



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
Friday, December 16, 2022**

Panel Members

Janice Roberts
Acting Chairperson

Gloria Bell
Member

Dee Dee Myers
Ex-Officio Member

Ernesto Morales
Member

Gretchen Newsom
Member

Rick Smiles
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

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
Zoom Teleconferenced Meeting
Friday, December 16, 2022

I. PUBLIC PANEL MEETING CALL TO ORDER

Acting Chairperson Janice Roberts called the meeting to order at 9:33 a.m.

II. ROLL CALL

Present

Janice Roberts
Gloria Bell
Gretchen Newsom
Rick Smiles
Chris Dombrowski
Madison Hull
Douglas Tracy
Ernesto Morales

Executive Staff

Peter Cooper, Assistant Director
Jaime Gutierrez, Chief Deputy Director
Tara Armstrong, Deputy Director of Technical Branch

Absent

Reg Javier, Executive Director

III. AGENDA

October agenda was reviewed.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the Agenda with no changes. All Panel Members present voted in the affirmative for approval of the Meeting Agenda.

Motion carried, 8 to 0.

IV. MINUTES

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

Motion carried, 8 to 0.

Janice Roberts announced her resignation has been sent to the Governor's office and January 2023 will be her last panel meeting.

Gloria Bell announce that she is also resigning and her last panel meeting will be in January 2023.

V. REPORT FROM ASSISTANT DIRECTOR

Regarding our core funding, today's panel meeting is for \$10 million to serve 9533 trainees and a total of 47 proposals. Should the panel approve all projects it will have approved just over \$52 million in projects this fiscal year, which leaves roughly \$40 million in contracting capacity for the remainder of the fiscal year. We are not seeing as many MEC applications as we would like. Our allocation is for \$23.2 million in MEC's and we have only funded \$4.1 million. Health care and literacy programs will be rolling out next year. Reminder to expansion and community college fund contractors that we need to see documented performance to ensure funding is being spent, these funds do have clawback provisions.

VI. UPDATE ON CAL-E-FORCE

We have added an automated monitoring report. This is helping with efficiencies, our staff can create these required reports faster and get them out to our stakeholders. We have added an auto save feature to the submitted application which gives a record of what they sent. Under the Cal-E-Grant systems, the division of apprenticeship standards, our sister agency just went live with their Erica grants. We are also assisting the California Workforce Development Board by adding functions such as app revisions, doing document exports and grant and fund management. Also, we have completed our California Department of Technology ICT field work and are waiting for the preliminary findings to make sure our standards are up to date.

VII. REPORT FROM STAFF ATTORNEY

We are still conducting a review of our policies and procedures to make sure that everything is consistent with our ETP legislation and regulations. We are reviewing the pilots, guidelines and significant contract amendment requests and how we process and approve those. No changes will be immediate or without notice and the process will be thoroughly vetted and communicated in various avenues such as the Policy Committee meetings. Any issues that need panel approval will be brought to panel for review and approval. A quick reminder regarding COVID guidelines which were intended to be temporary in order to respond to the immediate needs of the pandemic, although the impacts of COVID will be felt for years to come, the authority to modify certain procedures was based upon those emergency orders that are no longer in place. Any thoughts or suggestions regarding policies or procedures such as changes or improvements should be expressed at our policy committee meetings and given the opportunity for public comment.

VIII. REPORT OF THE CHIEF DEPUTY DIRECTOR

Regarding Funding

Today's Panel Meeting is for approximately \$10 million, which include ten approved Delegation Orders for a total of \$345,966. Delegation Orders are Proposals capped at \$75K and approved under delegated authority by the Director on a continuous flow basis. If all proposals scheduled

for this Panel Meeting are funded today, the Panel will be approving 47 projects. After today's panel meeting the Employment Training Panel will have approximately \$40.3 million left in contracting capacity for the fiscal year 2022-23.

