



Employment Training Panel

STATE OF CALIFORNIA

EMPLOYMENT TRAINING PANEL

CalEPA Headquarters Building
1001 I Street, Coastal Hearing Room, Second Floor
Sacramento, CA 95814
February 28, 2020
(916) 327-5640

Panel Members

Janice Roberts
Acting Chairperson

Gloria Bell
Member

Chris Dombrowski
Ex-Officio Member

Ernesto Morales
Member

Gretchen Newsom
Member

Rick Smiles
Member

Douglas Tracy
Member

Ali Tweini
Member

Executive Staff

Peter Cooper
Assistant Director

Michael Cable
Legal Counsel

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
CalEPA Headquarters Building
1001 I Street, Costal Hearing Room, Second Floor
Sacramento, CA 95814
February 28, 2020

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
Chris Dombrowski
Gretchen Newsom
Rick Smiles
Douglas Tracy

Absent

Ernesto Morales
Ali Tweini

Executive Staff

Peter Cooper, Assistant Director
Michael Cable, Legal Counsel

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 Meeting Minutes from the last Panel Meeting.

ACTION: Ms. Newsom moved and Ms. Bell 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 ASSISTANT DIRECTOR

Mr. Cooper welcomed the Panel Members, Applicants, and Stakeholders and reported that today's meeting is approximately \$6.3M with another \$351,509 in delegation orders, for a total of \$6.7M.

Mr. Cooper recognized the following persons in attendance: Diana Torres, San Diego Regional Office Manager; Ryan Swier, North Hollywood Regional Office Manager; and Jana Lazarewicz, Sacramento Regional Office Manager.

Mr. Cooper stated he had two things to report, first, the Trailer Bill that will create the New Workforce Department has been introduced and will be heard in hearings in the Legislature in the coming weeks. Second, ETP has begun sending letters to the Legislature to let them know about projects funded in their districts. Samples of these letters have been provided to the Panel.

Mr. Cooper reported that regarding the New Department, the Administration has proposed the creation of a new department within Labor Agency called the Department of Better Jobs and Higher Wages. This transition is taking a lot of staff time away from usual business operations and asked stakeholders to be patient with ETP staff during this transition.

Mr. Cooper then reported that we were fortunate to have Dennis Petrie, Associate Secretary, Future of Work Realignment, Labor Agency, with us and had a presentation that he shared. Mr. Cooper then stated that Stewart Knox, Labor Undersecretary, was joining us as well and welcomed them both.

Mr. Cooper reported regarding the New Computer System and Process Improvements, that work continues on developing, the pre-application and application processes within Cal-E-Force the replacement system for ETP's legacy systems. The new system is being developed on the Salesforce Cloud and is current supporting the migrated Employment Training Management System contracts. When completed during this fiscal year, Cal-E-Force will provide ETP customers and staff the ability to use web-based cloud technologies to dynamically submit, process and administer ETP training proposals and contracts throughout the contracting process. The system is being deployed in stages and the team is completing the testing of migrating existing legacy contracts to the new platform including multiple employer contractors (MECs) and other single employer contractors who migrated from yet another legacy system. A number of MECs have not accessed the existing application and provided feedback on system features. Mr. Cooper added that while we don't have a definite migration date, it will be during this fiscal year. The building and deployment of Cal-E-Force is a significant undertaking for ETP staff, facilitating ETP's ongoing effort to automate, streamline, and simplify the program and stated that ETP has had and will continue to solicit stakeholder input for system features. One of the great aspects of the Salesforce cloud system upon which Cal-E-Force is flexible and will allow ETP to make adjustments easily once the system is in place.

Mr. Cooper also reported that regarding staff engagement, he just finished a round of 'Listening Sessions' with staff in all 14 units, roughly 60 staff to improve communication and

to get their input on ways to improve ETP. The top two suggestions were: first, cross-training between functional units, for example Fiscal unit and Marketing Unit, so there is greater consistency across the organization. Second, would be holding an in-person All staff meeting so staff can get to know one another better and can work better as a team. ETP will be following up on these action items in the coming weeks, which will result in both better customer service and a better work environment for staff.

Regarding panel engagement, with employer visits, Mr. Cooper reported he is working with Robert Meyer to arrange some visits over the coming months and asked anyone to speak to him or Robert directly to tell them what they are interested in. The first one will be a tour of Procore Tech in April.

Regarding input into Strategic Plan for 2020-2021, ETP is trying to find a date and time this spring to have a meeting focused on a few key aspects of the Strategic Plan, ETP's Mission, Vision, and Priority Industries for 2020-2021. Also, Mr. Cooper stated that he would like to have a robust discussion about how ETP can support the High Road Training Partnership efforts that Labor Secretary Su is promoting and have shared with the Panel and placed on the web site background information regarding HRTPs. This will also be a time to talk about funding caps, fixed rates, and other funding issues for the Fiscal Year 2020-2021.

Regarding Alternative Funding it was reported that in regards to the CEC's Clean Transportation Program, we have \$860,000 left, but there are new projects in the queue already that will use up these funds so ETP does not need any new applications right now.

Regarding Core Funds for this Fiscal Year it is reported that if all proposals are funded today, the Panel will have approved just over \$77.1M in 239 projects to date, ETP will have approximately \$25.9M for the remainder of the year. We have two panel meetings left to be funded this fiscal year and hopes to spread out funding to \$12.9M per panel. We are skipping April panel meeting and June will be funded out of the next fiscal year.

Mr. Cooper requested a motion to approve the Consent Calendar.

Ms. Newsom announced that pertaining to Tab 3 on the consent calendar for Ironwood Electric, LLC, she does not comfortable with the low wages reported under Job Number 2, the job creation/retraining scope, whereby the employer proposes to hire 10 new workers but pay these workers nearly half of the normal wage for the same jobs or occupations. It's notable that Ironwood Electric's new customers increased 20%, but fail to see the justification for paying electricians and other skilled craft positions 42% less because the company is thriving with new business. So she does wish for this to continue on consent with the full amounts, if they agree to pay the new workers the same amount reported in Job Number 1, or reduce the contract by \$10,350 and eliminate Job Number 2 or more preferable to the rest of the board, just pull it off a consent.

Acting Chairperson Roberts asked Diana Torres if she had any questions.

Ms. Torres responded no, the panel's options were very clear.

Acting Chairperson Roberts then asked Ms. Newsom what she would like to do and if she wants them to come back.

Ms. Newsom inquired if this can go forward on consent and give them the direction that they want the full amount, they have to pay the second class of workers the same amount of Job Number 1.

