



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency

1001 "I" Street

Sierra Hearing Room, 2nd Floor

Sacramento, CA 95814

March 25, 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

Bart Florence, Acting Chair, called the meeting to order at 9:36 a.m.

II. ROLL CALL

Present

Sonia Fernandez
Bart Florence
Janine Montoya
Sam Rodriguez
Michael Webb

Absent

Barry Broad
Janice Roberts
Edward Rendon

Executive Staff Present

Brian McMahon, Executive Director
Maureen Reilly, General Counsel

III. AGENDA

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

Motion carried, 5 - 0.

IV. MINUTES

ACTION: Ms. Montoya moved and Mr. Rodriguez seconded the motion that the Panel approve the Minutes from the January 28, 2011 Panel meeting.

Motion carried, 5 - 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, welcomed all applicants and partners present and said that today the Panel will begin the process of hearing the first group of projects that were submitted

upon opening the application cycle in this budget year on December 1, 2010. He said there is also a small number of remaining 2009 pipeline projects.

At the beginning of each year, ETP receives an estimate from EDD of Unemployment Insurance (UI) collections for the program, which is how we gauge available funds for the year. Staff receives updated figures throughout the course of the year that show collections from the Employment Training Tax (ETT). The trend is upward at this point, and it appears as if we could finish the year 10% or so above the projection level. Since ETP collects 45% of its revenue in the month of May, in years such as this where dollars are scarce, it makes planning difficult.

Mr. McMahon referred the Panel to the Fund Status Report in the Panel Packet. He said the top line, referencing the Employment Training Fund, reflects a \$42.3 million projection. If the current trend continues, that figure will change at the April meeting. The other significant line item is the prior year contract liabilities. The funds that are disencumbered in projects remain the same; therefore all of the assumptions ETP has been operating under for the last few months, remain the same. In April, when we begin the process of reflecting some revenue gain, and it will be on a conservative basis, to see if there is a change in the bottom line number. The remaining fund balance is leveraged by the incremental encumbrance process, so at this point there is approximately \$7.6 million available under the current estimates. That will grow on an incremental basis, as more revenue comes into the program. Any excess funds collected above the current estimates, will be allocated toward full funding of all the applications received through the application cycle. If funds remain beyond that, there will be a reduction in the carryover of liability into the next year, which will in turn free up more funds for project application funding in the 2011-12 budget year.

Mr. McMahon said that since ETP funds have been limited over the last couple of years, alternative funds have been very important to ETP, and this year has been no exception. At this point, it appears ETP will finish the fiscal year with approximately \$8.7 million in Workforce Investment Act (WIA) 15% Discretionary Funds, and those monies will be targeted toward healthcare initiatives. ETP received the first \$1 million segment of those funds through the Budget Act, which were allocated toward healthcare project funding in the 2009 pipeline projects. There is \$6 million available for a healthcare initiative that is available now. In February 2011 we opened the application cycle for healthcare projects, and the response for applications coming in from both for-profit and non-profit entities was overwhelming. We received 66 proposals totaling approximately \$12.9 million in funding requests at a capped amount. Since that figure is greater than the \$6 million available, staff is proposing to allocate an additional \$1.7 million in WIA 15% Discretionary Funds to bolster funds available for those projects. The Labor & Workforce Development Agency (LWDA) has approved the allocation of funds for that purpose, and the Department of Finance (DOF) has recommended to the Legislature that those funds be used for that purpose. ETP is in the 30-day legislative review cycle for those monies.

It is likely that a few healthcare projects will be ready for the Panel's review at the April meeting. Demand for healthcare projects will likely exceed available funds even with the augmentation of that \$1.7 million. We will take the same pooled approach as with the healthcare applications last year. Staff will consider the final demand when all projects are developed and then reduce projects to a level that allows us to fund all proposals at an amount that has been reduced by a standard percentage. Projects from healthcare facilities that have a currently active project

funded in last year's healthcare initiative, will receive an additional 15% reduction, above the percentage reduction that the other projects will receive. In terms of what to expect for ETP's budget in the 2011-12 Fiscal Year, at this point ETP's funds are intact, although the collections are reduced from prior years. No transfers are currently proposed in the Governor's budget for ETP funds to be diverted to other programs. If the State is forced to move into a cuts only budget, the impact of that on ETP is unclear at this point.

On December 1, 2010, the application cycle was opened to accept Critical Proposals; proposals that were 100% related to job creation, small business projects, and MEC proposals. Through that application cycle, approximately 68 MEC proposals were received totaling approximately \$19 million; 125 small business proposals were received totaling approximately \$3.7 million, and 38 job creation proposals were received totaling approximately \$6 million. In the development phase of the job creation projects, applicants were required to provide a clear indication as to the factors within their company that would tangibly lead to job creation. We are pleased with the solid justifications we are receiving from applicants in job creation proposals. ETP is also receiving Critical Proposals from the Governor's Office of Economic Development (GoED) on a continuing basis. At this point, we have received four Critical Proposals totaling approximately \$600,000 to \$700,000. All in all, there are many proposals and funding demand; but it is believed that based on where the trend is taking us in the fund, and using our incremental encumbrance process, that we should be able to fund all of those proposals.

