



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
Friday, February 24, 2023**

Panel Members

Rick Smiles
Acting Chairperson

Dee Dee Myers
Ex-Officio Member

Ernesto Morales
Member

Gretchen Newsom
Member

Douglas Tracy
Member

Madison Hull
Member

Executive Staff

Reg Javier
Executive Director

Peter Cooper
Assistant Director

Jaime Gutierrez
Chief Deputy Director

Tara Armstrong
Deputy Director of
Technical Branch

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Teleconferenced Via Zoom Meeting
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I. PUBLIC PANEL MEETING CALL TO ORDER

Acting Chairperson Rick Smiles called the meeting to order at 9:30 a.m.

II. ROLL CALL

Present

Gretchen Newsom

Rick Smiles

Douglas Tracy

Aracely Campa Ramirez

Madison Hull

Ernesto Morales - joined at 9:34 a.m.

Executive Staff

Reg Javier, Executive Director

Peter Cooper, Assistant Director

Jaime Gutierrez, Chief Deputy Director

Tara Armstrong, Deputy Director of Technical Branch

III. AGENDA

The February Agenda was reviewed.

ACTION: Mr. Tracy moved and Ms. Newsom seconded approval of the February Agenda with no changes. All Panel Members present voted in the affirmative for approval of the February Agenda.

Motion carried, 5 to 0.

IV. MINUTES

The January Meeting Minutes were reviewed.

ACTION: Ms. Newsom moved and Mr. Tracy seconded the approval of the January Meeting Minutes with no changes. All Panel Members present voted in the affirmative for approval of the January Meeting Minutes.

Motion carried, 5 to 0.

V. REPORT FROM DIRECTOR

Today's panel meeting is for 13 proposals totaling \$4.4 million in funding requests. This includes one Delegation Order and two amendments. As well as an action item to approve and adopt a Conflict of Interest code. The governor's office is working on getting appointments for our two open panel positions.

VI. REPORT FROM ASSISTANT DIRECTOR

Applications for both the Health Care Workforce Advancement fund and Workforce Literacy pilot program, will be open starting Monday, February 27th the application window will be three weeks. There are three different informational webinars posted on our website. These proposals should be coming to the June 9th Panel and some in July.

VII. UPDATE ON CAL-E-FORCE

Some informational updates under our Cal-E-Force program; we will be releasing the alternative funding (Health Care Workforce Funding and Literacy) on Monday, February 27th at 8:00 a.m. and closing March 20th at 3:00 p.m. There are some live support sessions for anyone who needs assistance, posted on our website. Also posted are sample applications or templates. Enhancements added to the Cal-E-Force program is list views for our customers so they can see all active and inactive, and sort by whichever applications they want to filter. A mailing address and signatory information at registration and application areas to help with routing of the contracts have been added. We are still working with the California Workforce Development Board adding additional functionalities for their two grants called RARP and Waf 11. Our security incident and event response plan has been completed.

VIII. REPORT OF THE CHIEF DEPUTY DIRECTOR

Regarding Funding

Today's Panel Meeting is for approximately \$4.4 million, which does include one Delegation Order with a total of \$24,105. Delegation Orders are Proposals capped at \$75K and approved under delegated authority by the Director on a continuous flow basis. For this state fiscal year ETP has approved a total of 53 Delegation Orders. If all proposals scheduled for this Panel Meeting are funded today, the Panel will be approving 12 projects. After today's panel meeting the Employment Training Panel will have approximately \$32.9 million left in contracting capacity for the fiscal year.

Regarding Demand and Allocations:

There are 183 applications currently in demand and 41 applications are with the Regional Offices in development. With 21 applications under review with the applications and assessment unit and 121 submitted applications pending review. The estimated value of the 183 applications is \$47.8 million (\$35.8 million for single employers, \$5.6 million for multiple employer contracts, \$5.7 million for small business and \$649,680 for Apprenticeship Proposals.) We are currently within our allocations for this fiscal year 2022-2023. While we are getting close to reaching our funding allocation capacity in most of the areas, our demand for Multiple Employer Contractors has been low, and we are actively doing out reach in order to increase that demand.