Ms. Torres responded what they could do is, given the purposes of the agenda, there is a cap on the full amount, they could either elect, if it okay with the panel to give an option to increase those wages or two, if they are unable to do that, then the proposal would be reduced, which is still within the above amount and explained it's not like they going to give them more it's it would be coming down and asked if that's okay with them, enough to provide those two options. Otherwise, they could come back to the panel.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval as amended of the Consent Calendar with the noted comments. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

VI. PRESENTATION OF ETP DEPARTMENT OF BETTER JOBS AND HIGHER WAGES

Mr. Cooper introduced Dennis Petrie, Associate Secretary for Future of Work Realignment, who presented a presentation on the Department of Better Jobs and Higher Wages.

VII. POLICY COMMITTEE MEETING REPORT TO PANEL

Ms. Newsom reported that yesterday the Policy Committee met as part of our stakeholder process for getting feedback. Ms. Newsom noted that the report to the Committee about affiliates that had been on the agenda was moved to a future meeting.

Ms. Newsom shared Elisabeth Testa has taken a new policy manager position as the policy research and legislative specialist at ETP. She started a stakeholder notification email system to notify stakeholders more quickly of changes that will affect them and she encouraged everyone to please contact her with any policy related questions, suggestions, ideas or comments please email Elisabeth.testa@etp.ca.gov.

Ms. Newsom reported that the demographic questions regarding gender identity and sexual orientation have been added to all of ETPs enrollment systems. As a reminder to contractors, these questions are optional questions but are required for ETP to ask for Assembly Bill 677.

Ms. Newsom also reported that a draft to the revised respond guidelines was presented to committee, response stands for rapid employment strategies on natural disasters, and this would be expanding this program from serving only those companies affected by drought to those companies affected by any natural disaster. We heard comments and suggestions on

the guideline draft. A finalized version of the draft will be presented to committee at our next meeting then move to panel for full consideration and approval.

Ms. Newsom then reported the potential for a new quote ETP small business paid family leave pilot training program that's new outcome was presented; a committee this pilot would take the form of grants to assist small businesses affected by employees utilizing the paid family leave program. This pilot is included with the governor's proposed California budget for next fiscal year, it is only in the very initial planning stages. This was more of an information session for committee more than a policy planning discussion.

The committee discussed affiliates and how this type of business structure is handled by ETP. This was a beginning discussion on many things related to the issues of affiliates, including how or if ETP should draft a policy that would either prevent or allow related companies to simultaneously hold ETP contracts. In general, after a really good discussion, the feeling is that each business ownership structure is unique and the ETPs focus should be on which trainees are being served. This issue will be brought before committee again in the future to more thoroughly explore the scope of this issue.

Ms. Newsom then reported that the committee heard a report about a staff research project dealing with how workforce training programs work in other states was very comprehensive and stated that California is the best, but we do have the largest state funded workforce training program by far being close to three times larger the next program which is in Texas, and our committee discussed other common practices that these other states follow including application periods, project prioritization methods and scoring rubrics, among other things, and to see if or how some of these practices could be adopted by ETP.

Ms. Newsom added that they received a lot of thoughtful comments from stakeholders on these issues, and the committee also reviewed a list of potential upcoming agenda topics and stated that open public comment was very informative and generated additional items that will be presented to the committee in the near future. And finally, the next policy committee will either be in March or May, and said to please check our ETP website or email Elisabeth.testa@etp.ca.gov to confirm the next meeting date.

VIII. REVIEW AND ACTION ON PROPOSALS

SINGLE EMPLOYER CONTRACTS

Tab No. 9: Ambry Genetics Corporation

Ms. Torres presented a proposal on behalf of Ambry Genetics Corporation, which is a Priority Industry is requesting \$311,052 in ETP funding and proposing to train 558 incumbent workers and 30 job creation retrainees. There will be health benefits used only for Job Number 1 for maximum of \$2.39 to meet the ETP minimum wage in Orange County. This project will be Ambry's first ETP Contract. Although there is no Veterans training component in this proposal, Ambry actively recruits Veterans through Veterans-based platforms including Hire Heroes USA. Ambry will train a total of 120 new and existing Clinical Lab Staff in Productive Lab

Commercial Skills that is inclusive of the class lab that they will be providing in their training plan.

Ms. Torres stated that Staff recommends approval of this project and introduced Clarissa Coultas, Talent Specialist.

Ms. Coultas greeted the Panel and introduced herself as the Talent Specialist for Ambry Genetics Corporation and shared that Ambry excels at translating scientific research into clinically actionable test results based upon a deep understanding of human genome and the biology behind genetic disease. Ambry Genetics Corporation have an unparalleled track record of discoveries over the last 20 years, which means they are the first to market with innovative products and comprehensive analysis that enables clinicians to confidently inform patient health decisions. Their most recent innovation was just a few months ago when Ambry became the first and only lab to launch a product to significantly increase diagnostic yield. This is the first genetic testing advancement in over a decade in this area, which means that Ambry can provide higher quality results to patients so they can make informed potentially life altering healthcare decisions with their clinician. Ambry is giving patients answers that they've never had access to before and is committed to meeting the needs of their clients in providing the highest quality products and services so that they can continue to make meaningful impact on people and families across the United States. Ms. Coultas stated that their comprehensive training curriculum enables this mission and thanked the Panel for considering their proposal to train their workers.

Acting Chairperson Roberts thanked them for their productive lab being 1:1, and that it is a great contract and solid.

Acting Chairperson Roberts asked if the Panel had any other questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the Ambry Genetics Corporation in the amount of \$311,052. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 10: DPR Construction, a General Partnership

Ms. Torres stated DPR Construction, a General Partnership is a Priority Industry with total ETP funding being requested of \$368,000 to approximately train 800 incumbent workers and there will be no need for health benefits to meet the ETP minimum wage for the counties in the training plan. Although there is no dedicated job number, DPR works with Orion Talent to source, recruit and acquire skilled, military candidates. Training will be provided at DPR's facilities in San Mateo, San Francisco, Santa Clara, Los Angeles, Orange, San Diego and Sacramento counties. Training will be delivered via Class/Lab and Computer-Based Training (CBT) inclusive in the training topics will also be certified training in OSHA 10/30. DPR will be utilizing an electronic record keeping, Learning Management System (LMS) and ETP staff has reviewed and approved.

Ms. Torres stated that Staff recommends approval of this project and introduced Cari Williams, People Practices Leader and Michelle Rucker, Training Funding Partners.

Ms. Williams stated they are pleased to present on behalf of DPR Construction and wanted to thank Kellen Hernandez and Diana Torres at the San Diego office, who helped and guided them during the process. Ms. Williams explained that DPR is a general contractor and construction manager and they have seven offices in California, being the tenth largest general contractor in the nation. DPR focus areas are healthcare, biotech, medical device data centers and commercial building. They are a union contractor while they are not including that component, did want the Panel to know that they have about 2,500 employees in California, half of whom are union. Their grant is proposed to benefit the growing needs of their company and have new markets, new products, new technologies, that will benefit their current and future employees, allowing them to train them in things like virtual design, construction prefabrication and additional self-perform work opportunities. DPR plans to manage the program with training funding partners, and their internal training coordination staff, using Cornerstone is their platform. Ms. Williams added that they look forward to the opportunity to partner with ETP to bring new skills to their employees.

