



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**
California Environmental Protection Agency
1001 "I" Street
Sierra Hearing Room, 2nd Floor
Sacramento, CA 95814
March 23, 2012

PANEL MEMBERS

Barry Broad
Chair

Carol Farris
Member

Sonia Fernandez
Member

Michael Hart
Member

Janine Montoya
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Sam Rodriguez
Member

Executive Staff

Brian McMahon
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Chairman Barry Broad called the meeting to order at 9:36 a.m.

II. ROLL CALL

Present

Barry Broad
Carol Farris
Sonia Fernandez
Janine Montoya
Janice Roberts
Sam Rodriguez

Absent

Michael Hart
Edward Rendon

Executive Staff Present

Brian McMahan, Executive Director
Maureen Reilly, General Counsel

III. AGENDA

Mr. Broad asked that Consent Calendar Items #1 through #4, all four of the AHMC Proposals, be removed from the Consent Calendar and presented for approval under the review and action on proposals. He said the Apprenticeship Pilot Program Guidelines would now be presented later in the meeting after the review and action on proposals before Public Comment. Mr. Broad said Tab#25, the proposal for Bay Area Counties Roofing and Waterproofing Industry Apprenticeship Program, was withdrawn for consideration from the Agenda.

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

Motion carried, 6 – 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Ms. Fernandez seconded the motion that the Panel approve the Minutes from the January 27, 2012 meeting.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, said the proposals for review today include the standard mix of single employer agreements and multiple employer contracts, as well as the first group of four projects funded under our AB118 partnership with the California Energy Commission. He said there are also a number of job creation proposals. He said that all of the regional office managers were in attendance at the meeting to present projects from their areas.

Mr. McMahon said that regarding the current year budget, projections for the budget were received from EDD in September 2011, and the estimate is proving to be very accurate. Relative to the Fund Status Report, everything remains the same except for the item depicting the reduction in available funds through projects. If the Panel approves all of the projects to date, that will total about \$49.9 million, which results in about \$20.6 million in core funds for the remainder of the budget year.

In terms of the overall pipeline of projects submitted this year, since opening for applications in mid-July 2011, ETP has received approximately 550 core program preliminary applications. Of those, 452 remain either in the status of being approved by the Panel, in development, or waiting eligibility determination. The full amount of demand from those projects is approximately \$82 million, and when measured against our \$70 million in available funds, it is likely that there will be some carry over from this FY into the next.

The application process was closed for retraining single employers and multiple employer contracts with a retraining focus on January 16, 2012, but we continue to receive critical proposals, job creation, small business, and fast track proposals. Our first group of AB118 projects is before the Panel today for consideration. They will total slightly over \$1.2 million and represent an interesting cross-section of the types of projects that are eligible under the AB118 focus on alternative fuel development distribution as well as new vehicle technology.

As mentioned at the prior meeting, ETP in the current year also received an allocation from the Labor & Workforce Development Agency of \$1.7 million in WIA discretionary funds. Those funds are targeted to a non-profit healthcare initiative focused exclusively on job creation. We opened the process in February 2012 for a three-week application cycle, and in three weeks, received 36 proposals for funding. At this point, it is our goal to bring all of those projects to the Panel at the May meeting, and review them as a group in a quasi consent calendar format without the need of project representatives to come forward. These 36 projects represent demand that is far in excess of our available funds, which means that when we allocate funding on a pooled project basis, it does not leave much for every individual project. It is expected that when we go through the allocation process, that we are considering about \$50,000 on average per project. If some proposals fall out of the development cycle that will increase the amount available for each project, but demand is great and funds are few.

Mr. McMahon reviewed legislative activity that is targeted to ETP:

AB1224 (Assembly Veterans Affairs Committee): This bill is a repeat of legislation that has been vetoed in prior sessions, that essentially directs ETP to include in a strategic planning process a specific focus on veterans activities. ETP currently has a strong focus in our Strategic

Plan on Veterans activities. We are a member of the Governor's Interagency Council on Veterans and believe that the bill is probably unnecessary based on the level of focus that we are giving veterans at this point in time.

SB1401 (Senator Lieu): This bill directs the California Workforce Investment Board to take some steps in integrating education and workforce and to produce a system that really helps to train workers for the skills necessary to compete in the 21st century workplace. A number of agencies are specifically mentioned in the bill and ETP is one of those agencies that would participate in that integrated structure process.

Mr. McMahon indicated to Chairman Broad that through conversations with Panel members there seems to be some interest in re-evaluating the content of the ETP 130, which is the memo that the Panel reviews that describes the project. He recommended to the Chair that a subcommittee be created to convene a session to consider a re-evaluation of content in order to determine if it is giving Panel members the type of detailed information they need in order to make informed decisions on projects. Mr. Broad said that is a great idea and that he would like to appoint three Panel members, based on who has raised these issues in the past: Janice Roberts; Sonia Fernandez; and Sam Rodriguez. All three Panel member appointees agreed to the subcommittee appointment.

VI. REQUEST MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Mr. McMahon asked for a motion to adopt Consent Calendar Items #5 through #8

C&H Sugar Company, Inc.	\$223,200
Lockheed Martin Space Systems Company, a Division of Lockheed Martin Corporation.....	\$180,000
Rubio's Restaurants, Inc.	\$158,550
United Facilities, Inc.	\$205,320

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of Consent Calendar Items #5 through #8, with Tabs #1 through #4, all four AHMC proposals, removed from the Consent Calendar.

Motion carried, 6 – 0.

VII. 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. Roberts moved and Ms. Fernandez seconded the motion to delegate in event of loss of quorum.

Motion carried, 6 – 0.

VIII. DELEGATION ORDERS

Maureen Reilly, General Counsel, referred to Delegation Order Tabs A through D located at the back of the Panel Packet. She said Tabs A through D include Delegation Orders that the Panel

has already approved. She said there were approximately \$120,000 in fast track and \$222,000 in small business Delegation Orders approved by the Delegation process. So far through this Panel meeting which includes the four Delegation Orders, we have processed approximately 125 ETP agreements via the delegation process totaling almost \$6 million.

IX. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

AHMC Proposals (Removed from Consent Calendar for Consideration and Presented Out of Order)

Mr. Broad said he wanted the four AHMC healthcare proposals that were removed from the Consent Calendar, Tabs #1 through #4, to be considered as one and at the same time, and before the other proposals.

Wally Aguilar, Manager of the North Hollywood Regional Office, presented the four proposals under AHMC Healthcare, Inc. He said they are four separate Special Employment Training proposals to train a total of 1,809 Registered Nurses; 129 LVNs; and 488 Allied Professional Healthcare Workers at the following facilities:

- 1) AHMC Healthcare, Inc. dba Garfield Medical Center
Located in Monterey Park, CA
Requesting \$218,365 to train 595 staff (includes approximately 386 RNs, 30 LVNs, and other allied healthcare occupations).
- 2) AHMC Healthcare, Inc. dba Monterey Park Hospital
Located in Monterey Park, CA
Requesting \$177,480 to train 340 staff (includes approximately 145 RNs, 51 LVNs, and trainees in allied healthcare occupations).
- 3) AHMC Healthcare, Inc. dba Whittier Hospital Medical Center
Located in San Gabriel, CA
Requesting \$240,534 to train 414 staff (includes approximately 305 RNs, 12 LVNs, and trainees in allied healthcare occupations).
- 4) AHMC San Gabriel Valley Medical Center
Located in Whittier, CA
Requesting \$240,534 to train 460 staff (includes approximately 356 RNs, 36 LVNs, and trainees in allied healthcare occupations).

Mr. Aguilar said Garfield Medical Center; San Gabriel Valley Medical Center and Whittier Hospital Medical Center are repeat contracts with payment earned in excess of \$250,000 at each facility in the past five years. Accordingly, reimbursement for trainees at these facilities will be reduced to reflect the hospitals' substantial contributions to the cost of training. Mr. Broad asked for the rate of the substantial contribution. Mr. Aguilar said it was set at 15%. Mr. Broad said he understood that they have all agreed to raise the substantial contribution to 30 percent. Mr. Aguilar said yes, that is correct.

Mr. Aguilar introduced company representatives from two of the AHMC facilities: Karen Lee, Director of Education and Project Manager, representing Garfield Medical Center and Phyllis Snyder, Chief Nursing Officer, representing Whittier Hospital Medical Center.

Mr. Broad said in the last five years, there have been ten AHMC hospital proposals approved by ETP. He said three of the four today are repeat customers with a minimum substantial contribution required of 15%. Given our budget constraints and how generous we have been in the last five years, I would ask if you would voluntarily agree to raising the substantial contribution to 30%. Ms. Snyder said certainly, we would accept a 30% substantial contribution. Mr. Broad said therefore when a motion is ready to be made, it would be to approve the three proposals with an increase from 15% to 30% in substantial contribution. Mr. Broad clarified that Monterey Park Hospital did not earn in excess of \$250,000 in a prior ETP contract; therefore, a substantial contribution would not be required for that facility.

Ms. Roberts said she believes these are great contracts and training nurses is very important to CA. She addressed the issue of equity concerning the 30% substantial contribution. There are other proposals to be presented today that have had only one prior ETP contract, and they have a 30% substantial contribution applied, so she believes the increase of the substantial contribution is the right thing to do. She said the contract as a whole is very solid; but noted that regarding their subcontractor Training Funding Source, that all four contracts are the same template, and they are paying a large sum to the subcontractor. She said when you are asking a vendor to support you as a company, something to consider in the future is negotiating with the subcontractor over fees, especially since the contracts are similar.

