medical Center is located in Murrieta with 120 licensed beds and 192 full-time Registered Nurses (RNs). Inland Valley Medical Center, the region's only trauma center, is located in Wildomar with 132 licensed beds and 168 full-time RNs.

Ms. Torres introduced Katie Didonato, Director of Education and Clinical Practice.

Ms. Roberts asked about the 50% high earner reduction and if it applies only to the retrainee program. Ms. Torres said yes, job creation is not subject to the high earner reduction.

ACTION: Ms. Fernandez moved and Ms. Farris seconded approval of the Proposal for Southwest Healthcare in the amount of \$390,296.

Motion carried, 5 – 0.

Gate Gourmet, Inc.

Ms. Torres presented a Proposal for Gate Gourmet, Inc. (Gate Gourmet), in the amount of \$378,592. Gate Gourmet is the world's largest independent provider of catering and provisioning services for airlines and railroads. Gate Gourmet had grown through acquisitions that included the flight kitchens of Aero-Chef, SAS Scandinavian Airlines, Varig, and British Airways. The company provides airline catering, last mile provisioning, and onboard retail solutions for international and domestic major airline companies. It also provides catering and provisioning services for non-airline customers such as railway companies, light rail and airport lounges, and business aviation.

Ms. Torres said this proposal was scheduled to be heard at the December 2012 Panel meeting. Therefore, staff recommends "grandfathering" the calendar year 2012 wages to ensure there is no detriment caused by the cancellation of December's meeting where, as here, some occupations would not meet calendar year 2013 wages.

Ms. Torres introduced James Anderson, Director of Human Resources and Rosie Gomez, Senior HR Manager.

Mr. Rodriguez said since you came from the Los Angeles area and this is a niche market, I congratulate you on that, and he asked for a brief explanation of what they do at Gate Gourmet. Mr. Anderson said they have 2,200 employees in CA, and this application is for their Los Angeles location which has 705 employees. Mr. Rodriguez asked about the other Gate Gourmet locations. Mr. Anderson said they are located in San Francisco and San Diego, and

they are in the ETP application process for those two locations. Mr. Rodriguez asked if their locations are essentially where there are large airports. Mr. Anderson said yes, that is correct. Mr. Rodriguez asked when he projects they will come out of this recession for the airline industry. Mr. Anderson said they had a very good year in 2012; Gate Gourmet is growing which is the reason for this application; they added 252 new jobs in Los Angeles and about the same number of employees in their San Francisco location. They also had growth in San Diego with the introduction of JAL Airways with their 787 aircraft which unfortunately are on the ground at the moment, but we expect continued growth, and Gate Gourmet as a company has 13 sister companies that provide anything that a customer can touch inside of a plane. Mr. Rodriguez asked for the ratio of management to frontline employees. Mr. Anderson said in CA they employ 2,200 total union employees, and 350 management, professional and clerical employees.

Ms. Roberts said you have a number very close to the threshold of turnover at 19%, and you state you are hiring 100 new employees; is that to fill the gaps of 19% or through net new-hires? Mr. Anderson said it is through new business growth and pointed out that the airline industry took a large hit at the beginning of the recession, and at the time the recession took hold, their turnover was around 80%. Through a variety of training programs and retention initiatives they have brought that down below 20%, and 30% of their staff have been promoted from within.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the Proposal for Gate Gourmet in the amount of \$378,592.

Motion carried, 5 – 0.

International Rectifier Corporation

Ms. Torres presented a Proposal for International Rectifier Corporation (IRC), in the amount of \$356,400. IRC has manufactured and designed power management semiconductors since 1947 when it first ventured in the production of Selenium rectifiers. In 1958, the company introduced commercial Zener diodes and solar cells. Today, IRC has advanced in the development of power management technology from digital, analog and mixed signal integrated circuits to more advanced circuit devices, power systems, and components used by leading manufacturers of computers, automobiles, consumer electronics and defense systems worldwide.

Ms. Torres pointed out that on Page 5 of 5 of the ETP 130 there is a slight error. On the first table under Active Projects, ET12-0231, which is their current agreement, it states the approved amount is El Segundo, and it should state \$165,600. That agreement is for three facilities in El Segundo, Temecula and San Jose.

Ms. Torres introduced Vivian Ng, Director of Global Learning & Development.

Ms. Roberts asked if this proposal is for retrainees and if the first contract was for new-hires. Ms. Ng said the first contract was targeted to basic supervisor training, the second contract is more to enhance their skills from basic to intermediate, and this contract is to train in new technology.

ACTION: Mr. Rendon moved and Ms. Fernandez seconded approval of the Proposal for IRC in the amount of \$356,400.

Motion carried, 5 – 0.

Meggitt Safety Systems, Inc.