Regarding Demand and Allocations:

There are 190 applications currently in demand and 60 applications are with the Regional Offices in development. With 31 applications under review with the applications and assessment unit and 99 submitted applications pending review. The estimated value of the 190 applications is \$56.2 million (\$41.2 million for single employers, \$1.1 million for multiple employer contracts, \$7.7 million for small business and \$441,600 for Critical Proposals). We are looking for more multiple employer contracts to fund specifically. We are currently within our allocations for this fiscal year.

IX. CONSENT CALENDAR

It was requested that Tab 15 (Peterson Brothers Construction, Inc.) be pulled.

ACTION: Mr. Smiles moved and Ms. Newsom seconded the approval of the Consent Calendar with the removal of Tab 15 (Peterson Brothers Construction, Inc.). All Panel Members present voted in the affirmative for approval of the Consent Calendar.

Motion carried, 8 to 0.

X. ETP POLICY COMMITTEE MEETING

ETP Policy Committee met on Tuesday, November 29th. The meeting was brief. The first agenda topic we had was a discussion on small businesses, essential workers and identified equity gaps, especially in regards to digital skills. The next action item was to approve the new retraining job creation wage and committee approved staffs proposal and move it forward for full panel approval later on this morning.

XI. REVIEW AND ACTION OF ITEMS PULLED FROM CONSENT CALENDAR

Tab No. 15: Peterson Brothers Construction, Inc.

Repeat contractor. Funding requested \$187,404 to train 172 retrainees and 20 job creation. Training will take place in Southern California. The proposed contractor has confirmed that the productive lab is estimate at 45 trainees and not the entire training population are requested, that how they determined it at 19% in their training matrix.

Comment was made that in the future the exact number of employees going to be trained under productive lab be included.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by Peterson Brothers Construction, Inc. in the amount of \$187,404. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

XII. REVIEW AND ACTION OF COMMITTEE MEETING GUIDELINES

Retrainee Job Creation Wage (RJC)

Two actions the first one is regarding the retrainee job creation (RJC) wage for next calendar year. In October we reevaluate our wages for all our trainee categories, and reset all of the minimum wages for the next calendar year. RJC trainees are newly hired, which means they are employees who have been hired anywhere from 90 days before the contract term begins or anytime during the contract as long as they meet their minimum training and retention requirements. Historically, this population has been held to the new higher wages, which in general are our lowest required minimum wage levels. In 2018 panel expressed concern that we were potentially incentivizing companies to pay the lowest wages possible and requested a review. February 2019 panel voted to institute a new RJC wage which set a firm \$15 an hour until 2023. The statewide minimum wage for all companies regardless of size is going to be \$15.50 per hour. Therefore the present \$15 per hour wage will fall below the statewide minimum wage. The policy committee meeting on November 29th agreed that they would like to set the new RJC wage somewhere above the new higher wage but below the retraining wage. Committee recommends that the RJC wage be set to \$1.50 above the statewide minimum wage, eliminating the need to come back each time the statewide minimum wages raised. This would set the RJC wage at \$17 for 2023.

Mr. Jester asked for clarification as to if the RJC wage is already at \$17 does it stay there and not go lower? For instance LA County's wage is \$19 for new hires. It would stay at \$19 not go down to \$17.

Ms. Testa replied that yes that was correct. For example if the set wage is high say \$30 per hour and you are paying \$35-40 per hour. You have met the minimum but you would keep paying the \$35-40 per hour.

ACTION: Ms. Newsom moved and Mr. Smiles seconded the approval of the RJC being set a \$1.50 above the statewide minimum wage. All Panel Members present voted in the affirmative for approval.

Motion carried, 8 to 0.