Mr. Rodriguez asked a policy oriented question; he said the Director of Public Health for Los Angeles County is reforming the system as we speak. He asked if their administration is involved in that effort of using nurses for preventive medicine retraining. Ms. Snyder and Ms. Lee said as far as they are aware, they are not involved at this time.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded approval of the four separate AHMC Proposals: 1) AHMC Healthcare, Inc. dba Garfield Medical Center approved at \$177,480 with a 30% substantial requirement; 2) AHMC Healthcare, Inc. dba Monterey Park Hospital approved at \$177,480 with no substantial contribution requirement; 3) AHMC Healthcare, Inc. dba Whittier Hospital Medical Center approved at \$231,840 with a 30% substantial requirement; and AHMC San Gabriel Valley Medical Center approved at \$240,534 with a 30% substantial requirement.

Motion carried, 6 – 0.

Decore-Ative Specialties, Inc.

Mr. Aguilar presented a Proposal for Decore-Ative Specialties, Inc. (Decore-Ative), in the amount of \$296,208. Decore-Ative supplies cabinet makers with custom cabinet doors in over 250 standard styles, using a wide variety of materials. Decore-Ative also offers high-quality dovetail and doweled drawer boxes in a variety of materials, as well as Deco-form accessories. Its customers include cabinet makers, contractors, designers and Home Depot.

Mr. Aguilar introduced Jesus Rodriguez, Corporate Human Resources Director and Marcos Arroyo, Human Resources Coordinator.

Mr. Broad asked if this is their first ETP proposal. Mr. Rodriguez said Decore-Ative has had prior ETP proposals, but this is their first time going before the Panel and overseeing an ETP proposal. He said a previous member of their team worked on the prior proposals, and Mr. Aguilar has spent much time assisting with the process as they are new to ETP. Mr. Broad said that in the prior proposal they received a large award and they did not earn much of it. He asked what happened in the prior proposal that they are aware of and what do they plan to do differently this time in order to earn 100% of the funds. Mr. Rodriguez said they are in the construction industry and are tied to the housing world. He said the decline in housing and the economy in general are directly tied to their business. In the original grant, they expected to deploy a full program to train their employees to retain their talent in order to avoid having to go to other countries and taking their business abroad. He said the decline in the economy resulted in a reduction in business and fewer work hours. He said they applied for work share with the state to try to minimize the impact to their employees, and they tried a number of different things to allow them to continue to weather the downturn. Despite the constraints imposed by the economy, they did their utmost best to continue with training to earn as much training reimbursement as they could. Since that time, they have somewhat stabilized in terms of business. He said there are some signs of recovery as stated in the news and some positive indicators in housing construction. He said they have not seen a significant drop or continued decline of their business, and in the last three months have experienced an increase in sales. They have not had to lay off any employees, and they are confident that they will realize 100%, or very close to that percentage of the requested amount for training. He said they are trying to exist and make the products in the United States and this funding will help maintain their ability to compete and stay in CA.

Mr. Broad said they currently have 435 employees in CA and asked how many they had before the recession. Mr. Rodriguez said before the recession they had about 1,600 employees nationally and about 1,200 in CA. Mr. Broad said so you are at about one-third of your workforce, or a little more than a third. Mr. Rodriguez said yes, that is correct. Mr. Broad said so then you are training over half of your workforce, in planning to train 240 employees. Mr. Rodriguez answered in the affirmative. Mr. Broad asked if they believe they can train all 240 employees. Mr. Rodriguez said yes, absolutely. Mr. Broad suggested it might be wise for the Panel and for the company to break this proposal down into two parts, a Phase I and II. If after completing the first \$150,000 worth of training you perform well, they could return for a modification to their contract for the remaining funds. He said since their orders have increased, and the issue they have had is finding time to train their employees, it is a good idea to bifurcate this proposal into two parts. He said his suggestion is not prejudicial to their company, but it may take some pressure off of them, allowing them to train the first half to see how they do and then train the second half.

Mr. Broad asked if they were agreeable to reducing the contract amount and returning for part II of funding. Mr. Rodriguez said one of the considerations as to why they believe they have the means or ability to earn the full amount, is that they have many new initiatives in place to assist them in executing much of their training. He said they have more offerings that would require more substantive training that they otherwise have not had in the past. In the past they were

retraining on existing initiatives; in this case, to help them remain competitive; they have had to bring in more initiatives that require more training. He said that the funding would be beneficial even in a Phase I and II agreement as suggested by Mr. Broad, if that is what the Panel is recommending. Either way, they believe that training would be a model for their business. Mr. Broad asked if it would work for them to train one-half of their employees now, given their new software, or if the training is really needed right away for all employees. He said everyone will need to receive training at once, because when the next phase of the product takes place they must know the basics before they move to the second phase. He said half of the funding would mean to them that they just divide projects if you will. Mr. Broad said so you would train everyone, but give them less training.

Ms. Roberts said employees must have 24 hours of training in order to even qualify and was concerned about a small company providing 24 hours of training at one time. She was concerned about training 242 employees at four different locations. She asked who will be in charge of coordinating and overseeing all of the training. Mr. Rodriguez said they have internal resources in place to ensure they coordinate and oversee all of the training. Ms. Roberts asked about their trainers and if they are outside vendors or internal. Mr. Rodriguez said they have internal trainers and managers who have years of experience. Ms. Roberts asked who will coordinate submitting data to the staff. Mr. Rodriguez said HR staff at each location will handle the data.

Mr. Sam Rodriguez asked if they are already locked into the training and if training is already ongoing. Mr. Jesus Rodriguez said yes, that is correct. Mr. Sam Rodriguez asked if these funds will enhance what they already have in place. Mr. Jesus Rodriguez said it is a continuation of training. Mr. Sam Rodriguez asked if they are training now. Mr. Jesus Rodriguez said yes. Mr. Sam Rodriguez asked who is providing that training. Mr. Jesus Rodriguez said himself and the managers on staff are providing the training. Mr. Sam Rodriguez said the Chairman's point is that we recognize the need, but we would like to slow down the process in terms of the resources, so as to help ensure your success.

Mr. Broad suggested that the Panel approve \$196,208 today, and they could return for the remaining \$100,000 under a Delegation Order, which does not require the company representatives to attend another Panel meeting. He said the second phase would be handled under ETP's delegation process which is done internally and automatically, if a company is performing well. Then you would have the last \$100,000 under the delegation process which would allow you to basically do two-thirds of the training and return for the remaining one-third. safer way to go from the Panel's perspective and is probably better for them since they could begin to train everyone immediately and return in an expedited way for the remaining part if things are working out.

Ms. Fernandez said in terms of their last agreement compared to this one, she wanted to know that they have the support of their organization for this proposal and what changes they have made internally in their organization in order to be successful this time. She said it was very important especially with the limited resources we have to ensure they are being utilized properly. Mr. Rodriguez said there is a lot of technology that they require. He said the owner of their organization believes in acquiring the means to help grow the business and improve efficiencies. He said they have implemented a lean manufacturing process, which is what Toyota production systems uses to manufacture their vehicles, by trying to remove as much

waste as they can in the process. They are in year number four in that journey, and they are evaluating systems and computer system software to allow them to make better use of their equipment to achieve less manual processes which are labor-intense. He said they have reduced 40% to 50% of their floor space just by eliminating waste and idleness. He said they now have Sharepoint which is a database that is used by many of the trainers, and also an LMS, and they previously did that manually. He said they now have systems that recognize all of the training and that flags and tracks automatically as opposed to entering it manually. He said much of the training they are doing is computer interactive which is easier on their employees, it creates a different environment for learning, and reduces the resources to deploy the training. He said all of these things have been done in the last 24 months to assist in their recovery. Ms. Fernandez asked if they will both be dedicated to overseeing the projects in the different locations. She wanted to ensure there is someone dedicated to coordinate and track the proposal for a successful agreement this time around. Mr. Rodriguez said he is the point person to coordinate all of these responsibilities and he will also manage it.

Ms. Roberts agreed with reducing the amount by \$100,000 especially considering past performance, and since there is often a change in workforce and retention in small companies when the economy improves.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Proposal for Decore-Ative in the reduced amount of \$196,208, with the understanding they may return to request the remaining \$100,000 through the ETP Delegation Order process.

Motion carried, 6 – 0.

Vitas Healthcare Corporation of California

Mr. Aguilar presented a Proposal for Vitas Healthcare Corporation of California (Vitas), in the amount of \$418,824. Vitas is a provider of hospice services to both adult and pediatric patients with a wide range of life-limiting illnesses, that includes cancer, stroke, heart, lung, liver and kidney diseases, multiple sclerosis, amyotrophic lateral sclerosis, Alzheimer's and acquired immune deficiency syndrome.

Mr. Aguilar introduced Karen Peterson, Senior Director of Operations Compliance and VP Chief Nursing Officer.

Mr. Broad asked if the previous proposal was to train at multiple locations or at one location. Ms. Peterson answered the previous proposal was to train at multiple locations in CA.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Vitas in the amount of \$418,824.

Motion carried, 6 – 0.

La-Z-Boy Incorporated-West Division

Diana Torres, Manager of the San Diego Regional Office, presented a Proposal for La-Z-Boy Incorporated-West Division (La-Z-Boy West), in the amount of \$438,930. La-Z-Boy West is the

largest reclining-chair manufacturer in the world and North America's largest manufacturer of upholstered furniture.

Ms. Torres introduced Jovie Dabu, General Manager.

Ms. Roberts said she was delighted about the company hiring 40 new employees. She said they have a fairly high turnover rate but it does not exceed ETP's turnover rate cap. She said it was important to ensure their employees remain with the company since retention can affect training dollars and noted their positive prior performance in their last contract.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for La-Z-Boy West in the amount of \$438,930.

