STATE OF CALIFORNIA
ETP
EMPLOYMENT
TRAINING PANEL

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EMPLOYMENT TRAINING PANEL
Sacramento City Hall
California Environmental Protection Agency
1001 I Street, Sierra Hearing Room
Sacramento, CA 95814
June 23, 2017

PANEL MEMBERS

Barry Broad
Chair

Janice Roberts
Vice-Chair

Gloria Bell
Member

Will Koch
Ex-Officio Member

Gretchen Newsom
Member

Edward Rendon
Member

Jeff Robinette
Member

Sam Rodriguez
Member

Executive Staff

Stewart Knox
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 9:39 a.m.

II. ROLL CALL

Present
Gloria Bell (departed at 11:00 a.m.)
Barry Broad
Will Koch
Gretchen Newsom
Edward Rendon
Janice Roberts
Jefferson Robinette

Absent
Sam Rodriguez

Executive Staff Present
Stewart Knox, Executive Director
Maureen Reilly, General Counsel

III. AGENDA

Chairman Broad asked for a motion to approve the Agenda.

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

Motion carried, 7 - 0.

IV. MINUTES

ACTION: Ms. Roberts moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the May 25, 2017 meeting.

Motion carried, 6 – 1 - 0.
(Mr. Koch abstained)

V. REPORT OF THE EXECUTIVE DIRECTOR

Stewart Knox, Executive Director, said welcome and good morning Panel members, applicants, and stakeholders. Following the Panel meeting in May, we had a smaller Panel meeting, today of course this one is fairly large. The Panel will consider $16.8M in projects with an additional $944,000 approved by Delegation Order.

Today we have a mix of Single Employer and Multiple Employer Projects. Diana Torres, San Diego Regional Office Manager, Anna Nastari, Foster City Regional Office Manager, and Mark Mazzone, Sacramento Regional Office Manager, are here today to present the Proposals.

Regarding the Budget for Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP), we have approximately $2M available with about $980,000 out. In regard to that program we are in good shape. I believe we just received another $2M for the next Fiscal Year (FY).

In regard to Core Funds for FY 2016/17, today the Panel will consider $16.8M in projects with an additional $944,000 approved by Delegation Order. Should the Panel approve all the projects today, ETP will have approximately $78M for the remainder of the Fiscal Year (FY) 2017/18. We are restarting the clock for July 1.

Under Delegation Order, all project proposals are capped at $50,000 to be approved by the Executive Director on a continuous flow basis, which as of today, 22 projects were approved totaling just under $1M.

For FY 2017/18 program funding to date, we have approximately 299 projects submitted, with a value of just over $78M. Almost dollar for dollar.

Regarding applications for contracts that are remaining in the Regional Offices: Single Employer Contract requests are at $34M; $38M in allocation. Multiple Employer Contract (MEC) requests are at $6.8M; $15M in allocations. Small Businesses have $3.9M in demand; $6M in allocations. Critical Proposals are at $159,000 in demand; $4.2M in allocations. Apprenticeship programs are at $3.7M in demand; $12M in allocations. Overall demand is approximately $49M.

The number of total projects in FY 2016/17 in the Regional Offices are 229; total number of projects in the Applications and Assessment Unit is 70; overall total of 299.

Again, Staff is working hard to meet the demand. We currently have quite a few projects out in the field.

Legislative Update

In terms of legislative updates, we have provided copies of a memorandum for the Panel members. The Employment Training Panel (ETP) is mentioned in a couple of pending bills at this point. We will keep you posted if we receive any new updates.

Other Matters

Mr. Knox said, Mr. Broad and I had a discussion at the last Panel Meeting regarding the Cannabis Industry. The memo before you regarding the Bureau of Marijuana Control (BMC) will not take effect until January 2018. BMC has not yet finalized regulations and will not be

accepting applications for business licenses until January 1, 2018. I would suggest for the next six months we hold all action on the Cannabis Industry as a moratorium at this point.

Mr. Broad said, it makes sense to put things on hold until January. ETP must be able to determine if someone applying for a grant is a legal operator or not. Anyone in that industry, tax payers as well, can benefit from our Panel.

With that said, so motion would be to do a moratorium until January 1, 2018. If there are emergency regulations that are adopted that allow us to verify if someone has a state license, then maybe we can say January 1, or earlier if applicable.

ACTION: Mr. Broad made the motion and Ms. Bell seconded the motion to do a moratorium until January 1, 2018, regarding the Cannabis Industry.

Motion carried, 7 – 0.

VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #18.

Armstrong Garden Center (*Amendment*)	$ 19,440
Bakersfield Pipe and Supply, Inc.	$166,140
Bernard Bros, Inc.	$127,224
Blue Mountain Construction Services, Inc.	$249,778
Emerald Packaging, Inc.	$138,312
Fuel Delivery Services, Inc.	$247,680
Grandcare Health Services, LLC	$228,836
Kinecta Federal Credit Union	$219,240
LZB Manufacturing, Inc., dba La-Z-Boy	$109,548
McWane, Inc.	$194,326
Performance Foodservice-Southern California, A Division of Performance Food Group, Inc. (*Amendment*)	$117,060
Rich Products Corporation	$177,390
Rudolph and Sletten, Inc.	$196,344
Shaw Diversified Services, Inc.	$188,190
The SYGMA Network, Inc. (*Amendment*)	$ 36,720
Tulare JUDHSD dba Tulare Adult School	$182,894
Ultra Pro International LLC	$123,600
Virgin Galactic, LLC (*Amendment*)	$ 99,050

Mr. Knox said, Item #1, Armstrong Garden Center was reduced by 15% from the original amount.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of Consent Calendar Items #1 through #18.

Motion carried, 7 – 0.

VII. REQUEST MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM

Mr. Knox asked for a motion for the Panel to delegate authority to the Executive Director to approve Proposals and other action items on the Agenda in consultation with the Panel Chair or Vice Chair.

ACTION: Ms. Roberts moved and Mr. Rendon seconded the approval to delegate authority to the Executive Director in event of a loss of quorum.

Motion carried, 7 – 0.

Mr. Broad said, there is a discussion item to move $2.8M from ETP to fund the Apprenticeship Program at the Apprenticeship Council. If that happens, we would have to reduce the funding for the Apprenticeship Programs. I will continue to update the Panel if I hear anything new.

VIII. REPORT OF THE GENERAL COUNSEL

Ms. Reilly said there would be no report of the General Counsel. It was decided to postpone discussion of the issue on what is the meaning of voluntarily paid health benefits as used in UIC section 10201(f), part of the definition of "job" which was the question posed by Chairman Broad last month. Given the press of deadlines for the packet and the need for some additional research, it may be ready for a discussion of some type next month, bearing in mind that my legal opinion to the Panel is privileged so certainly the full opinion would never be released but it will in some form be ready for discussion possibly as early as next month.

Ms. Torres, San Diego Regional Office Manager, said good morning Panel members. I would like to acknowledge Krista Campion, Research Analyst II. After 25 years of State service, Ms. Campion will retire at the end of this month. She has served in both monitoring and development as well as resource and training for the last 23 years. She has served on several processes and proven initiatives which have shaped this agency in the past. In all her years at the ETP she has always served the Agency and her contractors with the highest level of integrity, professionalism, and dedication. She will enjoy her retirement with her husband Chris between her log home in Utah fly fishing and aboard her boat in Coronado. We thank her for her state service and wish her the best.

Mr. Broad said, thank you and we wish Ms. Campion the best.

IX. REVIEW AND ACTION ON PROPOSALS

Single Employer

Cornerstone OnDemand, Inc.