MEC (Multiple Employer Contract) Applications

Currently MEC's are allowed only one core funded project each fiscal year. They can be awarded an alternately funded project and a core project in one fiscal year. We have approximately \$14 million left after all MEC applications in-house are processed. One reason the MEC's may be down could be due to the additional alternatively funded programs we started last year, the expansion fund and the community college fund programs and the MEC's may be busy working through multiple contracts at one time and may not have applied again this year or that they may believe that one contract per fiscal year restriction applies to the alternately funded projects as well. The proposal would allow MEC's to be awarded two core funded contracts for this fiscal year this change would expire June 30, 2023. This means that the last panel meeting to get your

second project approved would be at the June panel meeting. If you have a Delegation order, you have until the June 30th deadline. The restriction for concurrent enrollment will remain in place, no trainee can participate in more than one contract at a time. The doubled contracts will be monitored more closely to ensure high performance in both contracts since there will be extra work and liability for the contractors. The performance of all the contracts that the MEC holds will be included in subsequent applications, ETP requests that panel hold contractors for their next year's contract to the lowest earned amount from this year. Contractors must include either new participating employers or new curriculum content if they are going to repeat their employers into the second core funded contract. This would expand the reach and impact of the ETP program which is the main goal. This request was proposed this way because the issue is to get new participating employers and new curriculum and just raising the cap would not accomplish that. This version would also allow for continuation of development services.

Ms. Torres added that having a new contract will give contractors more time. If you put more money into an existing contract you are still bound by that 21 month training period so this format allows contractors additional time to recruit new employers.

Public comments:

Ms. Leon was that it may be easier to raise the cap rather than encourage multiple contracts. So instead of two \$600,000 contracts to \$1.2 million contract or even \$2 million dollar contracts.

Mr. Sanger agreed that increasing the caps would be easier. He also mentioned that he has a large demand by smaller and mid-sized manufacturers.

Mr. Herrera recommended raising the caps and that he also gets a lot of smaller employers interested in applying with ETP and he recommends a MEC to them.

Ms. Rafferty echoed that a cap increase would accomplish the goal more efficiently.

ACTION: Ms. Newsom moved and Mr. Smiles seconded the approval of the ETP Staff recommendation to for offering two concurrent MEC's as adapted by the policy committee. All Panel Members present voted in the affirmative for approval as moved.

Motion carried, 8 to 0.

APPRENTICESHIPS

Tab No. 20: California American Fire Sprinkler Association Trust Fund

First time contractor. Funding requested \$250,306 to train 133 apprentices' across the state.

The question was raised as to if they are being paid the prevailing wage throughout their apprenticeship regardless of whether they are working public or private works.

Ms. Moss responded that yes all apprentices are being paid prevailing wage. All the apprentices in this application are working on public works.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by California American Fire Sprinkler Association Trust Fund in the amount of \$250,306. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 21: Spaulding Marine Center

Repeat contractor. Funding requested \$25,586 to train 250 trainees over four job numbers.

Comment was made that it was surprising that this was not a delegation order but it is a non-priority industry.

Ms. Miguel response was that the decision was based on being consistent and bringing all new apprenticeship projects before the panel.

ACTION: Ms. Newsom moved and Ms. Bell seconded approval of the proposal submitted by Spaulding Marine Center in the amount of \$25,586. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

SINGLE EMPLOYER CONTRACTS

Tab No. 22: Bumble Bee Foods, LLC

Repeat contractor. Funding requested \$457,470 to train 326 retrainees and 145 HUA retrainees located in San Diego and Los Angeles counties. The contractor is requesting a HUA wage modification for Los Angeles based trainees in Job Number two.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the proposal submitted by Bumble Bee Foods, LLC in the amount of \$457,470. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 23: Monrovia Nursery Company

First time contractor. Funding requested \$314,640 to train 373 retrainees, 63 HUA retrainees and 20 HUA job creation trainees located in Los Angeles and Tulare. The contractor is requesting a HUA wage modification for trainees in Job number two and three.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by Monrovia Nursery Company in the amount of \$314,640. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 24: PTI Technologies, Inc.

First time contractor. Funding requested \$333,270 to train 242 retrainees and 30 job creation trainees located in Ventura County.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the proposal submitted by PTI Technologies, Inc. in the amount of \$333,270. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 25: Cobham Electronic Solutions, Inc.

4th ETP contract third in the last five years. Funding requested \$485,760 to train 640 retrainees over two job numbers. Location participating in this project from San Diego and Santa Clara counties. Project will focus on all training necessary to transition from a high mix low volume manufacturer to a low mix high volume production facility. Most recent prior project earned \$150,480 which was 76% of their awarded funding amount.

