



Employment Training Panel

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**

CalEPA Headquarters Building
Sierra Hearing Room, Second Floor
1001 I Street
Sacramento, CA 95814
June 28, 2019
(916) 327-5640

Panel Members

Janice Roberts
Acting Chair

Gloria Bell
Member

Cheryl Akin
Ex-Officio Member

Gretchen Newsom
Member

Rick Smiles
Member

Ernesto Morales
Member

Ali Tweini
Member

Executive Staff

Stewart Knox
Executive Director

Peter Cooper
Assistant Director

Jill McAloon
Chief Deputy Director

Michael Cable
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Acting Chairperson Janice Roberts called the meeting to order at 9:31 a.m.

II. ROLL CALL

Present

Cheryl Akin
Gloria Bell
Ernesto Morales
Gretchen Newsom
Janice Roberts
Rick Smiles

Absent

Ali Tweini

Executive Staff

Stewart Knox
Michael A. Cable

III. AGENDA

Acting Chairperson Roberts asked if the Panel Members reviewed the Agenda.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the Agenda. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

IV. MINUTES

Acting Chairperson Roberts asked if the Panel Members reviewed the draft Meeting Minutes from the last Panel Meeting.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the Meeting Minutes. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Knox welcomed the Panel Members, applicants, and stakeholders. Mr. Knox reported that following the last Panel Meeting today ETP is a sizable Panel Meeting. Mr. Knox reported that last year we had about \$20M go out in the month of June, and July was around \$11M. Today's meeting is approximately \$9.5M with another \$1.8M in delegation orders, for a total of just over \$11.3M.

Mr. Knox recognized the following persons in attendance: Diana Torres, Southern California District Manager; Ryan Swier, North Hollywood Regional Office Manager; Chris Hoover, San Francisco Bay Area Regional Office Manager; Lis Testa, Program Projects Unit Manager; and Jana Lazarewicz, Sacramento Regional Office Manager.

Regarding budget and Alternative Fuels, it was reported that there is approximately \$1M remaining. It was also reported, regarding the Budget for Alternative and Renewable Fuels, that ETP had 3 proposals in the last few months for over \$1M. There is \$1M remaining for this year, plus ETP will have a new allocation after July 1, 2019. More to come later regarding that allocation.

Regarding Core Funds for Fiscal Year (FY) 2018/19, Mr. Knox stated he did not want to get into the details, but reported that ETP has depleted all of those funds through the end of the last fiscal year, and ETP had a little reserve pushed into this fiscal year, instead of having to draw heavily in the month of June, like has typically been done. Mr. Knox reported that ETP has about \$1.8M in which it is able to pull from the last fiscal year, so ETP will be better situated in this next fiscal year.

Mr. Knox reported that today the Panel would be considering Proposals in the amount of \$9.5M, with an additional \$1.8M approved by Delegation Order. Upon the Panel approving just over \$7.8M in projects for FY 2019/20, adding the extra allocation out of FY 2018/19 into this year, which makes ETP draw \$7.8M of the \$11.3M, ETP will have approximately \$95.1M remaining for FY 2019/20.

It was reported, regarding Delegation Orders: All such project proposals are capped at \$75K; all such project proposals are to be approved by the Executive Director on a continuous flow basis; and the 32 projects subject to Delegation Orders for today's Panel Meeting is just over \$1.8M.

It was reported, regarding FY 2019/20, total program funding to date: Approximately 774 projects have been submitted to the Panel, some carried over from last year, pushing the amount to approximately \$78M, having more of a demand than ever within the dollar allocation of the 774 projects submitted; and with a value just over \$86M, the Panel will possibly approve \$11.3M with 58 projects to date, if all proposals are funded today.

It was reported regarding Single Employer Contracts: Regional Offices requests are at \$55M in demand, with \$44M in allocations. Regional Offices/AAU requests are at \$9.2M in demand, with \$22M in allocations. Small Businesses request are at \$12M in demand, with \$6.0M in allocations. Critical Proposals are at \$1.1M in demand, with \$5M in allocations. And Apprenticeship programs are at \$3.7M in demand, with \$18.6M in allocations. Overall demand is approximately \$86M plus.

It was reported the number of total projects in FY 2019/20 in AAU and applications received by the Regional Offices currently in the Regional Offices is 91; that the total number of projects currently in the Applications and Assessment Unit is 683; and that the number of total projects is 774. As discussed in recent committee meetings and at the last Panel Meeting, ETP is trying to keep meetings at around \$10M per meeting so ETP does not run low on funds at the end of the year.

Regarding Legislation, the ETP legislation has a new bill number (SB 792). It was reported that SB-792 is a two year bill, it is a committee bill, and at this point, it is only replacing certain language. For example, changing Workforce Innovation Act to Workforce Opportunity Act. The changes are not substantial at this point, but the hope is to work with the legislative committee in order to get additional changes. Other bills of interest include SB-749, which was discussed at the Policy Committee; and SB 462, which Peter Cooper is working with the author from Senator Stein's Office.

Mr. Knox requested a motion to approve the Consent Calendar, and should there be a loss of quorum today before finalizing project review, a motion to delegate authority to the Executive Director in order to approve Proposals and other actions items on the Agenda in consultation with the Acting Chairperson.

