



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

New City Hall
915 I Street
Council Chambers, Room 1103, 1st Floor
Sacramento, CA 95814
December 13, 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 9:34 a.m.

II. ROLL CALL

Present

Panorea Avdis
Gloria Bell
Barry Broad
Sonia Fernandez
Michael Hart
Edward Rendon
Janice Roberts
Sam Rodriguez

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: Ms. Bell moved and Ms. Roberts seconded the motion that the Panel approve the Agenda.

Motion carried, 8 – 0.

IV. MINUTES

ACTION: Mr. Rendon moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the November 15, 2013 meeting.

Motion carried, 8 – 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. Two of our district managers are here today, Diana Torres and Rosa Hernandez, to present projects, and Creighton Chan is joining via live stream. She introduced and welcomed Gregg Griffin, the new North Hollywood Manager, who was also present. She said Gregg has a diverse background in both the public and private sector and he brings strong management and leadership skills to the North Hollywood office, and we are happy to have him.

Regarding the budget, should the Panel approve all of the projects before it today; it will have approved approximately \$8.5M in projects, leaving \$31M in contracting capacity for the remainder of the Fiscal Year (FY). The Panel also will have approved \$7.9M in SET funds, leaving \$5.2M for the rest of the FY. She said our only source of alternative funding is the Alternative and Renewable Fuel and Vehicle Technology Program, through our partnership with the California Energy Commission. We have \$3M available this year and to date, the Panel has approved \$615,000, leaving \$2.2M for the remainder of the FY.

Ms. McAloon said there is nothing new to report on the legislative front, as the Legislature is in recess until January 6, 2014.

We will be reaching out to the business community to let them know that the Panel can fund HAZWOPER training. HAZWOPER is a type of Hazmat training, allowable if it is specific to occupations and the nature of a person's job duties. This has application to the manufacturing and service sectors, including retail, hospitality and healthcare. Training is for employees who make good wages and who are involved in waste operations, emergency clean-up and bio chemical waste, with duties including handling toxic substances such as cleaning supplies, paint, disinfectants and live viruses. HAZWOPER training results in certification, and although the Panel has approved a couple of projects that included HAZWOPER training, it is not widely known that we fund that type of training, so we will be marketing this training.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Ms. McAloon asked for a motion to adopt Consent Calendar Items #1 through #16.

Container Management Services, LLC.....	\$15,912
Consolidated Container Company LP	\$66,330
EasyTurf, Inc.	\$98,560
ESET, LLC.....	\$64,600
Fresno Sports Management, LLC.....	\$19,008
Gold Standard Diagnostics	\$48,828
HMT Electric, Inc.	\$44,460
Imperial County Workforce Development Office.....	\$27,720
Keiser Corporation.....	\$76,320
Magnus Pacific Corporation	\$7,308
Micro Dental Laboratories	\$99,630
PAMC, Ltd. dba Pacific Alliance Medical Center	\$91,980

Peabody Engineering & Supply, Inc.	\$49,868
Red Door Interactive, Inc.	\$49,140
SeaBotix, Inc.	\$49,088
Supply Hardware, Inc.	\$46,640

ACTION: Mr. Rendon moved and Ms. Avdis seconded approval of Consent Calendar Items #1 through #16.

Motion carried, 8 – 0.

Mr. Broad said he has begun an internal discussion with staff which has not gone to the rest of the Panel yet. He said it is still in the preliminary stages and is a discussion he had with senior staff, that it is probably time to re-think many of the most basic elements of the ETP program. A lot of what we have has been inherited decade-to-decade, from when this program first began. One example is that we have minimum hours of training and the assumption behind that being that training for less than a certain number of hours is not worthwhile. There is no other way to explain it; it's assumed that it must not be very good training if it is less than the minimum hours. But I question whether there are other employers that want to give two hours of training; that is a defined, well-received kind of training module - why shouldn't we fund that at this point? Much has changed in the world, and I'm not saying we should or shouldn't, but I think we should re-think that.

What I'd like to have staff do next year, is schedule an informal discussion with all of you, a kind of open forum, as we did about ten years ago, where we can talk about how can the program change, how can it be re-thought, what can we do, what should we do, what potentially we could do by changing legislation or what could we do without changing legislation; there is much we can do here. Every once in a while, you need to re-think things altogether and our statute was created, at the time, for the purpose of protecting California's manufacturing industry. Whether or not we have done that, at the time that this statute was created, there really wasn't much high-tech or biotech. Much has fundamentally changed in the economy and for all I know, all our future jobs may be training drone mechanics, so re-thinking is something I think we can do. The discussion we had internally with senior staff was just asking questions about why we do what we do. It's like we do what we do because we do it and there isn't always a reason why the rules are the way they are. There should be a reason why, and we shouldn't be putting false or unnecessary barriers in front of different kinds of training if the training is valuable. I want you all to be thinking about this and sometime in the next year we will be having an open discussion about anything from the types of training, how we report things, or how we practice the art of forgiveness when our computer system does not work. We are working on that, and we are going to get that fixed too. I know there is frustration out there with the computer system, and we are working as hard and as fast as we can to get this fixed.