Mr. McMahon referred the Panel to the Legislative Update Memorandum in the Panel Packet, which identifies bills that directly impact ETP and other bills that have significance related to workforce training or economic development. He said there is a great deal of emphasis on the coordination and integration of services for veterans in bills before the legislature this session.

AB 557 (John A. Perez): Creates in state government the California Interagency Council on Veteran Services and Programs that would integrate veteran services with federal, local government and other stakeholder organizations.

AB 882 (Cook): Sets up a new unit within the Department of Veterans Affairs, whose mission is also to coordinate service delivery to veteran-related projects.

AB 1224 (Committee on Veterans Affairs): Will require ETP to specifically identify special populations including veterans and members of the California National Guard as targets of ETP planning with objectives for promoting greater levels of training for those populations.

AB 1233 (V. Manuel Perez): The State Economic Strategy Panel has an existing statutory mandate to update the California Economic Development Strategic Plan every two years. This bill says that the requirement for updating the strategy will move to every five years, but it will be a more comprehensive strategy. At this point, the Secretary of the Labor & Workforce Development Agency would lead that effort. The interesting sidebar for ETP is the fact that ETP and the community colleges would have their allocation of training resources reviewed during the development of that strategy.

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

Motion carried, 5 -0.

VII. MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Mr. McMahon asked for a motion to adopt Consent Calendar Items #1 through #9.

Decore-Ative Specialties, Inc.	\$108,000
Designed Metal Connections, Inc.	\$39,150
Kern Community College District.....	\$104,694
Postcardpress Inc. dba nextdayflyers.com	\$86,400
Tenacore Holdings, Inc.....	\$39,600
Topcon Positioning Systems, Inc.	\$18,000
Universal Healthcare Systems, Inc.	\$64,688
Westlake Services, LLC dba Westlake Financial Services.....	\$117,000
Westrux International, Inc.	\$45,000

ACTION: Ms. Montoya moved and Mr. Rodriguez seconded approval of Consent Calendar Items #1 through #9.

Motion carried, 5 - 0.

VIII. MOTION ON JUSTIFICATION OF SUPPORT COSTS

Mr. McMahon said this action item relates to support costs for Multiple Employer Contracts (MECs). ETP’s regulations allow for up to 8% of additional add-on to the fixed-fee reimbursement for support costs, which are generally intended to offset the costs of marketing and outreach. A regulation establishes that 8% threshold for retraining MECs. At the October Strategic Planning Session, there was a specific recommendation that was approved, directing staff to look more closely at those support costs for the purpose of optimizing the amount of funding available for training in the shortage situation that we are now in. In keeping with that direction, staff is now recommending that the 8% support cost figure be reduced to 6% for all MECs that are before us today, and for the remainder of the year. In projects that are focusing on new-hire populations, either exclusively in the project or in projects that have both a retraining and a new-hire job, the new-hire components would be excepted from this action to move the support costs down to 6%. He said the motion he would suggest to the Panel today would be that all retraining MECs at this meeting, and for the remainder of the budget year, would receive a support cost cap of 6%. New-hire MECs and new-hire jobs will be exempted from this cap.

Mr. Florence said while nobody likes to see reductions in the amount of funds available, we must be as prudent as possible to maximize ETP dollars.

ACTION: Ms. Montoya moved and Mr. Rodriguez seconded the motion on the justification to lower the support costs from 8% to 6% for all MECs before the Panel today and for the remainder of the fiscal year.

Motion carried, 5 - 0.

X. REPORT OF GENERAL COUNSEL

Maureen Reilly, General Counsel, reported that two Delegation Orders for small business projects were approved by the Chair and the Executive Director. She referred to the Delegation Order Tab in the Panel Packet. She said seven projects were approved in February and nine were approved in March.

XI. REVIEW AND ACTION ON PROPOSALS

Critical Proposals

RagingWire Enterprise Solutions, Inc.

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Critical Proposal for RagingWire Enterprise Solutions, Inc. (RagingWire), in the amount of \$187,200. RagingWire is a managed services company providing data processing, data hosting, server hosting, integrated network engineering, managed internet support, and related technological services to customers located both inside and outside of California. RagingWire provides equipment with power cooling and internet connectivity, as well as network and equipment monitoring and backup services, storage services, disaster recovery services, cabling infrastructure design, and migration planning.

Ms. Hernandez introduced Judi Lee, Director of Human Resources.

Mr. Rodriguez asked about employee recruitment. Ms. Lee said they recruit locally and throughout California. Mr. Rodriguez asked what resources they use. Ms. Lee said they have an in-house recruiter and use Internet, media, and DICE, which is a main resource for recruiting. Mr. Rodriguez asked if the local Sacramento Workforce Investment Board is helping with recruitment. Ms. Lee answered yes.