Ms. Torres presented a Proposal for Meggitt Safety Systems, Inc. (MSSI), in the amount of \$360,720. MSSI manufactures high-integrity fire detection and suppression and smoke sensing systems for aero-engines and aircraft.

Ms. Torres introduced Vincent Knight, Vice-President Human Resources and Sue Thomas, Human Resources Manager.

Mr. Rodriguez asked for the number of employees at the Duarte facility. Ms. Thomas said the Duarte facility has approximately 200 employees. Mr. Rodriguez asked, and the Simi Valley facility is growing to what level of employment capacity? Ms. Thomas said they are currently at almost 330 employees at Simi Valley, so the combined total will be over 500 employees in Simi Valley. Mr. Rodriguez asked how many will be trained. Ms. Thomas said all 500; the entire workforce will be trained. Ms. Torres said they plan to hire additional individuals. Ms. Thomas said they will hire any replacements for those individuals that do not make the move to Duarte. Mr. Rodriguez said for the individuals who cannot accept the relocation to Simi Valley from Duarte, if they would be training new hires in the Simi Valley facility under this contract. Ms. Thomas said yes, that is correct. Mr. Thomas said they will be training individuals in both facilities in Duarte and in Simi Valley. They have a commitment from about 97% of their employees that they will stay with them, and they provide an incentive so that they remain with them for a period of time. There will be training to break down the plant and to understand the technology, and training to set up the new technology in another location, so there is training ongoing throughout the whole process. Mr. Rodriguez asked if they will also be training the folks in Duarte and closing that facility by the end of this year, and what if they do not accept the transfer. Mr. Knight said they have commitments from their employees to stay with them through 2014, so they will ensure they get the training done in that time. He said they have a very low turnover rate, outstanding employee retention, and they do not believe that will fall off by very much. Mr. Rodriguez asked if the Workforce Investment System is assisting in Duarte since reducing their staff. Ms. Thomas said yes, they provide relocation, transportation programs, incentives, and state bonuses.

Ms. Roberts said this is a great proposal, especially with only a 2% turnover rate.

ACTION: Ms. Farris moved and Mr. Rendon seconded approval of the Proposal for MSSI in the amount of \$360,720.

Motion carried, 5 – 0.

Symantec Corporation

Creighton Chan, Manager of the Foster City Regional Office, presented a Proposal for Symantec Corporation (Symantec), in the amount of \$592,200. Symantec provides security, storage and management systems to secure and manage data and identities. Symantec is best known for its Norton brand of consumer products that supply data security, backup and

recovery. The company also provides data loss prevention, security and management systems, infrastructure and data processing, and monitoring internet security. Customers include consumers, small businesses, and large global organizations across all industries.

Mr. Chan introduced Sandra Hunter, Senior Director of Leadership & Employee Development and Susan Green, Senior Project Manager representing the IM Group.

Mr. Rodriguez said he is familiar with Symantec, they have come a long way, and they are back in the game very strongly. He said thank you for coming to ETP and looking for opportunities to train workers.

ACTION: Ms. Fernandez moved and Ms. Farris seconded approval of the Proposal for Symantec in the amount of \$592,200.

Motion carried, 5 – 0.

Alpha Research & Technology, Inc.

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Proposal for Alpha Research & Technology, Inc. (ART), in the amount of \$49,400. ART designs, manufactures, integrates and supports innovative, high quality and cost effective airborne mission systems. Systems engineering ranges from single chassis items to complete network and computing infrastructure development and manufacture. ART equipment is developed, installed and operated on numerous airborne military aircrafts as required and confirmed with FAA certifications.

Ms. Hernandez introduced Curtis Trujillo, Human Resources Manager.

Mr. Rodriguez said it is unusual, especially when you are requesting under the \$100,000 range for a proposal, to come before the Panel and explain what has transpired in previous contracts and why you were unable to fulfill the execution of the contract. Mr. Trujillo said ART will celebrate 20 years in business next month. Most of their growth has been in the last three-to-five years. They are a small shop with 91 employees with the overwhelming majority in the Sacramento region. With that growth, come many new hats that people are wearing, and much change in direction. So when they first came to ETP they had a new CFO, and it was the first time they had a CFO role in the business; the CEO had always previously handled that function. That individual's direction for that department was not focused on training, although the administrative staff and their office manager rolled up to that individual. So they had an office manager that did not necessarily have the skill sets from a project management standpoint to run a program such as this, nor did it have the executive sponsorship that the CFO should have provided for success in a project such as this. He said I don't need to tell you that if you are going to launch a project, you have to have the right leadership, the right skill sets and support in order to see it through its fruition for success, which is what we are bringing to the table today, to make sure that we meet our commitments for tomorrow. Mr. Rodriguez said I appreciate your honesty; thank you.