ACTION: Acting Chairperson Roberts moved and Mr. Smiles seconded approval of the Consent Calendar and to delegate authority to the Executive Director in order to approve Proposals and other action items on the Agenda in the loss of a quorum. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

VI. RECOGNITION OF FORMER CHAIRPERSON BARRY BROAD

Mr. Broad joined the Panel Members while Acting Chairperson Roberts and others began to share personal stories and thoughts about Mr. Broad. Acting Chairperson Roberts shared that Mr. Broad has been on the ETP Panel for around 17 years, and that they have both worked together on the ETP Panel for over 14 years. Acting Chairperson Roberts then explained how Mr. Broad has done a lot for the ETP and the Panel over the years. Acting Chairperson Roberts then opened up the discussion for staff and others to share some facts and stories regarding Mr. Broad.

Mr. Knox reported that Mr. Broad attended over 140 meetings; that he approved over 590,036 contracts; approved over \$1.4B in training funds in the state of California; which trained over 1.3M employees. Some of the programs Mr. Broad has overseen include: the California Energy Commission funding; Certified Nurse's Assistant Program; Individuals With Disabilities; the programs done with the Mayor's Office; serving kids for work experience; serving kids with disabilities; rapid employee strategies programs for natural disasters; and the Veterans Program to ensure that ETP serves the veterans at a higher level.

Following Mr. Knox's presentation and personal stories, other Panel Members then began to share stories and words of appreciation for Mr. Broad; followed by past and present executive staff members, including Steve Duscha, Brian McMahon, and Peter Cooper; then staff members, members of the public, stakeholders, and others wanting to impress upon Mr. Broad how much he did for ETP, and to thank Mr. Broad for his extensive work and dedication to the ETP program.

Mr. Broad responded with a heartfelt discussion that recapped some of his experiences at ETP over the years, and how Mr. Broad's focus was on Panel Members actively engaging the Proposals; and supporting the staff and stakeholders that work very hard at developing these Proposals. Mr. Broad appreciated all of the specific comments about his tenure being balanced and well-reasoned; and Mr. Broad explained how he made an initial decision to approach his time and work at ETP in a nonpartisan way, knowing that the training provided and the importance of ETP to all Californians, are things that just naturally transcend politics, by the way ETP impacts people's lives.

Mr. Broad thanked everyone for the recognition.

VII. POLICY COMMITTEE MEETING REPORT TO PANEL

Ms. Newsom stated that the Policy Committee Meeting was a departure from previous meetings. The meeting has a new name and a new focus on policy, and a desire to move policy decisions into action. Additionally, the meeting room set up and changed in a way to encourage a more collaborative dialogue, and key ETP unit managers were in also attendance in order to address the practical application of these policy discussions, including: Shannon Spence, Audits Manager; Sandra Trujillo-Graham, Fiscal Manager; and Willie Atkinson, Assessment and Program Division Manager. The discussion was led by ETP's General Counsel, Michael Cable.

Although there were no specific action items this time, as the Policy Committee is short a member, Ms. Newsom reported that there was a productive discussion about the following three items:

Cannabis Industry. Ms. Newsom reported that this was a follow up discussion from December 2018 regarding the Cannabis Industry. Ms. Newsom reported that there are new Cannabis Regulations that address the issues raised previously by a variety of Policy Committee Members and stakeholders. It was reported that ETP meet with Nicole Elliott who is the senior advisor regarding Cannabis at GoBiz, who explained the current landscape of the Cannabis Industry and related enforcement issues. It was also reported that ETP received its first Cannabis Industry Application from a pharmaceutical manufacture company, and that the application is currently being reviewed by staff. The discussion was productive and ended with a few take away items: Staff are going to look into whether or not a site visit to the new applicant's facility is possible for Policy Committee Members; Staff will also prepare and propose internal processes and procedures to ensure that licensing and regulatory compliance is in effect; and Staff will reach out and research other state agencies that may be doing the same thing so that ETP is in alignment with other state agencies.

Valuation of Health Benefits. Ms. Newsom then reported that there was a discussion about the valuation of health benefits, which included a follow up report to a previous Full Panel Meeting discussion in September 2017 regarding the valuation of health benefits. It was reported that the \$2.50 rule has given rise to additional questions regarding the following: The practical application of the \$2.50 rule; and how health benefits impact wages and performance, which gave rise to a bigger discussion about wages in general and how ETP calculates wages, the ETP minimum wage, and other wage-related issues that will be discussed at a future meeting. Ms. Newsom explained that Staff will digest all the comments and suggestions regarding wages, health benefits, and the ETP minimum wage; and Staff will also research and update the historical data provided previously, but this time it will include data of actual wages after confirming with the Audits Unit.

Senate Bill 749. Ms. Newsom reported about a new topic that was discussed regarding SB-749, which is a bill currently pending before the California Legislature about the definition of public records for purposes of the California Public Records Act. The discussion was strictly informational. It was made clear that ETP is not taking a position on Senate Bill 749. The purpose of the discussion was to hear from stakeholders about their issues and concerns regarding SB-749.

Ms. Newsom reported that future Policy Committee agenda items will include the bigger discussion regarding wages, health benefits, and the ETP minimum wage; providing a mock-up of a panel packet proposal from the new Cal-E-Force system so Panel Members will be able to review and provide feedback; and Staff will conduct a review of best practices engaged by similar agencies in other states making sure that ETP remains the top agency of its kind in the nation at all times.

Ms. Newsom reported that staff is also going to review and consider a list of other potential agenda items that were submitted by stakeholders. Ms. Newsom reported that the next Policy Committee Meeting will likely be in August 2019; however, if it's possible, we will try to have one in July 2019. Ms. Newsom explained that people should continue to check the ETP website for current information.

Acting Chairperson Roberts stated that the Policy Committee is currently absent one member; and as Acting-Chairperson, Roberts appointed Rick Smiles to the Policy Committee, effectively immediately.

VIII. STRATEGIC PLAN UPDATE

Acting Chairperson Roberts then introduced Mr. Mario Maslac, Chief of Research and Analytics Unit.

