



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency

1001 I Street

Coastal Hearing Room, 2nd Floor

Sacramento, CA 95814

November 15, 2013

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Sonia Fernandez
Member

Michael Hart
Member

Kish Rajan
Member

Edward Rendon
Member

Sam Rodriguez
Member

Executive Staff

Jill McAloon
Acting Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Chairman Broad called the meeting to order at 9:41 a.m.

II. ROLL CALL

Present

Gloria Bell
Barry Broad
Sonia Fernandez
Edward Rendon
Sam Rodriguez

Absent

Panorea Avdis
Michael Hart
Janice Roberts

Executive Staff Present

Jill McAloon, Acting Executive Director
Maureen Reilly, General Counsel

III. AGENDA

Chairman Broad asked for a motion to approve the Agenda.

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

Motion carried, 5 – 0.

IV. MINUTES

ACTION: Mr. Rendon moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the October 18, 2013 meeting.

Motion carried, 5 – 0.

V. REPORT OF THE ACTING EXECUTIVE DIRECTOR

Jill McAloon, Acting Executive Director, said today we have our standard mix of both single and multiple employer contracts. She said three of the regional office managers are here today to present the projects: Diana Torres, Southern CA District Manager; Rosa Hernandez, Manager of the Sacramento Regional Office; and Creighton Chan, Manager of the Bay Area Regional Office. She said Wally Aguilar, Manager of the North Hollywood Regional Office, is joining by teleconference and today is Wally's last Panel meeting. He is retiring after 36 years of state service. He began with ETP in 1980 and has worn many hats while he has been with ETP such as a developer, a marketer and the Manager of the North Hollywood office. He has contributed much to the program over the years through growth and change, so we want to thank Wally for his years of state service and wish him well in his retirement. Wally said it has been quite an odyssey from the beginning when he began with ETP. In fact, he was noticing in his office several very old ETP Strategic Plans and Annual Reports with all of the different Panel members over the years. He said we have come a long way, made a lot of progress, done a lot of good, and I'm proud to say that I was a part of it.

Regarding the budget, should the Panel approve all of the projects before it today, it will have approved approximately \$8M in projects, leaving \$39.5M in contracting capacity for the remainder of the Fiscal Year (FY), and we will have approved \$6.1M in SET funds, leaving approximately \$7M for the remainder of the FY. Our only source of alternative funding at this point is the Alternative and Renewable Fuel and Vehicle Technology Program through our partnership with the California Energy Commission. We have \$3M available this FY, and to date the Panel has approved \$615,000, so we have \$2.2M remaining.

Regarding legislation, the Legislature is currently in recess until January 6, 2014, so there is nothing new to report to the Panel since our last meeting. Closer to home, Governor Brown appointed a new LWDA Secretary, David Lanier, and he served as the Chief Deputy Legislative & Affairs Secretary of the Governor's office since 2011. Mr. Lanier replaces Marty Morgenstern who is retiring and who will serve as Senior Advisor to the Governor's office. We look forward to working with David Lanier.

ETP recently received two awards from the Department of General Services. The first award is the State Agency Recognition Award for an agency that has increased its service to small business, and we had a 55% increase in small business contracts over the year. The second award was the Agency of the Year finalist, and that was for furthering best practices for disabled veteran's business enterprises, so we are proud of that.

At the last Panel meeting, we had a discussion about the state hourly average wage of \$8 per hour, which is set to increase in 2014 to \$9 and then in 2016 to \$10. As the minimum wage is set to increase, the Panel expressed concerns about approving a High Unemployment Area (HUA) wage modifications that take the wage to 25% below the ETP minimum. Though no workers can earn less than the state minimum wage, all ETP trainees must earn at least the wage that is identified in our contracts. The decrease, the amount we approve, no matter how low it goes below the ETP minimum, decreases the differential between the state minimum and then our ETP minimum wage. Due to reluctance in decreasing that differential, the Panel determined that it would look at projects case-by-case. To help it make its

decision, we are having staff ask for more information from contractors, and we are going to be asking for the actual percentage that a contractor needs to meet. So instead of just automatically dropping to 25% below, we want to identify that actual percentage, whether it is 5%, 10% or 20%. We are also going to be asking contractors to identify the actual number of trainees that need to go to that lowest wage, instead of just identifying in the proposal that it is for an entire job. We want to know how many people actually are going to need that lowest wage. We also are going to be asking that contractors identify the occupations that meet the wage reduction, so we will be collecting that information. I wanted to mention that whenever ETP makes a policy change or a procedural change, it takes a while for us to see consistency in the proposals that we bring to the Panel, and that is because in our development process, we always have projects that are in late stages of development when a policy is changed. We do not always have time to go back and consistently gather the information presented in the 130s, but the Panel can expect to see that moving forward.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Ms. McAloon asked for a motion to adopt Consent Calendar Items #1 through #9.