Ms. Torres presented a Proposal for Cornerstone OnDemand, Inc. (Cornerstone), in the amount of $384,596. Cornerstone is a cloud-based Human Resources solution for companies worldwide to help them recruit, train, and manage their organization. Services include technical consulting, support packages, content services, business consulting, design and build for customized software programs, and implementation services.

Ms. Torres introduced Jeff Miller, Senior Director, Talent Management.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Cornerstone OnDemand, Inc., in the amount of $384,596.

Motion carried, 7 – 0.

Decore-Ative Specialties, Inc.

Ms. Torres presented a Proposal for Decore-Ative Specialties, Inc. (Decore), in the amount of $309,300. Decore is a national manufacturing company in the cabinet making industry. The company supplies cabinetmakers with custom cabinet doors in 250 styles and with a wide variety of materials. Decore also offers high-quality dovetail and doweled drawer boxes, as well as Deco-form accessories. Its customers include cabinetmakers, contractors, designers, Sears, Granite Transformations, and Home Depot.

Ms. Torres introduced Marcos Arroya, Human Resources/Safety, Decore-Active

Mr. Broad said, Home Depot. That's a huge contract, nationwide, that's a huge, huge contract. Mr. Arroya said, yes it is. There is an edit on the actual agreement that we submitted. We have on the agreement $1M for 3 quarters. It's $1.2M a month and we are only in 26 stores. We are looking to attack an additional 16 stores each quarter. We are going to ramp up pretty quickly.

Mr. Broad said, you should be aware that you could potentially encounter training issues in the future; just be careful. Mr. Arroya said, that is one of the considerations we addressed when we signed on board with them, which is why it took us two years to get on board with them. They wanted us to start off with every store in California and the owner said "no." We are going to take a very sensitive approach to make sure the relationship works out for us. We do have a training team of 6 members all dedicated just for training.

Ms. Roberts said, your previous contract was at 73%. Mr. Arroyo said, at my last visit, we were in the process of getting into Home Depot which took us two years to sign. Currently, everything is signed and monthly sales are $1.2M.

Ms. Roberts asked, do they know how to document their training? Mr. Arroya said, the training manager and staff will meet with the employees to make sure that training is properly documented. Ms. Roberts asked, what steps will be taken to ensure compliance with the program? Mr. Arroya said, we have hired a vice president of Human Resources, who is also trained, in the event another manager decides to leave.

Mr. Koch said, if you haven't already done so I urge you to take a look at the California Competes Tax Credit, it's a program out of the Governor's Office of Business and Economic Development (Go-Biz) and designed to influence Job Creation in California. It sounds like that would be a good fit.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Decore-Active Specialties, Inc., funding in the amount of $309,300.

Motion carried, 7 – 0.

Procore Technologies, Inc.

Ms. Torres presented a Proposal for Procore Technologies, Inc. (Procore) in the amount of $899,728. This is a Critical Proposal developed in conjunction with GO-Biz.

Procore is a construction management software company. With an award-winning suite of project management tools, over a million registered Procore users across the globe manage all types of construction projects. These include industrial plants, office buildings, apartment complexes, university facilities, and retail centers.

Ms. Torres introduced Steve Zahn, President and COO of Procore Technologies; and Greg Gills, Director of Learning.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Procore Technologies, Inc., in the amount of $899,728.

Motion carried, 7 – 0.

Smart & Final Stores, Inc.

Ms. Torres presented a Proposal for Smart & Final Stores, Inc. (Smart & Final), in the amount of $380,160. Smart & Final is a warehouse-style retailer that carries groceries and other goods for business and household customers. Ms. Torres said, there are two modifications to note, because they are a distribution and transportation company, they do qualify under the Priority Industry Rights. They are requesting a modification in line with our SET provisions to bring them down to a minimum wage of $22.04 as opposed to $29.38. They also have a wage modification for HUA and this is 274 trainees for the City of Commerce. The HUA wage waiver will only be required for approximately 15-20 trainees in that location.

Ms. Torres introduced Mellonie Celestine, Manager, Instructional Design and Regional Training, Department of Talent Development and Learning; and Jack Karagulleyon, Tax Director.

Ms. Celestine said, I have been in the training department for 13 years. We have our tax director who was familiar with the training program. I was elated that I finally had someone that could come and bring this before you. Ms. Roberts said, from a tax perspective, he is helping you out. Mr. Karagulleyon said, we are engaged with one another the whole way too. Mr. Celestine said, it's been a long road.

Ms. Newsom said, you're requesting a High Unemployment Area (HUA) wage modification, but then your minimum threshold is above that amount. The lowest is $14.73 but then the wage modification goes down to $12.72. So it's not like we will approve this wage modification and you go back and reduce it to something even further down. Ms. Celestine said, no. For instance, as an example, if you look on Page 1 of 3, you will see Inventory Clerk's and they are at $14.73. Ms. Torres said, so they would meet the ETP employment wage.

ACTION: Ms. Newsom moved and Ms. Roberts seconded approval of the Proposal for Smart and Final Stores, Inc., in the amount of $380,160.

Motion carried, 7 – 0.

Goforth & Marti dba GM Business Interiors

Ms. Torres presented a Proposal for Goforth & Marti dba GM Business Interiors (GMBI) in the amount of $324,000. GMBI designs, manufactures, and installs indoor and outdoor workplace furniture and systems. The company provides professional assembly and installation of prefabricated furniture and systems, as well as design, manufacture, and installation of custom furniture. GMBI also offers flooring, restoration, refurbishment, asset management, as well as moves, adds, and changes work orders to various industries including corporate, healthcare, government, educational facilities, and libraries.

Ms. Torres introduced Sean Keating, HR Manager.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for Goforth & Marti dba GM Business Interiors in the amount of $324,000.

Motion carried, 7 – 0.

BioMarin Pharmaceutical, Inc.

Ms. Nastari presented a Proposal for BioMarin Pharmaceutical, Inc. (BioMarin), in the amount of $823,969. BioMarin develops and manufactures pharmaceuticals for rare but serious autoimmune and inherited metabolic diseases. The company's line of medications is targeted for populations of 200,000 patients or fewer. The company has been designated as a Critical Proposal project because it is expanding in California. Go-Biz has designated a project to support BioMarin over the next three years. BioMarin develops, markets, and manufactures biopharmaceuticals for serious diseases. They have locations in San Rafael and Novato.

Ms. Nastari introduced Ian Clark, Director, Corporate Training, and Kevin Duarte, Manager, Corporate Training.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for BioMarin Pharmaceuticals, Inc. in the amount of $823,570.

Motion carried, 7 – 0.

U.S. Foodservice, Inc.

Ms. Nastari presented a Proposal for U.S. Foodservice, Inc. (U.S. Foods), in the amount of $255,150. U.S. Foods is a distribution company that supplies over 400,000 national, private-

label, and signature brand products to more than 250,000 customers nationwide. Customers include restaurants, educational institutions, government facilities, hotels, healthcare institutions and sport stadiums. Products range from meats, produce, and frozen foods to restaurant equipment and supplies.

Ms. Nastari introduced Beth Loftus, Area HR Business Partner-Northern California, and Christina Alvarez, Prospect Consulting Group, Inc.

Ms. Roberts asked, on the contract that is currently finishing up is in Livermore, do you anticipate reaching 100% on it? Ms. Loftus said correct.

Ms. Roberts asked, should there be a Substantial Contribution, because the training is from the same facility? Ms. Alvarez said, the Southern California facility, but it's for different workers. Ms. Roberts said, when we look at this, it indicates that you're earning more than what your Substantial Contribution looks like.