VII. REVIEW AND ACTION ON PROPOSALS

Single Employer Proposals

Alta Hospitals System, LLC

Ms. Torres presented a Proposal for Alta Hospitals System, LLC (Alta), in the amount of \$680,148. Alta operates a network of facilities in Los Angeles, Hollywood, Van Nuys, and

Norwalk. The hospitals are acute care hospitals that provide short-term inpatient and outpatient care for brief illnesses and quasi residential cares for sub-acute patients on ventilators that are unable to transition to nursing homes or long-term care facilities. The hospitals also offer pediatric care, gynecology, general surgery, orthopedic surgery, neurosurgery, skilled nursing, ambulatory urgent care, emergency services, intensive care, cardiology, rehabilitation and detoxification services, and acute psychiatric services.

Ms. Torres introduced Keith Levy, Administrator.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for Alta in the amount of \$680,148.

Motion carried, 8 – 0.

Evolution Fresh, Inc.

Ms. Torres presented a Proposal for Evolution Fresh, Inc. (EFI), in the amount of \$207,648. EFI manufactures premium fresh fruit and vegetable juices and smoothies, using high pressure processing (aka cold pressure or pascalization), rather than heat, to maintain their natural flavor, color, and nutritional value.

Ms. Torres introduced Joab Oliveira, Partner Resources Associate and Gordon Kirkpatrick, representing Kirkpatrick Enterprises, Intl.

Mr. Broad said their materials state they have 16,000 employees in CA and 143,000 worldwide. He asked if those are Starbucks employees. Mr. Oliveira said yes that is correct. Mr. Broad asked how many employees EFI has. Mr. Oliveira said EFI has 200 employees in CA.

Ms. Roberts asked out of the total 200 employees, if 182 require training. Mr. Oliveira said yes, that is correct.

Mr. Rodriguez asked about the food safety component of the training. Mr. Kirkpatrick said there is what is called good manufacturing practices, and food safety issues are what we are looking at there, teaching the individuals how to handle food, and it is mostly for the production workers themselves on what is acceptable. He said there are allergens and many different requirements, and they must make sure they are all adhered to, especially with the new workers coming in. They have to make sure they understand exactly what they can and cannot do, as far as allergens. Mr. Rodriguez asked if that is regulated under federal law or by the state. Mr. Kirkpatrick said they are regulated under federal and state laws, and it is a requirement of Starbucks and EFI to produce the highest quality product.

Ms. Fernandez said, since almost all of their employees require training, what is their plan to ensure that they have the employees covered in those areas that need the training? Mr. Kirkpatrick said they laid out the training very carefully because they recognize that they have to train in smaller bites and segments. Much of the training will be covered with overtime,

and they recognize that they have to take people off production and work them overtime; that is part of the plan. He said they are also not going to have over 20 people per class, and Productive Lab (PL) is looking to be at 1:1 to 1:3 ratios, because it is significant hours and we laid it out very carefully.

Ms. Bell asked if they have a second shift or if they work as a unit on a day shift. Mr. Kirkpatrick said not yet; the plant is four times bigger and the anticipation is that while they are only saying 40 people are new hires, they anticipate the number is going to be much higher than that, but you have to draw a line of what you know you can accomplish. Mr. Broad said we appreciate it when people really think through that question so as to not bite off more than they can chew, because they can come back and ask for an amendment.

Ms. Roberts said this is a great contract and she is in the food business too. She said she was unfamiliar with the company, and asked for the name of a product she may be familiar with. Mr. Kirkpatrick said anytime you go to a Starbucks you will see that they have their juices right there. Ms. Roberts said so it's a Starbucks juice. Mr. Kirkpatrick said, it is a Starbucks juice and they also have stand-alone stores and now it is being sold in the retail markets.

Mr. Rodriguez said but you don't have Evolution stores, correct? Mr. Oliveira said they have an Evolution store but only located in Seattle, Washington. Mr. Kirkpatrick said, until they get the capacity of manufacturing, they are held back, and that is part of the reason for this project. Mr. Rodriguez asked if they compete directly with Odwalla. Mr. Kirkpatrick said yes, they do.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for EFI in the amount of \$207,648.

Motion carried, 8 – 0.