ACTION: Mr. Rodriguez moved and Ms. Montoya seconded approval of the Critical Proposal for RagingWire in the amount of \$187,200.

Motion carried, 5 - 0.

SVC Manufacturing, Inc.

Creighton Chan, Manager of the Foster City Regional Office, presented a Critical Proposal for SVC Manufacturing, Inc. (SVC), in the amount of \$97,200. SVC operates the Oakland plant, but it is commonly referred to as Gatorade Oakland. The plant produces Gatorade products in a wide variety of flavors. The company currently manufactures 20 oz. and 32 oz. Gatorade on two production lines, called Line 1 and Line 2. Most of the equipment on these two production lines

has been in the plant for over 10 years and the products that run on these lines have not changed in over 20 years. With the new investment in the Oakland plant, there will be a Line 3 installed to produce Prime Gatorade, which is packaged in a pouch instead of a bottle.

Mr. Chan introduced Stephanie Bozung, HR Manager.

Ms. Montoya asked if Ms. Bozung has tasted the new Gatorade product. Ms. Bozung answered yes, in the prime pouch, but she did not know if it is yet available on the market.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the Critical Proposal for SVC in the amount of \$97,200.

Motion carried, 5 - 0.

Single Employers

Lam Research Corporation

Mr. Chan presented a proposal for Lam Research Corporation (Lam Research), in the amount of \$249,984. Lam Research is a manufacturer and supplier of wafer fabrication equipment and services which are critical processes in manufacturing computer chips for the semiconductor industry.

Mr. Chan introduced Tim Shimizu, Director of Production Planning & Configuration.

Mr. Rodriguez asked if the company is expanding in Livermore only and not in Fremont. Mr. Shimizu said they have kept the Fremont facility open and have expanded into the Livermore facility. He said they have the capability to expand to another 120,000 square feet in the Livermore facility since there is an adjacent building. Mr. Rodriguez asked if they are closing the Fremont facility. Mr. Shimizu answered no, they are not. Mr. Rodriguez asked how many of the 217 trainees are new-hires. Mr. Shimizu said approximately 25% are new employees. Mr. Rodriguez asked if the new employees are from the Livermore area or from all over the Bay Area. Mr. Shimizu said they are from throughout the Bay Area. Mr. Rodriguez asked if they are seeing a greater demand now with the recent news regarding Japan. Mr. Shimizu said they are not seeing a greater demand, and they have received information that customers in Japan were not impacted and their suppliers were not impacted; however, there are some sub-tier suppliers that have some issues. Mr. Rodriguez asked if they have had access to Japan. Mr. Shimizu said no, they have not had access to shipping into Japan. He said they can ship out of Japan, but due to the need for humanitarian aide, the country has prevented any incoming shipments.

Mr. Florence referred to the statement that 25% would be new-hires and that there are 217 total trainees. He asked if the remaining trainees are from the Fremont factory. Mr. Shimizu said the bulk of the employees are coming from the Fremont factory and many were new employees. He said they have been fortunate since they are one of the few companies that have been seeing a tremendous amount of growth in the past year, and they foresee continuing growth in 2011 and 2012. Mr. Florence asked if some of the same employees received the same training in the prior ETP contract, and if so, how this training differs. Mr. Shimizu said some of the same employees would receive training again but the difference is that they will offer two training

programs. He said the first training program, which they have offered before, will concentrate on supply chain management, and the second training component is “all lean enterprise”, which will focus on leaning out inefficiencies in their business processes, which they have not offered before.

ACTION: Ms. Montoya moved and Mr. Rodriguez seconded approval of the proposal for Lam Research in the amount of \$249,984.

Motion carried, 5 – 0.

Automobile Club of Southern California

Diana Torres, Manager of the San Diego Regional Office, presented a proposal for Automobile Club of Southern California (Auto Club), in the amount of \$167,115. Auto Club offers travel, motorist, and insurance services to its membership in California. The company provides travel planning, a wide variety of insurance products, auto pricing, buying and maintenance services, as well as 24-hour roadside assistance. In addition, members can renew vehicle registrations, license plates, and stickers at approximately 79 club district offices throughout California.

Ms. Torres introduced Kelly Bozza, Manager of Education, Training & Development.

Mr. Rodriguez asked about the call center that was closed in Sacramento. Ms. Bozza said that call center is part of the Northern California club, which is not part of their organization. She said there are two separate clubs that operate in California. Mr. Rodriguez asked if the 7,000 employees are specific to the Southern California office. Ms. Bozza answered in the affirmative. Mr. Rodriguez asked if there has been any reduction in the workforce in the last five years in Southern California. Ms. Bozza said they continue to adjust their business, but there has not been a major reduction in their workforce. She said as they have more efficiencies they change and rearrange, but employees may always apply for any of the positions that are available in the organization. Mr. Rodriguez asked about the difference between the Northern and Southern California automobile clubs. Ms. Bozza said Triple AAA is an affiliation of clubs throughout the country. She said there are now approximately 50 clubs remaining, and at one point there were approximately 600 clubs. She said California is divided into two different organizations and they are in the club in the Southern California area. Mr. Rodriguez thanked Ms. Bozza for the clarification.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the proposal for Auto Club in the amount of \$167,115.

