



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Sacramento City Hall
915 "I" Street
Historic Hearing Room #204, 2nd Floor
Sacramento, CA 95814
April 29, 2011

PANEL MEMBERS

Barry Broad
Acting Chair

Sonia Fernandez
Member

Barton Florence
Member

Janine Montoya
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Sam Rodriguez
Member

Michael Webb
Member

Executive Staff

Brian McMahon
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Acting Chair, called the meeting to order at 9:37 a.m.

II. ROLL CALL

Present

Janice Roberts
Sonia Fernandez
Janine Montoya
Sam Rodriguez
Michael Webb

Absent

Barry Broad
Edward Rendon
Bart Florence

Executive Staff Present

Brian McMahan, Executive Director
Maureen Reilly, General Counsel

III. AGENDA

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

Motion carried, 5 – 0.

IV. MINUTES

ACTION: Ms. Montoya moved and Ms. Fernandez seconded the motion that the Panel approve the Minutes from the March 25, 2011 Panel meeting.

Motion carried, 5 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, said there are projects for review for Job Creation Multiple Employer Contracts (MECs), a few remaining 2009 pipeline projects, and the first group of proposals under the Healthcare Initiative.

Mr. McMahon provided an update on the current year budget status for ETP. He said in previous reports EDD projected a collection of approximately \$42.3 million in the program this budget year. We are currently ahead of that projection and it appears at this point, that collections will be at least 10% over the originally estimated amount. Since up to 40% of ETP's collection in any given year is collected in the first week of May, it is difficult to adjust the Fund Status Report until the May numbers are received. Staff has been working closely with the Employment Development Department (EDD) and by about mid-May, we should have a better estimate as to what collections will be for the year. At the May meeting, an adjusted Fund Status Report will be available for review by the Panel members. Staff is hopeful that collections will be significantly above the original projection.

Mr. McMahon said for the 2011-12 State Budget, the Governor has proposed a budget that fully funds ETP to the extent of collections in the program with no transfers to other agencies. The level of collections is still significantly below where it has been in the past. At this point, it is unclear whether ETP's budget will be impacted by the May Revise which will be available May 16. He expects there will be another round of budget subcommittee hearings that review the May Revise. He said it is likely there will be an extended budget impasse over the months of the summer, so ETP may not begin funding projects until a timeline similar to last year.

Mr. McMahon said alternative funds have been a great resource for ETP over the last two years. He said the Workforce Investment Act (WIA) 15% Discretionary Funds that are being allocated to healthcare projects, has grown from \$6 million to \$7.7 million, thanks to the Labor & Workforce Development Agency (LWDA). He said \$7.7 million will be available for approximately 55 projects that are moving through the review and development phases under the Healthcare Initiative. The demand is still above \$7.7 million, so we will most likely make an across-the-board percentage reduction in projects that are approved. We will not have a clear indication of the percentage until all of those projects have been to the Panel and approved in June. Therefore, projects will be approved at face-value on what is submitted. An across-the-board reduction will be taken, based on the level of final demand and available funding. Projects that were under last year's Initiative that have active training proposals at a facility will have an additional 15% reduction of that reduced pool-based amount.

Healthcare proposals that will come to the Panel are capped per ETP's guidelines at \$250,000 for a single facility and at \$400,000 for projects where an employer may have a number of affiliated locations. Within that \$400,000 cap we are allocating funds to multiple facilities in some cases. The first three healthcare proposals are before the Panel today, and we will be moving through the remainder of the group, which could be as many as 55 proposals in the May and June meetings. Most of the proposals are well into development and staff is confident that most, if not all of these proposals, will be ready to go before the Panel in the May and June meetings.

Mr. McMahon said that in regard to the ETP's partnership with the California Energy Commission (CEC) under the Alternative Fuels and Vehicle Technology Program, otherwise

known as AB118, there are a number of proposals in the pipeline and staff expects to move through the remaining available dollars for those projects at the May and June meetings. He anticipates that next year there will be close to \$4.2 million under that initiative available to the Panel. That amount still needs to be approved by the AB118 Advisory Group and then finalized by the Commission, but indications are positive that those funds will be available. He said the Panel should expect very full meetings in May and June when Healthcare Initiative proposals and AB118 proposals will be considered.

Mr. McMahon said staff is working through the small business proposals in a creative way, since there are so many. Staff is working in the traditional way in the regional offices and we are also working on finalizing small business projects with Sacramento resources from various units such as the marketing and economic development, application review, and the contract review unit. We are breaking down some barriers internally to allocate staff resources where they are most needed at the point, which is developing projects to the greatest extent possible thereby ensuring that every project that is ready gets to the Panel in the remaining months of the fiscal year.

Mr. McMahon referred to the Legislative Update Memo distributed to the Panel. He said it lists bills that directly impact ETP and others that have a peripheral impact on the program. He said there are now only two bills that are significant to ETP.

AB 1224 (Committee on Veterans Affairs): Requires that ETP in its Annual Report, focus on special populations, specifically Veterans. That bill seems to be moving through the Legislature without any real issues so it is likely that we could end up with that guidance to the program.

AB 1233 (Manuel Perez): Considers how the state approaches developing the California Economic Development Strategic Plan and requires that the strategy be updated every 5 years, rather than biennially. It also mandates a review of the recommendations of workforce strategies developed by ETP and the California Community Colleges.

Mr. McMahon said at the last meeting the Panel adopted a requirement that support costs be reduced from 8% to 6% for all MEC projects through the remainder of the year. Therefore, all of today's MEC proposals will include that reduction in support costs in order to utilize a greater amount of funding for training in this period of reduced funding availability.

Mr. McMahon said there will be a slightly different approach in the way projects are presented to the Panel at this meeting. He said the Governor issued an Executive Order that greatly restricts the travel of state employees and at this point, that impacts our regional office managers in San Diego, North Hollywood and Foster City. While the regional office managers are connected by conference call today, the projects will be presented by David Guzman, Chief of Program Operations and Rosa Hernandez, Sacramento Regional Office Manager.

VI. MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

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

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

Motion carried, 5 – 0.

VII. MOTION TO ADOPT CONSENT CALENDAR PROJECTS/ACTION

Mr. McMahon asked for a motion to adopt Consent Calendar Items #1 through #5.