Ms. Roberts said, as you know this proposal was removed from the Delegation Order, and she appreciates the representative coming before the Panel for the performance issues on this proposal. She said even though 70% is a good number, we like to see it higher than that. She

said being that they have such a small population, she imagines they have their arms wrapped around everyone there. Mr. Trujillo said yes, exactly; it is much easier to wrap your arms around a project like this when the scope is the size of what ours is, and training does fall under HR in their organization and HR has taken on a new role in their business. They had an office manager that handled the HR function prior to his employment, so just his presence denotes a shift in their business and what they feel HR brings to the table and how they are going to utilize that department within their business for its future success. Ms. Roberts said I believe you understand the urgency now; before it may have dropped by the wayside, but I'm glad you are onboard and going to make this happen. She said you will likely never have to come before the Panel again for a proposal amount that is this small, and I appreciate your time.

ACTION: Mr. Rendon moved and Ms. Fernandez seconded approval of the Proposal for ART in the amount of \$49,400.

Motion carried, 5 – 0.

Covenant Care, LLC

Ms. Hernandez presented a Proposal for Covenant Care, LLC (Covenant Care), in the amount of \$570,000. Covenant Care employs over 5,000 professionals who provide 24-hour in-patient care ranging from short-term skilled nursing and rehabilitative care to long-term assisted living, custodial, hospice, and respite care.

Ms. Hernandez introduced Jacqueline Turner, Director of Education and Regulatory Relations.

Ms. Roberts asked if they have any plans to reduce the turnover rate below 22%. Ms. Turner said yes, absolutely. Ms. Roberts asked about their goals to reduce it. Ms. Turner said they have a strategic plan for 2013 and their objective is to be the employer of choice in their industry which is one of their strategic initiatives. From that, they plan to reduce their turnover rate, and they want to reduce it significantly. They want to be the employer of choice so she knows when she says, it is actually a good figure, Covenant Care is a great company to work for. She has been with it for seven years and she is not going anywhere. She loves the company and their objectives, and she said she believes they need to get the message across our organization and teach our employees and frontline workers, what are the challenges they are facing, how to communicate with each other and to support one another; and I know we are going to make an impact on that. Ms. Roberts said, so with that, if you have an intention to go below 20%, I still would like to impose the penalty if you do not, then we will encumber a certain amount because we have already granted multiple wage modifications and other concessions on this. If turnover is something you are working towards and you get below 20%, I still would like to go ahead and impose that penalty even though you said the numbers are great. We see many healthcare professionals that come to the Panel every month and they keep their turnover down. Ms. Turner was agreeable to the imposed penalty, if they do not reduce the turnover. Ms. Roberts said the Panel will impose a 25% penalty if they do not stay under the 20% range. Ms. Roberts asked if they expect any future layoffs. Ms. Turner said no, they do not.

Mr. Rodriguez asked staff for the justification that was provided when they requested the wage modification in Job No. 2 for \$10.79. Ms. Hernandez said they were in a high unemployment area and those occupations, primarily the nurse assistants, they requested for a specific number

of trainees in those areas, because of the area they were employed in is being a high unemployment area.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the Proposal for Covenant Care in the amount of \$570,000.

Motion carried, 5 – 0.

Dole Packaged Foods, LLC, a Subsidiary of Dole Food Company, Inc.

Ms. Hernandez presented a Proposal for Dole Packaged Foods, LLC, a Subsidiary of Dole Food Company, Inc. (Dole), in the amount of \$598,644. Dole is a worldwide producer of fruits and vegetables. The company produces over 300 products, which include fresh fruits and vegetables; a variety of fruit and vegetable packaged products; as well as salad products. Dole products are sold to food service distributors, grocery stores, and club stores.

Ms. Hernandez introduced Larry King, Human Resources Director and Denisse Mortera, Employment Specialist.

Ms. Roberts said this is a good proposal and noted they earned 100% on their prior proposal.

ACTION: Ms. Farris moved and Mr. Rendon seconded approval of the Proposal for Dole in the amount of \$598,644.

Motion carried, 5 – 0.

Multiple Employer Contracts

Ms. Torres said the representatives for all of the JATC proposals would come forward to the podium; all five of the JATC proposals would be presented individually, but voted on together in one motion.

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

Ms. Torres presented a Proposal for California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund – Southern California (SoCal Ironworkers Fund), in the amount of \$330,014. The SoCal Ironworkers Fund has overseen training for ironworkers since 1946. There are currently more than 300 signatory employers, 9,000 journeymen ironworkers and 700 apprentices employed and contributing to the fund. Last year SoCal Ironworkers Fund graduated 222 apprentices and anticipates 197 graduates this year.