Ms. Bell said, you compete with competitors that are the Performance Group and they are Cisco Foods. You almost purchased Cisco Food Service, but that did not go through, correct? Ms. Loftus said, correct.

Mr. Broad said, I know U.S. Foods is heavily unionized, there are no unionized employees being trained under this contract. Ms. Loftus said, no, it is our Livermore office. Mr. Broad said, it's office and production people who are not unionized. Ms. Loftus said they are not union.

Ms. Roberts said, the Southern California location is unionized yes.

ACTION: Ms. Roberts moved and Mr. Robinette seconded approval of the proposal for U.S. Foodservice, Inc. in the amount of $255,150.

Motion carried, 7 – 0.

7173 North Sharon Avenue Operating Company, LLC dba San Joaquin Rehabilitation Hospital

Mr. Mazzone presented a Proposal for 7173 North Sharon Avenue Operating Company, LLC dba San Joaquin Rehabilitation Hospital (SJR) in the amount of $303,750. Founded in 2004 and located in Fresno, SJR is a skilled nursing facility. SJR is owned and managed by Vibra Healthcare, LLC (Vibra), headquartered in Pennsylvania. SJR's services include skilled nursing and clinical care for patients. SJR specializes in in-patient care for people who have suffered amputation, brain injury, orthopedics surgery, hip fractures, joint replacements, major multiple traumas, osteoporosis, neurological disorders, Multiple Sclerosis, Parkinson's Disease, stroke and spinal cord injury.

Mr. Mazzone introduced Paul Herrera, Regional Director of HR; Bill Parker, CEO of National Training Systems.

Mr. Broad said, I have a question, are rehabilitation hospitals licensed differently from skilled nursing facilities or are they the same? Mr. Herrera said they are licensed differently. An In-Patient Rehabilitation Facility (IRF) is licensed differently from a Skilled Nursing Facility (SNF) and is also licensed differently than a Long-Term Acute Care hospital (LTAC).

Mr. Broad asked, what is the difference between them? Mr. Herrera said, an IRF is in place to assist any patients who are coming from a general acute care hospital. If they have suffered from brain injuries, strokes, or something where they are not able to easily leave the hospital, the IRF's are in existence to help those patients obtain rehabilitation services, with general acute services. We help our patients who come to an IRF so there is less likeliness for them to go back to the general acute care hospital. This is a cost savings to the consumer and to any insurer. The average length of stay in our IRF's is about 12 days. They go from general acute care to our facility for 12 days. A LTAC can be a length of stay of 20+ days if the patient has more significant health issues. They may need a longer time to recover and it frees up beds to the general acute if they come to our facility. We will be piloting one for an IRF, LTAC, and SNF all in one facility. If the patient is still not doing well and needs further assistance, the patient then has the option of going to a skilled nursing facility.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval for the proposal for 7173 North Sharon Avenue Operating Company, LLC dba San Joaquin Rehabilitation Hospital in the amount of $303,750.

Motion carried, 7 – 0.

Amy's Kitchen, Inc.

Mr. Mazzone presented a Proposal for Amy's Kitchen, Inc. (Amy's Kitchen), in the amount of $514,080. Founded in 1988, Amy's Kitchen is a family-owned, privately held company that manufactures organic and non-GMO vegetarian based foods. Headquartered in Petaluma, Amy's Kitchen has six California locations in Petaluma, Sutter, Santa Rosa and Sacramento.

Mr. Mazzone introduced Jessica Nahabedian, Manufacturing Training Manager.

Ms. Bell asked, the 1,000 California employees, are they full-time on your payroll or do you have a mixture of temporary employees? Ms. Nahabedian said, we do have a mixture, but primarily they are full time employees. Our hiring process is to bring people on as temps. We have a 3 to 6-month evaluation period. If they meet all of the qualifications that we are looking for, we bring them on full-time with benefits.

Ms. Bell asked, do you know the percentage of people that you bring on board that are temporary for 3 to 6 month evaluations? Ms. Nahabedian said, anyone who meets the qualifications will get hired on with full benefits. Ms. Bell asked, do you have a chart of turnover? Ms. Nahabedian said, the turnover is 1%. Essentially were trying to hire the right employees.

Ms. Roberts said, I want to commend you on hiring Veterans. I think that's great. You have five new Veterans coming on. With only 1% turnover, it is obviously a great place to work.

ACTION: Ms. Bell moved and Ms. Roberts seconded approval of the proposal for Amy's Kitchen, Inc. in the amount of $514,080.

Motion carried, 7 – 0.

Caber Enterprises, Inc.

Mr. Mazzone presented a Proposal for Caber Enterprises, Inc. (Caber), in the amount of $558,760. Caber operates three nursing and rehabilitation facilities in Kings and Tulare Counties.

Mr. Mazzone introduced Mark Fisher, President; Jill Meeuwsen, CEO of Synergy Management Consultants.

Mr. Broad said, I'm very interested in the significant drop in worker's comp injuries. What exactly did you do to get the drop, is that the training? Mr. Fisher said, it became Synergy. The extra training and awareness. We implemented a couple of programs for instance, safety bingo. If there's no lost time throughout the month, there is a monetary reward to people. The property management team is close with the employees. Our Hanford facility, in particular, piloted this program and the numbers show our turnover in the industry in comparison is low. Staff satisfaction is high. I believe the fact that I am the owner and I'm in the building, helps to maintain close relationships with our staff, residents and patients.

Mr. Broad asked, do a majority of the injuries come from lifting patients, lifting issues? Are those the typical injuries? Mr. Fisher said, yes typically shoulder and back. We make sure that they have the right equipment. Many patients require the Hoyer Lift. It is a two-person transfer to make sure a lifting injury does not occur. If there is an injury, it is managed carefully. We celebrated over 1500 no lost days in our Hanford facility.

Ms. Roberts said, I'm excited that you are hiring ten Veterans. The previous contract was at 78% completion. Mr. Fisher said, it finished at 86%.

Mr. Fisher said, right now, we have a good momentum with our employees. To ensure this continues, my wife, who is now the Risk Manager, and Lea Demers, RN, monitor and track the employees.

Ms. Bell asked, what steps have you taken to ensure the employees continue to report injuries? Mr. Fisher said, if an injury occurs, they must report it to the supervisor. Because we are in constant communication with the employees, we have not had an injury go unreported.

ACTION: Ms. Roberts moved and Mr. Robinette seconded approval of the proposal for Caber Enterprises, Inc., in the amount of $558,760.

Motion carried, 7 – 0.

J.J.R. Enterprises, Inc. dba Caltronics Business Systems

Mr. Mazzone presented a Proposal for J.J.R. Enterprises, Inc. dba Caltronics Business Systems (Caltronics) in the amount of $304,425. Founded in 1976 and headquartered in Sacramento, Caltronics is a family-owned and operated business that sells, leases and services high-speed digital copiers and printers and multi-functional devices. Caltronics also sells software for document management and retrieval. Caltronics is one of the largest independent dealers of KonicaMinolta in the country, offering software solutions to increase efficiency and competition in the office products and services industry. Customers include Gilead Sciences, Western Health, and Pleasanton Unified School District. Caltronics has 10 locations in California and one in Arizona. Training will take place at all California locations.

Mr. Mazzone introduced Anne Long, CFO; Barry Crider, VP of Service; John Twomey, President of Integrated Solutions.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Bell seconded approval of the proposal for J.J.R. Enterprises, Inc., dba Caltronics Business Systems in the amount of $304,425.

Motion carried, 7 – 0.