Deluxe Digital Studios, Inc.	\$99,828
Fresno Truck Center dba Sacramento Truck Center.....	\$60,375
Grossmont-Cuyamaca Community College District.....	\$66,384
International Rectifier Corporation	\$99,000
Riverside County Economic Development Agency.....	\$69,402

ACTION: Mr. Webb moved and Mr. Rodriguez seconded approval of Consent Calendar Items #1 through #5.

Motion carried, 5 – 0.

Ms. Roberts reminded the Panel that the next meeting will be held on Thursday May 26, before the Memorial Day weekend.

X. REPORT OF GENERAL COUNSEL

Maureen Reilly, General Counsel, reported that one Delegation Order for small business projects was approved by the Chair and the Executive Director. She referred to the Delegation Order Tab in the Panel Packet and said that 13 projects were approved on April 15, 2011.

XI. REVIEW AND ACTION ON PROPOSALS

Critical Proposal

Diamond Pet Food Processors of California, LLC

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Critical Proposal for Diamond Pet Food Processors of California, LLC (Diamond Pet Food), in the amount of \$204,930. Diamond Pet Food began as a family business that initially sold livestock feed and dog food. In 1999 a new facility was opened in Lathrop to service the west coast and Pacific Rim markets. Today its cat and dog food products are sold in all 50 states, and in over 60 countries, under the name of Diamond Pet Food as well as the Kirkland name sold through Costco.

Ms. Hernandez introduced Kosal Vong, Human Resource Manager.

Mr. Rodriguez asked if their industry has suffered downsizing in the last couple of years and if it is now stabilizing. Mr. Vong said the company has been fairly steady, but is now growing with the expansion of their Ripon facility. He said they have installed three machines in Ripon and

are considering installing an additional machine to further expand. That is one of the reasons they selected that area and facility, because of the size of the location and the ability to add additional machines.

Mr. Rodriguez asked for the average hourly wage that the 99 trainees will earn. Mr. Vong said trainees will earn between \$16.00 to \$18.00 per average hourly wage. Mr. Rodriguez asked if they are located in an Enterprise Zone in San Joaquin County. Mr. Vong said yes, they are taking advantage of the Enterprise Zone credits. He said they receive Enterprise Zone tax credits through San Joaquin County WorkNet. He said they currently have three employees under WorkNet that are getting 1,000 hours. Mr. Rodriguez asked if they have a good relationship with Cal OSHA. Mr. Vong said yes, they have an Assistant Manager that works closely with Cal OSHA.

Ms. Roberts said it was a great contract and she understood why it is a Critical Proposal, since it is located in Ripon and the wages are outstanding for that area.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the Critical Proposal for Diamond Pet Food in the amount of \$204,930.

Motion carried, 5 – 0.

Proposals for Single Employers

Virgin America, Inc.

David Guzman, Chief of Program Operations, presented a Job Creation Proposal for Virgin America, Inc. (Virgin America), in the amount of \$299,970. Virgin America is a privately-held, low fare airline with new planes, competitive fares, a focus on customer service, and a host of innovative amenities. Virgin America provides state-of-the-art onboard entertainment, plugs at every seat, on-demand meal and beverage ordering and roomy, more comfortable seats. The onboard entertainment includes personal televisions at each seat with on-demand television shows and movie selections and has seat-to-seat chat features.

Mr. Guzman introduced Deborah McCuiston, Director of Corporate Learning.

Ms. Montoya said Ms. McCuiston's enthusiasm about Virgin America was very obvious, and she is pleased they are located in California and glad that ETP was part of that since it speaks a lot for this program. She said it is great to hear they are hiring, and it is exciting to have a California-based airline.

Mr. Rodriguez asked about the company's secret to success, since they are a newly headquartered company in California and in the Bay Area. Ms. McCuiston said much of their success is through teammate engagement. She said they invest a great deal of time, energy, and money into engaging their teammates. They have a program called Refresh, which is a two-day training program that all employees receive. She said they are in mixed groups that interact with each other and it is about uniting and engaging their teammates. As they build their company, they try to build it together, so they are continually asking teammates for their input and ideas. To help the company grow, they have launched several committees so rather

than only headquarters making decisions, employees volunteer for the committees and they design where to take those programs focusing on teammate involvement.

Ms. Roberts congratulated the company in bringing 500 new jobs to California and said it is a great accomplishment. She commended them on Terminal 2 and the awards they have won.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the Job Creation Proposal for Virgin America in the amount of \$299,970.

Motion carried, 5 – 0.

CoxCom, Inc.

Mr. Guzman presented a Job Creation Proposal for CoxCom, Inc. (CoxCom), in the amount of \$173,550. CoxCom is a full-service provider of telecommunications products that offers an array of advanced digital video, high-speed Internet, and telephone services over its own nationwide IP network, as well as integrated wireless service in partnership with Sprint, for its commercial and residential customers.

Mr. Guzman introduced Delvin Diaz, Manager of Learning Technology.

Mr. Rodriguez asked if the company is going outside of their CoxCom Cable footprint. Mr. Diaz said no, they are not and everything is still within their CoxCom footprint in Orange County. He said in the Los Angeles area, it is more business-to-business, but still within their own blueprint. Mr. Rodriguez asked if their subscriber-base has remained level with minimal growth. Mr. Diaz said the more subscribers they get, the more revenue they bring in for the company. He said as they continue to launch their wireless service, it will bring in more customers; therefore, they want to increase their customer base. Mr. Rodriguez asked if California is one of their strongest markets. Mr. Diaz said yes, Arizona is ranked #1 and California is ranked #2, as their strongest markets. Mr. Rodriguez asked if the company has a long-term commitment to California. Mr. Diaz said yes, if you look at their track record in their prior ETP contract, they trained many new-hires and kept them local because they wanted to create jobs in California. Mr. Rodriguez said it appears they are perhaps following the Comcast model in trying to maintain their competitive edge. Mr. Diaz said perhaps, and that he was not very familiar with Comcast. Mr. Rodriguez said he previously worked for Comcast and that he is impressed with CoxCom.

Ms. Roberts asked about the existing ETP contract and if there will be two contracts running simultaneously. Mr. Diaz said there are two separate ETP contracts; one in San Diego and one in Orange County. Ms. Roberts asked if one contract is for retraining incumbent workers and one is for new-hires at different facilities. Mr. Diaz said yes, that is correct. She asked if he was coordinating training in both contracts. Mr. Diaz said no, he is training in one location only. Ms. Roberts asked if someone else is responsible for the other contract. Mr. Diaz said yes, that is correct. Ms. Roberts said she it was important to have adequate staff to support both projects.