Associated Pension Consultants, Inc.	\$59,092
California Box Company	\$38,304
Dauntless Industries, Inc. dba Dauntless Molds	\$87,204
4 Star Electronics, Inc.	\$80,410
Merex Aircraft Company, Incorporated dba Merex	\$99,372
Newline Technologies Incorporated	\$45,240
NL&A Collections, Inc.	\$31,460
Nutiva	\$46,800
Renovo Solutions, LLC	\$88,000

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

Motion carried, 5 – 0.

VII. MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM/ACTION

Ms. McAloon asked for a Motion to Delegate in Event of Loss of Quorum, authorizing the Acting Executive Director in conjunction with the Panel Chair or Vice Chair, to approve projects.

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

Motion carried, 5 – 0.

Mr. Broad made a comment about the issue of the wage reduction for the High Unemployment Areas (HUAs). He said he has noticed over the last 13 years on the Panel, that whenever we have asked people, can you slightly increase the post-retention wage, most of the time, I can hardly think of any instances when an applicant struggled with our

request. This has led me to believe that, in fact, they do not really need the 25%. They are getting it automatically, but they are actually not using it. Maybe it is more like 5% or 10%, and it is needed in fewer cases.

I think as we move forward we have to recognize that we are seeing more overtime, we are seeing more proposals at the lower-end of the wage spectrum, and we are seeing people in the \$10 to \$14 per hour range quite a bit. I don't want to put more work on staff and applicants, but I think if you are asking for this waiver, it should be calibrated to what you need, as opposed to just an automatic 25%. I apologize on one hand, and I hope you all understand that it really is a policy that makes sense given the circumstances. If anyone disagrees, you can certainly raise the issue in the public comment period that comes at the end of the meeting, and we could discuss it.

VIII. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

CHA Health Systems, Inc. dba Hollywood Presbyterian Medical Center

Diana Torres, Southern CA District Manager, presented a Proposal for CHA Health Systems, Inc. dba Hollywood Presbyterian Medical Center (HPMC), in the amount of \$255,990. HPMC is an acute care hospital with 434 licensed beds. HPMC has been caring for patients in Hollywood and surrounding Los Angeles areas since 1924 and is fully accredited by the Joint Commission. HPMC is associated with more than 500 doctors representing every specialty area including emergency care, orthopedic surgery, cancer care, and highly-specialized fetal surgery and comprehensive cardiac care.

Ms. Torres said on Page 3 of 6 there is a slight correction. We do have union support as well as a union letter from SEIU Local 121 RN (nurse alliance) for RNs and LVNs. However, we do not yet have union support from SEIU UHW United Healthcare Workers, which represents about \$17,811 of this proposal. Nevertheless, HPMC is aware of that; they are unable to commence training for those workers who have not procured union support until they do so, and ETP has actually received the letter of support.

Ms. Torres introduced Anne Wicks, RN, Interim Director of Education and Critical Care Education.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for HPMC in the amount of \$255,990, with the understanding that the Proposal is approved upon receiving the SEIU UHW union letter.

Motion carried, 5 – 0.

Zodiac Seat Shells U.S. LLC

Ms. Torres presented a Proposal for Zodiac Seat Shells U.S. LLC (ZSS), in the amount of \$180,680. ZSS designs, certifies, and manufactures custom airline seat shells. Its major

customers include American, Delta, Cathay Pacific, US Airways, Boeing, and other national and international airlines. In 2012, ZSS separated from C&D Zodiac, Inc. (formerly Weber Aircraft) and is now an independent corporation; both are wholly-owned subsidiaries of Zodiac Aerospace in Plaisir, France.

Ms. Torres introduced Matt Weber, Director of Operational Excellence.