Ms. Newsom thanked them for their high wages.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Mr. Smiles moved and Ms. Newsom seconded approval of the DPR Construction in the amount of \$368,000 Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 11: Safran Cabin, Inc. dba C & D Aerospace

Ms. Torres stated Safran Cabin, Inc. dba C & D Aerospace is a Priority Industry with total ETP funding being requested of \$649,566 will train 1,034 incumbent workers and they will train a Job Creation component, Job Number 2 which has approximately 6 workers and in Job Number 3. Ms. Torres explained to the Panel that there was a correction with a word missing in their packet and because those are also job creation and doesn't have the word in there and that's the veteran's component, up to \$2.50 per hour will be used only for Job Number 1, that means that there will be no health benefits that will need to be utilized for Job Number 2 and Job Number 3 because their base wages are above the ETP minimum wage requirement for those respective Job Numbers. The Company will train approximately 12 workers under panel guidelines for the Temporary-to-Permanent Program (approximately 12 trainees distributed between Job Numbers 1 through 3). The Company has retained these employees on a temporary basis, with the intention of hiring them into full-time employment and it is expected that the workers will receive employer paid share of cost or health care premium as well on temporary status, upon hire into full time permanent employment. Production workers and technical support staff will receive

up to 60 hours of productive lab training. The training ratio will be 1:3, due to this training typically is delivered in small teams of three.

Ms. Torres stated that Staff recommends approval of this project and introduced Chris Rios, Training Manager.

Mr. Rios stated he is the Training Director at Safran Cabin and shared how the company design, manufacturer and service aircraft interiors for some of the largest aircraft companies in the world like, Boeing, Airbus, and Mitsubishi. Mr. Rios expressed that he was excited to describe the changes in the aircraft industry explaining that Mitsubishi Aircraft is going to be manufacturing 700 new SpaceJet aircraft which are regional aircraft and Safran Cabin has been selected to provide the interior components for the 700 aircraft. Their regional jets typically smaller in nature, allow their customers to operate more efficiently, and offer more flexibility to meet the demands of the aircraft industry. The contract to provide Safran Cabins for the SpaceJet planes has created a need to train their workforce on Mitsubishi, SpaceJet processes, procedures and standards. In addition, Safran Cabin does have a new ERP system and when Safran purchased Cabin, it was determined that it needed to be integrated into the Safran corporate structure and one of those aspects is the integration of their enterprise resource planning software which is SAP which they need to train their employees on SAP and is a new computer language for them. This is certainly a big project and requires a great deal of training and they understand that they will need to provide more than 28,000 hours of training, approximately 1,300 hours a month and they do have the infrastructure to support that as they have met those hours in the past. Safran Cabin will be training at five locations in California, along with the corporate training team, the training director will be overseeing the project and Mr. Rios himself will be seeing a site training coordinator at each of the five sites to help facilitate the process. Safran Cabin is ready to start training upon approval by the panel, and stated any funds would be greatly appreciated. Mr. Rios made one clarification in their proposal for Job Number 3, which is veterans, and stated it should reflect for the post retention wage \$18.40.

Ms. Bell asked if this is his first ETP contract.

Mr. Rios responded this is the first contract for Safran Cabin.

Ms. Bell then inquired if he had ever managed a ETP contract.

Mr. Rios confirmed he has helped with ETP contracts in the past.

Mr. Bell then stated that the first time could be a little confusing and even though this is his first contract with this company, encouraged them to lean on their regional manager for assistance and wished him good luck with SAP.

Acting Chairperson Roberts inquired about the productive lab and pointed out that they have 60 hours including productive lab and have 1:3, producing goods for sale for profit and asked how many employees are going to go through productive lab and if it is going to be a select number of employees.

Mr. Rios responded it will be a select number of employees and that the ratio they have presented is 1:3 and explained that a lot of their productive lab training involves their production staff, which is just a part of this plan. The production staff typically gets closer to 1:1 training but they have proposed it as 1:3. But again, it's focused more on their manufacturing team for productive lab training.

Acting Chairperson Roberts inquired if all thousand employees will be going through this productive lab at one time or another or if it just going to be 100 employees.

Mr. Rios stated not all thousand but would say a lot of them because they do have a lot of production staff in and across their five facilities, and at one point will be part of a productive lab training, but there will be probably a couple hundred that will be focused more on classroom or other training.

Ms. Newsom inquired if they get any kind of certifications for that training, manufacturing skills or the productive lab component.

Mr. Rios responded for some of the trainings, they do offer certifications and that really depends a lot on their customers. They work very closely with their customers such as Airbus and Boeing, and have to meet a lot of their regulations and qualification standards as well. So depending on what those requirements are, they can then certify some of their employees on specific topics. Mr. Rios added that they have a lot of bonders who bond structures so they are certified and they also certify employees on other production processes. That's part of why the production lab component is so important.

Acting Chairperson Roberts then reiterated what Ms. Bell had mentioned about keeping on top of this, and that this a lot of money for the first time and normally would look at this and would say no, but they have a good consultant that's working with them on this and to keep really close to it and that he has had experience with ETP in the past, and it's much more rigorous than just handing them a check and just wanted to make sure that there's a lot of due diligence on their end that make this successful and expressed how the panel members want them to be successful.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the Safran Cabin, Inc. dba C & D Aerospace in the amount of \$649,566. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 12: International Business Machines Corporation

Mr. Swier presented a proposal on behalf of International Business Machines Corporation in the amount of \$648,485 will train over 1,500 staff including veterans. The Company provides

Information Technology (IT) product and services worldwide to customers, including the public and private sectors, IT, healthcare and the banking industry. ETP-funded training in this proposal will be delivered to trainees throughout its California facilities. This will be IBM's ninth ETP Contract, and its third within the last five years, all with good performance. In July 2019, IBM acquired Red Hat, Inc. (Red Hat) who is a provider of open-source software systems. As IBM begins to operate with Red Hat, staff will receive training on modifying and transforming the Company's software to operate seamlessly with Red Hat's technologies. To do so, IBM and Red Hat will collaborate on new offerings by developing solutions that fulfill its hybrid-cloud strategy across multiple cloud providers that is built on a Red Hat technology base. Staff has reviewed and approved the Company's Learning Management System.