Motion carried, 5 – 0.

C&D Zodiac, Inc.

Ms. Torres presented a job creation proposal for C&D Zodiac, Inc. (C&D Zodiac), in the amount of \$255,150. C&D Zodiac designs and manufactures aircraft interiors such as seats, overhead bins, cabinets, galleys, lighting, stairways, doors, and other interior cabin components of commercial and private aircraft.

Ms. Torres introduced Phil Dixon, Corporate Training Manager.

Mr. Rodriguez asked if their clients include both military and commercial. Mr. Dixon said that approximately 90% of their clients are commercial and that they have a small amount of Government work. Mr. Rodriguez asked if their supply chain is basically out-of-state. Mr. Dixon said their supply chain is both within California and out-of-state. He said they have eight facilities in California with approximately 2,400 employees. Mr. Rodriguez asked if they perform assembling or light manufacturing. Mr. Dixon said they manufacture and assemble seats, and the customers come in and sign off on them; and then they send them to the customers and they install them in the planes. He said at the Santa Maria facility their clients can fly in and taxi to their back door and they can retrofit the airplanes onsite.

Ms. Montoya asked which software they use for producing carts. Mr. Dixon said they use CATIA (Computer Aided Three-Dimensional Interactive Application) software.

Mr. Rodriguez asked if they recruit from Cal Poly to staff their Santa Maria facility. Mr. Dixon said they recruit from Cal Poly and Santa Barbara and that they heavily recruit from five or six UCs and state schools in Southern California.

Mr. McMahon said he was appreciative of the company's connection to job creation in California in this project.

ACTION: Ms. Montoya moved and Ms. Fernandez seconded approval of the job creation proposal for C&D Zodiac in the amount of \$255,150.

Motion carried, 5 – 0.

DreamWorks Animation SKG, Inc.

Wally Aguilar, Manager of the North Hollywood Regional Office, presented a job creation proposal for DreamWorks Animation SKG, Inc. (DreamWorks), in the amount of \$298,080. DreamWorks specializes in computer-generated animation for film and television, visual effects, television specials and series, live entertainment, commercials, and other types of digital products. The company also produces, distributes, and releases films and market-licensed consumer merchandise.

Mr. Aguilar introduced Randy Nelson, Head of Artistic Development & Training and Brooke Perez, Senior Manager representing Deloitte Tax LLP.

Mr. Rodriguez asked if DreamWorks is taking advantage of production tax credits per employee since they are increasing their workforce. Ms. Perez answered in the affirmative.

Mr. Rodriguez asked about the creation of new jobs, where they recruit from, and if there is an emphasis to hire local Californians. Mr. Nelson said they have a strong recruiting program that takes advantage of the State system and they work extensively with the UCs and private universities. He said they have a balance in their new-hires, and it is not necessarily entry-level employee in all cases. He said there is a great deal of movement in the film industry and very few studios such as DreamWorks, which can offer more stable employment. He said there are many individuals who are already in the California industry of film.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the job creation proposal for DreamWorks in the amount of \$298,080.

Motion carried, 5 - 0.

California Manufacturers & Technology Association

Ms. Hernandez presented a proposal for California Manufacturers & Technology Association (CMTA), in the amount of \$399,790. CMTA is a trade association representing manufacturers, as well as some service businesses in the state. Services provided to members include ETP contract administration, marketing, training assessment, skill gap analysis, and recommendations of training providers.

Ms. Hernandez introduced Rob Sanger, Manager of Training Services.

There were no questions from the Panel.

ACTION: Mr. Rodriguez moved and Mr. Webb seconded approval of the proposal for CMTA in the amount of \$399,790.

Motion carried, 5 – 0.

Sonoma County Junior College District for Santa Rosa Junior College

Ms. Hernandez presented a proposal for Sonoma County Junior College District for Santa Rosa Junior College (SRJC), in the amount of \$277,120. SRJC, governed by the Sonoma County Junior College District Board of Trustees, is an accredited community college within the Sonoma County District. SRJC has provided educational resources to the local business community through customized on-site employee training. Historically, clients include manufacturers, high technology firms, wineries, and specialty food producers.

Ms. Hernandez introduced Kathleen Kearney, Coordinator of Workforce Training.

Ms. Montoya asked which company was honored for the innovation award. Ms. Kearney answered La Tortilla Factory, a food company. Ms. Montoya asked if agricultural training is available at SRJC. Ms. Kearney said they have worked with wineries in the past.