Ms. Torres introduced Dick Zampa Jr., Apprenticeship Director and Jan Borunda, Project Coordinator representing the Workforce and Economic Development (WED), a program of the CA Labor Federation.

District Council 16 Northern California Journeyman and Apprenticeship Training Trust Fund (presented out-of-order)

Mr. Chan presented a Proposal for District Council 16 Northern California Journeyman and Apprenticeship Training Trust Fund (DC16 JATTF), in the amount of \$352,698. DC16 JATTF is

a full affiliate of the International Union of Painters and Allied Trades. It represents over 10,000 workers in four trades with 16 different union locals in Northern California and Central California.

Mr. Chan introduced Mark Watchers, Executive Director and Jan Borunda, Project Coordinator representing the Workforce and Economic Development (WED), a program of the CA Labor Federation.

Northern California Tile Industry Joint Apprenticeship and Training Committee (presented out-of-order)

Mr. Chan presented a Proposal for Northern California Tile Industry Joint Apprenticeship and Training Committee (NorCal Tile JATC), in the amount of \$228,228. NorCal Tile JATC with the support of Bricklayers and Allied Craftworkers Local 3-CA has been training apprentices from 46 Northern California counties in the tile finisher and tile layer trades. NorCal Tile JATC's mission is to ensure that tile finishers and tile layers have the skills, knowledge and experience necessary to build and service commercial and residential buildings. The JATC provides training and training materials, experienced instructors and leadership in order to provide employers with skilled personnel.

Mr. Chan introduced Lupe Ortiz, Apprenticeship Coordinator; Monique Sanchez, Secretary/Bookkeeper; and Jan Borunda, Project Coordinator representing the Workforce and Economic Development (WED), a program of the CA Labor Federation.

Joint Apprenticeship Committee for Operating Engineers for the 46 Northern Counties in California (presented out-of-order)

Ms. Hernandez presented a Proposal for Joint Apprenticeship Committee for Operating Engineers for the 46 Northern Counties in California (OE3), in the amount of \$323,803. OE3 provides retraining for apprentice and journeyman operating engineers throughout Northern California. The OE3 is composed of 14 members, seven are designated by the participating employers and seven designated by Local 3. The OE3 operates a training center in Rancho Murrieta serving 46 counties in Northern California.

Ms. Hernandez introduced David Stater, Director of Training and Jan Borunda, Project Coordinator representing the Workforce and Economic Development (WED), a program of the CA Labor Federation.

Yuba Shasta UA Local 228 Joint Apprenticeship and Training Committee

Ms. Hernandez presented a Proposal for Yuba Shasta UA Local 228 Joint Apprenticeship and Training Committee (Yuba JATC), in the amount of \$131,666. Yuba JATC, with the support of UA Local Union 228 and its signatories under the Mechanical Contractor Council of Central California and the United Association of the Plumbing and Pipefitting Industry, has trained apprentices and journeymen from 13 Northern California counties in the plumbing, pipefitting, welding and heating ventilation and air conditioning (HVAC) trades.

Ms. Hernandez introduced Brett Guerrero, Apprenticeship Coordinator and Jan Borunda, Project Coordinator representing the Workforce and Economic Development (WED), a program of the CA Labor Federation.

Ms. Roberts said we decided to combine all of these proposals together since they are all JATC and represented by the CA Labor Federation.

Each of the company representatives provided statements and Ms. Roberts opened it up to the Panel for any questions.

Mr. Rodriguez said under Tab #24, California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund Southern California, he had question about a statement on Page 4 of 6 of the ETP 130. He referred to “for the building trades, where it is not customary for workers to be employed for 90 consecutive days with one employer, the Panel may substitute hours worked for retention. The modified retention period must be no less than 500 hours within 272 days with more than one employer. SoCal Ironworkers Fund is requesting this modified retention period.” He asked for the justification of this statement. Ms. Torres said that is customary for the JATCs because they are perhaps not working every single day. She asked Ms. Reilly if that is regulatory. Ms. Reilly said it is statutory and also in our regulations; it’s an optional retention period that is approved routinely for every one of these building trades, not only apprentice, but any building trades, because they go on and off the work projects. So if they can meet the regular retention period, but this appears as their option if they want it. Mr. Rodriguez asked for the point person for Tab #24, and if they could share a little bit; he said he was familiar with the list and folks getting qualified and the journeymen. Mr. Zampa said they have a four-year apprenticeship program and basically they are not asking to get any funding until they have earned it. At the end, they will prove that they have done this work, and they do not want to take a chance on someone that may drop off. He said there is turnover in the building trades, they have a four-year apprenticeship program, and every six months the apprentices are eligible for a pay increase based on the formal training they receive at the training centers, and also on-the-job training they get while they are employed. Ms. Reilly said you are not receiving progress payments then? Ms. Torres said that is something that contractors can elect to forego and that is something that is voluntary. She said it happens often for these types of proposals, since it is hard for them to determine where their performance is because it is over a longer period of time until they can reach those retention points.