Mr. Swier stated Staff recommends approval of this proposal and introduced Stephen Dodd, Project Executive; Kelly M. Mackey, Department of Industrial Relations – Regional Director of Strategic Partnerships; Rob Sanger, CMTA (Subcontractor)

Mr. Dodd greeted the Panel and thanked Samantha Wang, their ETP Analyst who helped them through this application and that her guidance, expertise and knowledge was tremendous and was one of the better analyst he has worked with. Mr. Dodd explained how IBM is a large IT company, they also have a very large presence here in California and they do their advanced manufacturing software and serve all industries. Last year, they closed on their \$33B acquisition of Red Hat for hybrid-cloud and with the open technology Red Hat, what IBM now needs to do is to rescale their employees here in California and the new technologies and hybrid-cloud. IBM has a small market share in cloud and it's very important to train and upskill and reskill their California IBM in order to make sure that they are successful and they put on the projects and the contracts to make sure IBM is successful so they have a career pathway, and they increase their skills. The only way to do that is to retrain and rescale. The ETP program is a valuable program to IBM because it allows them to leverage these funds to provide training education in those areas and that's very important. IT skills are very perishable, very short shelf life as well and if they don't train and invest in IBM, and its California residents, then they won't get the skills and they won't maintain the skills that are leading edge and bleeding edge of technology, especially in this state. So it's very important that they keep those skills up. On top of that, they also need to address the skills gap in the state and Mr. Petrie mentioned about the Earn Learn Programs. When he was here over two years ago, he talked about an apprenticeship program that IBM was starting in the state of California. So two years ago, they had their first cohort in San Jose of software engineers. Since that time, they've registered with Department of Labor, over 25 apprenticeship standards and IT roles, their presence in the state is now up to 36 apprentices in software engineering, data science and such. They have been working with the California Division of Apprenticeship Standards and they actually adopted their standards for mainframe system administration, software engineering and application development. They have been working with DHS and starting next month part of Governor Newsom goal the 500,000 is that five California State Department's, The California Department of Technology, the Franchise Tax Board, DMV, and the Employment Agency are going to be taking their standards and going to be starting

a cohort of incumbent apprentices in those three apprentice job roles. The apprenticeship program is a way for them to address those skill gaps, not only inside IBM for them to compete in the marketplace, but also for them to help other employers because they're willing to give up their standards and also want to help the California State Agency or major clients of IBM to make sure that they have the skill sets, the job roles, and the career pathways and expressed that It's been a long road to get there, but they're there and the first cohort starts next month and said it is a very good program and it's a great program for IBM as well. The apprenticeship program brings for recruitment of veterans, which IBM does a lot and it brings a lot of diversity to the program. What they're not looking for is someone who's got a four-year degree in software engineering, computer science, major systems. They want somebody who's got the skills and the talent, and who has the ability to learn why they're earning a paycheck and these are good jobs. So far, that initial cohort were 450 apprentices across the US today and that this is a program for them to actually address the skills gap and not have everybody with good paying jobs and not have everybody assumed that an IT job requires a four-year degree. IBM is excited about their partnership with California and look forward to working with it, and with that, was ready to take any questions.

Ms. Bell inquired where their corporate office is located and that she noticed in Job Number 1 and Job Number 2 their veterans, for the technicians which are the same and asked do they really start everyone off at \$18.34? The range is \$18.34 to \$99 and mentioned that's a huge hundred dollars and asked where does the \$18 start.

Mr. Dodd responded they are in New York and that they are very entry level jobs coming in and do go up to \$99. The average wage in Calloway is very high for their workers.

Ms. Bell then asked of those 10 Veterans, how many of those are at \$18.34 to \$99.

Mr. Dodd then responded that if there were veterans they would probably be coming as apprenticeship or another job to learn but, they start a little lower but most veterans coming in, they've got the talent, skills and education, and get paid as well as the other IBM. They just have such a large range because we have a very large population here in the States. But mostly if you ask, the average wage, it's north of \$50 an hour.

Ms. Bell inquired if there is a probationary period for those veterans or even their regular technicians.

Mr. Dodd responded with the apprenticeship programs, there is a probationary period but that's just part of the program itself, but apprenticeships are regular or incumbent workers.

Ms. Newsom asked what is the length of their apprenticeship program.

Mr. Dodd responded that it's most of the year and the competency base but one of their programs mainframe system administration, which is one of the programs adopted by the state agencies, that's 18 months and is a very technical difficult program. Most of them are a year, competency based, which means that if they get somebody like a veteran coming

out of service, they have a lot of skills, then they don't have to go through a year program. They can show that they've got the competency in education then maybe that year program cuts down to nine months and they can go full time as a journeyman.

Ms. Newsom then asked if there is wage progression without apprenticeship and what happens after they graduate out of the apprenticeship program and asked are they hired on by IBM full time as regular employees.

Mr. Dodd explained that there's no guarantee of any apprenticeship program across the country that there is a job there. But what they've seen so far is that their retention of apprenticeships is over 90% that they offer jobs to and had a cover apprentices who actually came up with ideas that they put patents on and most of their apprentices complete the program. They do have a challenge sometimes, some of the apprentices would find better jobs because they're getting the skills so they leave but said that overall the apprenticeship is a great program for loyalties to the company and noted that they are paying them while they are learning and they know this is an opportunity and recognize they would never have elsewhere because they don't have this degree and added It's a great program to close the skills gap.

Acting Chairperson Roberts mentioned that IBM has been a great partner with ETP over the years and they've always had solid contracts and shared how she spoke to Robert Sanger recently around their cohort program with the apprenticeships and sounds like a wonderful opportunity for a lot of people and congratulated them.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the International Business Machines Corporation in the amount of \$648,485. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 - 0.

Tab No. 13: Tesla Motors, Inc.

Mr. Swier presented a proposal on behalf of Tesla Motors, Inc. the requested amount of \$380,512 will train workers including 1,000 new employees. Tesla is a California based automotive and energy company, specializing in electric vehicles, electric power trains, superchargers and renewable energy generation and storage systems. Training will take place at facilities statewide and this will be Tesla's third ETP project in the last five years all with good performance. With this project Tesla will focus on training on the production process of new electric vehicle products including the Model Y, Roadster, Semi, and the Cybertruck. Trainees will receive training on a complete spectrum of electric vehicle production including power train manufacturing, vehicle assembly, maintenance equipment engineering and superchargers. Tesla's Workforce Development Specialist and Project

Specialist will oversee the ETP project. Additional trainers and training coordinators at each location will be responsible for oversight, scheduling and administration of training. Staff has also reviewed and approved the company's learning management system.

Ms. Lazarewicz stated Staff recommends approval of this proposal and introduced Huma Qureshi, Diversity & Inclusion Specialist; Kristin Kavanaugh- Sr. Manager, Diversity & Inclusion.

Ms. Kavanaugh said good morning Madam Chairwoman and Panel Members, she then thanked them for the opportunity to be there to present to them and stated that she is the lead of their Diversity and Inclusion work at Tesla and introduced her colleague, Huma Qureshi, who is their Diversity and Inclusion Project Specialist and also ran their ETP program for the past eight years she then thanked them again for their time, consideration and was happy to take some questions.