Omni Hotels Management Corporation dba Omni Los Angeles Hotel

Ms. Torres presented a Proposal for Omni Hotels Management Corporation dba Omni Los Angeles Hotel (Omni), in the amount of \$395,000. Omni provides luxury hotel accommodations and convention/conference resources to corporate business and upscale leisure travelers.

Ms. Torres introduced Kathy Faulk, General Manager.

Ms. Roberts asked if the employees that we are going to train will only include the restaurant workers. Ms. Faulk said it will include restaurant workers, kitchen workers, housekeeping, engineering, and everyone involved with maintaining and operating the hotel. Ms. Roberts said that Omni has consecutively come to the Panel for funds for seven years now, is that correct? Ms. Faulk answered in the affirmative. Ms. Roberts asked if these 300 employees are the same 300 employees we have trained in the last seven years. Ms. Faulk said some are the same and they have added 100 full-time equipment employees over the last few years as the recession has lessened.

Mr. Rodriguez asked, out of the total 300 trainees, how many are full-time and how many are part-time. Ms. Faulk said of those 300, there are 290 full-time employees. Ms. Torres said but actually, in order to get reimbursed by ETP, they all need to work full-time, at least 35 hours per week.

Ms. Roberts said, so these are basically the same employees we have been training for seven years, so what else are we going to do for these 300 employees? Ms. Faulk said for example, in their Noe Restaurant specifically, the staff that serves food is now in an informal environment. Instead of putting a piece of bread on a bread-and-butter plate, it now goes into a basket and is delivered by someone else. That service staff now has to be able to speak to a menu, the items on the menu, and sell what's there. The kitchen staff was previously preparing sushi and now they are doing salmon on a grilled plank, so they have to teach them how to go from cutting raw fish to cutting that fish in a way that it has to be prepared to go on the menu. With the housekeeping staff that services the tables, they now have colored napkins and a table runner, so there is retraining associated with how tables are set up and maintained. The tables need to be also refinished, which is handled internally instead of purchasing new tables. Ms. Roberts questioned why it would take 24 hours of training to understand the difference between Formica and tablecloths. She said if there were another 300 employees that we have never trained before, I would approve it, but it is for the same 300 employees trained over the last seven years, so I am a little doubtful.

Ms. Fernandez said much of this training appears to be for entry-level positions. She asked what opportunities for upward mobility are being created through this training. Ms. Faulk said if you take for example, their Grand Café, which is the breakfast and lunch restaurant that is going to be in the marketplace and internet café, previously you would have had a certain number of folks that are just serving breakfast and lunch. Now they have an opportunity to learn purchasing, become supervisors, and have the ability to move people in-and-out of their environment, so there is a retail component there.

Bill Sacks, representing National Training Systems, said the training is also customer service. Omni purchased Acosta and there is integration that is going on with both resorts and that is also impacting this as well. Mr. Rodriguez said right, but that is Omni Corporation, not Omni Los Angeles. Mr. Sacks said that is true. Mr. Rodriguez asked where their parent corporation is located. Ms. Faulk said their parent corporation is located in Dallas, TX. Mr. Rodriguez said so they are purchasing other properties in the state. Ms. Faulk said that is correct. Mr. Rodriguez said but Omni Los Angeles is totally separate from this application. Mr. Sacks said yes, it is. Omni Los Angeles, because there is a resort group and also the hotel group, Omni Los Angeles is being used to train other sites. They are learning new computer systems and customer service skills, so these are advanced skills, not basic skills. Mr. Rodriguez said I think we were expecting a much more broad narrative. If you would have said in the last couple of years, it has allowed you to take a percentage of workers who are now supervisors and managers, and you have an integrated training program that may be different, but it seems sort of stove-piped to a certain extent.

Mr. Broad said it is likely there are probably not quite enough votes to approve this proposal in its current form. He said they have done great and trained 100%, but the problem is that every once in a while we get to this place, and they are at it now, where enough-is-enough, and we feel like we are the entire training budget for Omni Hotel, continuously. When we get

to that point, it gets uncomfortable for the Panel and it pushes up against the notion which is not strictly adhered to. The training is supposed to be new, different, or include different people receiving the training. He suggested reducing the number of training hours or increasing the Substantial Contribution, and that they take this as a message to go away for a while before they come back again, and maybe send the employees from Palm Springs next time. He said we could change the Substantial Contribution as we are now at the minimum. He said we could increase it to a 50% Substantial Contribution and that would reduce our cost and put a little bit more cost on them.

Ms. Roberts said the other thing is the increased skills of these employees. I know you mentioned computer skills, but just changing tablecloths doesn't tell me that person is going to have portable skills that are going to be viable in our workplace. If we look at the medical industry where they are learning very technical training, I would say that is great. They are learning a technical skill that could be transferrable. I need to know that the skills that we have been training in, over the last seven years, that these people are now viable candidates to obtain jobs anywhere in CA based on the skills developed with the training we provided them, and I don't see that now.