Comment was made that job creation wages are lower than retrain wages. How soon would those wages go up so they would be more on par with Job one at? Based off your prior project amount approved vs earned of 150,000 to 485,000, how are you going to ensure success? Another question was expressed regarding productive lab and that epoxy repair kits which are not productive lab and an explanation was requested.

Response from Ms. Schafer was in February and August.

It was determined that the contract be reduce to double what they earned last time to \$300,000. With the productive lab component and lack of clarity on the value.

ACTION: Mr. Smiles moved and Ms. Newsom seconded approval of the proposal submitted by Cobham Electronic Solutions, Inc. in the amount of \$300,000 instead of the requested \$485,760. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 26: Cortica Behavioral Health, Inc.

First time contractor. Funding requested \$451,145 to train 427 retrainees over two job numbers. Participating locations San Diego, Los Angeles, Orange and Marine counties. Focus of the training project is to meet the evolving industry standards and support the transition from hardcopy records to an electronic data management system.

Questions were asked regarding job number two is at a much lower wage than job number one, how soon in their training would they receive a wage increase? The therapist position under job number two specifically how quickly will they move up to the \$20-\$25 an hour. Under the

occupations you state certifications and licenses. What are the certifications and are they transferable within the industry? And who will be providing this training?

Mr. Ouellette responded that 2-4 weeks after they go through an internal certification process, they get an increase. There is an annual review cycle in March and April with increases given as well as spot increases. All of the certifications are transferable and they get recertified every year or two years. Some examples of certification is registered behavioral technician, QPS safety care training and CPR training. Some of training is done internally some externally such as recertification for therapists and CPR.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the proposal submitted by Cortica Behavioral Health, Inc. in the amount of \$451,145. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 27: Erikson-Hall Construction Co.

2nd ETP contract in last five years. Funding requested \$209,300 to train 200 retrainees over two job numbers. Locations participating are from San Diego, Orange, Riverside and Imperial counties. All occupations will be trained on new software, which supports project management designed. Prior project earned \$150,114, 80% of awarded funding amount.

Question was asked as to why only 80% earned?

Ms. Duarte responded that there was a lot of turn over within the HR department.

Comment was made to staff to make sure that going forward apprenticeship curriculum is not being duplicated.

ACTION: Ms. Bell moved and Ms. Newsom seconded approval of the proposal submitted by Erikson-Hall Construction Co. in the amount of \$209,300. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 28: Stir Foods, LLC

2nd ETP contract in the last five years. Funding requested \$487,600 to train 530 retrainees over two job numbers. Locations participating are in Orange and Riverside countries along with affiliates Pacifica Foods LLC and BLF Acquisition Corp. Requesting productive lab for up to 467 production staff trainees receiving between zero and 25 hours with potential reimbursable value of \$268,525 or 55% of requested funding amount.

Question as to production staff and training, will they be using the alchemy program for all the production employees? Requested funding has been doubled, why?

Response by Ms. Ayala was that there would be a combination of alchemy and floor training with equipment and increase was due to the acquisition of additional facilities.

Concerns were raised regarding productive lab being at 50% of employees and request was raised to cut down to 25% with a one to one training ratio of the full funding amount. Even with new equipment the production equipment it is basically the same type of equipment so there is no need for productive lab.

Mr. Menzel agreed.

ACTION: Acting Chairperson Roberts moved and Ms. Bell seconded approval of the proposal submitted by Stir Foods, LLC in the amount of \$487,600 with the production lab reduced to 25% with one on one training of requested funding amount. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No.29: Bellows Plumbing, Heating & Air, Inc.

Repeat contractor and a priority industry. Funding requested \$250,470 to train 80 under retrainee job number 1, 38 under job creation retrainees job number 2 and 7 under veteran's retrainee job number 3. Training will be provided at SoCal, San Rafael and Campbell facilities.