IX. CONSENT CALENDAR

Tab 2 (Franklin Ranch Pet Hospital, Inc.) was dropped from the consent calendar to be moved to a future panel meeting by request.

ACTION: Ms. Newsom moved and Mr. Tracy seconded the approval of the Consent Calendar with the exception of Tab 2. All Panel Members present voted in the affirmative for approval of the Consent Calendar as moved.

Motion carried, 6 to 0.

X. LEGISLATIVE UPDATE

The California Legislature just started a new session 2023-2024. Last week, Friday was the last day for bills to be introduced. The landscape looks rather typical with about 1700 Assembly Bills and about 900 Senate Bills. The Legal Unit is reviewing and will generate a Legislative Memorandum of bills that are pertinent to ETP.

XI. AMENDMENTS

Request for two small amendments to the guidelines. Number one is on the third paragraph of the overview a two word strikethrough. Changing ETP will “require” to “encourage” applicants to participate in the information session. Amendment number two is on page four, the second bullet and then the fourth sub bullet under distance education, hybrid learning a change to the \$19 reimbursement rate making it \$23. These two changes will ensure that we do not have delays getting this funding out this fiscal year.

ACTION: Ms. Newsom moved and Mr. Tracy seconded the adoption of the two amendments to the guidelines. All Panel Members present voted in the affirmative for approval of the two guideline amendment changes.

Motion carried, 6 to 0.

XII. REVIEW AND ACTION OF CONFLICT OF INTEREST AMENDMENT

The annual financial disclosure statement Form 700 does not only pertain to panel members and executive staff but to those employed at ETP that may have discretion or certain decision making authority. The Political Reform Act mandates that each state agency adopt a Conflict of Interest Code that identifies all such designated positions and assigns a level of disclosure (disclosure category) as to what level of financial disclosure is required for someone completing the 700 Form. ETP bylaws Article 7 Section A states that the panel shall adopt a Conflict of Interest Code which shall be reviewed annually. Using the template provided by the Fair Political Practices Commission, but with some revisions and updates, to reflect new positions or position titles as reflected in Appendix A. This is posted on the ETP website for public review. Staff recommendation is for panel to move to approve the Conflict of Interest Code as prepared and for Legal Unit to proceed with the final adoption as required by the Fair Political Practices Commission.

ACTION: Ms. Newsom moved and Mr. Tracy seconded adoption and approval of the Conflict of Interest Code as prepared and for Legal Unit to proceed with the final adoption as required by the Fair Political Practices Commission. All Panel Members present voted in the affirmative to adopt and approve the Conflict of Interest Code as moved.

Motion carried, 6 to 0.

SINGLE EMPLOYER CONTRACTS

Tab No. 4: Cicon Engineering, Inc.

Repeat contractor. Second ETP contract and second in the last five years. Funding requested \$316,480 to train 320 retrainees over two job numbers. Headquarters in Van Nuys, additional facilities in Canoga Park and Chatsworth. Project emphasis is on cross functional training to provide ability to perform tasks across multiple disciplines. Investment in manufacturing equipment necessitating training on assembly procedures, manufacturing procedures and soldering techniques. Prior project earned \$109,440 which was 100% of their awarded funding amount.

Question regarding wages under job number two (job creation) hiring 20 new production technicians with a pay range of \$16.28/hr. up to \$20/hr., while production technicians in job number one is earning \$20.16/hr. up to \$25/hr., how soon would those new production technicians be eligible for the higher wages listed in job number one?

Response by Dara Kolahi stated that they get a raise every year with bi-annual reviews so probably in three years. Any more would be devastating since their competition is outside of California.

Question regarding how long the job one technicians have been under employment?

Response by Mr. Kolahi was 8 years. There are a lot of people here between 8 to 20 years.

Question asked as to whether there is potential for an increase before the year with the bi-annual reviews?