Mr. Broad said he would support this proposal with a 50% Substantial Contribution for the retrainees in Job No. 1 and asked if the representatives were agreeable. Ms. Faulk and Mr. Sacks both agreed to the increase of a 50% Substantial Contribution.

ACTION: Mr. Broad moved and Mr. Rendon seconded approval of the Proposal for Omni in the amount of \$395,000, with the modification to increase the Substantial Contribution to 50% for the retrainees in Job No. 1.

Motion carried, 8 – 0.

Sturgeon Services International, Inc.

Ms. Torres presented a Proposal for Sturgeon Services International, Inc. (SSI), in the amount of \$627,964. SSI is an oilfield and commercial construction company and a special trade's contractor. SSI is a family-owned and operated business providing services to large oilfield and commercial construction projects in the form of earth moving, grading, hydro blasting and excavation, and paving. Other service lines include painting and coating, sand blasting, scaffolding, line pigging, line abandonment, drilling, pipeline and well abandonment, and ground restoration and remediation.

Ms. Torres introduced John Powell, CEO and Mike Jester, a Consultant representing Strategic Business Solutions.

Mr. Broad had a question about the maximum of 24 hours of PL training and asked if it's possible that someone would receive 100% PL training. Ms. Torres said that could be possible, given that the minimum hours are 24, but she was not sure. Mr. Jester said that is highly unlikely. Mr. Broad said, it's difficult for us to say that it would be appropriate for us to pay for a situation where someone is doing their job, that they are actually doing the job for the customer, and someone else is watching them do their job for the customer, and saying are you doing it okay, or not doing it okay, because that isn't very different than what they do

every day when we are not paying for it. So the idea of PL is it is kind of limited to training someone on a task that they haven't done before, and then you observe them doing it for a relatively short period of time. What worries him is that we are simply paying you to have them do their job. I'm not saying that is what you will do, but I'm asking how do we prevent that?

Mr. Powell said, with lean sigma training and the training that they are doing with their people, it's all about looking and observing that the work is being done and being more productive inside of that. What they are trying to do, and part of their budget also includes, estimators learning about bids they get from the oil companies. They will ask for the bid, it will be given to them and then they will say give us some alternative proposals. That is where they really shine and that is where they started to move their customers toward, looking at value added, instead of looking at how much a piece of equipment gets per hour or how much for employee. They started looking at how much it costs to remove or construct, unit measuring, or the cost of the pipeline per foot, so they started moving them into a more unit price measuring. When you look at that, it is all about productivity, so you look at the work and try to figure out the "string diagram" to measure a worker's activity. You cannot remove waste until you learn how to see it, and they train their workers in how to work in a more LEAN fashion. When they are doing vertical integration, they train their workers to overlap in their skills. Many times people talk the talk, but they are not joining the skill set of being able to pour concrete and asphalt, and using that same worker that is in asbestos training who also has the ability to remove the pipeline, so you don't have a multitude of people moving in-and-out of that position.

Ms. Roberts said he was providing details, but she was concerned about the PL portion. Mr. Jester said with regard to the PL, it is only for the equipment operation which they have. He said the majority of it is truly for the job creation part of this, for the new guys coming onboard that are relatively unskilled and that don't know how to operate some of the costly equipment. He said that 24 hours is not a lot when you are talking about going across five or six pieces of equipment, and most of those workers are going to get 16 to 80 hours. He said he cannot envision a scenario where an employee will only get 24 hours of PL. Mr. Broad asked if it was reasonable then, to say the PL is no more than 20% of the person's training. He said it's like if they are going to get 24 hours of PL and do 80 hours total, that is 25% or a little less than that. Mr. Jester said yes, but with an incumbent worker that is learning a new piece of equipment, if you could increase it to 25% to 30% PL, that would probably be better. Ms. Roberts asked if we are doing any classroom training. Mr. Jester said yes, there is a lot of classroom training. Ms. Roberts said she was thinking it was the opposite way; that new hires get all of the classroom training and the incumbent workers were getting more of the PL training. Mr. Jester said no, PL is heavily rated toward job creation, and those are relatively unskilled workers from Kern County that are getting it.

Mr. Broad said we need to define the number of PL hours, as we continue to get proposals with PL from not only you but from other companies. Mr. Jester asked if it would be reasonable to say 30% PL in this proposal. Mr. Broad was agreeable to the 30% PL, but said from the staff's point of view, I think that we need to start putting a percentage on what the PL is going to be, and have some thought, justification or discussion with the applicant who is asking for a lot of PL, so that it makes sense. He said in this case, if you are talking about new employees who are doing heavy equipment operation for which they have minimum if

any training on day one, then I could see that there is a need for a significant PL component, because you actually have to show them how to do it and then you have to watch them do it to ensure they are doing it right.