Ms. Bell said with the 70 employees that you plan on recruiting, do you feel that will be a challenge for your organization, given how familiar she is with Santa Maria and how hard it is to get labor there. Mr. Weber said before they started in this segment, their headcount was 350 people total and today they exceed 1,000 people. So yes, recruiting is a challenge and recruiting trained, knowledgeable people is also a challenge. Many people that they recruit they have to train, either in the professional level to aerospace standards or the workforce level in basic manufacturing practices. Ms. Bell asked where they are going to get their employees from. Mr. Weber said they often recruit from Cal Poly for our professional engineering and management positions. Cal Poly, San Luis Obispo and Santa Barbara, and they also do a lot of recruiting on the East Coast as well, Carnegie Mellon or Notre Dame. On their direct labor side, it hasn't been so much of an issue, believe it or not. Santa Maria has 100,000 people and there is always a need for manufacturing jobs, compared to farm labor, so they find it not too challenging to bring in people. It has been a challenge, but considering what they have accomplished in the past, 70 people are fairly straightforward. Ms. Bell asked what their qualifying period for health insurance is. Mr. Weber said once you are a permanent employee after the 90-day probationary period is complete, you are eligible for all health benefits, retirement and life insurance.

Mr. Rodriguez asked if this is their first time at ETP. Mr. Weber said yes, it is. Mr. Rodriguez asked how they learned about the program. Mr. Weber said prior to this, they were part of the cabinet interior segment which participated in the ETP program. Last year they formed the LLC, and they now report in the seat segment and not the interior segment, so they are a stand-alone business unit now. Mr. Rodriguez said you stated you are up to 1,000 workers now? Mr. Weber said yes, they are currently at 1,000 workers. Mr. Rodriguez asked how they classify by occupation, the number of workers that touch manufacturing. Mr. Weber said they classify it as direct labor versus indirect labor. So anyone that is touching manufacturing, a worker that is building product, is direct labor and all of the supporting functions are indirect labor such as engineering, management, and materials planning. Mr. Rodriguez said, and as an occupation, are you classifying them as production workers, the folks that are actually direct to manufacturing? Mr. Weber said yes, that would be production workers. Mr. Rodriguez asked if there are any other classifications for those workers. Mr. Weber said there are specific job titles and job responsibilities and functions. They would have an assembler versus a bonder, for example, but they would all fall under the realm of production or direct labor.

Mr. Broad said they have 1,000 employees in CA but have 10,000 employees worldwide. What else does the company do, are you a division that handles the seat shells? Mr. Weber said yes, that is correct, so with seat shells they are building the suite. In their sister companies around the world in Seats France; Seats U.K.; and Seats U.S. in Gainesville, Texas, they build the actual seat, the actual mechanism, so it is all part of Zodiac Seats, and then there is Zodiac cabinet interiors, Zodiac systems. The 10,000 employees is just the seat

segment and that consists of four entities: 1) Seats U.K.; 2) Seats France; 3) Seats U.S. in Gainesville, Texas; and 4) Seat Shells in Santa Maria. Mr. Broad said, and then there is an even bigger portion of Zodiac? Mr. Weber said yes, there is. Mr. Broad said it always surprises him that when a company comes to the Panel and there is a company empire that nobody has ever heard of. Are you affiliated with the Zodiac boats? Mr. Weber said it is an interesting story. Zodiac began over 100 years ago in airships like zeppelin dirigible, so they started in aerospace. They started to go toward the marine segment, so the boat segment was actually created. They went away from aerospace, and then they recently sold the boat segment. So that is not part of their organization at all; they sold it to strengthen the aerospace to get back to their founding mission.

Mr. Rodriguez said beyond this ETP contract, if we were to ask you what else you need for the company and facility in Santa Maria, to respond to projected growth, what would that list include? Mr. Weber said their need for projected growth includes floor space, capital, and they look at their five-year plan to determine their needs in the manufacturing processes. He said it is really the human resources side that has been extremely challenging for them. Since it is such a unique product, they cannot go out and hire seat shell engineers. They have to recruit, train, and develop them, so really that has been the challenge. The other areas have been fairly straight-forward, and they have a fairly good process for monitoring that, it's basic planning. Mr. Rodriguez asked if they have a facility at the Lompoc Air Force Base. Mr. Weber said no, they do not.

ACTION: Mr. Rodriguez moved and Mr. Rendon seconded approval of the Proposal for ZSS in the amount of \$180,680.

Motion carried, 5 – 0.