Mr. Kolahi responded there are people who have gone from quality control technician one to three in a matter of a year. In theory they could get two raises a year.

Question was is it likely that they could get two raises a year? Does it typically happen?

Dara Kolahi responded some people go through very quickly but not all.

Comment was made that three years to potentially work your way up to close to a livable wage in California is tough

Request was made to move the job number two job creation (20 individuals) up to \$18-20 per hour when hired. The turnover rate was 16% which is higher than we usually see. We encourage you to boost up those biannual reviews as quickly as possible.

Response by Mr. Kolahi was no to moving job number two (20 individuals) up to \$18-20 per hour and the aerospace average was a lot higher than 16% during COVID.

Comment was that the post retention wage are supposed to be \$18.78/hr. You are using \$2.50/hr. for healthcare benefits. What type of benefits are they receiving?

Mr. Kolahi responded health, dental, 401K, Vacation, PTO, sick, everything.

It was clarified that the \$2.50 of health benefits was focused on the medical, dental and vision combined into one.

ACTION: Ms. Newsom moved and Ms. Campa Ramirez seconded approval of the proposal submitted by Circon Engineering, Inc. in the amount of \$316,480. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 5: Astra Space Operations, Inc.

Critical proposal. First time contractor. Funding requested \$397,440 to train 180 workers. Training will take place at their Alameda, Sunnyvale and Atwater locations.

ACTION: Ms. Newsom moved and Mr. Tracy seconded approval of the proposal submitted by Astra Space Operations, Inc. in the amount of \$397,440. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 6: True Organic Products, Inc.

Repeat contractor. Funding requested \$498,111 to train 256 workers, including 85 new employees. Training will take place at their Helm, Monterey and El Centro locations.

Concern was raised as to whether the company is prepared since the funding increase is large. Are the management in place able to make sure they are successful?

Anna Carreno responded that they are bringing on new management that will lead and some outside people to make sure they are meeting all the training goals.

ACTION: Mr. Tracy moved and Ms. Hull seconded approval of the proposal submitted by True Organic Products, Inc. in the amount of \$498,111. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 7: BFS Group of California LLC

First time contractor. Funding requested \$496,800 to train 1080 workers including 74 new employees. Training will take place at BFS group locations in Fresno, Riverside, Sacramento, Stanislaus and Yolo County.

ACTION: Mr. Morales moved and Ms. Newsom seconded approval of the proposal submitted by BFS Group of California LLC in the amount of \$496,800. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 8: California Imaging Institute LLC

Repeat contractor. Funding requested \$294,975 to train 243 workers, including 45 new employees. Training will take place at their locations in Fresno County.

Concerns were raised regarding the two wage modifications being requested. Looking at page four and five of the proposal, trainees employed in a priority industry, the panel may modify the SCT minimum wage of up to 25% below the statewide average hourly wage. So from \$41.20 down to \$30.90. In addition, trainees under job numbers one and two work in high unemployment areas (HUA) a region with unemployment exceeding the state average by at least 25%. The company's locations in Fresno County are in a HUA. For these trainees, the panel may modify the ETP minimum wage up to 25% if post retention wages exceed the state of training wages. And CII is requesting a wage modification from \$30.90 an hour down to \$17 an hour. These two wage modifications compounded together, go from \$41.20 an hour, great high wage that supports many families, down to \$17 an hour for lower wage occupations. The applicant needs to elaborate on how they're proposing to raise the wages of these workers when they're receiving this ETP funding. Keeping in mind that they are asking for two wage modifications. It states in the proposal that CII is projecting a 5% increase in revenue over the next two years. We would certainly like to see those workers be a part of that increase in business and for them to get some of that benefit. Could CII speak to these concerns? Also, does the California Imaging Institute assist with the higher education ladder by providing tuition?