Mr. Rodriguez said that in Sonoma County in the last 10 years, new census data reflects a population explosion in Sonoma County, but there remains approximately 14% unemployment, particularly in Santa Rosa. He asked if they focus on underserved communities, especially small business. Ms. Kearney said she looks for small companies that are home grown and that sometimes those companies are the ones on the edge. She said that in a past agreement they collaborated and joined three small companies together to train. She said they are constantly working on items such as collaborative efforts, and their workforce training department works with the WIBs and in many other economic development areas. Mr. Rodriguez said that given the history of the area and demands that have been placed upon the community itself, and all of

the different challenges they are facing, he personally liked seeing expansion of the core competencies, and he said that if he could help in any way, he would be delighted to do so.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the proposal for SRJC in the amount of \$277,120.

Motion carried, 5 – 0.

Bay Area Video Coalition

Mr. Chan presented a proposal for Bay Area Video Coalition (BAVC), in the amount of \$400,000. BAVC provides vocational advanced technology media training to digital media professional designers, producers, editors, programmers, IT support, communications and office administrators.

Mr. Chan introduced Dov Golodner, Workforce Development Programs and Mindy Aronoff, Director of Training Resources.

Ms. Montoya asked if this proposal includes new start-up companies and if they are hiring in this industry. Mr. Golodner said hiring has increased but this proposal is for retraining only. He said they had a 99% retention rate in their prior ETP contract.

Mr. Rodriguez asked where the company is located. Mr. Golodner said they are located in the San Francisco Mission District. Mr. Rodriguez asked if their pipeline for employment is local or if they partner with Southern California companies. Ms. Aronoff said this is not a new-hire project; it is for incumbent workers only. She said with new-hires, approximately 10% are from Southern California but that in Northern California, San Francisco is the epicenter of interactive advertising and communication because clients need web, mobile devices, I Pad tablets, and Northern California is where it is at. Mr. Golodner said that Pixar and Lucas, who have been in their previous agreements, as well as Google and Yahoo, have done a lot of hiring. Ms. Aronoff said a new trend they are seeing involves the gaming industry, and she believes that it will take the place of social networking. She said casual games, especially in education, will be aimed towards gaming in order to engage students at all levels. Ms. Montoya asked if that was the case even in public schools. Ms. Aronoff said yes, absolutely. Ms. Montoya asked about personal and business applications. Ms. Aronoff said yes, you will also see a gaming component in personal and business applications, because this successfully engages people.

Mr. McMahon asked if they attempted to forecast the need for training in new technologies as they emerge when designing their curriculum. Ms. Aronoff answered absolutely and said she believes the industry is racing to see which technology is going to work on which device.

Mr. Rodriguez asked if they are a non-profit organization. Ms. Aronoff answered in the affirmative. Mr. Rodriguez asked if they have an employers' advisory group and asked who makes up the group. Ms. Aronoff said they recently held a career panel in which 50 people attended and all of the attendees were out of work. She said the attendees included an ad agency, a video production company, a print company, and an apparel company. A representative from Safeway was expected, but unable to attend. She said they talked to every employer and have asked them each month what technologies they are finding important and

what they want their employees to learn; and then they ask their employees the same question in every single class. Mr. Golodner said they consult with Lucas and Pixar on a regular basis. Ms. Aronoff said they are also in consult with Intel and Sysco. She said they consult with other businesses, ranging from very small shops to 40-person studios. She said Williams Sonoma was one of their largest clients and Wells Fargo is also a client. She said every business must be familiar with digital media now to survive, they must have a web presence, and they cannot have a static website. She said the website must be interactive, engaging, have video and motion graphics, and soon must have a game component or something similar.

ACTION: Ms. Montoya moved and Mr. Rodriguez seconded approval of the proposal for BAVC in the amount of \$400,000.

Motion carried, 5 – 0.

Technology Association of America, Inc. dba TechAmerica

Mr. Chan presented a proposal for Technology Association of America, Inc. dba TechAmerica (TechAmerica), in the amount of \$399,891. TechAmerica provides its members with advocacy at the state, federal, and international levels. It also provides access to capital and business opportunities, and offers select business services, educational, and networking programs to its member firms.

Mr. Chan introduced Denise Migliardi, Director of Development and Education and A.K. Thakore, President of Saisoft.

Mr. Rodriguez asked if their members include Intel, HP and Sysco. Ms. Migliardi agreed and said they have small, medium, and large companies. Ms. Montoya asked if this proposal includes small companies only. Mr. Thakore said no, approximately 60% of the companies that will be served are small businesses, which is consistent with their core group. Mr. Rodriguez asked for the company's definition of a small business. Ms. Migliardi said their definition of small business is companies that have fewer than 250 international employees or fewer than 100 in California. Mr. Rodriguez asked if all the companies they train are California-based since TechAmerica is a national company. Ms. Migliardi answered in the affirmative and said they only target California companies, and when contacted by members out-of-state, they explain it is only for California.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the proposal for TechAmerica in the amount of \$399,891.

Motion carried, 5 – 0.

Santa Ana Chamber of Commerce

Ms. Torres presented a proposal for Santa Ana Chamber of Commerce (SACC), in the amount of \$399,937. SACC brings a high level of economic prosperity to area business owners, workers, and residents through its business programs in Orange County. SACC works with and relies upon its councils, committees and task forces to implement its strategic initiatives.