Mr. Rodriguez asked if all new hires go through the Bakersfield facility. Mr. Jester said yes, in this case that is primarily only in the Bakersfield oil field area. He said I think 30% would be great because they will probably get 60 to 80 hours and 24 hours of PL is certainly in that range. Mr. Broad said we will accept 30% PL as a friendly change here, and asked if the Panel had any further questions.

Ms. Roberts asked, so only your employees are going through training, based on how many employees you have, is that correct? Mr. Jester said yes, they have a very complex training facility onsite in Bakersfield that has at least two or three labs. They also have what they call training days, where they will literally bring in a couple of hundred employees, close the facility down, and have stations in the yard for things like equipment operation. It is very productive and they go for three or four trainings in one day and they are very good at it. In their second contract, he had 1,000 rosters that were never entered, and he said they trained far and above 100% and they are very good at it. Ms. Roberts said that is good to hear, and I also like what you said around outside competition, that you are training your employees in that, so that people are saying that we want you instead of their competition, and I'm glad that we could provide that for you over the years.

ACTION: Ms. Roberts moved and Mr. Rodriguez seconded approval of the Proposal for SSI in the amount of \$627,964, with the modification to include a 30% cap on PL.

Motion carried, 8 – 0.

Mr. Rodriguez asked about the increase in employees in the last five years and how many different sites they have. Mr. Oliveira said they went from about 400 to 500 employees and today they have 1,500 employees and they recently expanded into Inglewood. Mr. Rodriguez said he just read about Inglewood and asked what they are doing there. Mr. Oliveira said they have 70 people working full-time at the Inglewood facility and all of those people were indigenous employees from the Los Angeles area, and 25% of them were unemployed when they hired them.

Mr. Hart referred to the equipment sited on Page 3 of 6 such as a Drill Rig or Dragon 107, and asked if any of that equipment require certifications or state licenses. Mr. Oliveira said none that he is aware of. The equipment is very expensive, and the manufacturer will charge them \$4,000 per employee to train them, so they spend another \$4,000 as part of the training material and then they train the trainer.

Wheel Financial Group, LLC dba 800LoanMart

The Wheel Financial Group, LLC dba 800LoanMart Proposal was withdrawn from consideration.

CareFusion Corporation

Ms. Torres presented a Proposal for CareFusion Corporation (CareFusion), in the amount of \$946,432. CareFusion is a global medical technology company that manufactures IV infusion medical equipment, medication and supply dispensing equipment, respiratory care products, infection prevention products and surgical instruments to customers in the United States and over 130 countries throughout the world. Some of its products manufactured in California include Alaris® IV pumps, Pyxis® automated dispensing and patient identification systems, AVEA and LTV® series ventilators and respiratory products, and MedMined® centers, clinics, long-term care facilities and physician offices.

Ms. Torres introduced Lindy Rodwell, Director of Sales Training/Process and Phil Herrera, a Consultant representing Herrera & Company.

Ms. Roberts asked why they have not come to the Panel before, as they have been in business since 2009. Mr. Herrera said I think that as a new organization, they were again redefining the market as they are a spinoff of Cardinal Health. The electronic records approval took some time, and we were very patient about coming to the Panel before we had our A-game ready to go, so I encouraged them to take their time in developing this. Ms. Roberts said yes, it is a \$1M contract and that was a question I had about such a large contract for a new company coming to the Panel, but it sounds like you have your ducks in a row. She asked how many facilities will be involved in this proposal. Ms. Rodwell said four-to-five facilities. Ms. Roberts said so they are all located in the Southern CA area. She suggested they work closely with Mr. Herrera and staff because a \$1M contract, even though it sounds fairly easy to do, it will be very difficult to do your first time. Ms. Rodwell said they have been well advised on that.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the Proposal for CareFusion in the amount of \$946,432.

Motion carried, 8 – 0.

Integrated Healthcare Holdings, Inc.

Ms. Torres presented a Proposal for Integrated Healthcare Holdings, Inc. (IHHL), in the amount of \$315,540. IHHL owns and operates four licensed general acute care hospitals in Orange County. All four hospitals are accredited by the Joint Commission on Accreditation of Hospital Organizations.

Ms. Torres introduced Ada Yeh, Chief Operating Officer and Chief Nursing Officer.

Ms. Roberts asked who actually manages this contract for you. Ms. Yeh said she will be the person managing this contract. Ms. Roberts asked if anyone else on her team will assist with it. Ms. Yeh said she has educators involved and staff assisting with the data collection. Ms. Roberts noted they earned 70% last time and are now asking for more this time, so she wanted to be sure that they will use the full amount this time. Ms. Yeh said they learned a lesson on their last proposal, which was managed by an HR group, and now she is in charge of the enforcing and the ancillary operation.