Patty Trudeau responded that the smaller wages are for the new hires in the billing department, who are working 100% remotely starting at \$16.50 - \$17, this ETP training will take them to the next level for billing codes. The radiology side are increasing every six month so they may start at \$17 but within 120 days to 6 months they are proposing a next step where do they want to go. Scholarships are offered. I'm not sure about reimbursement.

ACTION: Ms. Newsom moved and Ms. Hull seconded approval of the proposal submitted by California Imaging Institute, LLC in the amount of \$294,975 All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 9: Vann Brothers

Repeat contractor. Funding requested \$292,100 to train 250 workers including 20 new employees. Training will take place at Vann Brothers location.

ACTION: Mr. Tracy moved and Ms. Campa Ramirez seconded approval of the proposal submitted by Vann Brothers in the amount of \$292,100. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

MULTIPLE EMPLOYER CONTRACTS (MEC)

Tab No. 10: City and County of San Francisco

Repeat contractor. Funding requested \$524,320 to train 80 new hire trainees. Training will take place in Evans Campus of the City College of San Francisco.

Comment was made that this application provided good practices on how to overcome multiple barriers to employment.

ACTION: Ms. Newsom moved and Mr. Morales seconded approval of the proposal submitted by City and County of San Francisco in the amount of \$524,320. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 11: Opportunity Junction, Inc.

Repeat contractor. Funding requested \$544,464 to train 144 new hire trainees. Training will take place at Opportunity Junctions Antioch facility.

Concern was raised after looking at the website as to how much of the ETP funded curriculum is embedded into the 12 week program. The website noted the total cost for admin trainees, tuition and fees for the course at \$4,500. However, it states that you have identified funding sources to cover the cost so none of the costs are passed to those enrolled. Of the ETP funding for the trainees how far does that get them through the program?

Alissa Friedman responded they have rated funding from other government contracts (CDBG's), community services block grant and foundation support. We don't think of it as being a just training because it is followed by up to four month of paid work experience with continued career skills and alumni advancement services. The \$4,500 was a number placed as a tuition for purposes of the ETP and the Bureau of private post-secondary education does not cover the costs of the entire program, which capitated by enrollee is over \$20,000. Estimate is that ETP funds will cover approximately 17% of the total program cost.

Question was raised if the trainee drop for whatever reason are they on the hook for the remaining cost?

Ms. Freidman response was no. Participants are not charged any amount of money for costs or tuition. We qualify people as being low income and we fill that in with foundation funding and unrestricted funding.

Concern was raised that they are coming for quite a bit more money this time will they be in a position to meet that.

Response from Ms. Friedman was we just brought the CNA training to Antioch in July 2021. And that has been running three cohorts a year smoothly, with 15 enrollments. The administrative cross training program had to pivot to online during the pandemic and it was difficult to provide the level of support services that we normally give or to note people having mental health problems and needing that support. We came back fully in person in May of last year, and we are feeling much better about our ability to enroll and graduate our trainees now that we're back in person.

ACTION: Ms. Newsom moved and Ms. Campa Ramirez seconded approval of the proposal submitted by Opportunity Junction, Inc. in the amount of \$544,464. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 6 to 0.

Tab No. 12: California Workforce Association

Pulled for a future panel meeting.

AMENDMENTS

Tab No. 13: College Hospital, Inc.

Two amendment requests to change the previously approved terms and conditions of the current contract between ETP and the contractor. Neither of these represent a requested increase to the total approved agreement amount. Both requests do represent a more than de minimis change to the initial training plan approved by the panel. Except for requested change, or change in the prior amendment, all other items in the training plan remain. Both of these amendments were approved and reflect the post retention wage at or higher than the county minimum wage in 2021.