Johns Manville

Mr. Mazzone presented a Proposal for Johns Manville (JM) in the amount of $429,044. Founded in 1858, JM manufactures premium-quality building and mechanical insulation, commercial roofing, glass fibers and non-woven materials. Its customer base includes commercial, industrial and residential applications as distributed throughout the United States, South Korea, Australia and Canada. JM Products are used in a variety of industries including building, aerospace, automotive and transportation, filtration, commercial interiors, waterproofing, and wind energy.

Mr. Mazzone introduced Marianne Krantz, Database & Support Coordinator; Paula Lerstang, Physical Distribution Manager; and Gilbert Mojica, Lean Coordinator.

Ms. Roberts said, the previous contract was for $464,000. Why did we not have Substantial Contribution? Was that for a Job Creation grant? Mr. Mazzone said, I don't have the Job Creation in front of me. Ms. Krantz said, we did have new employees on the last contract. Mr. Broad said, do you know how many new hires you had? Ms. Krantz said, I believe we had 40.

Mr. Broad asked, do you make fiberglass? Ms. Krantz said, we make fiberglass building insulation. We are located in Willows which is a heavy manufacturing area. It is a depressed area so it's easy to get employees. They are usually farm people so they have pretty good skills. If you look at the fiberglass industry all the clients are built in areas like that.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval for the proposal For Johns Manville in the amount of $429,044.

Motion carried, 7 – 0.

Mr. Mazzone said, I just want to say that on Page 3 we stated that Substantial Contribution did not apply due to funding not exceeding $250,000 at one location.

Ms. Roberts asked, is there only one location? Ms. Krantz said, yes, just one, just one on all of our contracts.

Manor Care of Citrus Heights, CA, LLC dba Manor Care Health Services

Mr. Mazzone presented a Proposal for Manor Care of Citrus Heights, CA, LLC (Manor Care) in the amount of $599,544. Manor Care is a subsidiary of HCR Manorcare Medical Services

of Florida, LLC (HCR). HCR was founded in 2004 and has its headquarters located in Ohio. Manor Care opened in 2004 and provides senior care and rehabilitation services to patients recently discharged from acute care hospitals.

Mr. Mazzone introduced Terri Ballesteros, Administrator and Bill Parker CEO of National Training Systems.

Ms. Newsom said, the Riverside County location in Hemet is a High Unemployment Area for positions of a Certified Nursing Assistant, 107 of them. Why is that position not in any other location? Ms. Ballesteros said, that would be CNA's. We do have those in other facilities. Ms. Newsom asked, you are not requesting funding of those positions? Ms. Ballesteros responded in the affirmative.

Ms. Roberts asked, do they have an LMS system? Given that there are many locations, how are all locations tracked? Ms. Ballesteros said, being with the company for over 15 years I am very familiar with the other facilities including, the administrators, the staff developers, and the nursing staff. Communication with everyone assists me in keeping track and reporting into the system. Ms. Roberts asked, what about locally? Were they going to have hard copies? Mr. Parker said, yes.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Manor Care of Citrus Heights, CA LLC dba Manor Care Health Services in the amount of $599,544.

Motion carried, 7 – 0.

Villara Corporation

Mr. Mazzone presented a Proposal for Villara Corporation (Villara) in the amount of $343,500. Founded in 1947 and headquartered in Sacramento, Villara is an HVAC contracting and sheet metal fabricating company. The company provides renovation and new construction services for resident and commercial customers. In addition, Villara provides the following installation services: structured wiring, security systems, home theaters, central vacuums, plumbing, electrical solar, and fire protection.

Mr. Mazzone introduced Scott Sahota, Vice President; Lynn Hosokawa, HR Manager.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Villara Corporation in the amount of $343,500.

Motion carried, 7 – 0.

Multiple Employer Proposals

California Manufacturers and Technology Association
Presented Out of Order

Mr. Broad acknowledged the need for California Manufacturers and Technology Association to present out of order due to time constraints of possibly missing a flight.

Mr. Mazzone presented a Proposal for California Manufacturers and Technology Association (CMTA) in the amount of $949,985. CMTA is a trade association representing a large number of California's manufacturing, processing, service, and technology-based companies.

Mr. Mazzone introduced Rob Sanger, Manager of Training Services; and Joe Wernette, Vice President of Professional Development, TriTool (Participating Employer).

Mr. Broad said, do you manufacture tools for use in these facilities like dams, power plants, this type of specialty? Mr. Wernette said, basically our equipment is portable machine tools. We have a machine shop that builds machine tools that go out in the field and perform the same work that you would in a machine shop but in the field. With the portable machine you have more mobility.

There were no further questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for California Manufacturers and Technology Association in the amount of $949,985.

Motion carried, 6 – 0.
(Ms. Bell departed at 11:00 a.m.)

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 $949,221. P&P Trust was founded in 1959 and is governed by a joint Board of Trustees. Employer representation is through the California Plumbing and Mechanical Contractors Association (CPMCA) and Southern California Pipe Trades District Council No. 16 (District Council 16) of the United Association. Union representation is through District Council 16 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, which represents 12 local unions in Southern California (Local Unions 78, 114, 230, 345, 364, 398, 403, 460, 484, 582, and 761).

Ms. Torres introduced Armando Pulido, Executive Director, Training Coordinator, and Steve Duscha, Consultant.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Ms. Newsom seconded approval of the proposal for Apprentice & Journeymen Training Trust Fund of the Southern California Plumbing and Piping Industry in the amount of $949,221.

Motion carried, 6 – 0.

Chaffey Community College District

Ms. Torres presented a Proposal for Chaffey Community College District (Chaffey) in the amount of $949,434. Founded in 1883, Chaffey is a two-year public community college accredited by the Western Association of Schools and Colleges. Operating through its own Workforce Training Institute (Institute), Chaffey has three campuses offering credit courses in Rancho Cucamonga, Fontana, and Chino (two off-site training centers). This is Chaffey's seventh training proposal for ETP training.

Ms. Torres introduced Sandra Sisco, Director Economic Development, InTech Center, Trade Adjustment Assistance Community College and Career Training (TACCCT) Grant program.

Mr. Broad said, I need clarification regarding the Union issue. It looks like we have a letter from United Steelworkers Local 1249; however, we do not have a letter from the Teamsters Local. We need to make sure a letter from the Teamsters Local gets into the file. They are both at Cemex. Teamsters has a contract with Cemex. Ms. Sisco said, it may be that the employees that will train under this contract are under Cemex. Mr. Broad said, it may be, ours indicates two unions or maybe it's a typo. We still need to get the letter in the file. The Steelworkers and the Teamsters are two separate unions. It could be that the Teamsters are not a part of this at all but we just need to clarify if that is the case.

Ms. Newsom said, United Steelworkers are not operating their own apprenticeship program then training their workers for different skill sets. Ms. Sisco said, I'm not 100% familiar with United Steelworkers as it applies to Cemex. I need more clarification. Often times there are situations where both are doing their training and we are doing additional training. Ms. Newsom said, and that's not duplicative of their training. Ms. Sisco said, two different types of training.

Mr. Broad said, I do not think they have apprenticeship program. I know the Teamsters do not have that in that area. Ms. Roberts said, the last contract was over half a million dollars. This contract is just under $1 million.

Ms. Sisco said, I am back at Chaffey College. My previous role was at the Chancellor's office overseeing contract education on a statewide basis. Previous to that, I was with Chaffey College. I worked for four years managing all of their ETP contracts. The base of employers has grown, and a change in leadership occurred while I was gone. Before I left, we were well on track to complete the $1 million contract. We have the demand, base of employers, the growth of continual employers, and the Intech Learning Center. We have attracted all kinds of interests in the different types of training programs. We offer twice as many training programs than before; however, more on the technical side. We have $200 million committed on this contract already. My plan is to have it exhausted and see you all in about 10 months.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the proposal for Chaffey Community College District in the amount of $949,434.