Mr. Maslac presented to the Panel a power point presentation highlighting the Strategic Plan, and explained that the Strategic Plan will be available on ETP's website. Mr. Maslac then provided an overview and explanation describing how the current plan is visually different in style and format.

Mr. Maslac then went through the Table of Contents and explained each section in detail, including: Vision and Mission Statement; Introduction and Overview; Goals and Objectives; Improvements and Funding; Priority Industries; Priority Populations; Strategic Partnerships; and Appendices. Mr. Maslac again noted that the Strategic Plan and

Appendices are all available online at ETP's website.

Upon completion of Mr. Maslac's presentation of the Strategic Plan, Acting Chairperson Roberts asked whether any Panel Members have any questions.

Ms. Bell questioned whether the Strategic Plan had been reviewed by all staff.

Mr. Knox stated that Executive Staff and others reviewed the plan and made recommendations.

ACTION: Ms. Newsom moved and Ms. Bell seconded approval of the Strategic Plan as presented by Mr. Maslac, and to delegate the authority for finalizing and submission of the Strategic Plan to the Executive Director. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion Carried 6 – 0

IX. PRESENTATION OF ETP APPRENTICESHIP PROGRAM (VIDEO)

Acting Chairperson Roberts introduced John Bauer and Deborah Chaplain.

Ms. Chaplain thanked the Panel and explained how ETP funding beneficially impacts the state building trades and apprenticeship programs. Ms. Chaplain explained that the purpose of the video is to show thanks to ETP, and to visually demonstrate to Panel Members the impact of ETP funding.

Mr. Brauer stated this video will help ETP highlight the benefits of the program.

[Video is shown]

Acting Chairperson Roberts thanked everyone for showing the video.

Ms. Newsom asked where the video will be accessible. It was reported that there will be a link on ETP's website.

X. REVIEW AND ACTION ON PROPOSALS

Tab No. 19: Finishing Trades Institute of District Council 36 Joint Apprenticeship Training Trust Fund

Ms. Testa stated that this proposal for the Finishing Trades Institute of District Council 36 Joint Apprenticeship Training Trust Fund in the amount of \$749,145. This JATC operates 7 training centers throughout Southern California, and this project will include both apprentice and journeyman worker level trainees. Ms. Testa stated that the Finishing Trades Institute has also requested a separate veterans job number; and that their innovative training program includes the virtual paint training system where trainees hold a spray gun that shoots a laser beam instead of paint onto a sensor screen which measures the trainees efficiency and spray technique.

Ms. Testa noted that their prior projects have all been strong performers and their most recent project has over one hundred percent of potential training hours tracked date with potential earnings of 100%. Ms. Testa stated that there was a typo in the Proposal, as Steve Duscha does not have a marketing contract with ETP. Ms. Testa stated that staff recommends approval of this Proposal, and introduced Jesus Hernandez, Training Director, and Oscar Meyer, Apprenticeship Advisor for Los Angeles Unified School District. Steve Duscha, consultant, was also present.

Jesus Hernandez introduced himself and stated that the Finishing Trades Institute of District Council 36 is a training arm for the Finishing Trades Southern California. Mr. Hernandez thanked ETP for its support, and explained that ETP funding has allowed them to obtain the best equipment, materials, and instructors to train our members within the finishing trades. With ETP support, Mr. Hernandez explained that they've actually expanded their training to reach over 1,200 apprentices this year.

Acting Chairperson Roberts asked if any Panel Members have any questions.

There were none.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the Proposal for Finishing Trades Institute of District Council 36 Joint Apprenticeship Training Trust Fund in the modified amount of \$749,145. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 12: Laborers Training and Re-Training Trust Fund for Southern California

Mr. Smiles announced his recusal and left the room prior to the following discussion.

Mr. Hoover stated that this Proposal is for the Laborers Training and Re-Training Trust Fund for Southern California. Training is for 3 separate apprenticeship programs of the building trades, two of which will be participating in this proposal which are Labor Southern California JATC and Southern California Labor's Landscape and Irrigation Pipe Fitters JATC. This project will train 129 journey workers and 486 apprentices. Mr. Hoover noted that they actively recruit veterans, and has included a veterans job number for 30 trainees. Mr. Hoover explained that this will be their seventh ETP contract, and staff recommends approval of this proposal. Mr. Hoover introduced Lisa Becerra, Executive Assistant Quality Manager.

Ms. Becerra thanked the Panel Members, and explained that they don't create jobs, but rather career paths, and she thanked them very much for their support. Ms. Becerra noted that they were graduating annually over 500 graduates, and that would not happen with ETP support.

Acting Chairperson Roberts asked if any Panel Members have any questions.

There were none.

ACTION: Acting Chairperson Roberts moved and Ms. Bell seconded approval of the Proposal for Laborers Training and Re-Training Trust Fund for Southern California in the amount of \$749,706. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 5 – 0.
[Mr. Smiles was not present]

Tab No. 8: FreshPoint Southern California, Inc.

Mr. Smiles came back into the room.

Mr. Swier stated that FreshPoint Southern California, Inc. distributes fresh fruits and vegetables, and that the Teamsters Local 630 provided a Union support letter for the training of its Union members, which includes the drivers and warehouse staff.

Mr. Swier noted that this SET project, and a first-time ETP contractor. The company is requesting \$430,950 in funding to train 320 incumbent workers, 5 job creation employees, and 5 veteran job creation employees, all located in the City of Industry, which is also an ETP HUA. The proposal includes productive lab and estimates approximately 40 frontline workers participating for up to 60 hours each week. This project will be funded out of this current fiscal year and we do have a correction on this project in regards to contract number ET20 – that should be an ET19 number.