Cox Communications California, LLC dba Cox Communications California

Ms. Torres presented a Proposal for Cox Communications California, LLC dba Cox Communications California (Cox California), in the amount of \$449,848. Cox California is a cable entertainment and broadband services provider for residential and commercial Southern California customers. Its products include analog and digital video cable television services, local and long-distance telephone services, high-speed Internet, data and video transport services, and national and local cable advertising.

Ms. Torres introduced Delvin Diaz, Director of Operations Training & Risk Management.

Mr. Rodriguez asked if this is their second request within this budget year. Mr. Diaz said yes, that is correct. Mr. Rodriguez asked if Cox California's sales revenues are up in the last four quarters. Mr. Diaz said that is correct. Mr. Rodriguez said, but there are reports that there is not an increase in workforce in San Diego or Orange County, which is their footprint. He asked if their workforce has stayed the same or has been reduced; and if reduced, why? Mr. Diaz said the footprint still remains the same. What is changing is the technology that they are now embarking on, and that is their digital platform called Contour. Since they have launched Contour, that means they have to hire new employees, train their employees, and be able to support their technology and also be able to go out and sell the product to their customers. Mr. Rodriguez asked, within the last ten months, if they increased their

workforce, if it has remained the same, or has there been a reduction in workforce. Mr. Diaz said their workforce has increased in San Diego and it continues to increase.

Ms. Fernandez asked, of those 250 veterans that have been hired, are they recently discharged veterans or are they older veterans from different generations. If so, do you have difficulties in translating their skillset from the military to the private sector? Mr. Diaz said these veterans range from coming out of the service 1 to 24 years ago. He said the challenging part of having a veteran come work for a company like Cox California is that the position they may have had while they were in the service may not easily translate into the workforce. There are some tools that they are looking at that actually takes into account, for example, his job in communications in the Marine Corps. He could take that job and put it into the application, and it will tell him what kind of jobs he could qualify for in the civilian world. Lucky for him, he qualified to do a job that he had in the military in communications, so they try to fit the veterans into suitable positions. The majority of the veterans are in the field as field service technicians installing cable, telephone and video services for their customers. And there are some higher techs working the network and who become engineers. They have progression plans and development plans in place that not only help veterans, but all new employees that come to work for Cox California.

ACTION: Mr. Rendon moved and Ms. Bell seconded approval of the Proposal for Cox California in the amount of \$449,848.

Motion carried, 5 – 0.

University Rx Specialists dba University Compounding Pharmacy

Ms. Torres presented a Proposal for University Rx Specialists dba University Compounding Pharmacy (UCP), in the amount of \$159,175. UCP specializes in the formulation of medical and nutritional treatments that are not commercially available and often made to the specific needs of a patient. From topical creams and lozenges, to veterinary and other medications prepared in state-of-the-art clean rooms, prescriptions are prepared individually by experienced compounding pharmacists. UCP is expanding its product line to include new allergy medications, skincare lines, urology devices, and other medications.

Ms. Torres asked if the representative for UCP was present. As they were not yet in attendance, Mr. Broad noted the Panel would defer the vote on the UCP Proposal until the company representative arrives.

Mr. Broad asked if UCP is in the medical marijuana business. Ms. Torres said no, they are not and she was going to let the representative explain what “compounding” is when they arrive. Mr. Broad said he understands what compounding is, but some of the medical marijuana businesses call themselves compounding pharmacies, because they are just using one main ingredient. He said there is also compounding pharmacies that compound according to a traditional doctor’s prescription, so he would like to clarify that.

Abbott Vascular Inc.

Mr. Broad recused himself from review, discussion, and action on the Abbott Vascular Inc. Proposal, and the gavel was handed to Mr. Rendon.

Creighton Chan, Manager of the Bay Area Regional Office, presented a Proposal for Abbott Vascular Inc. (AV), in the amount of \$1,310,496. AV researches and manufactures coronary, vessel closure, and endovascular products, which are used in treating patients with coronary artery and peripheral vascular disease. AV products include two distinct carotid stent systems, cobalt chromium coronary stent platforms, rapid exchange technology, balloon dilation catheters, guide wires, and vessel closure technologies used in angioplasty and stent implementation.

Mr. Chan introduced David Topp, Director of State Government Affairs for Abbott Vascular and Phil Herrera, representing Herrera & Company.