Motion carried, 6 – 0.

Mr. Broad said, we are going to take a five-minute break. I need to confer with my other Panel Members.

Riviera, Inc., dba The Enterprise U

Ms. Torres presented a Proposal for Riviera, Inc. dba The Enterprise U (The Enterprise U) in the amount of $849,000. Founded in 2001, The Enterprise U helps companies, governments and individuals acquire and sustain a competitive advantage through learning. The Enterprise U provides training services which include custom design course materials, custom in-class exercise and case studies; as well as, consulting, coaching, and software solutions to clients in the industries of manufacturing, entertainment, technology, logistics, and biotechnology.

Ms. Torres introduced Wendy Ho, Executive Director.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for Riviera, Inc., dba The Enterprise U in the amount of 849,000.

Motion carried, 6 – 0.

Southern California Sheet Metal Joint Apprenticeship and Training Committee

Ms. Torres presented a Proposal for Southern California Sheet Metal Joint Apprenticeship and Training Committee (SoCal Sheet Metal JATC) in the amount of $949,690. SoCal Sheet Metal JATC provides training for Apprentice and Journey sheet metal workers for seven Southern California counties.

Ms. Torres introduced Lance Clark, Administrator, Oscar Mayer of LAUSD, and Steve Duscha, Coordinator.

There were no questions from the Panel.

ACTION: Ms. Newsom moved and Ms. Roberts seconded approval of the proposal for Southern California Sheet Metal Joint Apprenticeship and Training Committee in the amount of $949,690.

Motion carried, 6 – 0.

Tech Serve Alliance – So Cal Chapter, Inc.
(WITHDRAWN)

Mr. Broad said, Tech Service Alliance has been withdrawn for consideration today. The Assistant General Counsel will need to confer with staff on some issues that have arisen. They will come before the Panel at a future meeting.

Carpenters Training Committee for Northern California

Ms. Nastari presented a Proposal for Carpenters Training Committee for Northern California (CTCNC) in the amount of $949,327. CTCNC is the educational organization that provides Pre-Apprentice, Apprentice, and Journeyman training services for union carpenters throughout Northern California.

Ms. Nastari introduced Paula Resa, Director of Field Services; and Steve Duscha, Consultant.

There were no questions from Panel.

ACTION: Mr. Robinette moved and Ms. Roberts seconded approval of the proposal for Carpenters Training Committee for Northern California in the amount of $949,327.

Motion carried, 6 – 0.

The Corporation for Manufacturing Excellence dba MANEX

Ms. Nastari presented The Corporation for Manufacturing Excellence dba MANEX (MANEX) in the amount of $949,160. MANEX was founded in 1995 and is headquartered in San Ramon. MANEX provides business improvement services to manufacturers. These services include corporate strategy, strategic planning and marketing.

Ms. Nastari introduced Bill Browne, Director of Operations and Economic Development.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the proposal for The Corporation for Manufacturing Excellence dba MANEX in the amount of $949,160.

Motion carried, 6 – 0.

UFCW NorCal Meat ATF

Ms. Nastari presented a Proposal for UFCW NorCal Meat ATF (UFCW Meat Trust) in the amount of $126,126. UFCW Meat Trust seeks training funds for 63 new and continuing apprentices in the retail and wholesale meat cutting industry. This cohort is larger than under the active contract which had only 43 Apprentice trainees. Apprenticeship training has been offered in California by the United Food and Commercial Workers (UFCW) for 75 years in this industry sector. Headquartered in Hayward, the UFCW serves 48 counties throughout Northern California. The UFCW Meat Trust will deliver training at the following six locations: Hayward, Modesto, Sacramento, So. San Francisco, Novato, and San Jose. UFCW is a non-traditional Apprenticeship program. Traditional apprenticeships are in the building trades. The term "non-traditional" is used by the Division of Apprenticeship Standards (DAS) for other industry sectors such as Retail Food, Machining, Automotive and Healthcare. ETP has been partnering with DAS to reach non-traditional apprenticeships.

Ms. Nastari introduced John Bueno, Northern California Meat Apprenticeship Chairman (Local 5 Union Rep); Mr. Jamie Cortez, Nor Cal Meat Apprenticeship Teacher and Trustee (Local 5 Union Rep); Mike Fursman, Nor Cal Meat Apprenticeship Trustee (Local 8 Meat Director).

ACTION: Ms. Roberts moved and Mr. Robinette seconded approval of the proposal for UFCW NorCal Meat ATF in the amount of $126,126.

Motion carried, 6 – 0.

X. UPDATE ON POTENTIAL PROGRAM REVISIONS

Presented by Lis Testa, Planning and Research Unit

Potential Revisions to ETP Program Areas
In an effort to simplify and streamline various areas of the ETP program and processes, staff has been reviewing and brainstorming ideas for potential revision to the following five areas:

1. Cannabis Moratorium (p)
2. Health Care Benefits (p/r)
3. Substantial Contribution (p/r)
4. Reimbursement Rates (p/r)
5. Wages (p/r)

(p – policy change; r – regulation)

1. Cannabis Moratorium

- Prop 64 California Marijuana Legalization Initiative/Adult Use of Marijuana Act 11/8/16.
  - Sets standards for licenses, use, taxation system, marketing, advertising, labeling, testing, record keeping, etc.
  - Establishes California Bureau of Marijuana Regulation
  - Licenses and regulations will be set by 1/1/18.
- Moratorium until industry is more established and there is more data available, with regulations and licensure process in place.

2. Health Care Benefits:

- Potential to allow the use of Health Benefits to meet the ETP minimum wage for companies with less than 50 employees.
- In the past 2 Fiscal Years, ETP has had:
  - 164 Single employer contracts for businesses with less than 50 employees.
  - 137 MEC contracts serving 2,687 Participating Employers with less than 50 employees.

3. Substantial Contribution: Potential Alternate Option

- No longer apply Substantial Contribution
- Instead, implement a Repeat Contractor Rule:
  - Raise Cap for MECs to $2M and Cap for Single Employers to $950,000.
  - Contractors may return for an additional contract when:

- A minimum of 18 months have passed since the start of their current contract term; and,
- They have reached 70% completion on their current contract.

4. Reimbursement Rate Current Practice

- ETP Reimbursement Rates are currently as follows:
  - CBT $8
  - Advanced Technology:
    - $20 RJC
    - $22 Standard
    - $26 Critical Proposal, Vets, Priority Industry, Small Business
    - NA: New Hires, AB 118 Apprentices, Ex-Offenders, At-Risk Youth, CNA-LVN, Seasonal Workers, or Medical Skills
  - Class/Lab Productive Lab/Instructor Led:
    - $13 Apprentices
    - $15 Standard, Seasonal Worker
    - $18 Priority Industry, Critical Proposal, AB 118, CNA-LVN
    - $20 RJC, New Hires, Ex-Offenders, At-Risk Youth
    - $22 Small Business, MEC Entrepreneurial, Pre-Apprentices, Journeymen, Medical Skills, Veterans
    - $26 Priority Industry Small Business, Priority Industry MEC Entrepreneurial, AB 118 Small Business, Veteran Small Business