Mr. Swier stated that staff recommends approval of this project, and introduced John Collie, Vice President of Operations.

Mr. Collie stated that FreshPoint is the largest produce distributor in Southern California, and of the 340 associates, 200 plus are Union Local 630 members. Mr. Collie said he was available for questions.

Ms. Bell asked whether they do home deliveries.

Mr. Collie replied that do not do home deliveries.

Ms. Bell asked for more information about what they do.

Mr. Collie explained that a majority of their customers are hotel chains, hospitals, schools, restaurant chains, and similar entities like that.

Ms. Bell inquired as to whether they are a part of Sysco, and if that was more on the food side.

Mr. Collie stated yes.

Acting Chairperson Roberts asked about Mr. Polly Wright's involvement in the training, and expressed her concerns regarding the likelihood of success of the training.

Mr. Collie explained that Mr. Wright will lead the training of the trainers.

Ms. Bell stated that her concerns with the training as well, and how they are set up to train about 320 trainees, and their affiliation with Sysco.

Acting Chairperson Roberts recommended lowering the amount of the Proposal by 25% in order to address the concerns of training and the affiliation with Sysco.

Mr. Bill Saxton of National Training stated grounds to support the training project, and the need for additional funding. Ms. Saxton requested a reduction of only 15%.

Acting Chairperson Roberts understood and agreed with some of the points, and suggested meeting Mr. Saxton half-way at a reduction of 20%.

Acting Chairperson Roberts asked for a motion.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the Proposal for FreshPoint Southern California, Inc. with the modification that the overall amount be reduced by 20%. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 9: Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System

Ms. Torres introduced Universal Health Services of Rancho Springs, Inc. Ms. Torres noted that this project is being funded at the current Fiscal Year 18/19; that they are a priority industry; and that they are a repeat ETP contractor.

Ms. Torres stated that Southwest Healthcare plans to train around 350 incumbent registered nurses, as well as a 15 new nurse graduates. Although a repeat contractor, Southwest Healthcare plans to do extensive training in new services and skills.

Ms. Torres stated that staff recommends approval of this proposal, and introduced Kristen Johnson, Chief Nursing Officer; Nicole De Vries, RN; and Debbie Campbell, e-Learning Contractor Administrator.

Ms. Johnson provided an overview of their operations, including that there are two hospitals. The Hospital in Wildomar is level two American College of Surgeons certified trauma center with a bariatric center of excellence that joint center of excellence; and there's also a Hospital in Rancho Springs that's focused on women and children.

Ms. Johnson explained that ETP allows them to provide the training that many of the hospitals in their area are unable to provide; and provided an overall description.

Acting Chairperson Roberts thanked Ms. Johnson for her presentation and stated that she recognizes the value of these nursing programs. Acting Chairperson Roberts also recognized their past performance.

There being no further questions,

ACTION: Mr. Smiles moved and Ms. Akin seconded approval of the Proposal for Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System in the amount of \$509,600. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 10: Flory Industries

Ms. Lazarewicz stated the requested amount of \$246,905 will train staff, including 20 new employees and veterans. Veteran trainees are included in the job number one trainee population.

Ms. Lazarewicz explained that Flory Industries manufactures distributes and services nut harvesting parts and equipment their products include non-road diesel vehicles, devices and mechanisms that assist farmers in tree nut harvesting. Flory Industries will train staff on new international market demands and equipment and efficiencies in order to meet new federal smog emission regulations Training under this proposal will take place at their location in Salida.

It was reported that the human resources manager will oversee the project with assistance from the HR assistant manager and director of finance. Department managers will schedule training and administer training. Additionally, Flory Industries has retained the services of a third-party administrator.

Ms. Lazarewicz stated that staff recommends approval of this proposal, and introduced Seth Parker, Human Resources Manager; and Mike Snead, Sierra Consulting Services.

Mr. Parker thanked the Panel for the opportunity to present their application and the consideration for it. They have been in business at this location for over 80 years and are a manufacturer fruit and nut harvesting equipment. Mr. Parker explained that they are putting a significant investment into their expansion and growth with new technologies and new machinery, which is the need for the training.

Ms. Newsom noted that Flory Industries is requesting a post-retention wage modification from Job No. 1, from \$17.70 per hour to \$13.28 per hour; and \$14.48 per hour to \$12.00 per hour, for Job No. 2. Ms. Newsom noted that although they are requesting \$12.00 per hour their wages start at \$14.00 per hour.

Ms. Lararewicz explained that they are in HUA area with a HUA wage.

Mr. Parker stated that the owners have been on the property since 1909 and in business for over 80 years and have been expanding we just got word that we bought the 30 acres next to us.

Ms. Bell stated that this is a good contract and asked how they heard about ETP.

Mr. Parker said they heard about ETP from a consulting firm. Additionally, they hired Mike Snead from Sierra Consulting Services as a consultant.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the Proposal for Flory Industries in the amount of \$246,905. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 11: Health Net, Inc.

Ms. Lazarewicz stated that Health Net, Inc. is requesting \$748,535 to train staff including 175 new employees. Veterans for employment with veterans currently making up approximately 5% of the company's workforce. Health Net provides and administers health benefits to approximately 7.6 million individuals across 26 states and the District of Columbia. Health Net will train staff on effective and efficient business operations, and updates regarding State and Federal laws and regulations in terms of health care compliance. Training under this new proposal will include 7 new locations across California, including one to open next year in Natomas.