Tab 13 from College Hospital Incorporated, their current funding amount is \$397,440, the terms and conditions remain with regards to the wages. Hospital representatives here can provide updates to what are the placement wages thus far now and the placement of these trainees now in 2023. With regards to the amendment details, outlined in page three of four of your memorandum after the approval of this contract, there were significant changes in the workforce since the exodus of incumbent healthcare workers, requiring the need for this hospital to bring in a significantly higher than planned number of new employees. Which, resulted in the shift in the job numbers, job number one (incumbent workers) to job number two (job creation), which are the newly hired worker. Resulting in 129 less trainees for job one, and 129 more trainees for job two (job creation), which means there is an increase investment in ETP funding on new hire workers. This request moves 30% of the total contract amount between the existing job numbers

in order to address current job creation hiring aids, resulting in no change to the approved funding amount. In addition to the hospital is requesting to shift the term date by 70 days forward. In other words, the beginning and the end term date forward because it took longer than expected to get this training plan moving.

Request to elaborate on where the wages are for the workers and how their quality of life has been increased or bettered from where they were a few years ago.

Holly McKittrick replied that starting wage has increased up to \$16 for administrative or technical staff and there are barely any at that rate because it is determined upon experience and so forth. The hospital was able to give raises to current other staff as well in the last two years.

ACTION: Ms. Hull moved and Mr. Smiles seconded approval of the amendment submitted by College Hospital, Inc. All Panel Members present voted in the affirmative to approve the amendment as moved.

Motion carried, 6 to 0.

Tab No. 14: Butte-Glenn Community College

Tab 14 is funded through the California community college funds. Requested training plan changes result in decrease of \$54. As with College Hospital the training plan (page two of six) that was approved December of 2021, This amendment starting with jobs one and two, they are cumulatively going to be increasing the number of plan trainees and decreasing the average number of training hours to reflect what is to training for these trainees. With regards to jobs three and four, job three will be increasing by a weighted average of 137 hours and decreasing bodies by about 67. Technically is that job four was for new hire trainees. Those are individuals who are currently unemployed. After the project was approved, Butte was able to procure some health care employers willing to hire individuals and train them while they were working. So it became more of an Earn and Learn model. As such job four was no longer necessary. The request is to delete job four and put those resources into job three for newly hired workers, specifically CNAs. As a result of this it moves about 50% of the funds around only a decrease of about \$50. It does result in an increase of an additional 631 trainees benefitting from the ETP training.

Comment was made regarding the occupations titles of CEO and vice president, are those still be provided training?

Ms. Rafferty responded that there are no CEO's that will be billed as part of this project.

ACTION: Ms. Newsom moved and Ms. Campa Ramirez seconded approval of the amendment submitted by Butte-Glenn Community College. All Panel Members present voted in the affirmative to approve the amendment as moved.

Motion carried, 6 to 0.

XIII. OPPORTUNITY FOR PANEL MEMBERS TO REQUEST AGENDA ITEMS FOR FUTURE PANEL MEETINGS

Acting Chairperson Smiles provided an opportunity for Panel Members to request agenda items for future panel meetings.

No comments were made.

XIV. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

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

Larry Mendel commented that there are only 13 proposals coming to Panel today but 181 are in house. Why then only 13? They have a new project starting the application process on Monday. We have a commitment that they are going to be put ahead of other programs to be heard at the June and July Panel meetings. Is that pushing the projects in house for six or eight months back further? Why do they deserve priority over other companies?

Response was given that the intent is to meet all of the allocations set for single employers, small businesses, critical proposals etc. In areas other than MEC contracts, we are very close to meeting the demand that we have set. The remaining contracts are going to be on hold for a little while until we can figure out where the allocations are going to be and what we can approve moving forward. Regarding the question of whether the new projects are going to impact the projects in the queue, the answer is no. Projects in development right now will be processes in the next couple months. We have groups focused on literacy and healthcare applications. So regular ETP core contracts will continue.

Additional response was given that we are working with CivicMakers to assess why there has been a lag in application processing. Applications will be processed until the entire ETP fund for this fiscal year is exhausted.

Nathan Daily commented on increasing the cap on the health care benefits from \$2.50 to \$3.50 to help small businesses.

David Tisdale commented on looking at processes to move money between jobs numbers without panel approval.

XV. MEETING ADJOURNMENT

Acting Chairperson Smiles adjourned the meeting at 10:55 a.m.