Mr. Rodriguez wanted to be sure they were not going to abandon the Santa Barbara, Long Beach or San Diego locations. Mr. Diaz said no, they are not.

ACTION: Mr. Rodriguez moved and Ms. Montoya seconded approval of the Job Creation Proposal for CoxCom in the amount of \$173,550.

Motion carried, 5 – 0.

Pacific Bell Directory

Mr. Guzman presented a proposal for Pacific Bell Directory (Directory), in the amount of \$231,615. Directory performs integrated publishing functions including advertising, telephone directory printing/publishing, and electronic Internet directory publishing.

Mr. Guzman said Directory is a repeat contractor with payment earned in excess of \$250,000 at one of its facilities located on Rustin Avenue in Riverside County within the past five years. However, this is the only facility of the 15 total facilities that will participate in this training plan that earned more than \$250,000 from previous ETP agreements. The remaining 14 facility locations did not earn more than \$250,000 and do not have a Substantial Contribution applied. Accordingly, reimbursement for trainees at the Rustin Avenue facility in Riverside County are reduced by 30%, the maximum provided for a first time application of Substantial Contribution. Job Number 2 reflects a reduction in reimbursement of \$18,117.

Mr. Guzman introduced Curt Crandall, Senior Project Manager of AT&T.

Ms. Montoya said that over the last 15 years, printing print ads in her company is becoming almost pointless, and she asked why they continue to print the Yellow Pages when most everyone is moving to electronic. She also asked how much longer they plan to train in this area. She said I realize you are moving toward electronic sources, which is absolutely necessary, but asked how long will you continue with the print ads. Mr. Crandall said he could not answer that question because he is not privy as to when Directory might discontinue its paper product. He said the print portion of their business is declining and is currently at about 70% to 80%, and the online is growing and increasing by about 20%. He said they have implemented strategies so that people and customers can opt out if they do not want a Yellow Page directory delivered to their doorstep. That is one of the options they have identified: that if people do not want it they have the option not to receive it. He said not everyone has access to the Internet, and while the Internet is growing, not every consumer has that available to them. Ms. Montoya said her company used to get 10% of their work from the Yellow Pages, 85% was repeat and referrals and 5% was various. She said her company now receives less than 1% of their work from the Yellow Pages, and said many resources are being wasted.

Mr. Rodriguez asked how many total employees are in their subsidiary that handles printing. Mr. Crandall said they have approximately 2,000 employees in California in the Directory business. Mr. Rodriguez asked if there has been a reduction in the workforce in the last five years. Mr. Crandall said they have remained steady, shifted resources from the print side to the Internet side, and have remained staffed. Mr. Rodriguez said two years ago, the State of Florida passed legislation to give customers an opt-out from printed Directories. He said people are developing different models of how to save paper and in certain parts of California these directories are becoming a nuisance, especially in urban areas. He asked if they have a plan to transform the organization to ensure that employees are cross-trained to maintain their occupations. Mr. Crandall said yes, which is why they are requesting funding today, to continue

that transition. He said they have recognized the same items the Panel has mentioned and are doing everything in their power to address them.

Ms. Roberts said that since some of the same 185 employees received training in prior contracts, she asked how this training will differ than in previous proposal. Mr. Crandall said they have a variety of initiatives that are mandatory because of their changing, competitive landscape. He said that since they are shrinking in print and moving toward Internet, they are moving into an area called "paper call". Paper call is a new, online product that provides customers an advertiser-pay model based upon leads they receive versus paying a standard monthly advertising fee. This is a new product that requires training since it must be sold and built in a different way. He said as their business transitions from print to Internet, the same employees need to learn new skills on new system processes and new products.

Ms. Roberts said the Directory has received much funding over the last four or five years. She said there are about 185 employees under this contract that were trained in the previous contract, and asked what they will now be trained in. Mr. Crandall said they have a variety of initiatives due to the changing competitive landscape. Ms. Roberts said it is positive that they have earned 100% of the funds in their prior contracts, but she agrees with Ms. Montoya that eventually the print directories will become obsolete. She was concerned about paper savings and recycling, and said she receives two books with the same material in them. Mr. Crandall said there is much competition in advertising and Yellow Book is trying to transition from print to Internet as the Directory is, and they recognize the same concerns that the Panel does, but they cannot abandon print advertising. He said it remains a reasonable source of income and it supports good paying jobs in California. He said they are trying to make that transition as quickly as possible and this training will help them to continue that transition.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the proposal for Directory in the amount of \$231,615.

Motion carried, 5 – 0.

Nexus IS, Inc.

Mr. Guzman presented a Job Creation Proposal for Nexus IS, Inc. (Nexus), in the amount of \$209,070. Nexus is a diversified telecommunications business that designs, sells, installs, supports, and maintains communication systems.

Mr. Guzman introduced Rebecca Sweeney, Human Resources Director.

Ms. Roberts said the company has only earned 15% to 20% in several prior contracts and she expressed her concern. She said I realize this is a job creation proposal, but if you don't hire the employees you will not get funded. She said you must train them; you have no proven track record; and she asked what they plan to do differently this time. Ms. Sweeney understood her concerns about their past their track record. She said that since this is a job creation proposal, the new-hires coming onboard will have a specific career path and classes to take. She said in prior contracts, at times the training that was provided was in response to client needs and they had to train right away. As a result, they invested a lot in training, but it was not ETP eligible because they could not produce the appropriate paperwork in a timely manner or the trainers

were not available in CA. Since the classes required were highly specialized, they had to obtain trainers outside of CA which limited them. She said they do not anticipate having that same issue since these are new-hires.

Ms. Roberts had concerns about a 6 or 12 week training program once they are onboard because of work demands. She said it was important to put together a strategy of how they plan to earn the funds. Ms. Sweeney said they have an onsite trainer that specializes in advanced technology classes that all of their CA associates will take, and they also have a trainer coming from Sysco who is specialized in specific technologies.

Ms. Roberts asked if the documentation and administration will be handled internally. Ms. Sweeney answered in the affirmative. Ms. Roberts said their track record has not proven that this is an effective method and asked how they will track training more accurately. Ms. Sweeney said they have a training coordinator dedicated to the documentation. She said their executive team supports ETP training and will help to ensure that necessary processes are in place. She said that in the past they did not track and submit their forms as needed. Ms. Roberts said ETP funds are very limited and other individuals that could request ETP funding are earning 100% of the dollars. She said it was important for the company to be committed to the training and she will remember this company if they return to the Panel for additional funding. Ms. Sweeney said she understood her concerns and that they are committed to doing their best to earn 100% of the funds.