Motion carried, 6 – 0.

Soitec Solar Industries LLC

Ms. Torres presented a Proposal for Soitec Solar Industries LLC (Soitec), in the amount of \$300,000. Soitec manufactures and installs concentrated photovoltaic (CPV) equipment. In CPV, the concentrated sunlight is converted directly to electricity via the photovoltaic effect (the creation of voltage or electric current in a material upon exposure to light).

Ms. Torres introduced Steve Babureck, Finance Director; Jamie Simpson, Director of Human Resources; and Paul Johnson, President of CalTraining, Inc.

Mr. Broad asked Ms. Torres to clarify what ETP is paying for, and what we are not paying for in terms of people being sent to Germany. Ms. Torres said ETP is only paying for the class-lab training in accordance with ETP's regulation, and we are not paying for any on-the-job or productive lab training.

Mr. Broad noted the company is building a new facility and asked what they will be manufacturing there. Mr. Babureck said they are building a manufacturing plant in San Diego. He said they purchased a building in San Diego County and they are refurbishing the building in the first six months of this year, moving in equipment in the second quarter of this year, and beginning production in the third part of this year. Mr. Broad asked, obviously you have 20 employees in CA so you are hiring, I assume, many new people. Are they hired yet or are you proposing they will be hired six months from now? Ms. Simpson said they have begun the hiring process, they have hired about 27 employees so far, and they are continuing to interview and hire in a phased approach.

Ms. Roberts said if they currently only have 27 employees, who are the 40 employees that will go to Germany. Ms. Simpson said there are 11 employees currently in Germany, and another group will go to Germany next month. Ms. Roberts asked if the 11 employees in Germany are CA employees and residents. Ms. Simpson answered in the affirmative.

Mr. Rodriguez asked if the employees in Germany are in sales or manufacturing. Ms. Simpson said they are in manufacturing and mostly in engineering. Mr. Rodriguez asked about the materials, products and services they will be purchasing when this facility is operating. Mr. Babureck said they are assembling photo voltaic modules, which is a very different technology

than is usually mentioned in the media. He said this is a unique technology called CPV and they are doing the assembly of the modules. Mr. Rodriguez asked if they are doing the assembly in San Diego but the manufacturing is done elsewhere. Mr. Babureck said no, the assembly is done in San Diego and they buy glass silicone solar cell trackers for the San Diego facility. Ms. Simpson said when she previously mentioned they are hiring engineers, that was to start out with; the bulk of the hiring will include operators and production/manufacturing personnel. Mr. Rodriguez asked if they will have a research and development office in San Diego. Ms. Simpson said there is a small research and development office that will be in San Diego.

Ms. Roberts said she previously researched this company due to the problems that arose with the prior Solyndra's solar proposal that has been in the press. She said she was very impressed with what she has read on the Internet about the company. She asked if they are a French company. Ms. Simpson said yes, that is correct. Ms. Roberts said she liked that the \$140 million is generated by stock the company has sold within their company and they were not requesting funds from DOE. She said a competitor in Nevada just received \$91 million from the DOE and commended Soitec for pulling their own funds together. She said she was a little skeptical at first about this company, but after researching it, she was excited about the company. Mr. Babureck said they are a semiconductor and solar company that were created twenty years ago, and they believe they have a break through in technology as mentioned. They have an efficiency of 30% where most of the industry is at 15%, so this is how they differentiate from the rest of the market. He said the purchase of the building and equipment is completely funded.

Mr. McMahon asked if their business model also involves financial participation in the actual sites for solar generation. Mr. Babureck said this is not their business model and that they are a technology company, so their primary goal is to provide technology. However, it is true they are also involved in the development of solar firms to make sure that they actually sell their systems, but the intent and long term intention is to sell these assets when they become operational. Mr. Broad asked if the technology is proprietary technology, if their competitors use the same technology, or if there are other competitors in the solar power industry. Mr. Babureck said they purchase the solar cells, but they have a very active R & D for their semiconductors, and they have ambitious targets on increasing the efficiency of the cell. He said today they purchase a cell, tomorrow they will make the cell, and that they have a unique design on the panel. Mr. Broad said he recently heard that there is still a significant gap between the cost of producing solar energy and the cost of producing energy from fossil fuel sources, but that it is shrinking. He asked when will it shrink to equal and are we within a decade of that. Mr. Babureck said since it is a publicly traded company he didn't want to make a commitment, but their understanding is that it would be within half of a decade. Today the efficiency is 30% with their new cell called the Smart Cell, and they will bring this efficiency up to 40%. He said by increasing the efficiency you narrow the gap of production costs between fossil fuels, energy, and renewable energy.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Soitec in the amount of \$300,000.

Motion carried, 6 – 0.

Accenture LLP

Mr. Chan presented a Proposal for Accenture LLP (Accenture), in the amount of \$399,960. Accenture is a management and technology consulting company providing software engineering, project development, software and application development, testing, and analysis services to clients worldwide.

Mr. Chan introduced Janelle Wong, Tax Manager.

Mr. Rodriguez said more that 70% of their employees such as Deloitte, KP&G, and their competitors compete in the private sector and in the public sector. He said many have bachelor degrees or advanced degrees and they are not a manufacturing company. He said they move employees around the world, they are doing quite well in the marketplace, and their earnings are beating their competitors. He asked why the company needs ETP funds. Ms. Wong said yes, they are a very successful firm and that is part of why many of the government agencies and clients around the world come to them. She said an important factor is that they try to stay on the cutting edge and sometimes even develop technology. Although they are a large company, ETP funds will help them to offer a more depth and more breadth of courses to their employees to stay ahead of the market. Mr. Rodriguez said but that is the part that is confusing because you are an integrator and select the best and brightest from universities such as UC Berkeley, Harvard and CalTech. He said you partner with the IBMs and the Oracles of the world and the HPs, so I almost feel it is redundant. She said she believed that his perception is correct, but said they hire quite a few new college students who do not necessarily get the technical training that is required in terms of doing some of the IT integrations at a specialist level and at a first year level associate. The training is a very integral part of what they do in their first few years, so the majority of the trainees will be these individuals.

Mr. Rodriguez asked if we are subsidizing the company to be more competitive than companies such as Deloitte or KMGs. Mr. Broad said this is sort of a slippery slope question because some of these companies make a great deal of money and some do not, and the Panel has never based their decision on whether a company is profitable or not. He said it is a much better investment of training dollars in a company that is highly profitable than a company that is on the edge of bankruptcy. He said the company on the edge of bankruptcy may have a great financial need, but they are probably less likely to be focused on the training because their long-term horizon is not very long and companies that are more profitable have a level of confidence that allows them to have a very long-term horizon, so they may be much more committed to training. He said for the Panel's purposes the question is really the other side, which is are you so unprofitable and desperate that you are just coming here to find some money so that you can fill up your treasury temporarily and then we are going to find ourselves in a situation where you have made the newspaper like NUMMI. In other words, that is a larger problem, and the bigger the company that is in that situation, the bigger the problem and when we have had issues, it is in that scenario and not in this scenario, but that is his opinion. Ms. Roberts said she did not believe that all of the people that will be trained are consultants. She said she realizes they pay \$86 per hour for consultants, but she has hired Accenture at \$200 per hour, so there is a disconnect. Ms. Wong said she understands the concern and as she indicated from their application, the bulk of people they will train are the frontline workers. She said they are interactive with the clients onsite, the people planning and understanding the technology and integration part of it and as indicated, and they have two new initiatives that are

different than previously. The first new initiative is the SAP mobility which is a relationship with their SAP, a vendor. She said with the emergence of the Smart phone and new technology, it was important to bring their consultants that have been in the industry for a while into this emerging market and train them in this new technology. Mr. Broad asked if they are a publicly traded company. Ms. Wong said yes, it is. Mr. Rodriguez asked if there is a commitment that the employees that are going to be trained are staying in CA. Ms. Wong said she understood the thrust of the question, since their workforce can be highly mobile. She said in the changing economy, they have tried to obtain a better carbon footprint. They have tried implementing a number of internal initiatives to keep their employees close to home by utilizing teleconferences, new technology with computers, and E-meetings to keep the travel and deployment at bay. She said in terms of CA, the goal would be to keep those employees here working and being deployed on CA-based clients.

Mr. Rodriguez asked if Accenture University still exists. Ms. Wong asked if he was referring to their St. Charles campus. Mr. Rodriguez said yes. Ms. Wong said it is not called Accenture University anymore and they do not own it but they train people there; but this training application is only for employees and training in CA.

ACTION: Mr. Rodriguez moved and Ms. Farris seconded approval of the Proposal for Accenture LLP in the amount of \$399,960.

Motion carried, 6 – 0.

Bay Ship & Yacht Company

Mr. Chan presented a Proposal for Bay Ship & Yacht Company (Bay Ship & Yacht), in the amount of \$336,020. Bay Ship & Yacht is a full-service shipyard located on the Oakland Estuary, a major deep draft waterway separating Alameda from the City of Oakland. The shipyard operates in the center of the San Francisco Bay maritime community, adjacent to the Alameda Ferry Terminal where ferries depart for and arrive from San Francisco and Oakland. Over time, Bay Ship & Yard has developed into a full service shipyard capable of performing maintenance or overhaul of primarily mid-size vessels such as ferries, fishing boats, tugboats, barges, and super yachts.

Mr. Chan introduced William Elliott, General Manager and Christopher Rochette, Training Coordinator.

Mr. Broad asked if the contract was prepared by him alone without a consultant. Mr. Rochette answered correct, without a consultant. Mr. Broad asked if they believe they can earn this money and implement all of the training. Mr. Rochette said yes, absolutely; he said they have a very committed company, training staff, and all of their technical managers are well-versed in providing training already, and this would enhance their ability to compete with shipyards out of CA.