This is Health Net's fifth ETP contract in the fourth in the last 5 years with good performance. The Director of state and local tax in the financial planner will ensure training is implemented additionally health net has retained the services of a third-party to assist with the administration. Staff also has reviewed and approved Health Net learning management system for record-keeping. Staff recommends approval this proposal here representing Health net is Lorin Engquist, Director of State and Local Tax; and Steve Duscha, consultant.

Ms. Engquist provided a description and overview of their program and ETP funding.

Acting Chairperson Roberts inquired about this being a critical proposal and a non-priority industry, as well as the fact that this will be Health Net's fourth contract in five years, which makes being critical questionable.

Acting Chairperson Roberts stated that she's thinking the Panel should keep what they have as far as the critical proposal piece around the job creation, but cut by 50% from Job No. 1, which looks to be about a 20% reduction of the whole entire contract.

Mr. Duscha explained his understanding of the critical proposal designation, and mentioned the large expansion in the Sacramento Area in North Natomas.

Ms. Akin stated that she is very familiar with the project in North Natomas, and that GoBiz is pleased with the expansion and selecting the Natomas Area. Ms. Akin stated that this was designated as a critical proposal because GoBiz supports this contract; accordingly, Ms. Akin supports the full amount but appreciates that the recommendation is not to cut the job creation piece of the Proposal.

Ms. Newsom stated that she is in alignment with the Acting Chairperson's suggestion, and asked whether previous contracts were also critical proposals.

Mr. Engquist stated no.

Acting Chairperson Roberts stated that she again recommends that the Panel cut the retraining parts in Job No. 1 by 50%, which looks like total reduction of about a 20%.

Mr. Engquist stated no objection, but wanted to clarify that the “five years” is being measured from the end of their first 2-year contract.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the Proposal for Health Net, Inc. with the modification that Job No. 1 is reduced by 50%. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 13: N.E.C.A./I.B.E.W. Inland Training Fund

Ms. Torres explained that N.E.C.A./I.B.E.W Inland Training Fund is a multiple employer and repeat contractor; that they are requesting \$742,620, inclusive of \$48,204; and that they're proposing to train approximately 58 journey level workers and 184 apprentices.

The Inland Training Fund jointly manages the training trust for the International Brotherhood of Electrical Workers (I.B.E.W.) Local 440 Riverside, and the Local 477 in San Bernardino. In this proposal, there is a job number for veterans, and they work with Helmets to Hardhats to recruit veteran applicants.

Ms. Torres explained that they have a request to reduce the Panel's minimum of eight hours down to four hours only for the journey level workers. They are requesting this waiver in job 1 the upgrade classes for journey level workers are intended to train on one specific training topic that is necessary on the job and all required by signatory employers. In addition they are requesting a waiver to expand the ratio to the 1:25 for all Apprentices and is expected that most of the training sessions will be in compliance with the standard 1:20 ration. However some of the Apprentices training sessions may have up to 25 trainees with only one trainer present, approval of this waiver will allow them to maximize each training session and train their Apprentices according to its curriculum. The rate for the sound installers is at 22.2% a total number of sound installers apprentice including this project is very low, five in total three from local 440 and two from local 477. Some of these employers work in high unemployment areas however they are not requesting a HUA waiver. Staff recommends approval of this proposal here representing Inland training fund is Jon Rowe along with John Brauer.

Mr. Rowe provided a general overview of their training program, and explained that he went through the program 20 years ago.

Ms. Newsom asked how many of them are going to be sound installers.

Mr. Rowe stated that he cannot provide an exact number.

Ms. Newsom explained the issue of sound installers starting to hear about the better wages with inside wiremen, and that Mr. Rowe did an excellent job of addressing veteran needs through their outreach programs.

Ms. Newsom asked about adding more women to the trades.

Mr. Rowe stated explained the challenges and expressed that they are looking to recruit and promote women within the trades.

Acting Chairperson Roberts asked if there has any other questions.

There were no questions.

ACTION: Mr. Smiles moved and Ms. Newsom seconded approval of the Proposal for N.E.C.A./I.B.E.W. Inland Training Fund in the amount of \$742,620. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 14: Sheet Metal and Air Conditioning Apprenticeship and Journeyman Training Fund of San Diego

Ms. Torres stated that Sheet Metal and Air Conditioning Apprentice and Journeyman Training Fund of San Diego is a multiple employer and repeat contractor requesting \$437,930, inclusive of \$20,430 8% support cost. They are going to be training journeymen and apprentices as well and its pre apprentices.

Ms. Torres noted that this is their sixth agreement and third in the last five years. Their training programs are registered with Helmets to Hardhats, and they also work with other local organizations. The sheet metal technicians are covered by the sheet metal workers international local 206.

Ms. Torres stated that staff recommends the approval of this proposal, and introduced Chris Caricato, Training Director; and John Brauer.

Mr. Caricato provided an overview of their program and how ETP funding is used.

Acting Chairperson Roberts asked about the requested amount.

Mr. Caricato explained that they came in with a lower number to ensure high performance, but as they grow, they will probably ask for more funds.

Acting Chairperson Roberts stated the trades are pretty consistent with the dollar amounts, and thanked them for being on the conservative side.