ACTION: Mr. Hart moved and Mr. Rendon seconded approval of the Proposal for IHHI in the amount of \$315,540.

Motion carried, 8 – 0.

Sprouts Farmers Market, Incorporated

Ms. Torres presented a Proposal for Sprouts Farmers Market, Incorporated (Sprouts), in the amount of \$488,400. Sprouts is a full-service food retailer. The Company currently operates 75 stores across California (predominantly in Southern California) including four stores in Fresno, Petaluma, West Hills and Los Angeles, that opened in the last few months.

Ms. Torres noted a correction on Page 5 of 5 under Development Services, which listed an incorrect flat fee amount, and the correct amount is \$24,420.

Ms. Torres introduced Bob Whitely, Senior Director of Workforce Development and Judith Kriegsman, representing JVS Business Development.

Ms. Roberts said this is a great contract, they are new to ETP, and said she was excited about hiring people.

Mr. Rodriguez asked for their general philosophy on their programs for food safety from frontline employees to the folks that cut their meat. Mr. Whitely said they incorporate that in their commercial skills training, and have a heightened sense of awareness for that. Mr. Rodriguez asked if that is a program developed by you or someone else. Mr. Whitely said it was developed in-house.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the Proposal for Sprouts in the amount of \$488,400.

Motion carried, 8 – 0.

Cokeva, Inc.

Ms. Hernandez presented a Proposal for Cokeva, Inc. (Cokeva), in the amount of \$237,710. Cokeva is primarily engaged in product repair and refurbishment, engineering, information management, and supply chain services for original equipment manufacturers, electronic manufacturing service providers, lead logistics providers, and maintenance service organizations.

Ms. Hernandez introduced Lee Nguyen, VP of Operations; Dom Derosa, CFO; and Rich Ramos, Engineer.

Mr. Broad noted that the PL component is capped at 16 hours and asked if everyone is receiving PL. Mr. Derosa said PL applies to commercial skills which is 30% of the budget. The way their PL works is, when they have a problem they look at the product that comes in.

They have to turn their product around in 48 hours, so they are using the product and troubleshooting it in 30-45 minutes, where there is one instructor and five employees.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the Proposal for Cokeva in the amount of \$237,710.

Motion carried, 8 – 0.

Multiple Employer Proposals

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

Ms. Torres presented a Proposal for Apprentice & Journeymen Training Trust Fund of the Southern California Plumbing and Piping Industry (P&P Trust), in the amount of \$1,202,139. P&P Trust provides training for workers in the plumbing and pipefitting industry. The Trust was established by unions and contractors and is governed by a joint labor-management committee.

Ms. Torres introduced Armando Pulido, Executive Director and Steve Duscha, representing Duscha Advisories.

Ms. Roberts asked about the multiple program sponsors. Mr. Pulido said program sponsors are JECs, each local has a training center that covers an area and there are 13 local unions that train. Ms. Roberts asked if they have 13 sponsors. Mr. Pulido said yes, that is correct. Ms. Roberts said so in a sense you could have had 13 times \$450,000, and said she was just trying to get a feel for local sponsors. Mr. Broad said I think that is a question for staff. Ms. Torres said that is correct, they could have done times 13; so because the \$450,000 is not what we discovered through the apprenticeship pilot because when there are multiple districts, it doesn't cover everyone because there are some that are very small and some that are much larger, but there is an entire cap of \$1.24M I believe for ETP funding, so they could not have asked for \$5M, since we do have an overall cap. Mr. Duscha said this is not entirely apprentice training either, there is also journeyman retraining that is a part of this. This organization is set up to cover all of Southern CA; it is a large organization covering a large area, and encompasses a number of local unions. That is why we are coming in for about \$900,000 for the apprentices and the rest is the veteran's program journeyman retraining. Ms. Roberts said this was still new to her so she was trying to get a better understanding of it. She said \$10,000 per veteran new-hire training and asked if there is a cap on that. Ms. Torres said it is over the standard 200 hours; however, because it is under the veteran's guidelines which do allow it to go over the cap, and given that these are new-hires, new hires are actually 260 hours that the Panel typically approves. She said in order to incentivize and train these individuals we do allow it to go over the cap. As you see, we are only paying for 375 hours and I believe I mentioned 700 plus hours. Ms. Roberts asked if the cap is 375 hours. Ms. Torres said the cap is 260 hours for new-hires; however, we do have language which allows the Panel to approve higher than that number of hours in the veterans guidelines, on a case-by-case basis.