With the recusal of Chairman Broad, there were only four Panel members present, and the Panel quorum was lost. Ms. Reilly said because we lack a Panel quorum, we are going to stand with the motion that was made earlier when there was a quorum present, the motion to delegate in event of loss of quorum. She said in the event of the loss of a quorum, the decision will be made by the Acting Executive Director in consultation with the Panel Chairman or Vice Chair. Since the Panel Chairman actually had to recuse himself, it will have to be the Acting Executive Director in consultation with the Vice Chair, who we can hopefully reach after the end of the meeting, and then we can inform the applicant of the decision on the proposal.

Avalon Health Care Management of California, LLC

Rosa Hernandez, Manager of the Sacramento Regional Office, presented a Proposal for Avalon Health Care Management of California, LLC (Avalon), in the amount of \$596,622. Avalon offers care coordination and case management solutions for state-administered Medicaid managed care, managed care behavioral health, and long-term care programs, skilled nursing, hospice, home health and personal care, independent/assisted living, pharmacy, and medical based services. It also provides therapy services, such as physical and occupational therapy, speech language pathology, orthopedic therapy, and neurological rehabilitation.

Ms. Hernandez introduced Kelly Selman, Avalon Regional Vice President for California and Byron Kirton, Vice President of Human Resources.

There were no questions from the Panel.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for Avalon in the amount of \$596,622.

Motion carried, 5 – 0.

Kitchell/CEM, Inc.

Ms. Hernandez presented a Proposal for Kitchell/CEM, Inc. (Kitchell CEM), in the amount of \$354,360. Kitchell CEM and its affiliates provide a wide range of construction, project management, project design, engineering and architecture services. Kitchell CEM and its

affiliates provide all aspects of construction services to a variety of customers with projects including hospitals, a courthouse, performing arts complex, casino, resort facility, shopping center, and schools.

Ms. Hernandez introduced Laman Snyder, Director of Human Resources.

There were no questions from the Panel.

ACTION: Mr. Rendon moved and Ms. Bell seconded approval of the Proposal for Kitchell CEM in the amount of \$354,360.

Motion carried, 5 – 0.

Multiple Employer Proposals

El Camino Community College District, Center for Applied Competitive Technologies

Ms. Hernandez presented a Proposal for El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT), in the amount of \$1,260,646. El Camino CACT was established to advance California's economic growth through workforce, technology and business development. It provides customized training, workshops, and technical assistance to employers.

Ms. Hernandez introduced Eldon Davidson, Director of Contract Training.

Mr. Broad asked if Mr. Davidson knew the total number of ETP proposals they have had over the years. Mr. Davidson said he did not have the total number. He has been with the College for three years and believes there have been four-to-five within the last three years. They go through the funds quickly and a lot of that is because of their partnerships. The benefits they have through partnerships, is that the instructors they utilize for these trainings are high caliber instructors. He could not keep one instructor busy the full year but by sharing this instructor with multiple partners, they all benefit from it and are able to keep those instructors busy.

Mr. Rodriguez asked if this is onsite training. Mr. Davidson said yes, 99% of their training is actually done onsite at the employer's site. Mr. Rodriguez asked if instructors then travel to Carlsbad and Livermore. Mr. Davidson said instructors rotate. They had instructors that were in Los Angeles that actually have traveled south of Palm Springs, so they actually rotate and live in different parts of the Southern CA region. Mr. Rodriguez said, but Livermore is up north, and you are training Advantage Metal Products in Livermore. Mr. Rodriguez asked if he could share about how it works and if the instructors have their own individual businesses. Mr. Davidson said they are what he calls "industry experts" who have chosen to dedicate their career toward training. They are either retired from the industry they are in, or they are instructors where this is their passion and they have made it a full-time position; that is what he calls an instructor. Then they have contractors they will use that actually have their own instructors which are a different group of people. He said with the instructors he was talking about, all they do is train. They are individuals, I wouldn't say they are companies; they are actually employees of our college. Mr. Rodriguez said, so you receive the ETP funds and