Mr. Rodriguez asked if there has been a change at the executive level in the last few years. Ms. Sweeney said there have been some changes and they have increased their executive team. She said because of their growth, and since executive staff wanted to be hands-on in every aspect of the business, there was a need to hire two additional executives. Mr. Rodriguez asked who the executive sponsor is for this ETP training. Ms. Sweeney said the President and VP of Engineering executives will oversee the ETP contract.

Mr. Rodriguez asked if the company would be willing to submit a letter to ETP's Executive Director from the President about the company's history, values, and its commitment to this ETP proposal. Ms. Sweeney said yes, they would provide a letter.

Ms. Fernandez asked what changes have been made to ensure training will be delivered to the workforce in this proposal, and she expressed concern about the company stating that trainers have departed the company in prior contracts. Ms. Sweeney said she is personally working with their training coordinator and department heads. She said that even though they don't currently have an ETP contract, they have discussed potential ETP training in new-hire orientations, and with management and human resources. Ms. Fernandez asked if they have enough trainers that if one area increases there will be enough trainers to train other segments of the workforce. Ms. Sweeney said that collectively, they have over 2000 certifications across-the-board, for approximately 400 employees in their organization. She said they have a number of subject matter experts so even if one person is not available, they have others within their own organization that can deliver training and provide that mentorship for their employees. Ms. Fernandez said it was important to ensure that the processes are streamlined.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the Job Creation Proposal for Nexus in the amount of \$209,070, with the agreement that the President of Nexus will submit a letter of commitment to ETP's Executive Director.

Motion carried, 5 – 0.

Healthcare Initiative Proposals

Mr. Guzman previewed the highlights of the Healthcare Initiative 2010-11 and said the first three Healthcare Initiative proposals are before the Panel today. The Healthcare Initiative is funded with Governor's 15% Workforce Investment Act Discretionary Funds (WIA 15%) in partnership with the Employment Development Department, and is being implemented in two phases. He said this is Phase 2 of the Healthcare Initiative. This Healthcare Initiative focuses on training for incumbent nurses and allied medical professionals. Guidelines for this Initiative are based on our previous non-profit nursing program as well as standards from the medical skills training program. He said Phase I funded the 2009 pipeline projects. He said new funding, which will come through as Phase II, is an allocation of WIA 15% monies totaling \$6 million. The program and this phase of the program will fund for-profit and non-profit entities, both in single and multiple employers. The Healthcare Initiative proposal calls for funding caps because of limited funding and the need to encumber funds at the 100% level. Projects will be capped for single employers at \$250,000 and for \$400,000 on Multiple Employer Contracts (MECs). An employer may submit more than one proposal (i.e. a separate proposal for each hospital facility). However, the combined total for all proposals cannot exceed the cap. No amendments will be approved to increase the amount of funding.

Mr. Guzman said some of the key features of this program, in most cases, are similar to the non-profit nursing or medical skills training. Training hours are capped at 200 hours per trainee; however, newly graduated nurses may receive up to 300 hours of training. The curriculum will focus on medical skills training, medical preceptor and didactic, with continuous improvement in computer skills. Trainees must be incumbent workers. New-graduate nurses in a residency or similar program will be considered incumbents for the purpose of eligibility. Post-retention wages will be the standard ETP minimum wage and the reimbursement rate will be the blended medical skills training rate of \$22 per hour for didactic and preceptor training. All other training will be reimbursed at the standard ETP rate of \$18 per hour for a priority industry.

Mr. Guzman said that new graduate nurses in a residency or similar program, who are considered incumbents, still must be placed in employment with an eligible employer, complete the training retention period, and earn the required ETP minimum wage. He added that an important factor is that WIA 15% funds and WIA reporting requirements apply for all of the proposals. Critical dates involved in the WIA 15% Healthcare Initiative include that the contract term must end no later than September 30, 2012; the last date of training is June 30, 2012; and administratively, staff must close out these proposals no later than October 30, 2012.

Dameron Hospital Association

Ms. Hernandez presented a Healthcare Initiative Proposal for Dameron Hospital Association (Dameron Hospital), in the amount of \$245,700. Dameron Hospital is a fully-accredited hospital with 202 licensed beds and 1,283 full-time employees on staff, of which 404 are full-time nurses

(390 RNs and 14 LVNs). Affiliated with approximately 400 physicians representing more than 46 specialties, Dameron Hospital offers a broad range of medical, surgical, and health maintenance services for emergency and acute care. Service areas include cardiac surgery, emergency/urgent care, home health, radiology, and occupational health as well as Dameron Hospital's comprehensive women's services unit, which includes high-risk prenatal and gestational diabetes management with a level III neonatal intensive care unit.

Ms. Hernandez introduced Nicholas Arismendi, Chief Operating Officer and Janine Hawkins, Chief Nursing Officer.

Mr. Rodriguez asked how they manage their patient-to-nurse ratios. Ms. Hawkins said they are doing very well and they review that data frequently. She said in the last quarter, they were able to meet their patient-to-nurse ratios 98% of the time, which is very good. She said they have an electronic staffing system that has a portal that can be accessed anywhere in the world. A nurse can log in, view shift availability, and sign up for shifts, which has been successful. Mr. Rodriguez asked if there is anything in the proposal that he could learn regarding the diversity of challenges given the multi-lingual culture of their community. He asked what they have learned in terms of best practices. Ms. Hawkins said they have a phone service that interprets a multitude of languages, with several phones available throughout the hospital. She said they tried training staff in multiple languages but it was too cumbersome, and many times when an interpreter was needed, one was not available.