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

Mr. Florence referred to the comment made earlier regarding online training being just as effective as in-person training, and asked how they monitor the effectiveness. Mr. Peterson said they have employers that return for additional classes, and they conduct telephonic reviews with those that complete the courses to evaluate their effectiveness.

ACTION: Mr. Webb moved and Ms. Montoya seconded approval of the proposal for SACC in the amount of \$399,937.

Motion carried, 5 – 0.

El Camino Community College District, Center for Applied Competitive Technologies (CACT)

Mr. Aguilar presented a proposal for El Camino Community College District, Center for Applied Competitive Technologies (CACT) (El Camino CACT), in the amount of \$399,930. El Camino CACT provides customized training, workshops, and technical assistance to companies with 500 or fewer employees.

Mr. Aguilar introduced Eldon Davidson, Director of Contract and Community Education and Deborah Imonti, ETP Training Coordinator.

Mr. Rodriguez asked how they incorporate or integrate their partners to deliver training. Mr. Davidson said trainers are strategically located in different segments and in many cases the trainers can train in various locations by effective scheduling. He said some of their partners have trainers that they utilize at their location and that there is a true partnership between them. Mr. Rodriguez asked about their client-base data system for tracking and monitoring. Ms. Imonti said they track, monitor, and begin with interviewing and assessments. Once the assessment is made, the instructor customizes it to make it more effective. During the training and after it is completed, they perform evaluations to ensure they effectively reached the goal that the company needed to reach. He added that occasionally they get repeat business from different companies because they have certain populations that didn't get trained, but are now ready to be trained, such as in LEAN manufacturing. She said their instructors are experts at what they do and they must get good results. She said they wouldn't be standing before the Panel now if they were not successful.

Mr. Rodriguez said this project appears to be more of a sustainability project rather than a growth project. Ms. Imonti said it is a sustainability project but many of their companies are growing and are not downsizing, and this project will help them to maintain, sustain and grow. Mr. Davidson said they have manufacturing companies that are growing and some of the companies they serve are increasing in size. He said he regularly visits classes whenever possible and that on a recent visit with a forging company, he discovered they had added 80 to 100 jobs, and there was an aviation company that is hiring even a greater number of individuals. He said he has heard there is more growth occurring in companies rather than downsizing. Mr. Rodriguez asked which companies are growing and in what area. Mr. Davidson said most manufacturing companies are growing and said that a forging company recently found a new

niche and have refocused their company. Mr. Rodriguez asked for the cities or counties of the company locations. Ms. Imonti said the companies are located in Gardena, Torrance and Corona. Ms. Imonti said some companies used this time to grow and find a new business niche. Mr. Davidson said that the news often reports that manufacturing is going overseas, but he is seeing manufacturing growth in our region. Mr. Rodriguez asked if this is their ninth ETP contract. Ms. Imonti said they have had approximately 9 to 11 prior contracts. Mr. Rodriguez asked if the company could provide the Panel Chair with a memo to document some of the growth they have seen in manufacturing. Ms. Imonti said yes, that is agreeable. Mr. Rodriguez said that would be positive information he would like to submit to the Governor's Office of Economic Development (GoED) since there is so much news about manufacturing leaving California.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the proposal for El Camino CACT in the amount of \$399,930.

Motion carried, 5 – 0.

Employers Group

Mr. Aguilar presented a proposal for Employers Group in the amount of \$399,746. Employers Group is a non-profit trade association that offers several programs and services including: telephone helpline support for HR professionals; public workshops on HR-related topics; consulting services on such topics as affirmative action planning; surveys on compensation and benefits trends; and training in the areas of compliance, leadership, quality, productivity enhancement, and lean manufacturing.

Mr. Aguilar introduced Jeffrey Hull, Director of Learning Services.

There were no questions from the Panel.

ACTION: Mr. Webb moved and Ms. Montoya seconded approval of the proposal for Employers Group in the amount of \$399,746.

Motion carried, 5 – 0.

Glendale Community College Professional Development Center

Mr. Aguilar presented a proposal for Glendale Community College Professional Development Center (GCC), in the amount of \$399,626. GCC provides customized, job-specific training for business and workers through its Professional Development Center.

Mr. Aguilar introduced Kimberly Holland, Executive Director.

There were no questions from the Panel.

ACTION: Mr. Rodriguez moved and Ms. Montoya seconded approval of the proposal for GCC in the amount of \$399,626.

Motion carried, 5 – 0.

Jewish Vocational Service of Los Angeles

Mr. Aguilar presented a proposal for Jewish Vocational Service of Los Angeles (JVS), in the amount of \$398,280. JVS was founded as a non-sectarian, not-for-profit organization with a mission to “build better lives, one job at a time”. As a general vocational/career development service agency, JVS meets the employment and training needs of individuals with disabilities, public assistance recipients, dislocated workers, immigrants and refugees, high-risk youth, mature workers, and individuals with economic, social and psychological barriers to employment.