Ms. Newsom stated that usually in a proposal, such as this with higher wages, and from a repeat contractor might bear a little concern. But Tesla is also a beacon of press attention, both positive and negative and had some questions and concerns more about the negative components that she seen recently. Pertaining to retention rates and layoffs, their application reports a 13% turnover rate, same as last time around. Tesla has hired thousands of California workers and their overall payroll keeps growing, but at the same time in each of the last three years, they've announced rounds of large layoffs. Last year in 2019, Tesla announced it was laying off 7% of its workforce, which meant over 1000 in California employees as reported by CNBC. The layoffs in the other cost cutting impact and morale is reported by Reuters. The Guardians headline was "How do they expect to run without us." In 2018, Tesla laid off 9% of its workforce, as reported by CNN and then in 2017, Tesla fired hundreds of workers from the Fremont based plant based on performance, a justification that was widely questioned as reported by CNBC again. Ms. Newsom asked why does Tesla have a pattern of hiring, followed by a pattern of layoffs, followed by more hiring, and then more layoffs.

Ms. Kavanaugh responded that a lot of times, specifically in one of the examples that Ms. Newsom gave, they had an acquisition of Solar City, which contributed to some redundancies in roles, which caused those layoffs. They've also ramped new products such as Model 3, which, inevitably, there have been some challenges, but they have worked through those challenges, stabilized their Model 3 production as noted, and as they start to ramp Model Y, they're making sure that they prepare for that as well, and also expressed that these funds from ETP are really going to help them make sure they stabilize as fast as possible with the new product introductions.

Ms. Newsom inquired if they anticipate more layoffs this year in 2020.

Ms. Kavanaugh replied they can never be sure but they are hopeful that they have mitigated those risks and learned lessons from their last, and that they can then employ the new round of Model Y ramping.

Ms. Newsom then asked how can they assure ETP that the workers that were funding to be trained aren't going to be caught up in additional layoffs and was curious of what happened to the last set of employees under the other contracts.

Ms. Kavanaugh stated she couldn't assure it, but explained they have all the measures in place to make sure that their workers who come in that they train with these funds, receive valuable skills that are transferable to make sure that they are the most skilled workforce that they have. But they can never predict the future and their goal is to have all employees make it through the retention program of the ETP funding and that's their plan going forward.

Ms. Newsom stated that hiring plans in 2017, Elon Musk said in an earnings call that the Fremont factory was bursting at the seams, and the Model Y would be built elsewhere and since then, Tesla's dramatically increased production of the Model 3, and the Model Y is also expected to be available soon, all from Fremont and expressed it's great to see that growth in California. In their application it also says that Tesla expects to hire 5000 more in the next two years primarily in California facilities which have now have ample space to absorb the new employees. The application also says that they will be building the Model Y, Tesla Semi, Cybertruck, Superchargers, the MegaChargers and the Tesla energy products. It's a very ambitious product line, and congratulated them on that and asked if they will be building all these things in California existing facilities?

Ms. Kavanaugh responded that what they have stated as a Model Y production is happening in the Fremont facility. In regards to Ms. Newsom question around, how do they go from bursting at the seams to having space, they obviously focus on continuous improvement for production lines, to make sure that they are as effective and efficient as possible. Ms. Kavanaugh thinks that contributes to the ability to have the Model Y line in the Fremont facility is that continuous improvement, which they will also continue with all three.

Ms. Newsom stated the fear she has is that they've also announced facilities in Germany and China as well and wants to make sure that those jobs stay here.

Ms. Kavanaugh responded, understood.

Ms. Newsom then brought up health and safety and stated there has been a lot of media coverage, a lot more articles about worker injuries and express that's very troubling, including a story last summer from CNBC "Tesla employees say they took shortcuts, worked through harsh conditions to meet Model 3 production goals." There has been reporting on findings of serious OSHA violations as well and in a recent blog post Tesla claimed that the number of injuries is in the decline and asked how are Tesla injury rates compared to current rates and auto factories in the Midwest or the South?

Ms. Kavanaugh responded that she doesn't have that specifically with her but what she does know is that the numbers have declined. Since bringing on and staffing up their environmental health and safety team, they have their Vice President of environmental and safety, and stated that they take safety concerns and reports very seriously along with every effort that they can to mitigate those safety risks, but the safety incident rate has been on decline.

Ms. Bell expressed that the probability of hiring 5,000 people in two years and will probably lay off half of those, has concerns and mentioned that this is their third contract. Ms. Bell asked how is the first one, second one, and now this one looking any different, because they are supposed to be adding new skills and not just retraining the same thing and asked how does it look different? Because she was the one that administered the three of them.

Ms. Qureshi stated their focus on the initial setting up the factory and for Model S, the second contract for focus more on the Model X, and then with this third contract would be for Model 3 and then the next contract is to make Model 3 improvements to the line and for Model Y.

Ms. Bell then stated all those trainings with all those people probably half of them are gone, because once you introduce a new product, new technology is there and now you need somebody else and that this is just what she heard on the news and have concerns as well.

Acting Chairperson Roberts stated that Tesla's a high profile company, and they are going to be in the news all the time, whether it's good or bad, but obviously people like to talk about like Elon Musk and everything he does. Her concerns also are with all these layoffs and it's costly for a company to lay off that many people, but they continue to do that and to her, it just doesn't seem like a smart business plan to hire all these people and then lay off 15 to 20% of their workforce, whether it's through capability issues, through risks, or structuring and if it's capability issues that have to go with, and asked if they are doing the proper training for these employees and stated that's what we're here today about. Acting Chairperson Roberts asked why are they laying off all these people and that they said it was production performance.

Ms. Qureshi responded that after their initial Solar City acquisition, had a lot of people decided to leave the company and some of the jobs are redundant that was part of the cut, and just reordered reorganize the company.

Acting Chairperson Roberts added that with this additional thousand employees that they're going to hire within the next two years, asked if it is for the new product line they're are developing, and asked where that product line is and if every time that they come up with a new model, are they going to do the same and hire all these new people for a new model, and expressed that doesn't make sense from a strategic plan. Acting Chairperson Roberts gave an example that if she got a new piece of machinery, wouldn't lay off a bunch of people and then bring in a bunch of new people for a new piece of machinery and that doesn't make sense to her. She asked Ms Kavanaugh to explain to her, why every time they get a new model, they lay off a bunch of people then bring in a bunch of new workforce and asked why is that and just trying to get a grip on why they're laying off all these people than hiring a bunch of new people back.

Ms. Kavanaugh responded that there's some retraining that happens that moves individuals from line to line as they grow and get certified in different workstations. So that's actually career progression with some folks that they are learning new products, learning new lines. They also have to backfill those folks who move to the new lines and so those what they're seeing, as folks are gaining experience, gaining skills and as they're improving the lives then they need to backfill those folks with a new individual.