Mr. McMahon said he has heard how difficult it is for newly graduated nurses to gain employment as a Registered Nurse. He asked, in the group of newly-hired nurses that are included in this project, what percentage of those nurses are new graduates that have recently passed the NCLEX exam. Ms. Hawkins said they will have at least 12 new nurse graduates. Each year they try to predict what that number will be for budget purposes and they always go beyond that. With their workforce having an average age of 48, nurses are retiring every year. About three years ago they realized they had to embrace new nurse graduates, and when they looked at the turnover of new graduates, it was about 60% in the first year. She said they developed a residency program called "Versant" which is a curriculum that they purchased, that includes 18-weeks of didactic, simulation lab, preceptor, and mentoring. She said they also offer a debriefing group to discuss common issues that new-graduate nurses face. They have embraced new graduates through this residency and have hired 54 new graduates in the last two years. He said when they open their application process; they typically receive hundreds of applicants. He said with the 14 new nurse graduates in their last program, they received 460 applicants and spent about a month interviewing for those positions. Mr. Arismendi said all of the 460 applications received were from newly graduated nurses. He said the Versant residency program is strictly for new-graduate and re-entry nurses that have been out of the market for greater than 10 to 15 years. He said their last program included all new graduate nurses. It included nurses from the San Joaquin Delta College program, nurses from the Sacramento State program, and nurses who held Masters Degrees who could not get jobs at a hospital. He said they are committed to hiring into the labor force, not just recycling.

Ms. Roberts said this is a great contract and they did an excellent job on their prior contract.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the Healthcare Initiative Proposal for Dameron Hospital in the amount of \$245,700.

Motion carried, 5 – 0.

Esurance Insurance Company, Inc.

Ms. Hernandez presented a proposal for Esurance Insurance Company, Inc. (Esurance), in the amount of \$199,500. Esurance provides insurance in the areas of homeowners, renters, motorcycle, recreational vehicle, life, and health insurance coverage.

Ms. Hernandez introduced Gabriel Urrea, Senior Manager of Corporate Learning.

Ms. Roberts cautioned that since this is their first contract and they have no contract administration staff to assist other than internal staff, the \$200,000 may not seem like a lot, but once training begins it is hard to reach. She cautioned that they must be cognizant of how they administer the training internally through databases, paperwork, and backed by the proper executive staff. Mr. Urrea said they have executive support in place. He said when it comes to leadership and mentoring, their CEO attends every class that they create, because he believes that the talent is in the people and they must train them. Ms. Roberts said it was important to ensure they submit the paperwork and documentation.

Mr. Rodriguez asked how they plan to administer the contract. Mr. Urrea said they have a robust LMS Learning Management System and since they are technology driven, they have much information and data that can be included, such as social security numbers, hours, training, and courses. He said most of the courses they plan to train in will take place in-house. He said it is more cost effective that way, and it also facilitates their ability to track hours through their LMS. Mr. Rodriguez asked if they plan to add mandatory requirements to existing requirements. Mr. Urrea answered in the affirmative.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the proposal for Esurance in the amount of \$199,500.

Motion carried, 5 – 0.

Lodi Memorial Hospital Association, Inc. dba Lodi Memorial Hospital

Ms. Hernandez presented a proposal for Lodi Memorial Hospital Association, Inc. dba Lodi Memorial Hospital (LMH), in the amount of \$202,500. LMH is an acute care, non-profit facility that provides 24-hour emergency, maternity, nursery, pediatric, intensive care, acute-physical rehabilitation, surgical care, and medical care services. LMH also operates an urgent-care clinic, three primary-care clinics, a prenatal clinic, a pediatric clinic, a pulmonary-medicine clinic, an occupational-medicine clinic, and a free clinic for the uninsured.

Ms. Hernandez introduced Donna Schulz, Director of Education.

Ms. Roberts asked, out of the total 90 trainees, how many are RNs and how many are LVNs. Ms. Schulz said there are approximately 70 RNs and 5 LVNs.

ACTION: Mr. Webb moved and Mr. Rodriguez seconded approval of the proposal for LMH in the amount of \$202,500.

Motion carried, 5 – 0.

St. Joseph Health System dba St. Joseph Hospital of Eureka

Ms. Hernandez presented a proposal for St. Joseph Health System dba St. Joseph Hospital of Eureka (SJHS), in the amount of \$99,792. SJHS is a full-service community health care provider with two locations: 1) St. Joseph Hospital in Eureka and 2) Redwood Memorial Hospital in Fortuna. St. Joseph is a 174 licensed-bed facility and Redwood Memorial Hospital is a 25 licensed-bed critical care facility specializing in patient-centered holistic care.

Ms. Hernandez introduced Paula Felden, Director of the Clinical Education Department.

Mr. Rodriguez asked for the number of RNs versus non-nurse positions in their total workforce. Ms. Felden said there are approximately 400 nurses between the two hospitals, but was unsure of the amount of non-nurses. Mr. Rodriguez asked whether they requested ETP funds in 2010, and was it to train 31 nurses or to train a higher number. Ms. Felden said the original proposal was for a two-year period so that the numbers reflected the two-year period. She said they are on target for one year and the second year period is what she was speaking to today. She said they are continuing with their exceptional new graduate program and using electronic documentation as mentioned in last year's proposal. Mr. Rodriguez asked if their workforce is local or throughout the county in their two locations. Ms. Felden said they received applications from throughout California. She said in a class they held July 2010 there were 250 applicants and many were from Humboldt County and Southern California, primarily because of the issue raised earlier, where they could not find jobs as new graduates. She said they hired new graduate RNs from their immediate area. He said in a class they began in February 2011, they received 60 applicants and three were from Humboldt County, and they have hired new graduates from out of their area.

ACTION: Ms. Montoya moved and Mr. Rodriguez seconded approval of the proposal for SJHS in the amount of \$99,792.

Motion carried, 5 – 0.

Proposals for Multiple Employer Contractors

The Corporation for Manufacturing Excellence dba Manex

Mr. Guzman presented a proposal for The Corporation for Manufacturing Excellence dba Manex (Manex), in the amount of \$398,280. Manex is a non-profit corporation that promotes the creation of jobs in California and helps manufacturers and distributors gain a competitive edge in the global market. Manex provides the following services: corporate strategy planning, marketing, sales, lean manufacturing, supply chain and logistics, Six Sigma, ISO, performance management and systems implementation.

Mr. Guzman said under this proposal, Manex will serve small-to-mid sized manufacturers in a variety of industries throughout California. According to Manex representatives, the economic conditions in California and throughout the Nation have impacted manufacturers' ability to remain profitable and retain customers. The training offered to participating employers will provide opportunities for employees to learn about continuous improvement, practical problem

solving, quality control and other techniques that can be applied to improve company performance. Some employers will also be provided with sales, marketing, and market segmentation training that will allow them to effectively identify new target markets. This will ultimately assist the employer in reducing waste, increasing profitability, gaining new customers and potentially entering new markets.

Mr. Guzman introduced Hank Holzapfel, President and Chief Executive Officer and William Browne, Director of Client Services.