Mr. Rodriguez asked what compelled them to request ETP funding. Mr. Rochette said they work with local community colleges and junior colleges to try to find people to hire in welding programs, electrical programs, and painting programs. He said one of the colleges located near them, Laney College, is actually participating in the ETP program. He said he saw this is as

way for them to enhance their own in-house training through this program after he did some research about ETP.

Ms. Roberts said I commend you for doing this on your own, and it takes some understanding of how to put it together. She said every employee must have at least 24 hours of training in order for them to even get credit for the training that they do, so if they do 23 hours and 55 minutes they would not get credit for it. She has seen this happen as she used to run contracts herself and said it will be more difficult than they realize. She suggested working closely with ETP staff to guide them along since this is their first proposal and they are doing it on their own and said it would not be easy. She said it is a great way to get some critical experiences behind you and was encouraged to hear they are hiring 50 new employees.

Mr. Rodriguez asked if they have a data monitoring system in place. Mr. Rochette said yes, they have a dedicated training specialist who records and collects all of the data for the training whenever they complete a class. Most of their classes end up being about a 40-hour class. They recently put their painters through approximately 40 hours of training in the past month for each person, so they already collect the data for their own internal records and budget purposes.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the Proposal for Bay Ship & Yacht in the amount of \$336,020.

Motion carried, 6 – 0.

MASS Precision, Inc.

Mr. Chan presented a Proposal for MASS Precision, Inc. (MASS Precision), in the amount of \$372,125. MASS Precision is one of the few remaining stateside companies offering vertically integrated metal manufacturing from product design through prototyping, pre-production and full production runs. MASS Precision provides custom manufacturing of enclosures, racks, shelves, hardware components, electronic chassis, frames, fabrications and electro-mechanical assemblies built to customer specifications.

Mr. Chan introduced Alvin Helm, Human Resources Manager.

Mr. Broad said he was very impressed with the company's past performance and said it is a very solid proposal.

ACTION: Mr. Broad moved and Ms. Fernandez seconded approval of the Proposal for MASS Precision in the amount of \$372,125.

Motion carried, 6 – 0.

Cargill Meat Solutions dba Beef Packers, Inc.

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Proposal for Cargill Meat Solutions dba Beef Packers, Inc., (Cargill), in the amount of \$461,808. Cargill is an international producer and marketer of food, agricultural, financial and industrial products and

services. Cargill provides a spectrum of products that appeal to grocery retailers and food service operators, from premium products to everyday ground beef, muscle cuts, variety meats, and by-products.

Ms. Hernandez introduced Jon Nash, General Manager and Ruth Valenzuela, Senior HR Generalist.

Mr. Broad asked if Cargill has ever had a prior ETP proposal. Ms. Hernandez said no, they have not. Mr. Nash said they purchased the facility in 2006 so they are a relatively new company.

ACTION: Ms. Farris moved and Ms. Fernandez seconded approval of the Proposal for Cargill in the amount of \$461,808.

Motion carried, 6 – 0.

L-3 Communications, Narda Microwave-West Division

Ms. Hernandez presented a Proposal for L-3 Communications, Narda Microwave-West Division (Narda Microwave-West), in the amount of \$349,848. Narda Microwave-West is a subcontractor on programs for the Department of Defense (DOD), select U.S. Government intelligence agencies, foreign governments, aerospace and defense prime contractors, satellite manufacturers, spacecraft manufacturers, and commercial telecommunications. Narda Microwave-West products are found on the International Space Station, military fighter aircraft, electronic countermeasures, radar (airborne and ground), ground-based missile programs, wireless base stations, and in satellites both military and commercial.

Ms. Hernandez introduced Glenn Grindstaff, Vice President and Paul Johnson, President of CalTraining, Inc.

Ms. Roberts asked if all employees will receive advanced technology training. Mr. Grindstaff said no, only their R&D employees will receive advanced technology training, which is new computer software and new vibration technology software they will use to develop new products and new innovations.

Mr. Rodriguez asked if all 5,000 employees are located in Folsom. Mr. Grindstaff said no, they are a division of L3 Communications. He said there are several divisions in CA which comprise the 5,000 and only 175 employees are located in Folsom. Mr. Rodriguez asked if most of the training will take place in Folsom. Mr. Grindstaff said all of the training will take place in Folsom.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Narda Microwave-West in the amount of \$349,848.

Motion carried, 6 – 0.

Nor-Cal Beverage Company, Inc.

Ms. Roberts recused herself from review, discussion, and action on the Nor-Cal Beverage Company, Inc. project.

Ms. Hernandez presented a Proposal for Nor-Cal Beverage Company, Inc. (Nor-Cal Beverage), in the amount of \$441,520. Nor-Cal Beverage is the largest independent co-packer and manufacturer of teas, chilled juices, waters and energy drinks, including Nor-Cal Beverage's own Go Girl® Energy Drinks.

Ms. Hernandez pointed out that the union support letter included in the panel packet is incorrect for this proposal. She said the union letter that should be included is from the Nor-Cal Beverage Company Employees Union Local 916, which represents the employees in this proposal and the Local 916 has submitted the written support for this training program. Mr. Broad asked if this is an independent union. Mr. Motroni said it is an employees union. Mr. Broad said but it is not affiliated with any other company and only for your facility. Mr. Motroni said yes, that is correct.

Ms. Hernandez introduced Michael Motroni, Chief Financial Officer.

Ms. Farris said the low turnover rate is quite impressive.

ACTION: Mr. Rodriguez moved and Ms. Farris seconded approval of the Proposal for Nor-Cal Beverage in the amount of \$441,520.

Motion carried, 5 – 0 (Janice Roberts Recused).

Multiple-Employer Contractor Proposals

California and Nevada Labor Management Cooperation Trust

Mr. Broad said the California and Nevada Labor Management Cooperation Trust (LMCT1) Proposal, Tab #19, will be combined with Tab #27, California and Nevada Labor Management Cooperation Trust (LMCT2) AB118 Proposal. He asked staff to ensure that in these two proposals we are not training the same workers on the same skills twice. He also requested an explanation of the skill set required in advanced lighting and what a journeyman would be doing that they are not doing now with wiring traditional lighting.

Mr. Aguilar said the first Proposal is for California and Nevada Labor Management Cooperation Trust (LMCT1), Tab #19, in the amount of \$749,210. The California and Nevada Labor Management Cooperation Trust is the legal entity for the California Labor Management Cooperating Committee (LMCC) of the International Brotherhood of Electrical Workers (IBEW) and the National Electrical Contractors Association (NECA). The LMCC is governed by a Board of Trustees comprised of equal numbers of labor and management representatives. Over the past 32 years, it has coordinated the delivery of industry-driven technical training for some 34,000 state-certified electricians and 2,000 licensed electrical contractors using training centers operated statewide by 23 Joint Apprenticeship Training Committees (JATCs).

Mr. Aguilar said the second Proposal for California and Nevada Labor Management Cooperation Trust (LMCT2), Tab #27, is a Proposal under the Alternative and Renewable Fuel and Vehicle Technology Program (AB118), in the amount of \$749,708. According to LMCT2, industry experts estimate that approximately 112,000 plug in electric vehicles will be sold in CA by 2015. Each vehicle will eventually require electric vehicle supply equipment and charging

stations, for customers that charge cars at home, work, and other public sites. Consequently, the state is expected to have an imminent need for at least 196,000 of these charging stations requiring the skills of 2,940 electricians trained specifically for this new type of work. In this AB118 Proposal, LMCT2 seeks funding to retrain incumbent journeymen electricians throughout CA in the electric vehicle infrastructure training program. This is a 24-hour course established to provide training and certification for the installation of residential and commercial electrical vehicle supply equipment charging stations. All trainees will be IBEW journeymen state certified electricians and participating employees will be National Electrical Contractors Association (NECA) members. The LMCT2 had a prior contract with ETP under the Clean Energy Workforce Training Program that ran from February 2, 2010 to December 31, 2011 to train and place 295 individuals. We are still tallying up the final invoices but a 100% completion rate is expected. This proposal is supported by IBEW and NECA and staff recommends approval.

Mr. Aguilar introduced Bernie Kotlier, Executive Director of Energy Solutions representing IBEW/NECA CA; Darlene Besst, Director of Business Development & Government Relations, representing NECA; Cori Jackson, Program Director of CA Lighting Technology Center Design Program, representing UC Davis; Robert Marcial, Director of The Pacific Energy Company, representing PG&E; Howard Lenox, Director of Western Region State Government Relations, representing GM; and Mark Ouellette, Senior Project Manager, representing ICF International; and Connie Samla, Lighting Specialist of the Energy & Technology Center, representing SMUD.

Bernie Kotlier, Executive Director of Energy Solutions representing IBEW/NECA CA, said the California Advanced Lighting Controls Training Program (CALCTP), as a board that is made up of industry participants from utilities, universities, lighting control manufacturers, and community colleges, represents the whole lighting controls industry in CA. He said they have trained and certified over 1,500 electricians in the last two years. They have this training going not only in community colleges but specifically for this proposal in 21 of the 23 joint electrical training centers in CA. They have about 100 lab boards that are already installed across the state that have been utilized. They represent a significant investment and cost approximately \$20,000 each for those 100 lab boards. They have successfully managed over \$6 million in training funds since 2008 and since the beginning of the CALCTP program. He said CALCTP has been highlighted on multiple occasions by the Department of Labor, as a successful placement and retention program, and they have copies of the article available if anyone would like to view them. In addition, the CALCTP has been named by the CPUC in their workforce education and training needs assessment as the model for the future for workforce education training in sustainable energy.