Mr. Aguilar said JVS is requesting a post-retention wage modification for these trainees at 25% below the ETP minimum wage. The modified post-retention wage would be \$9.61 per hour as shown in the Training Plan Table for Job No. 2. This modification is permissible under the at-risk youth project guidelines.

Mr. Aguilar introduced Jay Soloway, Director of Career and Business Services.

Mr. Rodriguez asked about the wage modification. Mr. Aguilar said the Panel is allowed to reduce the ETP minimum wage for new-hires by 25% based on good cause for at-risk youth projects. He said typically it is more difficult to place these individuals, since they don't have the skills because of the population of at-risk youth, and many times it takes more effort on the part of the trainer. Mr. Aguilar said that since they don't have the skills going in, it is often difficult to place these individuals, and in order to make it easier and to improve the placement rate, we allow for that modification.

Mr. McMahon said one of the struggles of their program is in developing a training model that successfully places at-risk youth and other new-hires into employment. He said this is a model where almost every trainee exiting the project is placed with an employer. One of the components for success in doing that is developing a close linkage with the employers during the design and training phase of the project. Mr. Rodriguez asked if the at-risk youth earn below the state minimum wage. Mr. McMahon answered no. He said they earn a dollar higher than the state minimum wage.

Mr. Aguilar said that the majority of new-hire projects they fund are typically very difficult and the retention rate is usually very poor. He said a 100% completion rate is remarkable since it involved at-risk youth and ex-offenders with multiple barriers to employment. Mr. Rodriguez said I want to compliment JVS and he said that he was very familiar with their sister organization in San Francisco. He also said that he is very interested in the at-risk youth and how to get employers to open their doors considering the multiple barriers.

Mr. Florence asked about the reason the average cost-per-trainee is higher here than in other projects. He asked if it is because they are training at-risk youth. Mr. McMahon answered that it is within the range of new-hire reimbursement projects, which is almost three times what is typical in retraining projects. Mr. Soloway added that Certified Nurse Assistant (CNA) training is intense and rather expensive.

Ms. Fernandez congratulated the company on their success. She asked if they keep data as to retention when someone leaves their system, how long afterwards the trainees remain employed, and the success rate once they leave the program. Mr. Soloway said yes, they track data and that their retention rate at 12-months is approximately 65% which is a good rate, particularly for banks. In their experience, with individuals that banks have hired from outside of this program, the retention rate is approximately in the low-to-mid 40% range at 12 months. He said they also track promotions and that many participants in the Bank Works program start out as entry-level tellers and have since been promoted to senior tellers, personal bankers, and some have moved into lending or vault teller positions, all of which are promotions with higher salaries. He said that many of the CNAs they have trained begin their employment at long-term care facilities. Several are now employed by hospitals, which brings higher compensation and many have advanced from CNA to LVN. He said they are very proud of this program and appreciative of the support they received from ETP on their first contract. Ms. Fernandez said she was very impressed by this program.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the proposal for JVS in the amount of \$398,280.

Motion carried, 5 – 0.

Los Angeles Community College District

Mr. Aguilar presented a proposal for Los Angeles Community College District (LACCD), in the amount of \$399,630. LACCD was formed to oversee nine community colleges throughout the Los Angeles region. It is the largest district in the nation, providing administrative support for its colleges in the area of academic enrollment, contract education, community services, and workforce and economic development. It strives to develop employment and training strategies and helps to create a platform for uniting regional resources.

Mr. Aguilar introduced Felicito Cajayon, Vice Chancellor of Economic & Workforce Development.

There were no questions from the Panel.

ACTION: Mr. Webb moved and Ms. Montoya seconded approval of the proposal for LACCD in the amount of \$399,630.

Motion carried, 5 – 0.

NTMA Training Centers of Southern California

Mr. Aguilar presented a proposal for NTMA Training Centers of Southern California (NTMA), in the amount of \$397,508. NTMA provides training to employers of small and medium sized machine shops in the metal trade manufacturing industry. NTMA trains and prepares students for lifetime careers in the machining, tooling, and manufacturing industries. NTMA serves small to medium-sized machine shops. These are employers that design and manufacture special tools and machines, dies, jigs, fixtures, gauges, and precision-machined parts.

Mr. Aguilar introduced Michael Kerwin, President and Norma Meza, Executive Director of Financial Aid & ETP.

Ms. Montoya asked if they train CMT programmers or only machinists and if they are ever upgraded. Mr. Kerwin said they train CMT programmers and upgrade them to CadCAM or MasterCAM.

Mr. Rodriguez asked about the company's secret to success. Mr. Kerwin answered hard work, dedication, and listening to industry needs. He said it is important to educate students about LEAN manufacturing and what is necessary to make a company work and be competitive. Mr. Rodriguez said California was the leader in the machinists industry in the 1980's and early 1990's and asked why he believed that is no longer the case. Mr. Kerwin said he believes it is due to taxes, costs, and wages. He said they are seeing a great deal of re-shoring, which means much of the industry is being brought back to California, especially in high-tech areas and in the medical industry. He said with shipping back and forth, companies have discovered it is too timely and costly, and not precise enough to off-shore work.