Ms. Montoya said this is a great proposal and it is positive to see that it is geared toward small employers and manufacturers in California, which are now a rare breed.

Mr. Rodriguez asked the representatives to tell him exactly how they do their business. Mr. Holzapfel said they meet with a client and ask them what their main issue is and where they want to be in five years. They then help draft a proposal that will allow them to move in the direction they want to go. He said that nine times out of ten, their employees are not being asked how they can make the company better. He said they encourage management to get their employees engaged in making their business successful because the good companies do that and once they understand that, then they offer different training programs. He said they focus on specifics; whether it is a problem solving activity, lean improvement, or ISO, and said there are different outcomes and different ways of approaching the business, depending on what they expect to achieve. He said it is related to what the client wants and is not a cookie-cutter approach. Mr. Rodriguez asked how they integrate ETP values in their training. Mr. Holzapfel said if they are training in ISO projects, they are training them in standardizing their workload, and they ask them to put in writing how they do their jobs, and then they train them. He said they collect roster hours and provide problem solving training, which is a combination of classroom and hands-on training, since they must understand to grasp the problem. He said they try to include a classroom combination with an activity in all of their projects.

Mr. McMahon said that is the common structure in all of the MECs. He said ETP dollars offset or fully cover the cost of training with the small businesses and other businesses that participate in these projects.

ACTION: Mr. Webb moved and Ms. Montoya seconded approval of the proposal for Manex in the amount of \$398,280.

Motion carried, 5 – 0.

Chaffey Community College District

Mr. Guzman presented a proposal for Chaffey Community College District (Chaffey), in the amount of \$396,217. Chaffey is a two-year public community college that has three off-campus facilities in Rancho Cucamonga, Chino, and Fontana, all in San Bernardino County. Chaffey serves Inland Empire, eastern Los Angeles, and northern Orange counties. It maintains relationships with manufacturing and logistic industry groups, and consortiums in the areas it serves. Chaffey also collaborates with local Chamber of Commerce Boards, Workforce Preparation Programs, city economic development departments, the County of San Bernardino and the Workforce Investment Board.

Mr. Guzman introduced Kathleen Dutton, Director of Economic Development/Community Education and Sandra Sisco, Economic Development, Corporate Business Development.

Ms. Roberts said that in prior contracts, Chaffey has earned about 85% and they are now requesting about the same funding amount. She said if they are not earning the other 15%, those funds could be used for another contract and asked if they considered reducing the dollar amount of this proposal by 15% due to their track record. She asked if there is a difference in how they plan to administer this proposal and if they expect to earn 85% of the active contract since it has not closed out yet. Ms. Dutton said the first contract earned about 88% and they expect to earn about 94% to 100% in the active contract. She said they have scheduled back-to-back training through June and expect to fully spend 100% of the funds that are requested in this proposal. She said in the first contract they were still learning and they now have three full-time staff dedicated to the active proposal and believe they will earn 100%. Ms. Roberts said she was cautious and asked if they believe they will earn almost 95% of the existing grant that is not closed yet. She said it will not be closed for a month, and they are now requesting a greater amount this time but not earning the full amount as we go forward. Ms. Dutton said much of that is due to the fact that most of their training in the active proposal is scheduled toward the end of their contract.

Ms. Sisco said many of their employers have seasonal workers, and they were unable to take employees off the floors for training because they were in their busy season. Since January of this year, many employers have now requested training. From January through June, they plan to exhaust 100% of the funds and said it is unfortunate that most of the training is occurring toward the end of the project. He said in their previous proposal they had originally requested \$400,000 of funding and returned for an additional \$200,000. He said that was exhausted much more rapidly and they have projects and training plans in place to exceed the contract they have now. Ms. Roberts said there are only two months left if the contract ends at the end of June for the retention period. Ms. Sisco said that is correct.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the proposal for Chaffey in the amount of \$396,217.

Motion carried, 5 – 0.

San Bernardino Community College District PDC

Mr. Guzman presented a proposal for San Bernardino Community College District PDC (SBCCD PDC) in the amount of \$399,432. SBCCD PDC provides customized training and retraining for the local workforce and is located on the grounds of the San Bernardino International Airport, formerly Norton Air Force Base. The SBCCD PDC maintains relationships with manufacturing and logistic industry groups, consortiums, and councils. It has built collaborations with local Chamber of Commerce Boards, city economic development departments, the County of San Bernardino, and the Workforce Investment Board. It is also an educational partner on the Manufacturer's Council of the Inland Empire which consists of approximately 30 manufacturing companies.

Mr. Guzman introduced Robert Levesque, Workforce Development Manager.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Ms. Montoya seconded approval of the proposal for SBCCD PDC in the amount of \$399,432.

Motion carried, 5 – 0.

Apprentice & Journeymen Training Trust Fund of the Southern California Plumbing & Piping Industry

Ms. Hernandez presented a proposal for Apprentice & Journeymen Training Trust Fund of the Southern California Plumbing & Piping Industry (P&P Trust), in the amount of \$399,630. P&P Trust is a joint labor-management committee representing the plumbing and pipefitting industry throughout Southern California.

Ms. Hernandez introduced Armando Pulido, Training Coordinator and Steve Duscha, Consultant.

Mr. Rodriguez asked if the hours of training necessary to become a journeyman has changed and how long it typically takes to enter into a pre-apprenticeship program, become a journeyman, and enter the workforce. Mr. Pulido said becoming a journeyman is a five-year program. Mr. Rodriguez asked if it has always been a five-year program. Mr. Pulido said it had changed from four years approximately 20 years ago, but has been consistently five years since then. Mr. Rodriguez asked if retirees accounted for more or less than 10% of their workforce. Mr. Pulido said probably less than 10% of the workforce. Mr. Rodriguez asked if they had an existing plan to have a pipeline of new workers. Mr. Pulido said in Southern CA there are 13 local unions that offer job and career fairs in order to recruit new and pre-apprentices. Mr. Rodriguez asked for the approximate number of new students enrolled in the apprentice program. Mr. Pulido said it was difficult to provide a number in Southern CA since there are 13 locals and they all accept a different number of students. He said the large programs, such as in Los Angeles, average about 20 students per semester and the smaller locals average about 6 to 10. Mr. Rodriguez said in his former position as Undersecretary of Labor they were always trying to determine the challenges that pipe fitters are facing, especially with the business cycles fluctuating from the recession. Mr. Pulido said they have been trying to close the gaps by bringing in apprentices, and they continue to have classes to handle the fluctuations in business. Mr. Rodriguez asked is there remains a relative division between the Northern and Southern California Pipefitters. Mr. Pulido answered in the affirmative.