you act as the fiscal agent to contract instructors to go to facilities around CA to train their workers? Mr. Davidson said, if it is their company that they personally recruited and spoke with, then they have a set of instructors, that if it is in their region, that they will send to that company. If it is a company south of Palm Springs for instance, then he would try to work with a college in that area that has the instructor that can service their needs. Mr. Rodriguez said he was more interested in companies that are outside of their region such as in Inglewood, Anaheim, Fullerton or Livermore. Mr. Davidson said, he had a chance to look at the Livermore business and that is probably one of their contractors that have their own instructors that they are sending to Livermore. Mr. Rodriguez asked if they submit proposals to Mr. Davidson, to participate in the program. Mr. Davidson said yes, they do; all of the certification statements and all of the proposals would actually come to him. He apologized, and said he would have to go back, as he didn't have the specific answer on the Livermore Company he asked about and said it may be through one of their CAD centers. He said I would be more than happy to give you the specific answer for that one. Mr. Rodriguez asked if the 8% support costs are supporting existing marketing outreach or new marketing outreach. Mr. Davidson said that was for existing marketing outreach. Mr. Rodriguez said they obviously have pre-determined alliances with businesses and/or their instructors. Mr. Davidson said yes, but not for everything; sometimes they get requests from companies for topics where they actually have to go out and find instructors to provide the instruction, and every day that is becoming more the case. For example, for an aerospace company he is working with right now, there were some real needs in IT and specific LEAN concepts, and they actually had to go out and find the expertise to service their needs. Mr. Rodriguez said he personally and professionally feels that community colleges serve an enormous amount of public good in workforce training. I am curious to have a little more transparency in the business model to enhance our knowledge as Panel members, so anything that you can contribute to that will be appreciated. Mr. Davidson said sure, because they try to be transparent in everything they do, especially in communications, and all of the information they give to the employers. It is very clear because it is their business to be transparent, and that is how they build their relationships, based on ethics, honesty, and no room for errors. It is pretty laid out and we would be more than happy to share that with the Panel. Mr. Rodriguez said, so you would be okay in the future if we encourage that these employers who receive the benefits should also be hiring the students that are attending El Camino Community College? Would that be legitimate? Mr. Davidson answered in the affirmative.

ACTION: Mr. Rodriguez moved and Ms. Bell seconded approval of the Proposal for El Camino CACT in the amount of \$1,260,646.

Motion carried, 5 – 0.

J & R Film Co., Inc. dba Moviola Digital Arts Institute

Ms. Hernandez presented a Proposal for J & R Film Co., Inc. dba Moviola Digital Arts Institute (Moviola), in the amount of \$210,168. Moviola is a private, for-profit, training and educational center. In September 1998, Moviola opened its state-of-the-art facility, engineered to merge the latest advances in digital projection and sound design with the latest hardware and software technology. Staff reports that Moviola is the only authorized school (outside of Avid) to provide Avid Certified Support Rep (ACSR) testing and certification. It is also an Apple Certified Training Center. Moviola provides training for employers from several

areas of the entertainment industry: production, post-production, technical support, consulting, distribution, news, advertising, new media, and equipment sales and rental.

Ms. Hernandez introduced Jonathan Amayo, Senior Vice President Production/Post Production.

Ms. Bell said 20% turnover is pretty high and asked what they do to motivate or retain employees. Mr. Amayo said that is a big issue in their industry today with the two things simultaneously happening, and with the consolidation of companies. He said Comcast bought NBC and they lost over 200 participants who were able to under the normal system. So they have tried to go conservatively after numbers. Their numbers are not as high as they were last year as they wanted to guarantee that the people who were going to be taking training were going to be staying with the company and working with them in the long term. They also try to communicate the benefit of a lot of the training they have offered to the different facilities. They have actually hired a new coordinator for the ETP contract this quarter. In the past they had a big problem with getting information about the classes to the actual individuals, so now they have somebody who can go out in the field to these companies where they send systems to talk to them about the training, so they have no control over the facilities or their retention rate. He said they encourage them and obviously it is their benefit for them to hold on long-term to these employees.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for Moviola in the amount of \$210,168.

Motion carried, 5 – 0.

Los Angeles & Orange Counties Air Conditioning and Refrigeration Joint Journeyman and Apprentice Training Committee

Creighton Chan, Manager of the Bay Area Regional Office, presented a Proposal for Los Angeles & Orange Counties Air Conditioning and Refrigeration Joint Journeyman and Apprentice Training Committee (JJATC), in the amount of \$443,690. JJATC was founded in 1949 by consortium of labor and management organizations to provide training for air conditioning and refrigeration technicians. The JJATC administers a training trust fund created through collective bargaining and funded by signatory employers.

Mr. Chan introduced Rick Hatlen, Director of Training and Steve Duscha, representing Duscha Advisories. Mr. Broad asked if he is also involved in the next apprenticeship proposal. Mr. Hatlen said no, he is not.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Proposal for JJATC in the amount of \$443,690.