ACTION: Ms. Newsom moved and Mr. Smiles and Ms. Bell both seconded approval of the Proposal for Sheet Metal and Air Conditioning Apprenticeship and Journeyman Training Fund of San Diego in the amount of \$437,930. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 15: Pipe Trades Apprentice and Journeymen Trust Fund for San Mateo County

Mr. Hoover stated that the Pipe Trades Apprentice and Journeyman Trust Fund for San Mateo County is a repeat contractor; that this is a priority industry; and that they are requesting a total of \$538,290. This will be their 4th ETP contract and fourth within the last five years. In this proposal, JATC of San Mateo is committed to including veteran apprentices in Job No. 3 and supporting job-related training that helps veterans transition into California work force they do have a waiver request for the journey worker minimum hours kind of like what you heard before the plumbers JATC of San Mateo request a waiver from the 8 hour minimum training requirement to a 4 hour minimum for 15 journey worker training classes for journey workers focus on the scope of work or specialty and some of these certification renewal courses are only 4 hours the journey workers often do not need to take two of the four hour classes and the JATC cannot require that the workers come back in due to the good economy. Certification requiring a 4-hour course will include a medical gas.

The JATC training infrastructure includes the training director who's the dedicated ministration and the JATC administrative staff person who assists with ETP administration strategy workforce communication is their administrative subcontractor who has been hired to assist with ETP online systems training will be delivered by in-house expert but usually at the journey level. Staff recommends approval of this proposal here today is Bob Kay Training Director, Stephan Schnell, Assistant Training Director, and John Brauer the Executive Director of Workforce Economic Development for Cal FED.

Mr. Kay thanked the Panel for their support, shared that they re taking in 50 apprentices in Fall, and asked whether there were any specific questions.

Ms. Newsom asked how are they advancing more women in the trades.

Mr. Kay explained their outreach programs for women, and mentioned a hands-on event in Hayward that attracted over 200 women.

There being no more questions,

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the Proposal for Pipe Trades Apprentice and Journeymen Trust Fund for San Mateo County in the amount of 538,290. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 16: The Corporation for Manufacturing Excellence (Manex)

Mr. Hoover stated that the Corporation of Manufacturing Excellence (Manex) is a repeat contractor; that this is a priority industry; and that the total ETP funding request is \$749,808. They are headquartered in San Ramon. This will be Manex fifteenth ETP Contract, it's the third in the last five years. Even though Manex is not including a separate veterans job number it's participant employers actively recruit veterans for training by contacting Concord's veterans affairs center for leads. The majority of the training will be

delivered by Manex and majority of the training will be conducted at the participating employer's facilities.

Training Infrastructure includes the director of Client Services who's the dedicated administer who also conducts needs assessments at the clients facilities. The client service representative who is responsible for ensuring each participating employer meet ETP guidelines and rolling and entering data into ETP online systems every Manex trainer will be responsible training delivered collecting rosters and providing the rosters to the client service representative. Staff does recommend approval for this proposal on here, today Walt Tarpley, Vice president of Client Services.

Mr. Tarpley provided an overview of their program and thank the regional staff for their hard work in preparing this Proposal.

Acting Chairperson Roberts ask if the Panel has any questions.

There were no questions.

Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the Proposal for The Corporation for Manufacturing Excellence (Manex) in the amount of \$749,808. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 17: Apprentices and Journeymen Training Trust Fund of the Southern California Plumbing and Piping Industry

Ms. Testa stated that this is a proposal for the Apprenticeship and Journeyman Training Trust Fund of the Southern California Plumbing and Piping Industry in the amount of \$748,440. They operate 9 training centers in Southern California, where they train both apprentices and journeymen workers in the plumbing and piping industries. Only apprentice will participate in this proposed project. Although they not requesting a separate veterans job number, they actively recruit veterans through Camp Pendleton for Marines who enter into their second year of the apprenticeship program. They also work with Helmets to Hardhats.

Ms. Testa stated that staff recommends approval of his Proposal, and introduced Ray LeVangie, Executive Director; Oscar Meyer, Apprenticeship Advisors for the Los Angeles Unified School District; and Steve Duscha, consultant.

Mr. LeVangie provided an overview of their program and areas of expansion. It was reported that they are currently under construction for another training center in San Diego, serving approximately 4000 apprentices.

Mr. LeVangie stated they are extremely grateful to ETP and the Panel for helping them assist workers, to train workers, to train for the industry, and for their Veteran's program.

Acting Chairperson Roberts asked the panel if they have any questions

Ms. Newsom stated she hopes one day there is a video on their veterans and piping program.

There being no more questions,

ACTION: Mr. Smiles moved and Ms. Newsom seconded approval of the Proposal for Apprentice and Journeymen Training Trust Fund of the Southern California Plumbing and Piping Industry in the amount of \$748,440. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 18: Central Valley-Mother Lode Plumbers, Pipe and Refrigeration Fitters Joint Apprenticeship Training Committee

Ms. Testa presented the proposal for Central Valley Mother Lode Plumber's Pipe and Refrigeration Fitters Joint Apprenticeship Training Committee in the amount of \$387,330. This JTC was founded in 1955 and operates in Stanislaus and San Joaquin counties. Their mission is to ensure that union plumber, pipe, and refrigeration fitters gain the skills, knowledge, and experience necessary to build and service both commercial and residential buildings. Their graduates work on the high-speed rail project, the 2020 project at UC Merced, and the construction of a VA hospital, among others. Both apprentices and journeymen workers will participate in this proposal. Central Valley Mother Lode has also dedicated a separate job number on their project to apprenticeship veterans and they work with the Helmets to Hardhats program to recruit veterans.

On Central Valley's most recent project enough training hours have been tracked to potentially earn well over 100% of their total contract value with a potential earned of 100% once all invoices have been submitted.

Ms. Testa introduced Greg Vincelet, Training Coordinator; John Brauer from California Labor Federation, and Derek Okubo, Consultant.

Acting Chairperson Roberts asked the panel if they have any questions.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the Proposal for Central Valley-Mother Lode Plumbers, Pipe and Refrigeration Fitters Joint Apprenticeship Training Committee in the amount of \$387,330. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 5 – 0.