Type of Trainees/Proposal/Program	Class/Lab Productive Lab Instructor Led/Distance Learning	Advanced Technology Class/Lab	CBT
NEW HIRE:	**$20**	**N/A**	**$8**
RETRAINING:			
Standard	$16	$22	
Small Business *(100 or less employees in CA but no more than 250 worldwide)*	$22	$22	
MEC Entrepreneurial			
Priority Industry/Initiative Standard	$18	$26	$8
Priority Industry Initiative Small Business *(100 or less employees in CA but no more than 250 worldwide)*	$26	$26	
Priority Industry/Initiative MEC Entrepreneurial			
Critical Proposal *Note: In extenuating circumstances, a higher reimbursement rate may be considered.*	$18	$26	

Type of Trainees/Proposal/Program	Class/Lab Productive Lab Instructor Led/Distance Learning	Advanced Technology Class/Lab	CBT
PROGRAMS/INITATIVES:			
Retrainee Job Creation Program	$20	$20	
AB-118 (ARFVTP) Program Alternative and Renewable Fuel and Vehicle Technology Program	$18	N/A	$8
AB-118 (ARFVTP) Program Small Business (100 or less employees in California but no more than 250 worldwide)	$26	N/A	
Apprenticeship Pilot Program			N/A
Apprentices	$13		
Pre-apprentice and Journeyman (Blended Rate)	$22		
Ex-Offender/ At-Risk Youth	$20		$8
CNA to LVN	$18	N/A	
Medical Skills (MST) preceptor	$22		
Medical Skills (MST) didactic	$22		N/A
Seasonal Worker	$15		
Veterans	$22	$22	
Veterans Small Business	$26	$26	$8

Reimbursement Rates: Potential Option

- Instead of 10 different rates, have 4 as follows:
  - CBT $9
  - Apprentices (not pre-apprentices or journeymen) $15
  - Standard Rate $22 (includes New Hires, Seasonal Workers, & Medical Skills)
  - Special Populations $26 (includes Small Business, Ex-Offenders, At-Risk Youth, Veterans, Job Creation, Critical Proposals, Priority Industry, AB 118, MEC Entrepreneurial, Pre-Apprentices, Journeymen)
- This incorporates inflation increase for some groups, moves other groups to higher rate levels, and leaves other groups as-is.

Rate Category	Reimbursement Rate
CBT	$9
Apprenticeship (excludes Pre-Apprentices & Journeymen)	$15
Standard (includes Retrainees, New Hires, Seasonal Workers, Medical Skills, CNA to LVN, Pre-Apprentices, Journeymen)	$22

Special Populations (includes Small Business, Ex-Offenders, At-Risk Youth, Veterans, Job Creation, Critical Proposals, Priority Industry, AB 118, MEC Entrepreneurial, Advanced Technology *with standard exclusions) $26

5. Wages

ETP Current Practice (1)

- ETP uses a Wage Table that takes into account the state average wage, SET vs OSC funding source, HUA area vs non-HUA area, trainee population, new hire vs retrainee status, county, and standard wage levels.
- Wages are shown on a Wage Table (see next slide)
- All wages may be further adjusted to include Health Benefits

ETP Current Practice (2)

Employment Training Panel - Trainee Wages

ETP Minimum Wages for calendar year 2017

(Health benefits may be used to meet all wage requirements, subject to Panel approval)

WAGE NAME	Previous Name	Attributes with the wages
STANDARD		SET Multiple Barriers; HUA; Seasonal Workers; all programs not specified
REDUCED STANDARD	HUA Wage	Approved HUA Waiver; Approved Seasonal Worker Waiver
STATEWIDE AVERAGE	SET Wage	Special Employment Training (SET)
MODIFIED STATEWIDE AVERAGE	SET Wage	Priority Industry; Critical Proposal

STANDARD WAGES			REDUCED STANDARD WAGES (HUA)	
COUNTIES	NEW HIRE MINIMUM WAGE AFTER RETENTION	RETRAINEE MINIMUM WAGE AFTER RETENTION	NEW HIRE MINIMUM WAGE AFTER RETENTION	RETRAINEE MINIMUM WAGE AFTER RETENTION
•Alameda •Contra Costa •Marin •San Francisco •San Mateo •Santa Clara	$14.69	$17.63	$11.02	$13.22
•Los Angeles	$14.13	$16.96	$10.60	$12.72
•Orange	$14.35	$17.22	$10.76	$12.92
•San Diego	$13.94	$16.72	$10.50	$12.54
•Sacramento	$13.72	$16.46	$10.50	$12.34
•All Other Counties	$13.22	$16.16	$10.50	$12.12

STATEWIDE AVERAGE WAGE (SET)		MODIFIED STATEWIDE AVERAGE WAGE (SET)	
TERM BEGINNING DATE Jan. 1, 2017 - Dec. 31, 2017	$29.38	*Trainees may earn up to 25% below the State average hourly wage. Workers must work in a priority industry sector or be funded for training under a Critical Proposal. This wage modification will be determined on a case-by-case basis.*	$22.04

Formulating Wages

- Per Regulations, must account for the following:
  - Establishing Regions
  - New Hires at 50% of State Average Wage
  - Retrainees at 60% of State Average Wage
  - SET at State Average Wage or at 75% of State Average Wage for Priority Industry & Critical Proposals.

Current HUA Calculation

If State average unemployment rate is:	High unemployment areas are defined as:
Less than 10% >>	• Counties with an unemployment rate 25 percent higher than the State average. OR • Sub-county areas containing large numbers of unemployed workers and having an unemployment rate 25 percent higher than the State average. **Note: This is optional, per Regulations.*
10% or higher >>	• Counties with an unemployment rate 15 percent higher than the State average. OR • Sub-county areas containing large numbers of unemployed workers and having an unemployment rate 15 percent higher than the State average. **Note: This is optional, per Regulations.*

Current Wage Calculation

- For each of the 58 counties
  - Use the current wage table
  - Take into account if in a HUA or not
  - End Result of 24 wage levels applied individually to each county or area within a county.
    - 28 Full HUA counties
    - 22 Partial HUA counties
    - 8 Non-HUA counties

Potential Alternative Options

- For each of the following examples:
  - Map of proposed Regions
  - Table with Wage levels
    - Including Retrainee, New Hire, SET, and HUA

Current ETP Regions (By County)

Proposed Simplified Wage Table

Wage Category	ETP Minimum Wage**
SET	$29.38
Retrainee	$17.63
New Hire	$14.69
SET HUA/PI/Critical Proposals*	$22.04
Retrainee HUA*	$13.22
New Hire HUA*	$11.02

*HUA Rate would be applied per county (no more partial counties), so that as long as one area of the county met the HUA calculation, the entire county would be considered a HUA. This would result in 50 HUA counties and 8 Non-HUA counties.

**Health Benefits can be applied for all businesses with under 50 employees to assist in meeting the wage.

Mr. Broad said, I have a question what happens when there's low unemployment, how do 50 counties maintain low unemployment. Ms. Testa said, low unemployment/ high unemployment areas stir up unemployment. If the state unemployment rate is under 10%, let's just say it's 4%, that's the state unemployment rate. In order to classify as a high unemployment area for ETP, they have to be 25% above that, so they would be at 5% which is still kind of low but they would still be considered a high unemployment area. Mr. Broad said, 25% above unemployment rate to begin with isn't much. It seems a little odd because objectively it is 5% versus 4% which is not a gigantic difference. It doesn't make it a High Unemployment Area. It's one thing if the state average is 4% and you are at 8% or 9% or higher in some part of the state, that's clearly a high unemployment area.

Ms. Roberts asked, why are we not using a list of all the counties that align with California Competes. Ms. Testa said, the formula for the High Unemployment Areas is in the regulations. That's why I was using the math formula we have right now. If we change the way we calculate the High Unemployment area, we would have to change the rest. Later in the presentation there are a couple of other ways to define regions and some of them go along the way that the regional planning unit is from the workforce etc., so you'll see those maps.