Mr. Rodriguez said I commend you on that, it is excellent; he was curious why the others are not approaching it in the same way and if there are other dynamics. Ms. Borunda said they are all being done that way. Mr. Rodriguez said because I only saw it included in Tab #24. Ms. Torres said you are referring to the alternate retention period, not the progress payments correct? Mr. Rodriguez said yes, that is correct.

Ms. Roberts said all five of the JATC proposals would be combined into one vote.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the five JATC Proposals:

- Tab #24
California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund - Southern California
Approved in the amount of \$330,014
- Tab #30
District Council 16 Northern California Journeymen and Apprenticeship Training Trust Fund
Approved in the amount of \$352,698
- Tab #31
Northern California Tile Industry Joint Apprenticeship and Training Committee
Approved in the amount of \$228,228
- Tab #34
Joint Apprenticeship Committee for Operating Engineers for the 46 Northern Counties in California
Approved in the amount of \$323,803
- Tab #35
Yuba Shasta UA Local 228 Joint Apprenticeship and Training Committee
Approved in the amount of \$131,666

Motion carried, 5 – 0.

Ms. Roberts said I really think that the apprenticeship program is a great program. She said she is curious to see a progress report because we have been approving these over the last year and I would like to see how we are doing with them. It sounds very exciting, especially with the timing, with the housing boom hopefully beginning soon. Mr. Rodriguez said regarding the progress, the training gets done, and from training purposes it is the model in the country. More importantly, the progress will be when folks are finally employed and working on sites. To the folks who work in Northern California, I already know that there is a greater need for skilled workers that we can actually replenish. So any time that you can report back to us either individually or as a system of how you all are moving the workforce throughout CA to fill those gaps, that is good for us and we would love to have it for the record. Mr. Zampa said thank you and I will speak for the Ironworkers and probably the other trade workers here, that we would love to have this Panel at some point, tour our facilities to show you exactly what we do on a day-to-day basis.

Riverside Community College District, Office of Economic Development

Ms. Torres said Tabs #25 and #39 would be presented together, as they are both for the Riverside Community College District, Office of Economic Development.

Ms. Torres presented Tab #25, a Proposal for Riverside Community College District, Office of Economic Development (RCCD) in the amount of \$250,286 and Tab #39, a Proposal for Riverside Community College District, Office of Economic Development (RCCD) a Proposal

under the Alternative and Renewable Fuel and Vehicle Technology Program (AB 118), in the amount of \$699,930. Ms. Torres pointed out that the amount was incorrect on the Agenda, listed at \$765,000, which is the in-kind contribution.

RCCD serves 1.2 million residents in its service area comprised of three colleges: Moreno Valley College, Norco College, and Riverside City College. RCCD is the administrative and industry-serving arm of the Office of Economic Development that creates and markets Customized Training Solutions for RCCD.

Ms. Torres introduced Dr. Greg Gray, Chancellor of Riverside Community College District and Robert Grajeda, Director of Corporate and Business Development.

Dr. Gray said you probably will not fully appreciate what you are doing today for this state. He is a great proponent of training, and he believes the jobs are there, but he thinks it is foolhardy to think that the jobs of today and tomorrow in CA are what were here yesterday. They are advancing with technology, and the employees and workforce must be trained with that technology.

Mr. Rodriguez said recently there was a comment at a U.C. Regent meeting, and the comment was as follows: "Mr. Governor, with all due respect, don't turn us into a junior college." There are about 119 junior colleges in CA; you have always been in the front lines in training the next generation. Given Riverside, San Bernardino, and the ETP, academically where you think we should be in terms of investing at the community college, and what should be the next equivalent of the master plan from the 1960s. Dr. Gray said that is a great question and I can give you some initial reactions. Community colleges in CA especially, are the result of a master plan of 50 years ago; they have played a prominent role in allowing access to education and also job training so those two missions are very important to the overall well being of the state. But one thing that was not inherent in 1960 and 1970 was the accelerated growth of technology, and how jobs are changing. Community colleges in his opinion are the best suited entities and enterprises in the state to provide that training. We don't have to prepare you for 60 hours of credit to go on to Cal State San Bernardino, though that's one of our missions; but what we can do for you is to train you in 30 hours, 100 hours, or 1000 hours for that particular job. One of the major logistics companies now in their area in Moreno Valley is Skechers Sneakers. He has had a chance to be inside the Skechers facility; it is a 1.8 million square foot distribution facility; 650 people work there and there is not a forklift in the facility nor does anyone lift anything. Every person there is employed as a computer technologist, so when one of the computers goes down, you have a major problem. Trained people need to be able to deal with that, and think creatively, which is a skill, but also react to it so that enterprise can keep on. Particularly where they are coming from, he believes that five years from now we have the good fortune of looking back. We are going to talk about a great deal more of logistics and supply chain technology, because they are well suited because of their geographic location for all the Asian products to come to their area and be distributed throughout the rest of the world. Technology is there, and we need to make sure these folks are trained, and that training is not for the same job that it was here before. The entities that are available in higher education, community colleges, are best suited to do that. I am actually having the opportunity to stay here the next couple of days and talk to some of our legislators. Community colleges need to be funded much better, and we have to look at the relative funding of community colleges versus UC and Cal State. We are being left out, in my opinion, but he said that is another time, so thank you. Ms. Roberts said so it is not just not jobs, it is the people that are coming to the colleges that are