[Ms. Bell was not present]

Tab No. 20: JVS SoCal

Ms. Testa presented a proposal on behalf of JVS SoCal in the amount of \$748,638. JVS SoCal, a non-profit WIOA grant recipient works to extend a helping hand to individuals who are struggling to overcome obstacles in attaining economic stability and self-

sufficiency. For this project JVS will work with individuals who have multiple barriers to employment, placing them in one of four different training programs: BankWork\$, to prepare trainees and entry level banking positions; HealthWorks, to prepare trainees to become CNAs, ApartmentWorks, to train in the basics of property management and maintenance; and CareerWorks, to prepare individuals for entry-level, non-clinical positions in healthcare facilities. Although not requesting a separate veteran's job number, JVS focuses on Veterans with their Veterans First team, which operates special programs for veterans including career coaching and job placement.

JVS has been a very strong performer with their prior projects, earning 99-100%. Their most recent project has well over 100% of training hours tracked in ETP's online system, which has them on track to earn the full 100% of the contract value.

Ms. Testa introduced Jay Soloway, Director of Training and Education and Steve Duscha, Consultant.

Acting Chairperson Roberts stated that she had no questions and asked for a motion.

ACTION: Ms. Newsom moved and Ms. Bell seconded approval of the Proposal for JVS SoCal in the amount of \$748,638. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 21: American Educational Systems, Inc. dba American College of Healthcare and Technology

Mr. Swier presented an amended proposal on behalf of American Educational Systems, Inc. dba American College of Healthcare and Technology. The organization is a learning institution that specializes in health education, Computer-Aided Design, and Building Information Modeling technology. This is a Multiple Employer Contract with current funding at \$382,800. The amendment request is to add an additional \$158,600 to the contract, bringing the total amount to \$552,380. This amendment will train an additional 61 trainees in newly-created job numbers 5 and 6 with a new group of participating employers. The most recent up-to-date performance shows the organization has tracked at 78% of the current approved amount and this project will be funded out of this current fiscal year.

Mr. Swier introduced Amir Baniassad, CEO.

Acting Chairperson Roberts asked if they came in with a conservative number and found out that they had a lot more training involved and that is why they are coming back for an amendment.

Mr. Baniassad stated because this was their first contract, they did not want to go over.

Acting Chairperson Roberts clarified that they were not coming back because the Panel had cut them, but because they wanted to be conservative.

Acting Chairperson Roberts asked if the panel has any questions.

ACTION: Mr. Smiles moved and Ms. Akin seconded approval of the Amendment for American Educational Systems, Inc. dba American College of Healthcare and Technology in the modified amount of \$158,600. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 22: Applus RTD USA Services, Inc.

Applus provides testing, inspection, certification, and solutions to companies in construction, oil & gas, power, automotive, industrial, and telecommunications sectors. This is a single employer contract, current funding is at \$144,300, and Applus is requesting to double that amount to \$288,600. This amendment has doubled the weighted average from 30 to 60 hours for 185 retrainees. The most recent up-to-date performance shows that the organization has tracked 100% of the current amount approved. This project is to be funded out of this Fiscal Year.

Mr. Swier introduced Cherie Lucas, Regional HR Manager.

Ms. Newsom pointed out that she liked the provision in the proposal that showed that their current trainee base wages have increased so they are no longer utilizing the health benefits to meet the post-retention rate.

Ms. Lucas stated that they also increased their wage another \$1.25 as of July 1st.

Acting Chairperson Roberts thanked them for starting conservatively and then coming back for an amendment, instead of starting too big and she has to cut them.

Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the Amendment for Applus RTD USA Services, Inc. in the amount of \$144,300. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 23: College of the Sequoias

Ms. Lazarewicz presented an amended proposal on behalf of College of the Sequoias. The requested amount of \$237,289 will train workers, including CNAs, throughout Kings and Tulare counties. During development, College of the Sequoias created a conservative training plan to maximize training for employers. Through continuous marketing and training plan development, participating employers' interest in customized training programs has increased. Additionally, College of the Sequoias has recruited a new participating employer in the healthcare industry.

Ms. Lazarewicz introduced Jorge Zegarra, Director of the College of the Sequoias Training Resource Center.

No questions from the Panel.

ACTION: Ms. Newsom moved and Ms. Bell seconded approval of the Amendment for College of the Sequoias in the amount of \$237,289. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 24: G & C Auto Body, Inc.

Mr. Hoover presented an amended proposal on behalf of G & C Auto Body, Inc. This is G & C Auto Body's first ETP Contract and current funding is at \$248,776. The amended funding requested is \$150,722 which would bring total funding to \$399,498, upon approval.. This amendment adds Job Number 5 for 53 Job Creation retrainees and Job Number 6 for five Job Creation veterans – both job numbers are Phase II funding. G & C Auto Body, Inc. has 13 locations in Northern California, G & C provides automotive repair services and sells parts and accessories to California consumers and national insurers such as Geico and State Farm. In the contract, Job Creation was conservatively developed, targeting only 25 employees. However, 62 net-new jobs have already been created to-date with more hiring expected. New locations in Alameda and Solano County have also been opened for business in Oakland and Hercules. These trainees will begin an intense training boot camp where full-day training lasts for 12 weeks. Thus, the company anticipates utilizing requested funds within the remaining 11 training months.

Mr. Hoover introduced Leslie Moore, HR Manager and Jill Meeuwsen, CEO, Synergy Management Consultants.

Acting Chairperson Roberts asked Ms. Meeuwsen if the Panel had cut them and she responded that they had not, but G & C wanted to come in conservatively because they are a non-priority industry.