Mark Ouellette, Senior Project Manager representing ICF International said they have been the third-party administrator for the CALCTP program since it was established in 2008. It has 4,000 employees worldwide and 13 offices in CA with 500 employees. He said they utilize those employees for the program to go out and administer the program, and to monitor the various training sites using protocols developed by the various industry partners. They have in the past for the CEWTP grant, provided those protocols to the ETP monitor. They also developed a program manual that they use to guide all of the trainings to make the same certified program so that every single program is doing the exact same thing. Basically, the integrity and fidelity of the model is being approved and what they have at each of the JATCs is a training director, chapter manager, and a business manager who all sign that they will adhere to the program

manual which has been helpful in both recruitment and placement of individuals who are trained.

Cori Jackson, Program Director of California Lighting Technology Center Design Program, addressed Mr. Broad's question posed earlier about the training that electricians are receiving in addition to what they are already getting. Ms. Jackson said when we think about lighting, we see what is installed in our ceiling and we do not think about how it is controlled. She said her opinion is that the energy efficiency goal is to start employing advanced controls such as occupancy sensors, photo sensors, digital dimming systems, time scheduling, and emergency lighting controls. She said all of these additional strategies in addition to the lighting that you typically see, is how they will reach the energy savings goal. She said their training is divided into seven modules and addresses all of those advanced controls strategies that would allow them to greatly reduce the energy footprint of the lighting system in a commercial building. She said they are moving away from manual switching or a once a day time sweep at the end of the day to turn lights off, to doing a more dynamic control scheme, such as how to properly pick, position and install an occupancy sensor for example. Electricians need to know how to do that because designers are beginning to include them in designs; but there are so many different types and different nuances that go into its proper operation that the training is essential to really capture the savings that is needed in CA.

Mr. Broad said, so typically an electrical contractor will receive a set of blueprints with a wiring schematic, but they are figuring it out as they are wiring the building. Ms. Jackson said if an electrician does not know where the proper placement is to install that occupancy sensor, it will be installed and they will pass code, but they would not get the energy savings. She said they saw the installation component as an absolute key to getting those energy savings that are mandated by the state and that they are focused on lighting systems. She said there is potential for shading systems and dynamic HVAC controls, and the control aspect of this program can be replicated in the many different areas, and that is why it is so encouraging to see it as a model because they believe it will be very positive.

Connie Samla, Lighting Specialist, representing SMUD said she wanted to discuss the practical part of why they were present at the meeting. She said they have been a stakeholder for the California Advanced Lighting Controls Training Program (CALCTP) for over three years now and SMUD and other utilities have programs that help customers save energy and it also helps SMUD save energy. What they have seen is that in some of their local pilot projects, a couple of them have been installed without certified CALCTP contractors, and there have been hiccups in them. Since those have been placed incorrectly, the employees have not been happy; therefore, they override the systems and none of them get that energy savings. She said one of the pilots they just completed had a CALCTP contractor and it went very smoothly because they were trained in proper placement and design installation maintenance and commissioning of that system which is very important. SMUD is considering offering higher incentives for projects; specifically advanced lighting control projects that are installed by CALCTP certified contractors because they are installed properly. This helps the customer, SMUD, and also helps the employees in that space because they do not override that system. Thank you and we are very supportive of this funding.

Robert Marcial representing PG&E, said he manages the training center in San Francisco and that he is present to support this proposal. PG&E has many high energy savings targets not

only for this year, but for this funding cycle from 2010 to 2012. Switching out lighting is a very simple approach and they are doing that, but they believe that the next step is really with lighting controls. He said you can have an efficient lamp but if it is not controlled properly, it will not deliver any of the savings anticipated. Lighting accounts for over a third and by some estimates as much as 35% to 40% of the CA commercial building energy use, and lighting controls need to be part of the equation when we are counting on a savings. Like SMUD and Southern CA Edison, PG&E in the next two years is considering offering incentives to customers who hire CALCTP certified trainers with the assumption that those people will install the lighting controls and realize the energy savings. In terms of job creation, as the demand for advanced lighting controls increases, so will the demand for the people that can properly install them. Thank you for this opportunity.

Mr. Broad asked if some of the same journeymen will receive the same training in both. Mr. Kotlier said he could not say that it would be impossible that there might be some that would take both, but there are 30,000 electricians in CA and they generally do work in certain areas. Someone who is doing a lot of lighting controls will likely be doing that most of the time; someone who is installing a lot of electric vehicle charging stations or as they call it, EVSE supply equipment, is likely not going to switch back between lighting controls, so he cannot say it is impossible but would say the overlap would be very minimal if at all. Mr. Broad asked if the charging stations on the two proposals are being installed by the state or government or if they are being installed by private entities. Mr. Kotlier said they will be installed by all of the above. The entities that are paying for them could include residential home consumers, state agencies, private developers, local sports venues, shopping centers, and home garages; they will be located everywhere. Mr. Broad asked what is driving this need, if it is due to the growing market for hybrid vehicles, and if various entities are saying we need to have these available to their employees. Mr. Kotlier said they had an estimate that was based on projected electric vehicles sales over 2,900 electricians would be needed to be trained in the state and that was before they received this morning's news. Governor Brown just announced this morning, that he has signed an agreement to fund \$120 million in electric vehicle charging stations, and that was not in their original estimate, so they will need many more electricians who are trained to do this than they previously thought. He said particularly after this morning's news, there is absolutely no question that they will not only need the electricians to be trained in this proposal, but many more.

Howard Lenox, Director of Western Region State Government Relations representing General Motors (GM), said he was present on behalf of GM since they will be the beneficiary of these funds as they build the cars that will require this infrastructure. They as manufacturers, all of them that make cars that either plug in to the grid or will ultimately use hydrogen as a source for electricity, deal especially with electric vehicles, and they deal with something called range anxiety. People who buy these vehicles are concerned about their ability to get home. The existence of infrastructure externally and probably in the home as well, is a necessary hurdle for them to be able to realize CA's dreams of zero emissions. Mr. Broad asked if any of them will be installed at gas stations. Mr. Lenox said no, the charging stations we are discussing today are typically at the home. He said they encourage home deployment as well as workplace deployment and those are the two most common places with the greatest advocacy. However, you will also see them in shopping centers and at the Sacramento airport, you will see Level 2 charging stations which are 220 volts and require special skills. This is very necessary for the state to really live out its set mandate. Mr. Broad asked if someone who owns an electric

vehicle goes to the airport and plugs into a charging station if there is a cost to recharge or if it is free. Mr. Lenox said he cannot speak for the Sacramento airport, but he does not believe there is currently a cost associated with charging electric vehicles. Mr. Lenox said a business case could be made for fee charging but right now what they need is the infrastructure itself, so ETP funds would help them and other manufacturers that design and build cars that are going to plug into the grid to make those cars available.

Ms. Roberts asked if GM is currently manufacturing in CA. Mr. Lenox said no, they do not manufacture in CA but it is an important market for them in terms of their electric vehicles, both the current extended range electric vehicle volt, as well as new battery only electric vehicles that will be sold principally in CA beginning next year.

Darlene Besst, Director of Business Development & Government Relations, representing NECA, said NECA was established in 1901 and today represents approximately 1,400 electrical contractors throughout CA. She said they employ approximately 30,000 electricians and do billions of dollars in electrical work. NECA contractors are committed to advanced training and developing careers for their electricians. Many of their CALCTP and Electric Vehicle Infrastructure Training Program (EVITP) graduates are employed by their contractors. She said their NECA contractors have always prided themselves on employing a highly-skilled workforce and they have been very impressed with the CALCTP and EVITP training and the advanced skills that these electricians bring to their sometimes complex jobs. She said they have also seen their contractors promoting CALCTP graduates to higher levels in their companies and they expect the same thing from the EVITP graduates. NECA contractors are ready, able and committed to employing these individuals and they highly support the Labor Management Cooperating Committee's request for this funding.

Mr. Broad thanked all of the representatives for a very positive, comprehensive presentation.

Mr. Rodriguez asked if it is center specific training and if only one vendor is doing the training. Mr. Kotlier said the training is being accomplished in 21 training centers around CA. Mr. Rodriguez asked if it is one vendor. A representative said each training center hires their own staff, the curriculum is standardized, but what is being tested is the same. Ms. Jackson asked if he was referring to the technologies themselves and if we are looking at one particular vendor product. Mr. Rodriguez asked if cross-training at the same site is relatively possible. Mr. Kotlier said at the same site yes; but the same electricians not so likely since they will be engaged primarily in their area of specialized electrical work. Mr. Rodriguez asked if the California Energy Commission and the California Public Utilities Commission are also investors or if they are stakeholders and separate. Mr. Kotlier said the CEC has been a stakeholder in the advanced lighting controls training program for a number of years and the CPUC did a study that named CALCTP as a model for the future but they are not a stakeholder. A representative said that the CPUC have proposed recommendations for utilities for the 2013-14 FY and they recommended supporting CALCTP. Mr. Rodriguez asked if there is an existing workforce of 30,000 IBEW electricians. A representative said there are 30,000 electricians. Mr. Rodriguez asked about the projected need from the industry perspective for both programs. Mr. Kotlier said CALCTP knows there is 8.5 billion square feet of non-residential space in the state. Non-commercial represents about 40% of their energy usage in the state, and 35% to 40% come from lighting. The utilities are mandated to save a billion kilowatt hours, and unless you turn off the lights and have complete darkness; controls are the best way to obtain those savings.