very different too, so there is a very different type of employee base, workforce base or college base.

Mr. Rodriguez said there is a legislative member named Jose Medina, who will be the Chair of jobs in the Assembly and he seems to be well fitted to dedicate his next ten years to this effort, so I think you are very fortunate.

ACTION: Mr. Rodriguez moved and Ms. Farris seconded approval of the two Proposals for RCCD:

- Tab #25
Riverside Community College District, Office of Economic Development
Approved in the amount of \$250,286
- Tab #39
Riverside Community College District, Office of Economic Development
Approved in the amount of \$699,930

Motion carried, 5 – 0.

Westech College

Ms. Torres presented a Proposal for Westech College (Westech) in the amount of \$500,331. Westech is an accredited private vocational school that specializes in computer-aided design and drafting training.

Ms. Torres introduced Barry Maleki.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Fernandez seconded approval of the Proposal for Westech in the amount of \$500,331.

Motion carried, 5 – 0.

Glendale Community College Professional Development Center

Mr. Chan presented a Proposal for Glendale Community College Professional Development Center (GCC), in the amount of \$849,815. GCC provides customized, job-specific training for business and workers through its Professional Development Center.

Mr. Chan said this proposal was scheduled to be heard in December. Staff recommends “grandfathering” the CY 2012 wages to ensure there is no detriment caused by the cancellation of December’s meeting where, as here, some occupations would not meet CY 2013 wages.

Mr. Chan introduced Kimberly Holland, Executive Director.

Ms. Roberts said we see GCC often but your success rate is really great. If you are getting the people employed and out there, then that is what it is really all about. Ms. Holland thanked Ms. Roberts.

Mr. Rodriguez requested GCC's strategic plan from their office. Ms. Holland said she would be happy to do that; she said it does not exactly line up with what Glendale College's is, because they are the Workforce and Economic Development Division, but she certainly will do that. Mr. Rodriguez said because from a policy perspective, you are the 35th high-performing grantee for the San Fernando Valley primarily, right? Ms. Holland answered yes. Mr. Rodriguez said, because I think that is significant and so we get to understand what are the processes and strategic plans that you have been able to develop over the years that make you so successful and maybe we can do something with that here at ETP. So whatever materials or links you can submit to Jill McAloon, Executive Director, would be appreciated. Ms. Holland asked if he was looking for what GCC is about and how they have remained so successful. Mr. Rodriguez said yes. Ms. Holland said they are out everywhere and constantly marketing the ETP program. Mr. Rodriguez asked if they are beyond the city limits of Glendale. Ms. Holland said yes, far beyond; they do not have district limitations so they are everywhere, yes. She said and since ETP is performance-based, that is what makes this program so unique and why I believe it stayed around. So we have a great reputation; we, meaning all of us, ETP out there, thank you.

ACTION: Ms. Farris moved and Mr. Rendon seconded approval of the Proposal for GCC in the amount of \$849,815.

Motion carried, 5 – 0.

Jewish Vocational Service Los Angeles

Mr. Chan presented a Proposal for Jewish Vocational Service Los Angeles (JVS), in the amount of \$512,850. JVS was founded as a non-sectarian, non-profit organization with a mission to "build better lives, one job at a time". This organization serves over 24,000 people annually in the greater Los Angeles area who are looking for work, seeking career planning, or are interested in career resiliency in their work environment.

Mr. Chan said this proposal was scheduled to be heard in December. Staff recommends "grandfathering" the CY 2012 wages to ensure there is no detriment caused by the cancellation of December's meeting where, as here, some occupations would not meet CY 2013 wages.

Mr. Chan introduced Jay Soloway, Director of Training and Education.

Ms. Fernandez said she has always been impressed by the work that they do and made a motion to approve the proposal.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for JVS in the amount of \$512,850.

Motion carried, 5 – 0.

Kern Community College District

Mr. Chan said Tabs #29 and #38, both proposals for Kern Community College District, would be presented together for consideration under one vote. Mr. Chan said one is for core funding and the other is for AB 118 funding.