Proposed Inland/Coastal Regions from May Panel

Resulting Wage Table

Potential ETP Wage Chart

	SET	Retrainees	New Hires
Coastal Region	$29.38	$17.62	$14.69
Inland Region	$22.04*	$13.50	$13.50

- Inland Region designated HUA (39 counties)
- Coastal Region designated Non-HUA (19 counties)
- Health Benefits can be applied for all businesses with less than 50 employees to assist in meeting the wage.

Stakeholder Proposed Metro/Non-Metro Regions

Resulting Wage Table

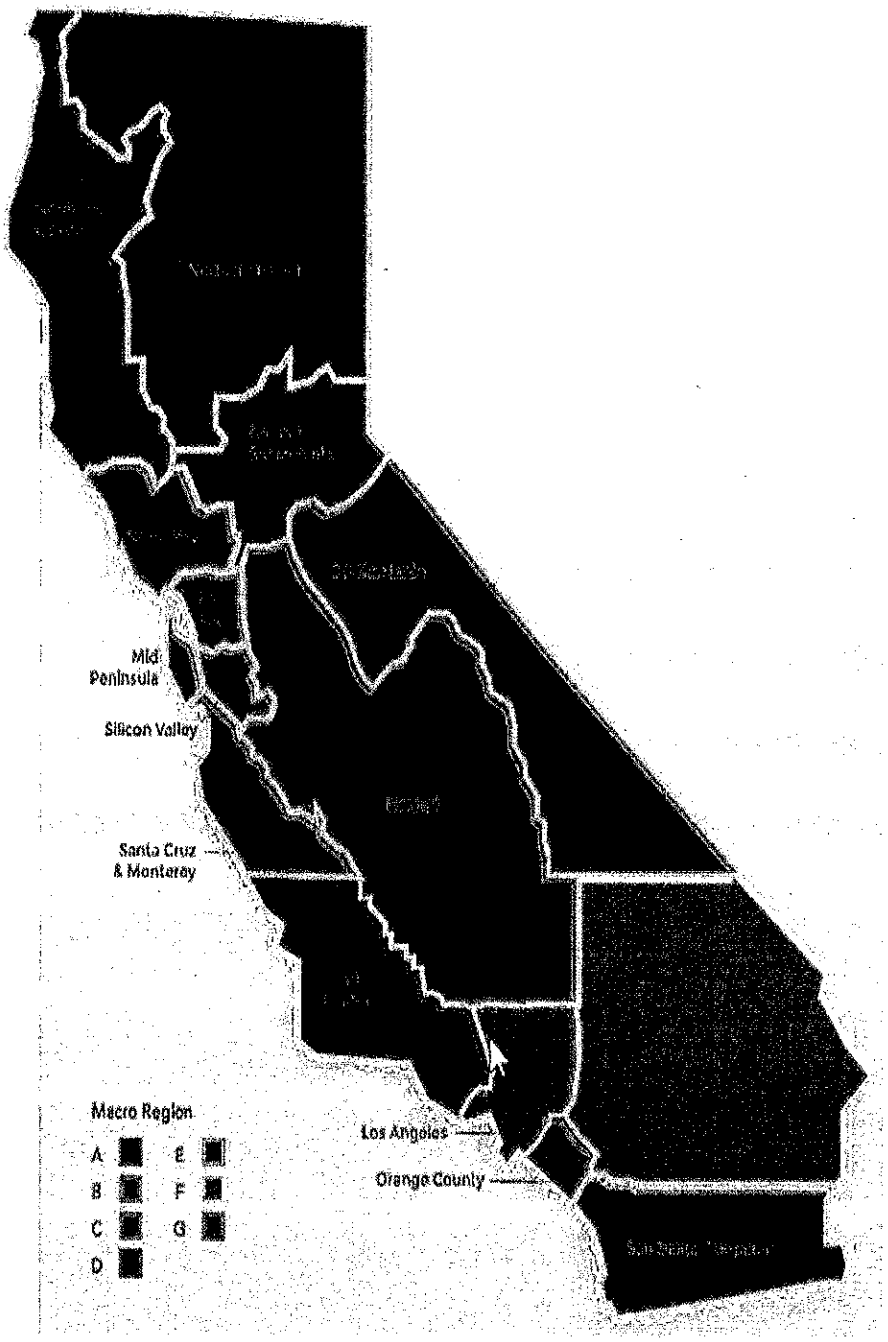
Region	SET Wage	Retrainee Wage	New Hire Wage
Metro	$29.38	$17.63	$14.69
Non-Metro	$22.04*	$13.22	$11.02

- Non-Metro Region designated HUA (39 counties)
- Metro Region designated Non-HUA (19 counties)
- Health Benefits can be applied for all businesses with less than 50 employees to assist in meeting the wage.
- *and SET PI/Critical Proposals