SMUD came out with the first incentive on lighting controls, and the other utilities have proposed ideas to the CPUC. Once that gets approved, it is limitless and hard to put a figure on, but what they are seeing is exponential growth, because if you have an incentive of 30 cents per kilowatt hour saved, it will pay for the retrofit and save an abundance of money. Mr. Kotler said it would take many electricians to retrofit over 8 billion square feet. The utilities have all said that they are providing incentives and specifically name CALCTP electricians as the contractors required for those incentives. They have not introduced the incentives yet, but they have all said they intend to offer them. Therefore, we do not know the number of needed electricians, but it will be in the many thousands, and certainly many more than will be trained under this ETP application.

Ms. Fernandez commended LMCT on their proposals and said it is great to see all of the various stakeholders and organizations working together because that gives the Panel the idea that by working together, you can have a successful program, and she wished them much success.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the two Proposals for California and Nevada Labor Management Cooperation Trust. Tab #19 LMCT1 in the amount of \$749,210 and Tab #27, LMCT2 California and Nevada Labor Management Cooperation Trust AB 118 Proposal, in the amount of \$749,708.

Motion carried, 6 – 0.

California Manufacturing Technology Consulting

Mr. Aguilar presented a Proposal for California Manufacturing Technology Consulting (CMTC), in the amount of \$749,364. CMTC is a private non-profit organization that assists small and medium-sized manufacturers in California to improve their operational efficiencies and global competitiveness.

Mr. Aguilar introduced Cheryl Slobodian, Director of Operations Support and Small Business Consulting.

Ms. Roberts asked about CMTC's existing contract. Ms. Slobodian said they are 70% complete on the hours and on the funding and 105% enrolled. She said they are way ahead of schedule and expect to finish at 100% completion.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the Proposal for CMTC in the amount of \$749,364.

Motion carried, 6 – 0.

Employers Group

Mr. Aguilar presented a Proposal for Employers Group in the amount of \$749,635. Employers Group is described as the largest and oldest non-profit trade association in the United States dedicated to Human Resources (HR) management. It 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 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: Ms. Montoya moved and Ms. Roberts seconded approval of the Proposal for Employers Group in the amount of \$749,635.

Motion carried, 6 – 0.

Los Angeles Pacific College

Mr. Aguilar presented a Proposal for Los Angeles Pacific College (LAPC), in the amount of \$149,858. LAPC is a private school offering degree programs and vocational training as approved by the Bureau of Private Postsecondary Education (BPPE). In addition, LAPC has Department of Veterans Affairs' approval and authorization from the Bureau of Citizenship and Immigration Services to enroll foreign students. In 2002, the school initiated an Associate of Occupational Studies (AOS) Accounting program, and offers certificate programs in computer applications and ESL.

Mr. Aguilar introduced Mary Yoon, Student Services Coordinator.

Mr. Broad asked for the cap on training hours in this proposal. Mr. Aguilar said the standard cap is 60 training hours and we are raising it to 75 training hours. Mr. Broad asked about the extra 15 hours of training and what it is for. Ms. Yoon said the 75 hours includes training in business management skills, bookkeeping and QuickBooks Pro software. She said in their prior experience, they discovered that 60 hours was not sufficient to cover all of the areas they wanted to provide to trainees. She said as Mr. Aguilar mentioned, even with 75 hours they provided additional training hours to fulfill their needs and satisfy their training. Mr. Broad asked if they anticipate doing that again, to include training in more than 75 hours of training. Ms. Yoon said yes, they have.

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the Proposal for LAPC in the amount of \$149,858.

Motion carried, 6 – 0.

Refrigerating Engineers & Technicians Association-Monterey Bay Chapter

Mr. Aguilar presented a Proposal for Refrigerating Engineers & Technicians Association-Monterey Bay Chapter (RETA), in the amount of \$247,386. RETA is an international society of individuals and companies involved in the design, operation and service of industrial refrigeration systems. Today, RETA has grown to 33 active chapters throughout the United States and also has captured international memberships. Over the years, RETA developed a total of eight instructional guides to enhance the professional development of industrial refrigeration operating and technical engineers. In 2006, RETA launched its first training

program, the ARTS Academy (Ammonia Refrigeration Training System). The ARTS Academy was implemented due to high demand from employers and members. ARTS is designed to enhance job skill sets, provide better understanding of manufacturing environment and how down time immediately impacts manufacturing locations that have anhydrous ammonia. Currently, RETA serves 3400 members nationwide engaged in the manufacture of foods, beverages, poultries, ice, bakeries, household consumer goods, chemicals and the operation of warehouse storage facilities.

Mr. Aguilar introduced Cori Schreck, Executive Director.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the Proposal for RETA in the amount of \$247,386.

Motion carried, 6 – 0.

South Orange County Regional Chambers of Commerce

Ms. Torres presented a Proposal for South Orange County Regional Chambers of Commerce (SOCRCC), in the amount of \$749,900. SOCRCC is a non-profit member organization comprised of approximately 550 business owners, corporate representatives, community leaders, individual members representing various professions, and companies in the manufacturing, IT, and service sectors.

Ms. Torres introduced Debbie King, Director of Operations and A.K. Thakore, President of Saisoft.

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the Proposal for SOCRCC in the amount of \$749,900.

Motion carried, 6 – 0.

Mr. Broad directed a question to Mr. McMahon regarding the substantial contribution requirement of whether they earn more than \$250,000 in a single location. He asked if there are circumstances where some companies are getting their employees trained multiple times and under multiple employer contracts. Mr. McMahon said companies participate in more than one multiple employer contract and staff tracks the substantial contribution across their participation in all of those agreements. He said that as a participating employer, they would be subject to the substantial contribution.

Bay Area Counties Roofing and Waterproofing Industry Apprenticeship Program

Tab #25, the Bay Area Counties Roofing and Waterproofing Industry Apprenticeship Program Proposal, was previously withdrawn for consideration.

Amendments

Palmdale Regional Medical Center

Mr. Aguilar presented an Amendment for Palmdale Regional Medical Center (PRMC), in the amount of \$299,700. PRMC is a private, for-profit acute healthcare facility that provides outpatient services (laboratory; diagnostic imaging; surgery; bariatric program; wound care; hyperbaric; and occupational/physical therapy) and inpatient services (medical/surgical; telemetry; joint, spine & surgical; intensive care/cardiac care; emergency services; gastrointestinal laboratory; cardiac catheterization; surgery and post anesthesia care).

Mr. Broad asked if this proposal was bifurcated before or if it is actually a true amendment. Mr. Aguilar said it is actually a true amendment. He said the hospital is under a parent company and two hospitals came over both capped at \$400,000 total. So this particular hospital has spent all of their funds and is returning for additional funding. Mr. Broad asked, but it is the same proposal and same training that we approved, correct? Mr. Aguilar said yes, that is correct. Mr. Broad said in that case, unless a Panel member has an objection, he will make a motion to approve.

ACTION: Mr. Broad moved and Ms. Roberts seconded approval of the Amendment for PRMC in the amount of \$299,700.

Motion carried, 6 – 0.

AB118 Proposals

California and Nevada Labor Management Cooperation Trust

Tab #27, California and Nevada Labor Management Cooperation Trust (LMCT2), an AB118 Proposal, was considered and approved earlier in the meeting along with Tab #19, another California and Nevada Labor Management Cooperation Trust (LMCT1) Proposal. The AB118 Proposal, California and Nevada Labor Management Cooperation Trust (LMCT2), was approved in the amount of \$749,708.

Dana Thomas dba Industrial Modification and Repair

Mr. Aguilar presented an AB118 Proposal for Dana Thomas dba Industrial Modification and Repair (IMR), in the amount of \$75,400. IMR is a diversified provider of refurbishment, repair, rebuilding, and modification services for government, manufacturing and transportation organizations. IMR has over thirty years experience supporting customer maintenance and repair operations. The company has provided cost effective, high quality, quick turnaround services for customers like Boeing and the U.S. Postal Service.

Mr. Aguilar introduced Joe Barrington, Owner.

There were no questions from the Panel.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the AB118 Proposal for IMR in the amount of \$75,400.

Motion carried, 6 – 0.

Mr. Broad asked staff why the AB118 proposals that are for a relatively small dollar amount could not be included and approved under the standard Consent Calendar. Mr. McMahon said there is no reason, and they could certainly do that in the future. Mr. Broad asked if there was any objection to those AB118 proposals being included under a Delegation Order. There was no objection by the Panel.

Kings Canyon Unified School District

Mr. Broad said the Kings Canyon Unified School District AB118 Proposal is requesting funding in the amount of \$43,200. He asked the Panel if there was any objection to substituting the prior roll call to approve this proposal. There was no objection from the Panel and the Kings Canyon Unified School District AB118 Proposal was approved in the amount of \$43,200.

Mr. Garza presented a photo to ETP to be placed in the office as an example of the technology that ETP would help them to train the next generation and the current generation of yellow bus green technicians. Mr. Broad thanked Mr. Garza. Mr. McMahon said thank you and that it would be prominently displayed in the ETP office.

Los Angeles Community College District

Mr. Aguilar presented an AB118 Proposal for Los Angeles Community College District (LACCD), in the amount of \$379,308. 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.

Mr. Broad asked if a 16-hour curriculum is enough to attract an employer. Mr. Cajayon said the employers they spoke with for this application requested a 26-hour curriculum. He said in particular, a refresher in an expanded skill-based set was requested. In the past couple of weeks they discovered a need for first responder type of training as part of the agenda and in the menu. He said that with all of the discussions about alternative fuels and hybrid vehicles that is something that really hit to the core. He said when it comes to minimizing the menu of training and the hours of training, we believe it fits quite well. He said it is not a major change, but we felt that it was something that we were going to request.