Mr. Chan said both of these proposals were scheduled to be heard in December. Staff recommends “grandfathering” the CY 2012 wages to ensure there is no detriment caused by the cancellation of December’s meeting where, as here, some occupations would not meet CY 2013 wages.

The first Proposal is for core funding for Kern Community College District (KCCD), in the amount of \$314,312 to retrain incumbent workers for participating employers in a wide variety of industries ranging from manufacturing to services. The second Proposal is for \$742,600 to train occupations that require skills exclusive to the Alternative and Renewable Fuel and Vehicle Technology Industry. According to KCCD, this is a fast-growing industry due to the high demand for alternatively fueled vehicles.

KCCD’s mission is to provide outstanding educational programs and services that are responsive to its diverse student population and communities. The District includes Bakersfield College, Cerro Coso College, and Porterville College. They are all members of the California Community College System and accredited by the Western Association of Schools and Colleges. The colleges and educational centers serve Kern, Tulare, Inyo, Mono, and San Bernardino Counties, one of the largest districts in the United States. In addition to college campuses, KCCD offers localized instruction through educational centers in Delano, downtown Bakersfield, Bishop, Mammoth Lakes, Lake Isabella, and Edwards Air Force Base. KCCD is committed to distance learning through the Internet, and satellite and cable television to reach students throughout the service area and beyond.

Mr. Chan introduced Dave Teasdale, Director, Clean Energy Center.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Fernandez seconded approval of the two Proposals for KCCD:

- Tab #29
Kern Community College District
Approved in the amount of \$314,312
- Tab #38
Kern Community College District
Approved in the amount of \$742,600

Motion carried, 5 – 0.

Ms. Roberts announced that the Panel has lost its quorum, due to Ms. Fernandez’ departure at 12:15 p.m. Mr. Fernandez was not present for the remainder of votes; therefore there was no Panel quorum.

Butte-Glenn Community College District

Ms. Hernandez presented a Proposal for Butte-Glenn Community College District (Butte College), in the amount of \$288,515. Butte College provides academic instruction and training to lead students to a degree, transfer to a four-year college, and/or employment. The college's Contract Education Department (dba Training Place) is responsible for providing occupational and professional development training options for local employers, as well as individual community members, in Butte and Glenn Counties.

Ms. Hernandez said this proposal was scheduled to be heard in December. Staff recommends "grandfathering" the CY 2012 wages to ensure there is no detriment caused by the cancellation of December's meeting where, as here, some occupations would not meet CY 2013 wages.

Ms. Hernandez introduced Annie Rafferty, Director of Contract Education, Training & Development.

Ms. Roberts said she was very excited about this proposal as it was their first one and said they are realistic to look at the numbers and how much money they believe they can actually use. I love your conservative approach to this first one; so, I hope to see you back. If you get this one under your belt, and I'm excited about the rural areas of Chico and Oroville, and that area up there, and I'm sure that many go on to Chico State. Ms. Rafferty said thank you very much, our local employers are thrilled, and now my phones are ringing because they want to participate because they heard about it, so we will demonstrate performance first.

Mr. Rodriguez said he concurs with Ms. Roberts. He asked how long Ms. Rafferty has been on the job. Ms. Rafferty said she has been with Butte College for five years and previously was the Senior Vice President of a global training organization. Mr. Rodriguez said, so you understand training. Ms. Rafferty said they worked with all the states and nine countries to provide a relationship with the state as an employer to enhance job skills. Mr. Rodriguez asked if they also collaborate with similar folks in the community college system, in different areas, especially in the Central Valley that have some of the same challenges. Ms. Rafferty said yes, she does; she said she serves and participates in the Advisory Board for the CA Corporate College and they have determined their upcoming summit, to have a roundtable. She has extended that support to say how you can best work with your employers and enhance the funding relationship and opportunity with ETP.

As there was no Panel quorum, this Proposal would be considered at a later date, by the Panel Chair in consultation with Jill McAloon, in accordance with the earlier motion to delegate in event of loss of quorum.

California Workforce Association

Ms. Hernandez presented a Proposal for California Workforce Association (CWA), in the amount of \$401,640. CWA is a non-profit, membership-based association serving the local workforce development delivery system. CWA's membership includes 48 local workforce investment board directors and affiliate members. The affiliate membership includes local non-profits, government, educational institutions, and community-based organizations involved in

training, education, economic development, welfare and employment, and other workforce development partners.

Ms. Hernandez introduced Barbara Halsey, Executive Director and Steve Duscha, representing Duscha Advisories.