Motion carried, 5 – 0.

Southern California Sheet Metal Joint Apprenticeship and Training Committee

Mr. Chan presented a Proposal for Southern California Sheet Metal Joint Apprenticeship and Training Committee (SoCal Sheet Metal JATC), in the amount of \$448,448. SoCal Sheet

Metal JATC operates a training center for Apprentice and Journeyman Sheet Metal Workers. The facility has eight classrooms and multiple laboratory areas include a welding lab, a field installation lab; two shop labs, and a heating/ventilation /air conditioning (HVAC) service lab. The current location opened in 2005 and presently serves 500 Apprentices and 2,900 Journeyman workers.

Mr. Chan introduced Leslie Reinmiller, Director of Training Center.

There were no questions from the Panel.

ACTION: Mr. Broad moved and Ms. Fernandez seconded approval of the Proposal for SoCal Sheet Metal JATC in the amount of \$448,448.

Motion carried, 5 – 0.

Sheet Metal Local 104 and Bay Area Industry Joint Apprentice and Journeyman Training Fund

Mr. Chan presented a Proposal for Sheet Metal Local 104 and Bay Area Industry Joint Apprentice and Journeyman Training Fund (Sheet Metal Trust or Trust), in the amount of \$1,177,197. The Sheet Metal Trust is an “umbrella trust” fund created through collective bargaining between the Sheet Metal Workers International Association Local 104 and various trade associations. The Trust is administered by 10 trustees, designated equally by Local 104 and the signatory employers. The employers are members of five different Sheet Metal and Air Conditioning Contractors National Association (SMACNA) located throughout the Bay Area.

Mr. Chan introduced Frank Cuneo, Training Coordinator for Sheet Metal 104 and Bay Area Industry JAC Training Fund and Jan Borunda, Project Coordinator for the California Labor Federation.

Mr. Broad said this is a large funding amount and they are going over the cap so it's important to address it. Mr. Chan clarified that for each of the jobs and the training centers, we are not going over the cap for each of the centers. For instance in Job No. 2 (East Bay) is for \$364,180; Job No. 3 (North Bay) is for \$275,220; and Job No. 4 (South Bay) is for \$333,600. Mr. Broad said he did not have an issue with it but he wanted to make sure the Panel was aware of it. Mr. Broad asked if what happened is that they had a consolidation of different training programs that are now under one administrative roof and in the past these would have come in separately. Mr. Chan said yes, that is correct. Mr. Broad said but it is not a new entity, this training was going on in the past at each of these facilities. Mr. Cuneo said yes, that is correct. He said they realize their organization is complex as they have been consolidating into three regional training facilities and converting to day-time training in order to be more effective in training. He said those were formally several different districts and training centers. He thanked the ETP staff in working with them to develop this Proposal, realizing it was a bit different than most. He said if members of the Panel would be interested in visiting their new training facility in Fairfield they would be happy to invite the Panel to attend the grand opening in the spring of 2014.

ACTION: Ms. Fernandez moved and Mr. Rodriguez seconded approval of the Proposal for Sheet Metal Trust in the amount of \$1,177,197.

Motion carried, 5 – 0.

Amendments

Automobile Club of Southern California

Ms. Torres presented an Amendment for Automobile Club of Southern California (Auto Club), in the amount of \$504,000. Auto Club offers travel, motorist, and insurance services to its members in California and a growing number of other states. The company also provides travel planning, auto pricing, buying and maintenance services, as well as 24-hour roadside assistance. Members can also renew vehicle registrations, license plates, and stickers at approximately 79 club district offices throughout California.

Ms. Torres introduced Andrew DeCaminada, Education Training and Development Manager and Jennifer Turgeon, Manager.

Mr. Broad asked if the same people are being trained and we are giving them additional hours. Ms. Torres said yes, that is correct. Mr. Broad asked why they require additional hours of training. Mr. DeCaminada said as the company grows and expands, training is necessary because they maintain several call centers for insurance services and membership services in CA, and they keep adding new markets through consolidation within the AAA Federation. Of course, with State Insurance Regulations, each state has their own guidelines and all policies are different, so as they bring on these additional states they must cross-skill employees in Maine, New Hampshire, Vermont and Virginia, which involve different policies and procedures for handling service calls. Mr. Broad said so you have call centers in CA that handle insurance issues across the United States. Mr. DeCaminada said yes, across the United States from Hawaii all the way to the East Coast. He said their two main call centers are in Los Angeles, right next to USC and in Costa Mesa, CA.