ACTION: Mr. Smiles moved and Mr. Tracy seconded approval of the proposal submitted by Bellows Plumbing, Heating & Air, Inc. in the amount of \$250,470. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 30: Ingomar Packing Company, LLC

Repeat contractor and priority industry. There is a correction to the income contribution that was updated to reflect \$247,350. Funding requested \$223,100 to train 120 under job 1 retrainee within a HUA area, 10 under job 2 for seasonal workers with HUA area and 10 for job number 3 for job creation retrainees also in an HUA area. Training will be conducted at company's two facilities in Los Banos. 3rd ETP contract and second in last five years. The company expect to hire 10 seasonal trainees into full time positions.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the proposal submitted by Ingomar Packing Company, LLC in the amount of \$223,100. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 31: Omnicell, Inc.

Repeat contractor and priority industry. Funding requested \$491,280 to train 395 under job 1 retrainees and 50 under job 2 job creation. Training will be delivered at the company's Santa Clara location. 2nd ETP contract and first in the last five years.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by Omnicell, Inc. in the amount of \$491,280. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 32: RO Health, LLC

Priority industry and new contractor. There is a correction to the number of employees in California it should read 2200 not 220 missing a zero. Funding requested \$395,600 to train 130 under job number 1 retrainee medical skill training, 100 under job number 2 job creations training. Training will via e learning for medical skills with MS preceptor training at the assigned public school district locations.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by RO Health, LLC in the amount of \$395,600. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 33: Ryzlink Corp. dba Chuwa America

New contractor, priority industry. Funding requested \$425,500 to train 90 job number 1 retrainee and 200 under job number 2 job creation retrainees. Training will take place at company headquarters in Santa Clara.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the proposal submitted by Ryzlink Corp. dba Chuwa America in the amount of \$425,500. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 34: Central Valley Training Center, Inc.

Repeat contractor. Funding requested \$319,600 to train 327 workers including 100 new employees. Training will take place at their 11 locations in Stockton, Sacramento, Fresno, Merced, Modesto and Visalia.

ACTION: Mr. Smiles moved and Ms. Newsom seconded approval of the proposal submitted by Central Valley Training Center, Inc. in the amount of \$319,600. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 35: Mariani Nut Company, Inc.

Proposal withdrawn.

MULTIPLE EMPLOYER CONTRACTS

Tab No. 36: American Education Systems Corp. dba American College of Healthcare

Repeat contractor. This will be their 4th ETP contract in the last five years. Funding requested \$597,780 to train 243 retrainees over two job number. They will recruit participation employers statewide. The core group of participating employers represent 80% of the planned number to train, in addition core group participating employers include 11 small businesses and four single employers. This training project will deliver computer skills training focused on the CAD BIM Solidworks, blue beam and SketchUp software platforms. Employees from mid-sized and small businesses must learn have utilized the software platforms and updates in order for their employers to remain competitive within their industries. Their active project has potential earning of \$379,787 which is currently 85% of their awarded funding amount.

Question was asked who pays the \$180 nonrefundable trainee book and registration fee, the employee or the employer.

Mr. Maleki replied that the employer pays that contribution.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the proposal submitted by American Education Systems Corp. dba American College of Healthcare in the amount of \$597,780. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 37: Tulare Joint Union High School District

Repeat contractor. Funding requested \$295,200 to train 24 CNA's. Training will take place at Tulare Joint Union High Schools location in Tulare.

Question was asked if they were training the CAN's to become LVN's

Ms. Morton replied that yes that was correct.

Question was asked what happens to the remainder of the hours that are not ETP funded.

Ms. Morton responded that the students are not charged to participate in the program because they have an excess of hours. The BVNPT regulates LVN Programs in the State and we have to make sure that we meet their requirements for training which is 1500 hours.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the proposal submitted by Tulare Joint Union High School District in the amount of \$295,200. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

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

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

Daniel Mariano inquired about approval of the consent calendar.

Acting Chairperson Roberts explained the consent calendar process.

XV. MEETING ADJOURNMENT

Acting Chairperson Roberts adjourned the meeting at 11:37 p.m.