Acting Chairperson Roberts stated that she knows that they're both the Diversity Inclusion Managers and she has also been involved in those but they're not production people and asked how come they don't have any production staff here? Diversity Inclusion is just a small segment of training that they do and most of its mandated then asked why are they representing Tesla versus some other people around production and whatnot.

Ms. Kavanaugh responded that she spent the first two years of her time with Tesla in the

production facility doing learning and development. It's been quite a bit of time around manufacturing production. They have a cross functional team that works on training, learning and development and it's really important to them especially to her to make sure that these training programs are diverse and inclusive, equitable and have access to a lot of different employees. They manage the contract from a program standpoint, to make sure that they're adhering to those kind of diversity, equity inclusion principles, their manufacturing colleagues are the ones actually on the ground doing the technical training and doing the workforce training, but the team sits with them and the program management sits with them.

Acting Chairperson Roberts then asked Chris Dombroski from GoBiz, if they're going to hire 1,000 new employees, wouldn't that be something that GoBiz would get interested in and would that be something they would come to him and get a critical proposal for that type of 1000 new employees.

Mr. Dombrowski responded absolutely and that he doesn't believe that they asked for a critical proposal distinction from GoBiz.

Acting Chairperson Roberts stated when they see critical proposals, that's kind of a big to do for them, and knows they have right size this and came in for a lot more money than what she sees here and they've right sized for various reasons, but doesn't think it's a large amount of money. Her concern is that she doesn't like them laying off people and then hiring people, she mentioned that there is the 90-day retention, and they don't get paid until they keep them 90 days. She doesn't like to see the company keep them 90 days and tell those 500 people that they can go now, they got all the funding and then hire a bunch of new people back and expressed that doesn't sound like a good business model, it's too costly for their company. For one thing to lay off people and hire people back, it just seems like a big expense for their company unless they do it for some other profit.

Ms. Bell stated because we're in the training business, this just doesn't seem right to her and it doesn't feel right as well, their layoffs, It seems like they would want to cross train folks, just getting 1000 is hard with our labor market right now and doesn't understand that piece and doesn't have a good taste overall on the whole contract.

Ms. Kavanaugh responded that there's cross training.

Ms. Bell added that they are laying them off, they're not cross trained that well if they're not keeping them.

Acting Chairperson Roberts then asked the panel if they have a consensus here on where they want to go with this and if they want to take a roll call on whether they want to approve it or how do they want to deal with this.

Ms. Bell stated for the record she is not approving and that they need to do a roll call.

Ms. Newsom expressed that she gets frustrated that the workers in light of these layoffs that there to our perspective, viewed as disposable, like very similar to like Apple comes out with the new version of their app and then everybody goes away, that doesn't make sense. and viewing workers as disposable. It's never going to sit well with any of them and doesn't know if they have the ability to come back with further elaboration on what they're doing to maintain their employees that they're training and make them more part of the family and that they

have longer lasting jobs stability, where they're not just a cog in the Tesla wheel of things. But if she was to be supportive of this, it would only be in the sense of, is there a mechanism that forces them to report back on what's happening with their workers and doesn't think they've done that before.

General Council Michael Cable stated that It sounds like there's a few issues for this proposal and his suggestion as their counsel would be to take this back and sounds like there's a few issues, take it under submission and bring it back after that time. But it sounds like there's some factual questions and seems that the logic and reason dictates and again suggested why don't they take it under submission, do some more development and reconsider, rather than having an up and down vote, and reconcile some facts.

Acting Chairperson Roberts added the questions around the layoffs, and then rehiring, maybe there's somebody from HR that can come in and explain it to them, because it just seems like it's just not a good business model and thinks the training is very valid, they do a great job with training. If they're portable skills, and they're certifiable, and they can go to a different, and don't have too many automakers left in California, but then go to some other high tech skill. But again, just treating employees and whether it's through safety issues or maybe there is a safety manager that can come and talk about your safety record, but they're going to probably table this, and then come back on a future date and they can talk to ETP staff about them.

Ms. Newsom added that when it comes back, she doesn't want to see trading free frozen yogurt for worker voice, and inquired Ms. Kavanaugh knows about that article.

General Council Cable clarified that he heard a motion to table this for further discussion.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Bell asked for a motion.

ACTION: Mr. Smiles moved and Ms. Newsom seconded to table this matter for further development and discussion, and all Panel Members present voted in the affirmative.

Motion carried, 6 - 0.

Tab No. 14: Blue Diamond Growers

Ms. Lazarewicz presented a critical proposal for Blue Diamond Growers which is a Priority Industry with total ETP funding being requested of \$566,260 will train workers including veteran and 93 new employees. Blue Diamond is the world's largest almond processing and marketing company. The Company produces snack almonds, nut-based crackers, almond milk, and packaged almonds for cooking and baking. Training will take place at their facilities in Sacramento, Salida and Turlock. This is Blue Diamond's fourth ETP Contract; the third in the last five years with good performance. Blue Diamond is expanding all three of their locations to accommodate for additional milling technology pasteurization lines, 24/7

operations in the addition of new product lines, equipment, and information technology infrastructure. Training will improve internal processes and provide workers with upgraded skill sets and cross training. The senior learning and talent development consultant and one training coordinator at each location will oversee the ETP project.

Ms. Lazarewicz stated that Staff recommends approval of this proposal, and introduced Jose Alvarez, Sr. Learning and Organization Development Consultant-Human Resources

Mr. Alvarez thanked the Panel for taking the time to consider their proposal and appreciated their partnership with ETP. Blue Diamond, the world's leading online marketer and processor, he led the development of California industry since he was formed as a nonprofit grower owner cooperative 110 years ago. Today Blue Diamond has over 3000 growers across California. Each grower and trust an average of 70 acres of almonds to quote to their cooperative company has facilities located in Sacramento, Salida and in Turlock, all facilities will receive training under this proposal. As you travel around the Central Valley, we're beginning to see orchard blooming and in the next five years Blue Diamond expects to receive an additional hundred and 20M pounds of almonds. This is one of the reasons why they're expanding, over the next few years Blue Diamond will make capital investments in the range of \$80M. For this contract and Blue Diamond is purchasing over \$41M in new equipment including launching, roasting, drying, and bagging equipment. The company is also spending over \$30 million to expand all three locations to accommodate for expanding million technology and pasteurization lines, including 24/7 operations and new product development. The expansion will increase warehousing and production floor by over 500,000 square feet. Blue Diamonds also investing over \$5M in information technology infrastructure, including servers Cronus dimensions, SAP and programmable logic controllers. Training under the under this proposal will provide new and existing staff at all three facilities with extensive training on systems applications and equipment management for products and services that will be having offers. Training courses will not be duplicated for trainings who have received training on under past contracts. Some of the benefits or prior projects with ETP in 2013, it was used to train staff in their new manufacturing in Turlock. And in 2016, the funds were used to train a new manufacturing facility in their Salida facility. Their last contract was used in preparation for them to do cross training for the new expansion in Turlock and with this contract, it will be to train new and upgraded equipment, new lines, product development, technology, new processes, the 24/7 operation, including which includes it's a shift and alter facilities, and also warehouse management and mechatronics training and would take any questions from the panel.