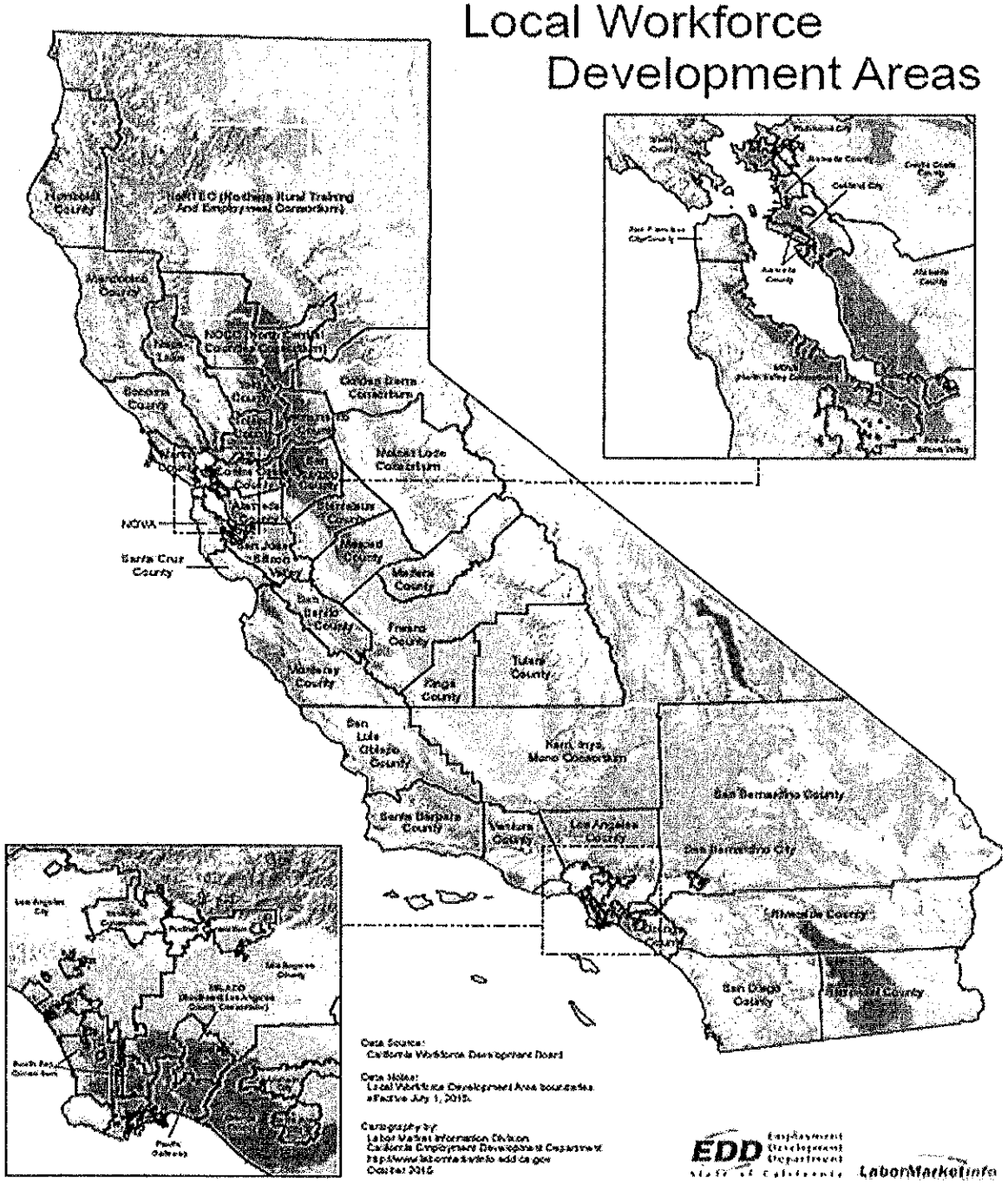
Other Potential Region Divisions

- Three more potential ways to apply regions:
  - 7 Community College Macro Regions
  - 46 Local Workforce Development Areas
  - 14 Workforce Development Planning Units
- Maps follow
- Wage tables can be developed for these units if Panel desires

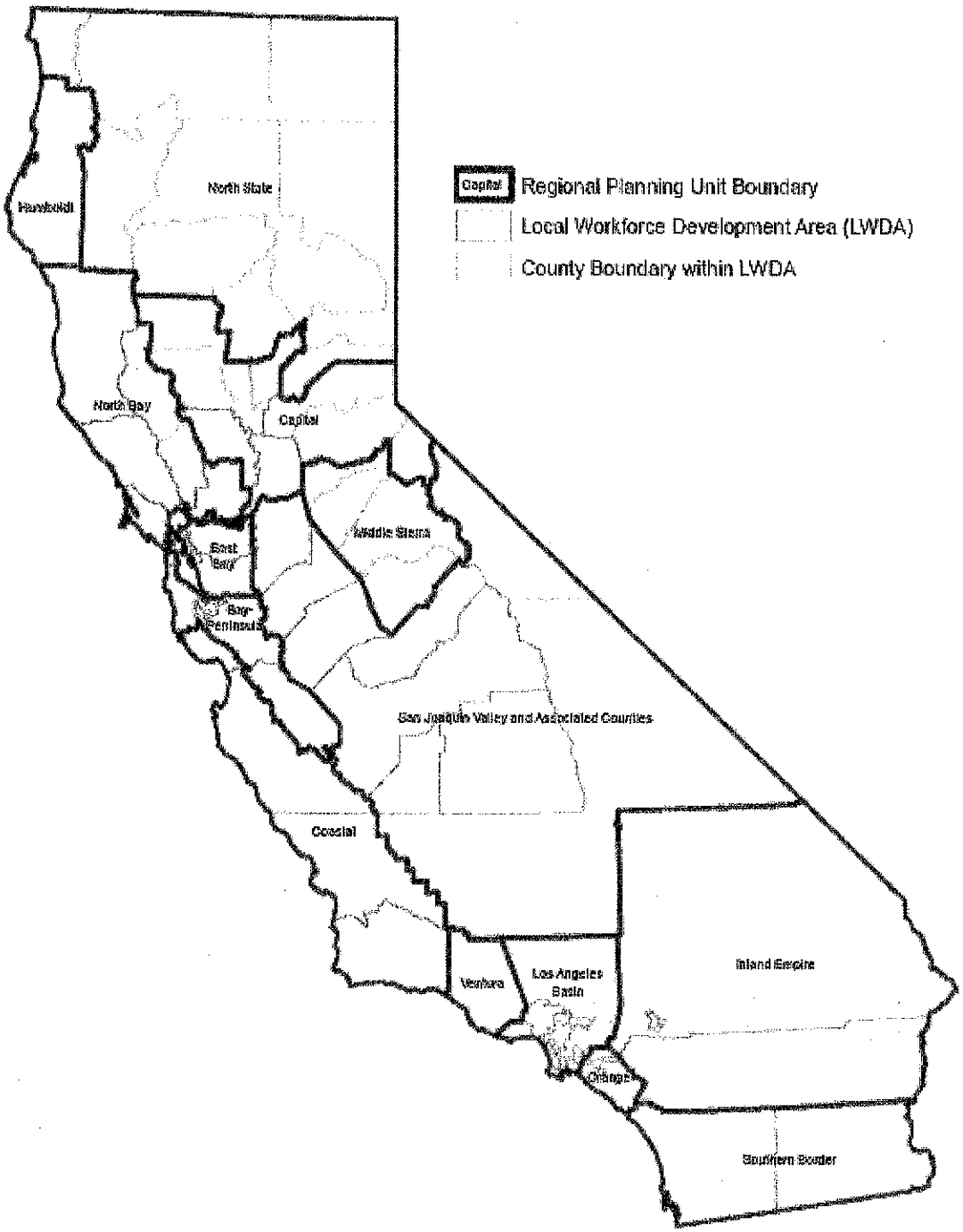
7 Community College Macro Regions



46 Local Workforce Development Areas



14 Workforce Development Board Regional Planning Units



Next Steps

- We can bring these ideas back to Panel in July or August for further consideration.
  - Which would the Panel like to work on?
  - Note that changes to anything with wages and rates will be complicated in the new ETMS system.
  - What would the Panel like more information on?
  - Potential Stakeholder Meeting in Fall 2017.

Mr. Broad said, we should be looking at a way to simplify the process for everyone. You have a map of a High Unemployment Area. One map looks really different from the other map, but it's 39 counties. You have situations where you may have a wealthy county, part of it has persistently high unemployment, or you may have a poor county with an area of considerably higher wages. It all has to fit together and make sense. It needs to align. Regarding health care, we have to wait for the dust to settle on health care. With the uncertainty in Washington, D.C. we do not know if it will land in a repeal of the Affordable Care Act, or a partial repeal of the Affordable Care Act. Next thing you know California has a single care system. We should leave this alone for now until we are sure what Washington is going to do.

Ms. Roberts said, I would like to work on Substantial Contribution.

Ms. Newsom said, Substantial Contribution should be taken care of at the next meeting. I would like to see wages and health care benefits addressed in a future meeting, in August or later, or in the fall, coming back with some proposals on what to consider and vote on. There is concern regarding the health care benefits. In my mind, with so many unknowns of what may occur, the wages are intimately tied to the health care benefits. People are counting on that toward meeting the wages. Maybe after the Summer months and secret plans have been revealed...who knows. Hopefully this year, 2017, those issues will be addressed.

X. PUBLIC COMMENTS

Steve Duscha

Mr. Duscha said, I promise to speak very little today. I listened to the Chairman last time on the irrational mapping for the Metro/Non-Metro map in your package today. It has the advantage of addressing your very good points. Those regions are now congruent with the Go-Biz region. They collapsed some of the Go-Biz regions together but all the lines match with Go-Biz. It's a better map. I also want to say it is time for an increase in the fixed fees. It has been a long time. I'm not endorsing what was on the charts because that was the first time I have seen them and reserve the right to whine about any certain one. I still don't understand how to fix the Substantial Contribution, but it needs to be fixed. Thank you.

XI. MEETING ADJOURNMENT

Mr. Broad adjourned the meeting at 1:00 PM.