Ms. Roberts asked if it had anything to do with their previous performance, where they could not get the 24 hours of training on their last contract, or because they could not employ the individuals after they trained them. Mr. Cajayon said in a prior contract that earned below 60%, it was due to a new-hire component. He said they had trained 45 individuals but only eight actually got hired, and all of them met their allotted training hours. He said the 16-hour curriculum is a special request by the participating employers. Mr. Broad said he was a little apprehensive about this proposal, and said we will see how it turns out.

ACTION: Ms. Roberts moved and Ms. Montoya seconded approval of the AB118 Proposal for LACCD in the amount of \$379,308.

Motion carried, 5 – 0 (Ms. Fernandez was not present for the vote).

X. REVIEW AND ACTION ON APPRENTICESHIP PILOT PROGRAM GUIDELINES

Mr. McMahon thanked everyone present that has been so committed to apprenticeship that they were willing to sit through three hours of project presentations. He said he would provide an overview of the Apprenticeship Pilot Program guidelines. He said his goal in presenting the guidelines is to provide an overview and that he would try to streamline it from what he had originally intended. He said Ms. Reilly would provide the key elements of the guidelines and then the Panel would have the opportunity to receive input from the wide-range of experts who were present. The Panel may adopt the guidelines today, modify the guidelines or send them back to staff for more work. The goal behind the program is to position ETP to address the increasing gap that is occurring between the state reimbursement versus the actual cost of delivering the RSI portion of apprenticeship training. He said we would officially like to thank the many entities that have provided ETP with information and guidance as we have worked to develop this model for apprenticeship training. He thanked the Division of Apprenticeship Standards, and Diane Ravnik, Chief of the DAS, who was present along with a number of her key staff; the Department of Education; representatives of community colleges; the Chancellor's Office, Jan Borunda and Peter Cooper from the California Labor Federation; the State Construction and Building Trades Council; and Mayberry Roofing Industry Apprenticeship Program, which has communicated with ETP in the development of this program through Steve Duscha.

Mr. McMahon said that apprenticeship is a very complex subject and staff has spent a number of months trying to educate ourselves to the point where we could develop some reasonably focused guidelines. He said I would like to invite all of you present at the meeting who are more expert than we are, to provide us with input you feel might be appropriate. We are also pleased to announce that we have entered into a partnership with the California Labor Federation and the Building Trades Council to help ETP develop awareness among JATCs in particular, of our apprentice program. We would like to work with them in developing some performance measurements for the program and in helping us with any recommendations in terms of ongoing refinements to the project. This is definitely a new policy and a new direction for ETP, but we believe it is warranted on a number of levels. We think apprenticeship really targets frontline workers who are often unemployed, displaced, and it puts those individuals into high skill jobs with strong wage and career progressions. These outcomes are consistent with the Panel's goals for its investments of its funds.

Mr. McMahon said we are going to focus ETP's investment only on the classroom and simulated laboratory aspect of training, and what we call related and supplemental instruction or RSI. He said you will hear the term RSI frequently throughout the course of our presentation. RSI funds in general are appropriated each year in the State Budget Act. The appropriations are made to the Department of Education and the California Community College Chancellor's Office. The funds are then disbursed to high school districts, regional occupation centers, and community colleges, which then in turn function as a local education agency. The level of RSI appropriations has dropped in recent fiscal years. For example in fiscal year 2008-09, the

appropriation to the Department of Education was \$19.5 million, and in fiscal year 2011-12, it was approximately \$17.5 million. He referenced an estimate developed by the DAS that they are estimating a shortfall of RSI funding of approximately \$10 million currently.

In terms of a basic framework for RSI, the primary oversight of it and all aspects of apprenticeship training are by the DAS in the Department of Industrial Relations (DOR). In particular, the DAS is charged with approving the curriculum for RSI instruction. There are an estimated 850 principal occupations in CA today, across a variety of industry sectors including construction and healthcare. At present, about 50,000 apprentices are in training through more than 200 DAS-approved apprentice programs. Apprentice programs are most often sponsored by Joint Apprenticeship Training Committees (JATC), Unilateral Apprenticeship Committees (UACs), or other groups of employers. The program sponsor, whether it is in any one of those three categories, must be affiliated with an LEA before DAS will undertake review of the curriculum. Upon approval of the curriculum and other program standards, the program sponsor is registered with DAS. For purposes of this pilot, JATCs will be deemed eligible, UACs and other program sponsors, and trust administrators, will be reviewed for eligibility on a case-by-case basis, and among other things, we will be looking at the wage levels paid to apprentices during that phase of training.

Mr. Broad said he has read through the Apprenticeship Pilot Program Guidelines and said it is a great program. He asked, since it is a guideline and not a regulation, are we likely to get anyone with a non-DAS apprenticeship program that they have sort of invented or with some quasi trade association and who says we have something though we do not exactly meet your guidelines. He said he wants to restrict it to DAS-approved programs and to categorically deny anyone who is not a DAS program and subject to that kind of scrutiny and regulation from even approaching this. He asked, am I clear on this? Maureen Reilly, General Counsel, said the guidelines do restrict this pilot to DAS-approved apprenticeship programs and the understanding is that if you do not have DAS approval, you will not be certified. Mr. Broad said he was concerned about someone saying well it is just a guideline and I have this apprenticeship program. He wanted it to be powerful enough that we can legally say no.

Mr. McMahon said he believes it also falls under the Panel's overall discretion to develop policies and make decisions on a case-by-case basis as to how to invest its funds, and using the pilot program structure supported by guidelines allows us to go through a testing phase to see if we need to develop subsequent regulations or even statutory modifications. All that can stem from recommendations coming in. Mr. Broad said let's at least have the understanding going into this, that it is a categorical "no" to anyone that is not a DAS-approved program.

Mr. McMahon said all projects funded under this pilot will be funded under the ETP multiple employer contract (MEC) structure, so that would allow an individual project to be up to \$750,000. We will have caps on the size of individual job groups linked to a participating JATC if there is more than one in a project. In terms of the RSI funding source structure and if state Montoya funds are insufficient to cover the cost of delivering RSI in any given FY, the program sponsor must reimburse its affiliate LEA. The source of this reimbursement is the employer contributions into the trust fund. With a JATC, trust fund contributions are made by the signatory employers. With a UAC they are made by a group of employers, and with a JATC, the level of contributions is negotiated through the collective bargaining agreement (CBA).

There are minimum requirements for hours of the on-the-job training component of an apprentice curriculum. That seems to be a fairly wide range, but the most common hours associated with these apprentice curriculums tend to be approximately 3,000 to 4,000 hours. Depending on the trade and availability of paid work, an apprenticeship may commonly run from three-to-five years. RSI is typically paid at 144 hours per year with a probation period that varies, but is typically no more than a single year. The minimum hours for both types of training are guided by statute and negotiated through the CBA. RSI may be delivered on campus at the LEA or off campus. When that occurs, it is typically at the JATCs training facility. RSI instructors may be retained by the LEA or by the program sponsor or their designee.

Apprentice wages start at a percentage of the journey-level wage, typically at 35% to 50% with increases every six months. Apprentices must satisfy minimum hours of training both on-the-job and RSI, before advancing from one wage level to another.

Relative to ETP's historic policy on apprentice funding, the Panel actually funded apprentice training from 1984 to 2001, often as part of a broader project with apprentice or journey level training. However, it limited reimbursement to courses that were not part of a DAS-approved curriculum, and allocated no more than 10% of its overall funding allocation on any given year. In November 2002, due to concerns over two statutory provisions in our section of the UI code, the Panel revised its policy and limited funding for a JATC or a UAC to pre-apprentice for journey-level training. We do not believe that those provisions in our statute are absolute by any means. Those provisions were reviewed by legal staff in 2007 and again in preparation for this pilot. As a result, we believe that the apprentice training guidelines that we are proposing today are consistent with those statutory goals. Probably the most significant of those legislative provisions would be that ETP funds shall supplement rather than displace funds available through government sources, typically the state RSI funding under the Montoya Act. We have structured these guidelines so that ETP funds a portion of the overall program of apprentice instruction on each hour of training that ETP will be reimbursing. We will be reimbursing that at a \$13.00 per hour rate rather than at \$18.00 per hour, our standard priority rate, to recognize contributions coming from Montoya funds. Also with ETP's level of participation in apprentice program at 144-hours maximum for any given apprentice through the course of their entire program, ETP funding support will be down at 20% or lower in terms of the overall cost of the apprentice program.

Mr. McMahon said that in the guidelines, we are targeting funding availability at 10% of our overall funds available for projects. This year and most likely next year, that will put us in the \$7 million range in terms of funding available for these projects, but we do run into ETP's statutory cap on funding Special Employment Training, which currently is at 15% of our available funds. One of the things we hope to accomplish through this pilot project is to determine the level of demand that we are going to see and there may be some adjustments that we may need to make to regulations or statutes as a result of what we are learning through this project.

Mr. Broad asked a question about supplementing funds. He wanted to understand how the apprenticeship is reimbursed from other state funds and asked if they reimburse it on an hourly basis. Mr. McMahon answered yes; they are reimbursed on an hourly basis. Mr. Broad asked if we are essentially increasing the reimbursement amount or reimbursing for additional hours of training. Mr. McMahon said the typical reimbursement through Montoya funds is around \$5.00 per hour of training. ETP will step in and augment that \$5.00 by another \$13.00 per hour, which

most likely still does not come close to the actual cost of delivering an hour of apprentice RSI instruction. Mr. Broad said he understood and that he wanted it clear on the record from Maureen Reilly, General Counsel that is not a violation of the statute.