Ms. Bell stated that he has been a consultant with Blue Diamond for about two and a half years and inquired that he is not on their payroll and he is a consultant and asked if he was there at the prior two contracts and asked if he had any learnings he took away.

Mr. Alvarez stated he is internal consultant and lots of learnings, he took the first contract halfway through the process and it was not taken care of. So he took it and put some process in place, make sure their audits and everybody knew about training and training was happening. So that was one of his roles and then hence that second ETP contract that he was able to manage from beginning to end.

Mr. Cooper added that he appreciated their new line of almonds and did hear some panel members interested in perhaps in the next coming months going on a tour of their facility, it's a great location for them.

Mr. Alvarez responded he would be happy to arrange that for them.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of Blue Diamond Growers in the amount of \$566,260. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 15: Certified Stainless Service, Inc. dba West-Mark

Ms. Lazarewicz stated that Certified Stainless Service, Inc. dba West-Mark is a Priority Industry and a Repeat Contractor with total ETP funding being requested of \$414,000 will train workers including veterans and 56 new employees. Certified Stainless Service, Inc. dba West-Mark manufactures and repairs custom tanks and trucking equipment used to transport liquid products. Certified Stainless provides services to customers in the Energy, Construction, Food, Agriculture, Liquid Waste sectors, as well as Government entities. Certified Stainless has four facilities in California; Atwater, Bakersfield and two in Ceres. All four facilities will participate in this training project. This is Certified Stainless' sixth ETP Contract, and fourth within the last five years. The Company recently expanded its services to paint and finishing in-house which allows for quicker turnaround time and meets a higher level of paint requirements for customers. This expansion will require trainees to learn new skills including Paint and Finishing Processes that will make them more competitive in the workplace. The Chief Financial Officer will oversee the training plan and will work with four Office Administrators, one at each location, to execute the training plan.

Ms. Lazarewicz stated that Staff recommends approval of this proposal and introduced Bill Doughty, CFO; Emely Martinez, Human Resources Manager

Ms. Martinez thanked the Panel for giving them the opportunity to speak about their company and the reasons why they are asking for this training. West-Mark recently celebrated their 50th year anniversary. They are a small, middle sized family employee owned manufacturing company that builds large tanker trucks and semi-trailers. Their facilities are located in Bakersfield. Atwater, and in Ceres. At West-Mark they currently have 230 employees primarily semi-skilled welders and mechanics. They offer excellent wages and a great benefit package for all employees and also have a recognition program like "Being Great Program" to recognize the accomplish of their employees. They do their direct hires, including veterans recruiting efforts, provide internal training for all job positions. At their company, they make a great effort to remain competitive with some large out of state companies by designing custom products for growing markets. The main reason they're asking for this grant is for

new hire training and in preparation for significant new line products. At the start of this new year, West-Mark opened two dedicated truck shops and invested over 1M to convert existing facilities from semi-trailer manufacturing to truck mounting vehicles, like water and fuel distribution trucks to support trips through the world. The truck mounted equipment requires extensive training and electronic system hydraulics and performance testing would recently qualify for several major contracts and are in the process of starting training programs immediately. With the help of the Employee Training Program grant they estimate to hire another 15 new employers and train them and retrain their existing ones with the skills that for their future growth and asked the panel if they have any questions

Acting Chairperson Roberts stated that they have been coming back every two years and knows that they haven't hit that mark yet, or have to skip a year, but that should be coming up here shortly and eventually have to figure out a way to manage their training budget on their own versus to continue to come through, and knows they're hiring some new employees and some veterans, and know some of those funds are going to that, but they still have 175 employees, that they're going to retrain again. Acting Chairperson Roberts pointed out that those are just some watch outs that they look at all the time. But as far as she is concerned, they've done a great job, don't have any consultant, figured out the system on their own and know it's not an easy process, but obviously they got the magic touch in order to make this happen, and don't have any other questions. Other than that, down the road, start looking at their strategic plan and figure out maybe how they're going to do the training of their employees with the little assistance from ETP.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the Certified Stainless Service, Inc. dba West-Mark in the amount of \$414,000. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 – 0.

Tab No. 16: Mountain F. Enterprises, Inc.

Ms. Lazarewicz stated that this is a Critical Proposal for Mountain F. Enterprises, Inc. with total ETP funding being requested of \$749,800 will train 326 new tree trimmer employees. Mountain F provides utility vegetation management services including tree trimming, hazard tree removal, site clearing, and grubbing to utility and commercial tree management industries such as Pacific Gas and Electric and SMUD. Training under this proposal will be for the Company's nine locations in Placer, Sacramento, Nevada, Butte, El Dorado, Sonoma, and Santa Clara counties. This is Mountain's F first ETP Project. To support Governor Gavin Newsom's bills aimed at improving California's wildfire prevention, mitigation and response efforts, Mountain F has established an 18-month utility line-clearance certification-training program. The Company will onboard and train new employees in order to address the severe

workforce shortage for utility line clearance and training will ensure power line clearances are established and maintained to prevent public safety power shut off events. Mountain F. Safety Manager and three additional staff members will oversee the ETP project. Additionally, they have retained the services of a third party to assist with administration.

Ms. Lazarewicz stated that Staff recommends approval of this proposal and introduced Robert Ruiz, Lead Trainer; Annie Rafferty, Director of Butte College-The Training Place; Linda Zorn, Executive Director of Economic and Workforce Development-Butte College

Mr. Ruiz stated he represents Mountain F Enterprises and has been working in LineClearance for 20 years in March. When he first started, it was very different to what it is now. So with these opportunities that have presented he thanked the Panel for everything they have done for them because he considers himself as part of the workforce that didn't have the opportunity to expand and now being here with what's going on, can break down a little bit of what they intend to do moving forward. They've been tasked with the job of hiring nearly 1000 employees, probably more, with the panel's assistance, he thinks they asked for 328 employees to help out. But they're going to continue to do this and their main goal is to make sure that the employees they bring on board are professional employees. It's not like it was before, where they just put a guy in a tree and get the work done. It's very important, it's for the public safety of all of them to keep the power on at night and during the day and to make sure people go home safe. So with that, they have catered programs that are one on one, one on two, and this crew structure are usually a three to a crew, but when they're brand new, they want to make sure that they're taught well, they don't want to put anybody out there without having the hands on experience. So they make sure that they can keep each employee in the eyes of a himself or somebody on his staff, he himself has a staff of roughly 20 to 25 people that help out and spend the first week solely with them to teach them where their strengths are going to be at. Once they identify the strengths, then they know how they can fit the best need for themselves and turn this into a career. Once you turn this in a career, then hopefully somebody will be replacing him down the line, and they can be here 20 plus years. They do offer for veterans a multitude of things, traffic control, tree trimming and its mostly online clearance based work, but there's different ways of getting the operations done and asked if they had any questions or anything answered.