Acting Chairperson Roberts states that all the Panel sees is a range of wages and cautions that when they come in with a non-priority industry and have low wages listed, that they should specify with actual numbers instead of such a large range.

Ms. Newsom added it looked like the veterans were being aligned with lower wages.

Ms. Meeuwsen stated that was not true and that when they started development a couple months ago, the entry wage was \$13, but is now \$15. And veterans come in at a higher rate. Ms. Meeuwsen stated that the people coming in at \$15/hr are unskilled workers, but after 18 to 24 months of the boot camps they become highly paid and can be making up to \$80,000 a year.

Ms. Newsom asked what the wage was that the veterans come in at because there is no such thing as an unskilled veteran.

Ms. Moore stated that the majority of their veterans are in senior management positions.

Ms. Newsom stated that from what is presented to the Panel, in Job 6, it looks like G & C is paying the veterans between \$13.82 up to \$25. It looks like the veterans are starting at the lowest wage and below what they would normally pay somebody at \$27.87.

Ms. Newsom points out that Ms. Moore is stating that their entry level wage is \$15/hr, but the amendment lists it as \$13.82, and the Panel gets frustrated when the numbers are not presented accurately.

Ms. Meeuwsen stated that she only learned earlier that morning that the company had raised their entry wage to \$15/hr.

Ms. Newsom requested a motion to have the beginning wages changed to \$15 because it is representative of what they were just told by Ms. Moore.

No further questions from the Panel.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the Amendment for G & C Auto Body, Inc. in the amount of \$150,722 with the modification that the contract be changed to reflect the updated entry-level wage of \$15/hr. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 25: Pyramid San Gabriel Management L.P.

Mr. Swier presented an amended proposal on behalf of Pyramid San Gabriel Management L.P. in the amount of \$73,980. Mr. Swier stated that there are some corrections: the In-Kind Contribution should actually be \$280,000 and the administrative cost should be \$35,669.40. Opening in February 2018, the Sheraton Gabriel is a new hotel in Downtown San Gabriel. Pyramid also opened a restaurant that was not planned at the beginning of this project, which created the need for an additional 23 employees. This is a Single Employer contract and currently funded at \$200,400.

The amendment request is to add on \$73,980.00 to this contract with a revised total of \$274,380. This amendment increases weighted average an additional 8 hours in all job numbers and adds an additional overall 38 trainees. The most recent updated performance shows the organization has tracked 94% of the current amount approved. This amendment will be funded out of the current fiscal year.

Mr. Swier introduced Rocio Pacheco, Director of HR and Steve Benson, NTC.

Acting Chairperson Roberts stated that the 130 is confusing and wanted to know the wages.

Ms. Pacheco stated that they use California's minimum wage, which will be increasing to \$14.25 on July 1st.

Ms. Pacheco clarified that the current minimum wage in California is \$12 per hour for entry level and they only use the minimum for the servers, because that is a tipped position. But the front desk, for example, comes in at \$14.25.

Ms. Newsom asked if that is the LA County minimum.

Ms. Pacheco stated that they are not in LA County, but want to be competitive with the wages.

Acting Chairperson Roberts asked if they pay their health benefits on top of that to meet the ETP wages.

Ms. Pacheco stated that the company pays 70% and the employee pays 30% in the benefits package and they have HMOs and PPOs. Ms. Pacheco also stated that they have joined forces with Mindful Warriors, a non-profit organization for veterans and she is also planning to reach out to EDD to get more veterans.

Mr. Knox apologized and explained that the information the Panel has in front of them is out of the old ETMS system and isn't enough to make a decision. Mr. Knox suggests to the Chair that this proposal be tabled for now.

ACTION: Ms. Newsom moved and Ms. Akin seconded a motion to table this Amendment so that it can be brought back to the Panel with a revised proposal reflecting additional information. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 26: South Bay Workforce Investment Board, Inc.

Mr. Swier presented an amended proposal on behalf of South Bay Workforce Investment Board, Inc. in the amount of \$131,517. South Bay has been providing employment and training services under the undersight of the U. S. Department of Labor and the California Employment Development Department. Within the first nine months of the current contract term, South Bay delivered more than 100% of the reimbursable training hours due to high demand. This is a Multiple Employer Contract with current funding at \$131,535. The amendment request adds \$131,517 to the contract; nearly doubling the contract amount \$260,053.

This amendment increases the weighted average in all three job numbers and the most recent updated performance shows that the organization has tracked 107% of the current contract amount approved. This contract will be funded out of the current FY.

Mr. Swier introduced Chris Cagle, Regional Affairs Manager, South Bay WIB, and Michelle Rychener, Training Funding Partners.

No questions from the Panel.

ACTION: Mr. Smiles moved and Ms. Akin seconded approval of the Amendment for South Bay Workforce Investment Board, Inc. in the amount of \$131,517. Acting Chairperson Roberts called for a vote, and all Panel Members

present voted in the affirmative.

Motion carried, 6 – 0.

XI. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Acting Chairperson Roberts asked for public comment on matters not on the Agenda.

Mr. Kay, Training Director for the Plumbers in San Mateo County, stated that he wanted the Panel to know that there is a Trades Introduction Program to Pre-Apprenticeship graduation taking place in San Mateo County later in the day at their facility in Burlingame, and that the Panel Members are invited and welcomed to attend.

XII. AGENDA ITEMS FOR FUTURE MEETINGS

Acting Chairperson Roberts asked from other Panel Members whether there were any suggested agenda items for future Panel Meetings.

None were given.

XIII. MEETING ADJOURNMENT

Acting Chairperson Roberts adjourned the meeting at 12:04 p.m.