ACTION: Ms. Fernandez moved and Mr. Hart seconded approval of the Proposal for P&P Trust in the amount of \$1,202,139.

Motion carried, 8 – 0.

Professional Career Institute, Inc. dba PCI College

Ms. Torres asked to delay presenting the Professional Career Institute, Inc. dba PCI College proposal momentarily, until after all of the apprenticeship proposals have been presented.

Southern California Heat & Frost Insulators & Allied Workers Joint Apprenticeship Committee

Gregg Griffin, Manager of the North Hollywood Office, presented a Proposal for Southern California Heat & Frost Insulators & Allied Workers Joint Apprenticeship Committee (H&F/JAC), in the amount of \$312,380. H&F/JAC trains insulators and asbestos workers throughout Southern California. As a group of employers, the H & F JAC retrains apprentices, pre-apprentices and journeymen for priority-industry participating employers in the insulation, fire stop, and asbestos removal industry.

Mr. Griffin introduced Tony Magallanes, Administrator & Training Director for the Joint Apprenticeship Trust and Steve Duscha, representing Duscha Advisories.

Mr. Rodriguez asked if Mr. Magallanes was the director on the first ETP contract in 2011. Mr. Magallanes said he did not start the proposal but finished it as he came onboard with the training program in January 2013. Mr. Rodriguez asked if he changed the program or accountability and if it is the same system. Mr. Magallanes said no, it is the same system. There was a change in administration, and along with Mr. Duscha's help, he picked up the pieces and he has an awesome staff. Mr. Rodriguez asked Mr. Duscha if he was part of the original proposal in 2011. Mr. Duscha said yes, he was. Mr. Rodriguez said 18% is good, but he thinks they could do better. Mr. Duscha said they plan to do better.

ACTION: Ms. Fernandez moved and Ms. Roberts seconded approval of the Proposal for H&F/JAC in the amount of \$312,380.

Motion carried, 8 – 0.

Southern California Roofers and Waterproofers Joint Apprenticeship and Training Fund

Mr. Griffin presented a Proposal for Southern California Roofers and Waterproofers Joint Apprenticeship and Training Fund (SoCal Roofers and Waterproofers), in the amount of \$537,000. SoCal Roofers and Waterproofers operate three training centers for Apprentice and Journeyman Roofers and Waterproofers. Facilities have several classrooms and multiple laboratory areas where training includes, but is not limited to: built-up, cold applied, tile, shingles, solar panels, solar roof tiles, integrated photovoltaic, dam proofing, single ply, rigid, metal roofing, and waterproofing techniques.

Mr. Griffin introduced Guadalupe Corral, Coordinator.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Fernandez seconded approval of the Proposal for SoCal Roofers and Waterproofers in the amount of \$537,000.

Motion carried, 8 – 0.

Ventura County Electrical Joint Apprenticeship and Training Trust Fund

Mr. Griffin presented a Proposal for Ventura County Electrical Joint Apprenticeship and Training Trust Fund (Ventura Electrical JATF), in the amount of \$315,340. Ventura Electrical JATF is a joint effort of the International Brotherhood of Electrical Workers (IBEW) Local 952 and the National Electrical Contractors Association (NECA). The JATF is comprised of labor and management representatives and is governed by a Board of Trustees. With approximately 100 participating employers, the union represents over 400 electricians in Ventura County.

Mr. Griffin introduced Steve Earhart, Training Director and Jan Borunda, representing the California Labor Federation.

Mr. Rodriguez asked if they are getting trainees from Ventura, Santa Barbara and San Luis Obispo, part of the Tri-County Labor Council or from Los Angeles. Mr. Earhart said their jurisdiction covers Ventura County. He said there is another program that covers Santa Barbara, San Luis Obispo, Los Angeles and Hollywood. The vast majority of their apprentices come from Ventura County. Currently they have 83 apprentices in the program; 82 live in Ventura County; and one lives in Los Angeles County.

ACTION: Mr. Rodriguez moved and Ms. Roberts seconded approval of the Proposal for Ventura Electrical JATF in the amount of \$315,340.

Motion carried, 8 – 0.

Professional Career Institute, Inc. dba PCI College (presented out-of-order)

Ms. Torres presented a Proposal for Professional Career Institute, Inc. dba PCI College (PCI), in the amount of \$227,960. PCI is a computer and networking technology training center approved by the Bureau of Private Postsecondary Education. PCI offers various information technology (IT) and medical programs such as office management, computer system technology, medical and dental assistant, sonographer, and medical billing/coding.

Ms. Torres introduced Ray Khan, Director; Michelle Garriques, FAO; and Steve Duscha, representing Duscha Advisories.

Mr. Broad said staff right-sized this down to what you earned before, but we would like to see you earn all of it and work out the difficulties that were occurring that caused the problems in the past.