Mr. McMahon asked what techniques they use to fill new-hire positions. He said that he thought that it is difficult to get youth interested in machine-related career paths. Mr. Kerwin said they are sponsoring an event in Southern California using BattleBots and he explained that BattleBots are robots that battle from the National Robotics League. They have provided six high schools with BattleBot kits and have invited them to compete. He said it is important to make that program grow since machine classes, metal classes, and wood shops are not offered in high schools anymore and students are not graduating with the necessary skills. He said that after the BattleBot competition, they invite the students to tour their shop floor so they can experience first-hand how the machining industry works. He said they award two scholarships every year in Norwalk and Ontario to recently graduated high school students.

Mr. Rodriguez asked if they train in multiple languages and if they have a diverse student body. Mr. Kerwin answered in the affirmative and said they train in English only and they are tested in English. He said so many classes are no longer offered at high schools.

ACTION: Mr. Rodriguez moved and Ms. Montoya seconded approval of the proposal for NTMA in the amount of \$397,508.

Motion carried, 5 – 0.

Regional Hispanic Chamber of Commerce

Mr. Aguilar presented a proposal for Regional Hispanic Chamber of Commerce (RHCC), in the amount of \$213,400. RHCC is a non-profit member organization comprised of small business owners, corporate representatives, community leaders, and members representing various professions. The RHCC supports the development and growth of member businesses through initiatives that encourage and promote business and economic development. The RHCC also provides access to valuable information, procurement opportunities, education, and training.

Mr. Aguilar introduced Sandy Cajas, President and Ignacio Munoz, representing Peak International.

There were no questions from the Panel.

ACTION: Mr. Rodriguez moved and Mr. Webb seconded approval of the proposal for RHCC in the amount of \$213,400.

Motion carried, 5 – 0.

Santa Clarita Community College District

Mr. Aguilar presented a proposal for Santa Clarita Community College District (Santa Clarita CCD), in the amount of \$399,749. Santa Clarita CCD is a two-year, fully accredited community college offering a full range of vocational education programs and academic programs necessary for transfer to four-year institutions.

Mr. Aguilar introduced Kevin Walsh, Interim Director and Pete Bellas, Dean of Economic Development.

There were no questions from the Panel.

ACTION: Mr. Rodriguez moved and Ms. Montoya seconded approval of the proposal for Santa Clarita CCD in the amount of \$399,749.

Motion carried, 5 – 0.

Workforce Development Corporation dba Southeast Los Angeles County Workforce Investment Board

Mr. Aguilar presented a proposal for Workforce Development Corporation dba Southeast Los Angeles County Workforce Investment Board (SELACO WIB), in the amount of \$398,826. SELACO WIB is a non-profit organization formed pursuant to the federal Workforce Investment Act of 1998, Section 121(c). It is governed by elected officials under a Joint Powers Agreement in coordination with private sector representatives including business owners, labor unions, corporate executives, various California state agencies, community-based organizations, public assistance agencies, and rehabilitation, economic development, and public education agencies.

Mr. Aguilar introduced Larry Lee, Business Services Manager and Kevin Kucera, WIB Board Member.

There were no questions from the Panel.

ACTION: Mr. Webb moved and Ms. Montoya seconded approval of the proposal for SELACO WIB in the amount of \$398,826.

Motion carried, 5 – 0.

Amendments

ONNI, Inc. dba GreenPlumbers®USA

Ms. Hernandez presented an Amendment for ONNI, Inc. dba GreenPlumbers®USA (GreenPlumbers®USA), in the amount of \$199,803. GreenPlumbers®USA is a training

organization and accreditation program that provides occupational training to plumbers with the goals of providing an understanding about the roles of environmental responsibility and public health. The overall goal, according to the organization's representatives, is to promote the benefits of water and energy conservation and the reduction of greenhouse gas emissions.

Ms. Hernandez introduced Bill Lehtonen, Director of Public Outreach.

Ms. Montoya said sole proprietors rarely have time to search for training and asked how they acquire their trainees. Mr. Lehtonen said they are repeatedly approached by sole proprietors, but they cannot train many of them since they do not pay the Employment Training Tax (ETT). Ms. Montoya asked if he is getting new business. Mr. Lehtonen said he is getting new business. He said that is a positive sign because as a multiple-employer contractor they are not an employer. Ms. Montoya said they are making a contribution to the economy since companies they are training are hiring. Mr. Lehtonen said it reinforces their opportunity to train plumbers up to a journeyman level and above.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the Amendment for GreenPlumbers@USA in the amount of \$199,803.

Motion carried, 5 – 0.

XII. PUBLIC COMMENTS

There were no public comments.

XIII. PUBLIC MEETING ADJOURNS

ACTION: Ms. Montoya moved and Mr. Florence seconded meeting adjournment at 11:30 a.m.

Motion carried, 5 – 0.