Ms. Fernandez asked about the scaffolding training listed in the curriculum and what it consists of. Mr. Pulido said scaffolding training includes safety measures in working on a scaffold. Ms. Fernandez asked how many training hours will be dedicated to scaffolding. Mr. Pulido said approximately 2 to 4 hours. Ms. Roberts asked if scaffolding falls under OSHA requirements. Mr. Pulido said yes. Ms. Roberts said ETP does not fund that. Mr. Pulido said he understood.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the proposal for P&P Trust in the amount of \$399,630.

Motion carried, 5 – 0.

California Manufacturing Technology Consulting

Ms. Hernandez presented a proposal for California Manufacturing Technology Consulting (CMTC), in the amount of \$399,974. CMTC is a private non-profit organization that assists small and medium-sized manufacturers in California to improve their operational efficiencies and global competitiveness. CMTC provides consulting and training services in information technology, lean enterprise, strategic business, quality management, and manufacturing and engineering.

Ms. Hernandez introduced James Watson, Vice President of Operations and Cheryl Slobodian, Director of Operations Support & Small Business Consulting.

Ms. Roberts said many of their prior contracts have been over \$1 million. Ms. Slobodian said less than 10% of their companies are accessing the funding, but it is still very important. She said of 697 manufacturers, about 500 have less than \$10 million in annual revenue. Ms. Roberts said they have a robust list of participating employers. Ms. Slobodian said yes, it demonstrates the demand and said they have approximately 1,200 trainees for about 470 positions.

ACTION: Ms. Montoya moved and Ms. Fernandez seconded approval of the proposal for CMTC in the amount of \$399,974.

Motion carried, 5 – 0.

Glendale Chamber of Commerce

Ms. Hernandez presented a proposal for Glendale Chamber of Commerce (Glendale COC), in the amount of \$399,756. Glendale COC is a non-profit member organization comprised of small business owners, corporate representatives, community leaders, and members representing various professions.

Ms. Hernandez pointed out an error on the ETP 130 on Page 5 under Administrative Services. She said it states Glendale COC also retained Glendale Community College in Montrose to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned. The correct percentage is 10%.

Ms. Hernandez introduced Kimberly Holland, Executive Director and Judee Kendall, Executive Vice President and CEO of the Glendale Chamber of Commerce.

Ms. Roberts said this is the first time she has seen a representative before the Panel that is similar to a third-party. She said since Glendale Chamber of Commerce is not in the training business, she did not understand how they are benefitting since the college is the training mechanism. She said the Chamber has very large companies under their umbrella, so she wondered why Glendale Chamber of Commerce came before the Panel versus the college. Ms. Kendall said it is a partnership, and while they do have large companies as members of their Chamber, 90% of their members are small businesses that are in need of training and require

assistance with training. So they are using the resources of Glendale College Professional Development Center to provide that training for the members.

Mr. McMahon said that was not particularly an unusual structure. He said the Chamber of Commerce is an economic development corporation and workforce investment boards are eligible applicants under their regulations, particularly for chambers and state economic development corporations that do not have an infrastructure or familiarity with delivering training. They often subcontract or develop partnerships to help market and administer these agreements and ETP is able to help the Chamber, in assisting its member companies through this type of a combined partnership structure.

Mr. Rodriguez said some of these companies are also members of Burbank Chamber of Commerce and the San Fernando Valley Economic Alliance and asked what separates them. Ms. Kendall said most of the companies that participate in their training programs are within the city of Glendale. She said the companies that are members of multiple chambers are usually the larger companies. It is the smaller companies that may not be members of multiple chambers and that depend on their training for their training needs. She said they run a leadership program and also use resources from within their Chamber for training. Mr. Rodriguez asked what motivated the Chamber in their leadership at Glendale to come before the Panel. Ms. Kendall said they are a partner with Glendale College Professional Development Center and they have worked together closely for 22 years and it is beneficial to both of them. Ms. Roberts said Glendale Community College has had many contracts with ETP and questioned if this was circumventing another contract that they have with ETP. Ms. Kendall said that is not the case and that demand is very high right now.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the proposal for Glendale COC in the amount of \$399,756.

Motion carried, 5 – 0.

Joint Apprenticeship Trust Heat & Frost Insulators

Ms. Hernandez presented a proposal for Joint Apprenticeship Trust Heat & Frost Insulators (H&F JAT), in the amount of \$199,613. H&F JAT is a joint labor-management group comprised of representatives from the Western Insulation Contractors Association, and officers of the International Association of Heat & Frost Insulators & Allied Workers Union, Local 5, which represents workers throughout Southern California. H&F JAT is responsible for training insulation workers throughout Southern California, including several areas of high unemployment.

Ms. Hernandez noted a correction that should be made to the ETP 130 on Page 2 under the table for Minimum Wage and Health Benefits. She said the Health Benefits used by the participating employers to meet the post retention wage was inadvertently omitted. It should indicate Health Benefits in the range of \$3.20 to \$6.13. Mr. McMahon said it was important to note that ETP typically does not fund training projects that replace or compete with existing apprenticeship programs. The Panel may fund pre-apprenticeship training projects and post-apprenticeship training projects.

Ms. Hernandez said additionally, as a special employment training project, the participating employers do not need to face out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period. However, the Panel may fund SET projects with frontline workers who earn up to 25% below the state average hourly wage. H&F JAT is requesting for this wage modification, such that the minimum wage after retention for Jobs 1 and 2 apprentices shall be \$19.21 per hour. In addition, trainees in Jobs 3 and 4 will have two or more barriers to employment. They may receive the ETP minimum wage post-retention wage as another wage modification. All wages are covered by collective bargaining agreements. She said in regards to the employment and retention period, the Panel may substitute hours as retention because as a building trade, it is not customary for workers to be employed for 90 consecutive days with one employer. H&F JAT is requesting this modified retention method given the continued slowdown in the construction industry.

Ms. Hernandez introduced Peter Rojas, Administrator & Training Director and Steve Duscha, Consultant.