Ms. Roberts said you are trying to place the people after they go through the training and even though you provided the training, they may not have gotten a job, but they still have those training skills right? Mr. Khan said yes. Ms. Roberts said so they still could be viable candidates for jobs in the future and asked if they went back on unemployment and what happened after we trained the 40%. Mr. Khan said the majority of them were able to get jobs. Ms. Roberts asked if someone went through this two-month training program with them and decide they don't want to work and will go back on unemployment, can that person go right back into that training program again and get paid for that? Mr. Khan said no they cannot. He said they only take new prospects, and they are not recycling anyone. Ms. Roberts asked about the selection criteria they are going to put into place and if they will interview the prospects. Mr. Khan said they are improving the process and making sure that they want to work.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Proposal for PCI in the amount of \$227,960.

Motion carried, 8 – 0.

Computer Tutor Business and Technical Institute

Ms. Hernandez presented a Proposal for Computer Tutor Business and Technical Institute (Computer Tutor), in the amount of \$276,600. Computer Tutor provides education and career training leading to employment for adults. The service area includes Stanislaus, Merced, Madera, San Joaquin, Fresno, Calaveras Counties and beyond.

Ms. Hernandez introduced George Raw, Director.

Ms. Roberts asked if there was a business that wanted their employees to get computer training, would they come to your facility or do they go out to the company's facility because that is where all of their databases are. Mr. Raw said they are a career college so they do participate in retraining and getting back to the workforce. He said there is also a sub-set of their institution where they train employees of current employers and they go to their facility. Some of them come to their facility and are trained in computer applications and so forth. Ms. Roberts said so you kind of have a dual system. Mr. Raw said yes, they do, and about 10% is retraining the current workforce and ETP training is associated with individuals that have zero skills who are trying to get back into the workforce.

ACTION: Mr. Hart moved and Ms. Roberts seconded approval of the Proposal for Computer Tutor in the amount of \$276,600.

Motion carried, 8 – 0.

Amendments

California Workforce Association

Ms. Hernandez presented an Amendment for the California Workforce Association (CWA), in the amount of \$256,133. CWA is a non-profit, membership-based association servicing the

local workforce development delivery system. CWA's membership includes 48 local workforce investment board directors and affiliate members statewide.

Ms. Hernandez introduced Nick Loret De Mola, Administrative Analyst and Steve Duscha, representing Duscha Advisories.

Mr. Broad asked if they had a higher demand than expected. Mr. Loret De Mola said yes, and they have already trained 95% at this point.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the Amendment for CWA in the amount of \$256,133.

Motion carried, 8 – 0.

Johns Manville Corporation

Ms. Hernandez presented an Amendment for Johns Manville Corporation (Johns Manville), in the amount of \$252,000. Johns Manville manufactures several products including building and equipment insulation; commercial and industrial roofing systems; fibers; fabric and non-woven mats for building and industrial applications; and high-efficiency filtration media.

Ms. Hernandez introduced Marianne Krantz, Training Coordinator.

There were no questions from the Panel.

ACTION: Mr. Hart moved and Ms. Avdis seconded approval of the Amendment for Johns Manville in the amount of \$252,000.

Motion carried, 8 – 0.

Westech College

Ms. Torres presented an Amendment for Westech College (Westech), in the amount of \$299,502. Westech is an accredited private vocational school that specializes in Computer-Aided Design and Drafting (CADD) as well as building information modeling training.

Ms. Torres introduced Barry Maleki, Executive Director and Steve Duscha, representing Duscha Advisories.

Mr. Broad asked if this is an expansion for new employers or more employees. Mr. Maleki said it is for retraining. Ms. Torres said retraining, but you are right; it is a proposal, more training for some of the existing participating employers that were in the initial proposal as well as additional employers because they just opened their Los Angeles location.

Ms. Roberts asked if they have used all of their funds already. Mr. Maleki said yes, they have. Mr. Duscha said yes, the people are in training now who will use the rest of it. Ms. Torres said right, so it is committed money up to 100%.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the Amendment for Westech in the amount of \$299,502.

Motion carried, 8 – 0.

VIII. PUBLIC COMMENTS

Steve Duscha, representing Duscha Advisories, said he supports Mr. Broad's earlier comments about taking a look at what we do and why we do it.

Phil Herrera, representing Herrera & Company, said I want to encourage that discussion working with staff on LMS, Productive Lab, and other issues and I believe it is time to take a re-look at the program, and I look forward to that.

John Twomey, representing Business Solutions, said I want to encourage you to continue your thoughts on getting us together for some input. We would like to do that again as we did it once before many years ago.

IX. PUBLIC MEETING ADJOURNS

Mr. Broad adjourned the meeting at 11:57 a.m.