Ms. Reilly said that based on her legal opinion and as Mr. McMahon stated, according to the research done in preparation to launching this pilot, we are only going to supplement and we are not going to displace existing state funding for RSI. Mr. Broad said that was good to hear. Mr. McMahon said and as he mentioned, we are only coming in for one year of the multi-year program. Mr. Broad said good, he understood.

Mr. Broad asked if anyone present at the meeting was here in opposition or wished to testify in opposition to the Apprenticeship Pilot Program. There was no one present at the meeting in opposition. He asked if anyone present was in support of the Apprenticeship Pilot Program and asked for a show of hands. Mr. Broad asked that the record reflect that everyone in the room supported it and there was no opposition.

Ms. Reilly said after the meeting is concluded, staff will post the Panel Memorandum and the Pilot Guidelines for Apprenticeship Training on the ETP website. She said apprenticeship is very tightly structured and regulated under the Labor Code, the Education Code and California Apprenticeship Council Regulations. We are stepping in to pick up the shortfall in Montoya funding or what is also known as RSI funding that is appropriated in each year's Budget Act. We expect that we will most likely fund through JATCs and that is the initial type of proposals we have been receiving. As Mr. McMahon said, we might also fund through other approved apprentice programs on a case-by-case basis. All of the money will flow through a MEC which is a standard model for multiple employer funding. We will allow that contractor to apply for funding in more than one Fiscal Year; in other words, the subsequent Fiscal Year is recognizing that the JATCs are putting apprentices through under a multi-year program, and the apprenticeship programs run three-to-five years, although we are limited to 144-hours of training per apprentice. In SET funding and what we will do up front as a matter of eligibility determination, is to review the trust formation documents, review the CBAs on the amount of signatory employer payments and wage levels negotiated. We will confirm the DAS registry from the JATC or other program sponsor and will also be reviewing the full standards and curricula as approved by DAS, and this will be followed for each proposal we receive under this pilot.

Ms. Reilly said what we will do is pick up on apprentice training after the apprentice has either completed their probationary period or they have advanced to year 2+ in the apprenticeship program. The 144 hours per year is the maximum training, and that comes from Labor Code that establishes that as a recommended minimum amount of RSI per year of an apprenticeship program. DAS will approve less than that and sometimes the program sponsors come in before that, depending on the trade and the need for classroom training in that trade. We are recognizing that per the Labor Code the probation period for apprentices cannot exceed 72 hours of training so that is why our eligibility is geared toward either the second year or once they have passed their probation period. We will fund a MEC for not only apprenticeship training but also as we have done in the past, in pre-apprentice and journeymen training. Each job number will be separated so we can track progress of the training and the MEC will still be subject to the overall cap in that FY as the Panel applies it. The MEC contractor can receive funding for the apprenticeship job number in more than one FY, recognizing that the trainees

themselves may not be enrolled twice. She said it is going to be 144 hours per apprentice, period. She said the cap is no more than 10% of available training funds, and a \$13 per-hour reimbursement rate is unique to this program recognizing that we do not want to step on top of the Montoya funds. We will allow support costs on a case-by-case basis because we recognize that a MEC contractor may have had the trade association that will actually be working and recruiting to JATCs, the way a traditional MEC does. In a JATC itself, there would not be such a marketing effort required because they have their signatory employers so we will take that case-by-case. We will have our standard cap on consultant fees for administrative costs up to 13% of payment earned as with any retraining project, and we will keep a careful eye on development fees.

The curriculum must be approved by the DAS for the RSI training. We recognize that sometimes the program sponsor has added new training modalities based on changes in the industry or new materials that have not yet been approved by DAS. Therefore, we would allow funding for what we might call ancillary training, as long as it is justified to us. For example, a program sponsor might want to train on vegetative roofing, which we actually have had in the form of our previewed proposals. Vegetative roofing might not yet be included in DAS curricula, but it is still worthwhile training that the program sponsor believes is necessary to foster job placement for the apprentices for the on-the-job portion of their training. We will also fund Cal OSHA 10 for apprentices as an exception to the 144-hour cap. Sometimes this is included in RSI but not always, and if the MEC contractor comes in with a journeymen job, we will fund OSHA 30 which is geared to foremen. We recognize simulated lab, we will have the retention period for apprentices and also journeymen and pre-apprentices that is unique to jobs where it is not customary for a worker to have 90 consecutive days of employment with a single employer. So typically in the trades we allow an hourly retention period, 500 hours within 272 days with multiple hours. She said there will be a post retention wage and we recognize the union-scale. Each CBA assigns as negotiated a percentage of the journeyman wages and these percentages must be approved by DAS in cooperation with the program sponsor and with the affiliated LEA. Many of the CBAs provide health benefits payable to the apprentices during the apprenticeship. We do not know if there would even be an issue coming below the ETP minimum wage, but we would certainly accept union-scale. Classroom ratios are to follow the LEA guidelines if the LEA is delivering the training, but if the apprenticeship program sponsor is delivering the training in what is called off-campus from the LEA, we will apply a standard class-lab ratio of 1:20 for the instructor ratio. We will have regular attendance records as for any training program. We will limit contract revisions to a MEC for apprenticeship training to amendment only. They may be an in-house amendment but we are trying to be careful on how this program develops. If not otherwise specified in the guidelines, standard program requirements will apply.

Mr. McMahon said one additional point we should make is that for the remainder of this FY, since we have more programs already in the door than available funds, the one proposal that will be funded was submitted back in October 2011, and the rest of our activity under the apprentice guidelines will be with existing contracted JATCs adding an apprentice job group to their project but adding no additional funds. He said that will continue for the remainder of this FY. We are expecting to begin accepting new applications in June 2012 so we can have other apprentice programs staged and ready to go when the program opens up for retraining again.

Mr. Broad said if anyone wishes to testify, to please identify themselves and state they are in support of the Apprenticeship Pilot Program guidelines. He said anyone could also testify in greater detail if they desired.

Diane Ravnik, Chief of the Division of Apprenticeship Standards at the Department of Industrial Relations, said on behalf of their agency, the proposed program has their endorsement as well as their assistance. She appreciates the points made with respect to verification of legitimate registered apprenticeship programs. She said I commend both Brian McMahon, Executive Director and Maureen Reilly, General Counsel, for the way they have been such quick studies and have put together a well thought out proposal that evidences a good understanding of how they work. She noted the presence and support of their two primary educational partners; Barry Noonan from the California Community College Chancellor's Office and John Dunn from the Department of Education. She said they also have several of their program sponsors present, notably from the Pipe Trades and Electrical Industries, and she brought her Deputy Director from DAS to answer any technical questions. She said Ms. Reilly has addressed them very well, but if the Panel has any questions, they would be glad to answer them.

Barry Noonan, Apprenticeship Coordinator, representing the California Community College Chancellor's Office, said apprenticeship is so very important and many people do not understand that. In order for an apprenticeship program to come through a community college, they have to begin at the campus level. The employer is the one who calls the college and says I want to have an apprenticeship program. The college begins to work with them and the employer tells them what they want to have done. If they do not have the courses, then they make the courses. It has to come up through the curriculum committee, through the college, and has to get all of the way to the Board of Trustees. It must be listed on the Board of Trustees agenda, and the Board of Trustees must approve that program. So it goes through a very strict curriculum review, but the program is driven by the employer. Once the Board of Trustees signs off, then there is a one page form at the state office that the CEO of the district signs saying that on this date, at this board meeting, this college board approved this. From there, it comes up to his office to the academic side of the house, and they have certain components that they look for, and he has been working with those programs for typically a year-or-two before they ever get there. Once they get it through their process, then they send it over to the DAS to their field office to work on the on-the-job aspect to consider the occupation, wage, how many years, etc. DAS is doing their side of the house with the employer and on their side of the house they are doing the instruction. When they finish their part and send it over to their field office, they put it together with their package and send it to the chief to be signed. Once they receive a letter from the chief that says this program has been officially approved by the DAS then, and only then, can the community college post it on their website. So it is a very quality controlled program, but he is just speaking on behalf of community colleges. He said that apprenticeship is very broad. They have apprenticeship programs for psychiatric technicians, the JATC for the state psychiatric technicians, and they have psychiatric technicians in Napa and in San Bernardino. We have one that will not qualify, which is in organic farming. Apprenticeship is really any area of expertise that requires qualified employees; it is a multi-year program, and the best kind of education you can receive.

Peter Cooper and Jan Borunda with the California Labor Federation said they wanted to be on the record as strongly supporting this pilot program and the new policy direction where ETP is going. They look forward to partnering with ETP and making this an effective program. We

have a number of JATCs in the audience, and we stand ready to work with you to make it work correctly.

Steve Duscha, representing Duscha Advisories, said that on an issue raised earlier, ETP has a provision in its law that specifically prohibits ETP from funding a parallel program that is not endorsed and approved by DAS; so you cannot approve those fly-by-night proposals if they come to you. Secondly, as someone who has been involved in this discussion for many months, he wanted to express his gratitude to both Ms. Reilly and Mr. McMahon for getting us this far. It has taken too long, but we are at a very good place, and I recommend approval of the staff recommendations.

Sonia Fernandez, Panel Member, said she has worked for the Laborers Apprenticeship Program for four and a half years and this is great program to fund because we are creating not only jobs, but opportunities that lead to careers. Therefore, it is very vital that we support it and there is a great mechanism already in place through the DAS to ensure that everything is going as it should with these programs if they are legitimate, so I really am very much in approval of this program.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded approval of the Apprenticeship Pilot Program Guidelines.

Motion carried, 6 – 0.

XI. PUBLIC COMMENTS

There were no public comments.

XII. PUBLIC MEETING ADJOURNS

ACTION: Ms. Roberts moved and Ms. Fernandez seconded meeting adjournment at 1:14 p.m.

Motion carried, 6 – 0.