ACTION: Ms. Fernandez moved and Mr. Rendon seconded approval of the Amendment for Auto Club in the amount of \$504,000.

Motion carried, 5 – 0.

University Rx Specialists dba University Compounding Pharmacy (presented out-of-order)

Ms. Torres said the representative was now present for the University Rx Specialists dba University Compounding Pharmacy (UCP) Proposal.

Ms. Torres introduced Beth Lindholm, Operations Manager. Ms. Torres said she previously made the presentation of the UCP Proposal and asked Ms. Lindholm if she had anything to share with the Panel.

Mr. Broad asked for the common items they are compounding. Ms. Lindholm said they compound a wide range of medications but the most common product is bio-identical

hormones. They also compound products for painful urination, topical non-narcotic pain relievers, veterinary, diabetics, and they are working on a new allergy line for people affected by seasonal allergies. Mr. Broad asked if compounding pharmacies are regulated by the Board of Pharmacy. Ms. Lindholm said yes, they are. Mr. Broad asked if that means if pharmacists actually have to do the compounding. Ms. Lindholm said their technicians are trained as well to do the compounding, but the pharmacists will do the most skilled difficult compounds, and they train their technicians to do their capsules, creams, syringes and injections; so they both do compounding. Mr. Broad said he would assume if it is what they call a dangerous drug and something based on a prescription, that a pharmacist must do the compounding. Ms. Lindholm said yes, they typically stay away from any sort of medications that could lead to death so that is why the hormones are safe, and the pain medications, but they still require them to meet certain potencies, and have a sterile quality, so the patient is getting what they are supposed to. Mr. Broad asked if they are manufacturing or if they are literally filling prescriptions. Ms. Lindholm said in the pharmacy world they are not manufacturers and you need a separate license for that. She said they are actually compounders and they make everything from scratch. They will start with a powder or solution to make the actual medication. Mr. Broad asked if a prescription arrives such as at a regular retail pharmacy or if they are compounding something and then it is for sale somewhere. Ms. Lindholm said the prescriptions do come in, but they are different prescriptions than what you would see at a Rite Aid or CVS. She said they have all of the ingredients of what the compound would include and then they make it from scratch for the patients.

Mr. Rodriguez asked who their typical customer is and if they are classified as a wholesaler. Ms. Lindholm said no, their customers would be our physicians and then their patients. A majority of our business is women and men that are going through menopause and andropause, as well as veterinary. Mr. Rodriguez asked if the individual comes to your location or is your compound being sent to the doctor's office. Ms. Lindholm said it goes to the patient's home or they can come in. They don't do in-office use, many of the laws and regulations have changed recently where they can't dispense for office use so they have to go to the patient's home or the patient can walk in the pharmacy. Mr. Rodriguez asked how it gets to the patient's home. Ms. Lindholm said they mail nationwide or they can walk in. Mr. Rodriguez said, so you only have one location? Ms. Lindholm said they have two stores, about three blocks apart, but they are both University Compounding Pharmacy in San Diego. Mr. Rodriguez said, and you don't compound industrial hemp? Ms. Lindholm said no, they do not.

Ms. Bell asked for more information about their nutrition treatments. Ms. Lindholm said they offer some nutritional supplements such as B-12 or a B-complex. Those products must be made in a sterile room environment which is compounded by their most skilled technicians and pharmacists. Mr. Rodriguez asked if there is a medical director or head pharmacist on site. Ms. Lindholm said yes, they have a pharmacist in charge at all times. Mr. Rodriguez asked if they are open 24 hours with multiple shifts. Ms. Lindholm said no, they have typical pharmacy store hours from 8:30 am to 6:00 pm. Mr. Rodriguez asked if they are complying with the ratio of 1:1 pharmacist to technician. Ms. Lindholm said yes, they are very strict about complying with the ratio.

ACTION: Mr. Rodriguez moved and Mr. Rendon seconded approval of the UCP Proposal in the amount of \$159,175.

Motion carried, 5 – 0.

IX. PUBLIC COMMENTS

There were no public comments.

X. PUBLIC MEETING ADJOURNS

ACTION: Mr. Rendon moved and Mr. Broad seconded meeting adjournment at 11:14 a.m.

Motion carried, 5 – 0.