Ms. Montoya said she supports the idea of workers making an adequate wage and is not anti union, but some individuals have come to work for her company rather than a union because they believe they are too limited when they are limited to one skill only. She asked if they have considered expanding their skills. Mr. Rojas said that is a misconception and they encourage training in all aspects of the job. He said with the green movement they have had to reinvent themselves and are moving into energy audits and energy efficiencies. He said their apprenticeship program teaches every aspect of insulation whether commercial, industrial, or residential, and they cover all mechanical systems and structures. Ms. Montoya asked if one worker learns multiple skills. Mr. Rojas said yes, they learn everything. He said they currently have a four-year program and are expanding to a five-year program because four years is not enough time since their curriculum continues to grow, especially with the green components they have added.

Mr. Rodriguez asked if they considered funding or support from the Energy Star Program, the Department of Energy, or the California Energy Commission. Mr. Rojas said no, they have not. He said he is networking to move that way and is looking into it.

ACTION: Ms. Fernandez moved and Mr. Webb seconded approval of the proposal for H&F JAT in the amount of \$199,613.

Motion carried, 5 – 0.

LA Vocational Institute, Inc.

Mr. Guzman presented a New-Hire Proposal for LA Vocational Institute, Inc. (LAVI), in the amount of \$198,784. LAVI is a private, for-profit vocational academic institution that provides various training programs including Certified Nursing Assistant (CNA), Massage Therapy, Medical Assistant, Phlebotomy Technician, Home Health Aide, and Pharmacy Technician.

Mr. Guzman introduced Vana Bashan, Director.

Ms. Roberts asked, since this is a competitive business, if they already have contractors in place. Ms. Bashan said they have long-term care facilities in place and also have a contract with Country Villa which has 23 facilities. She said they are in the centralized Los Angeles area, and have five facilities within less than a 12-mile radius that they can send their students to for training. Ms. Roberts said that is good to hear, especially since this is their first contract.

Mr. Rodriguez said for-profit vocational institutions always get his attention. He asked if they plan to train 64 individuals. Ms. Bashan agreed. Mr. Rodriguez asked if she is confident that 64 individuals will get placed. Ms. Bashan said yes, she is completely confident especially with the statistics in previous years. Mr. Rodriguez asked about the placement rate at the end of 2010. Ms. Bashan said they reached a 98% placement rate and the 2% could be individuals not moving forward in training for various reasons, but they have high statistics in placement. Mr. Rodriguez asked how they track the training. Ms. Bashan said they have a tracking system and communicate frequently with the healthcare facilities.

ACTION: Ms. Montoya moved and Mr. Webb seconded approval of the proposal for LAVI in the amount of \$198,784.

Motion carried, 5 – 0.

Managed Career Solutions, Inc.

Mr. Guzman presented a New-Hire Proposal for Managed Career Solutions, Inc. (MCS), in the amount of \$200,000. MCS is a for-profit private sector business that focuses in public workforce development, economic development, and business services. MCS provides various services including participant assessment and counseling, job development, new-hire training, and placement and retention. MCS also participates in regional workforce planning through strategic partnerships with labor and management in the healthcare, manufacturing, retail, hospitality, and energy efficiency sectors.

Mr. Guzman introduced Philip Starr, Executive Director and Richard Galope, Director of Development and Planning.

Ms. Roberts said the last contract was a pilot with the veterans and we did not know how it was going to work. She said AB 1224 is a bill about veterans and perhaps he should go before the Panel to speak about what his challenges were in working with veterans. Mr. Starr said he was unaware of the bill and would be happy to speak before the committee. Mr. Starr said there are real issues in working with veterans because they want to get federal employment, which is their right since they put their years of service into the federal employment system. He said if someone becomes a federal employee, it does not count as a placement in ETP's system so that becomes an issue in terms of earning the grant. Ms. Roberts said yes, especially with GI benefits and re-enlistments. Mr. Starr said he would be happy to speak to the AB 1224 committee regarding the bill. Ms. Roberts said she recognizes that it was very difficult to take on veterans and green jobs and it is hard to fund so she hopes they also do well on their green initiative.

Mr. Rodriguez asked if their pool of trainees is from individuals that no longer receive Unemployment Insurance (UI) benefits. Mr. Galope said that is correct. Mr. Rodriguez asked if

once they become a trainee, if they are allowed to extend their UI benefits as long as they are enrolled. Mr. Galope answered in the affirmative. Mr. Rodriguez said that is a dual benefit and a positive thing. Mr. Rodriguez referred to comments made earlier regarding veterans that receive federal employment being undetermined or not counting as a credit under ETP rules. Mr. Starr said there were some exceptions and they did get some credit, but it did not always follow under the ETP rules. Mr. Rodriguez asked Mr. McMahon if there were exceptions to the use of ETP funds when, for instance, there is a shortage of homeland security workers. Mr. McMahon said that from a regulatory standpoint, we allow placement with federal employees up to 20% of the exiting trainees within the program. This is in incidental placement language in the regulations and we have some flexibility there, though probably not as much as you need in this project. Mr. Starr said ETP staff was very helpful in the process and has provided much technical assistance.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the New-Hire proposal for MCS in the amount of \$200,000.

Motion carried, 5 – 0.

California Workforce Association

Ms. Hernandez presented a proposal for California Workforce Association (CWA), in the amount of \$198,966. CWA is a non-profit, membership-based association serving the local workforce development delivery system. The CWA's membership includes 48 local workforce investment board directors and affiliate members. The affiliate membership includes local non-profits, government, educational institutions, and community-based organizations involved in training, education, economic development, welfare and employment, and other workforce development partners.

Ms. Hernandez introduced Jennifer Mitchell, Policy Director and Steve Duscha, Consultant.

Mr. Rodriguez asked if Quest Consulting and the Training of Pacific Palisades are the vendors who will actually deliver the training. Ms. Mitchell said that is correct. Mr. Rodriguez asked if they are under the certified list of the Workforce Investment Board. Mr. Duscha said I don't believe so, but they are not required under your rules. Mr. Rodriguez said correct, but you are working with them, I mean you are primarily a workforce investment board association and you are providing services for the board. Mr. Duscha said that is correct.

ACTION: Mr. Rodriguez moved and Ms. Fernandez seconded approval of the proposal for CWA in the amount of \$198,966.

Motion carried, 5 – 0.

XII. PUBLIC COMMENTS

There were no public comments.

XIII. PUBLIC MEETING ADJOURNS

ACTION: Ms. Montoya moved and Mr. Webb seconded meeting adjournment at 12:31 p.m.

Motion carried, 5 – 0.