Mr. Rodriguez asked about the CWA members. Ms. Halsey said the association members are the local workforce investment boards, and they have affiliate members who are also community based organizations, educational institutions, and others that are affiliated with the delivery of services in the workforce investment arena. Mr. Rodriguez said he is also on the San Francisco Investment Board, so each one of these employers is within local areas. He asked how it works operationally, and if they provide resources to the local board or if it goes directly to the trainer. Ms. Halsey said it goes directly to the trainer. She said the local workforce investment boards have the opportunity, as part of their business services suite, as they are going out and working with businesses, to refer local employers to this ETP contract. She said Mr. Duscha works as a broker for them between their trainer and these local employers. Mr. Duscha said the model is to provide training services to the employers with the local boards acting as a referral service and this is a resource for the local board.

As there was no Panel quorum, this Proposal would be considered at a later date, by the Panel Chair in consultation with Jill McAloon, in accordance with the earlier motion to delegate in event of loss of quorum.

Altec Industries, Inc.

Ms. Hernandez presented an Amendment for Altec Industries, Inc. (Altec), in the amount of \$66,960. Altec is a leading provider of products and services to the electric utility, telecommunications and contractor markets in over 100 countries throughout the world. Altec products include digger derricks, telescopic cranes, hotline insulator washers and pressure diggers.

There were no questions from the Panel.

As there was no Panel quorum, this Proposal would be considered at a later date, by the Panel Chair in consultation with Jill McAloon, in accordance with the earlier motion to delegate in event of loss of quorum.

Nestle Dreyer's Ice Cream

Ms. Torres presented an Amendment for Nestle Dreyer's Ice Cream (Nestle), in the amount of \$99,342. Nestle is a manufacturer of ice cream and frozen desserts products sold across the U.S. and overseas. The Bakersfield Operations Center is the largest of five Dreyer's plants and is a 24/7 operation with 27 manufacturing lines; it is the largest ice cream plant in the world, capable of producing 70 million gallons of ice cream per year. The company currently makes 60 flavors of ice cream, 11 yogurts, and 3 sherbets in different sizes and style (regular and "light"). Products also include 18 flavors of fruit bars and a dozen ice cream novelty bars and snacks.

Ms. Torres said that as Acting Chair Roberts has noted, when substantial contribution comes into play, we have to look at various factors. So in the template we have for amendments, it is for the very standard type of amendment; we have a number, a plus and minus, and then you have the result of that. Because there were existing job numbers, I would just like to take you through these so we all have a comfort level with this. The existing Job No. 1 was a standard job number and a job creation job number. There was some funding shifted between the two, but the net result is that there was a negative \$18, so that was a good thing, so that did not increase. Now with this amendment, we have an additional job number that has been added for job creation, so that is a good thing, and that is for an additional \$99,360. So if you take that and then you give them their \$18, what ends up happening, is that this agreement increases by \$99,342 and is now cumulatively \$523,720, for now Phase I and Phase II. So that substantial contribution negative of \$12,000, I believe confused everyone and the requested funding also confused everyone, so don't pay attention to those. The good thing is that when they did go back to their charts to where the actual dollars and cents are, and how we paid people, those numbers are correct, so we are recommending approval of this second phase.

There were no questions from the Panel.

As there was no Panel quorum, this Proposal would be considered at a later date, by the Panel Chair in consultation with Jill McAloon, in accordance with the earlier motion to delegate in event of loss of quorum.

X. PUBLIC COMMENTS

Peter Cooper, Assistant Director, said as you may or may not know ETP sends out a press release after each Panel meeting. He said today's press release is going to be focused on the new college contracts. He just found out that we will have a very nice quote from the Community College Chancellor Brice Harris in the press release for today, and so I think that this will be an opportunity to work with community colleges. Mr. Rodriguez asked for the quote. Mr. Cooper said the quote is "community colleges play a vital role in training CA's workforce in keeping our state economically competitive. Our colleges are well positioned to respond to local job training needs with high quality instruction. This partnership with the Employment Training Panel will help employers meet their workforce requirements and help students excel in the labor market." He said hopefully this will generate some more leads for ETP marketing, and definitely we will build our partnership with community colleges. We are hoping to build on this MEC model with the community colleges, and as was noted earlier, with 112 or so community colleges throughout the state, it is a great marketing potential. I thought I would just share that with you. Ms. Roberts said yes, Butte Glenn just came to the Panel for the first time today, a community college.

Mr. Rodriguez said he wanted to recognize ETP staff member Robert Meyer. He and Robert had a joint presentation about a month ago at the San Francisco Workforce Investment Board where the mayor appointed each member, and there are over 70 members on the Board. He said many people from industry and more than half of the members have never heard of the Employment Training Panel and they had an abundance of questions for Robert, so kudos to staff and the program.

XI. PUBLIC MEETING ADJOURNS

Ms. Roberts adjourned the Panel meeting at 12:32 p.m.