Acting Chairperson Roberts stated she doesn't really like to address critical proposals and knows this is really important function of California now with the fires and so forth but her question lies in the training portion of this and stated that looking at their training curriculum, they have 326 new employees, and knows when they have new employees is great but they don't have to get them out in the field right away. And asked if they are going to give them some classroom training and then they're going to go through all these modules and asked if they're all computer based modules then asked if that productive lab means they got 326 people climbing trees with chain saws, fall protection, tree trimming gears, electrical wires and have a three to one ratio. She doesn't know how they're going to manage. He said he had 20 to 25 supervisors that are going to manage these 326 people and trying to figure in her mind, and asked how does that look like.

Mr. Ruiz responded that not all at one time, they are not going to hire all 326 employees at once. It's going to be a week to week process as they move forward do what they do is crew

structure when they're going to be put on the workforce. They don't like to make the crews larger than three employees per crew. They will assign a trainer or somebody to stick with them for that whole entire week for those two, three employees, and to make sure that they're proficient and everything they need to do. So there's a process somebody is in like an apprenticeship program to get in and out of trees. They won't hand them a chainsaw, they'll teach them their proper not meet anti standards, OSHA regulations, everything they need to do to be successful. So they'll have them go in and out of the trees work properly with hand tools. Once they've mastered that, then they have to teach them on the ground, the proper cutting techniques with this all on how to use it properly, the proper cuts to use to avoid tension, so on so forth, to keep themselves protected at all times. They're supposed to use once all that's learned, it's ongoing within that small group, once they've signed off and that they've passed their assessments, then they can release them to a more seasoned crew where they can split them up and now they start working with more seasoned people, but they have the knowledge and the hands on to be successful versus just grabbing them day one and figure it out for yourself.

Acting Chairperson Roberts added that they're going to the module training, but to her, it's the actually they're doing productive work. That's what productive lab is. So they're up there in the trees, you know, clipping away, and the guy that's watching, and asked where is he.

Mr. Ruiz responded that he is there every second, every minute of the day, he's with that crew. That's his job and there's three people on one tree. They do multiple locations. There's different tasks that need to be done and they do work in various ways. They have staff, somebody down on the ground that do the work and there's people that can go into the device to do the work, and can manually climb up into the tree and do the work. So it's a constant rotation of a multitude of tasks that need to be achieved. And they work in a group setting, so it's not going to be all three people in the tree or it's not going to be all three people doing one thing, they all have jack of all trades, everybody learns a little bit of everything to be successful and that's kind of what the job encompasses. Mr. Ruiz gave the example stating nobody's just somebody that drags brush for life, nobody that just climbs trees for life, they want to put them to where because of the way the classifications are through their pay scales. They want them to learn everything so they can be able to have the most success and get the best pay scale available to them.

Acting Chairperson Roberts stated that this job 3:1 just doesn't seem like a good number for her and especially all new employees, working in the woods with chainsaws and can't visualize it.

Ms. Raffety asked if she could just make a recommendation, and they heard their initial question and talk through the different types of work that the workers will be doing. This is a new proposal for them, and as Butte College supporting Mountain they're also conservative and what they are providing in training and administrative support and so in looking at those ratios, they equally have one to one settings in some of their crews. The 326 people in this proposal are within their zero to three months of employment. So it's an 18-month certification and are only focusing on chainsaw, chipper and grounds operations. So if it's a five person crew, and a senior journeymen is up in the bucket, the zero to three month employee who's in a training capacity, being oversight by a certified trainer is chipping and

moving the debris that someone else's cutting, there's a flagger and there's also somebody operating the equipment and so depending on the size of their crews, they could adjust this contract for a one to one or one to two to make the panel and the college and the contractor comfortable and to prove that as they learn more about how training is operated, and a safe way in California for all of us.

Acting Chairperson Roberts stated she appreciates that only because she has been in there and knows it's hard for a lot of people to visualize. She visualized it in her head because she was there and appreciates the adjustment on that and sure they probably have it all set, and know exactly what they're doing. But when she thinks new people with chainsaws, in her mind, it doesn't sound good to her.

Ms. Newsom mentioned that she reached out to some of her colleagues at IBEW 1245 and also speaking with the Tree Trimmers of 465 and 47, and this industry is like a night and day difference from where they were previously. An industry fraught with severely low wages, deaths, high fatality injury rates, and all in the backwoods and asked what was happening and now having these training standards of and prevailing wages, they just changed the industry overnight and thanked the governor for signing that legislation.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Mr. Newsom moved and Ms. Bell seconded approval of Mountain F. Enterprises, Inc. in the amount of \$749,800. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 - 0.

Tab No. 17: Butte-Glenn Community College District

Ms. Lazarewicz stated that is a proposal from Butte-Glenn Community College District. The requested amount of \$749,870 will train workers throughout California. This is their fifth ETP project in the last five years with good performance. Butte-Glenn Community College District provides workforce training to businesses statewide, but primarily serves employers in Northern California. Training under this proposal will focus on training required to assist in the continued camp fire cleanup efforts and updating the skill sets of those who were displaced. With more than 44% of the workforce in Butte County affected by the camp fire, training will help train these reenter the workforce. This proposal also includes training for individuals to become certified nursing assistance, and preparing them for careers in the healthcare industry. There's a couple of corrections on this proposal in regards to Butte training infrastructure and their active project table. The training infrastructure, the director of Butte College, the training place, along with a Butte College MEC manager, and an administrative secretary will oversee the project. Additionally, they have three training coordinators to schedule training so there are six people involved in their training infrastructure. For the active project table, there's a correction to the approved amount,

they're approved amount is \$749,898, they currently have potential earnings of \$673,874 which is 90% of the approved amount, and they do project final earnings of 100%.

Ms. Lazarewicz stated that Staff recommends approval of this proposal and introduced Robert Ruiz, Lead Trainer; Annie Rafferty, Director of Butte College-The Training Place; Linda Zorn, Executive Director of Economic and Workforce Development-Butte College.

Ms. Rafferty thanked the Panel and mentioned that they are in their seventh project that they're working towards, and the good work that they get to do together in Northern California, and this particular project expands on some new businesses and new projects. Both in Glenn County, they have an initiative called Glenn Grows. Glenn County is experiencing extreme growth, Rumiano Cheese who is one of their contracted participating employers, has a focus on a new building and they've implemented a new Red Zone technology and through that transition they're existing location, which is on the family property, meet in the family kitchen and have meetings in the old family room, which is the conference room and is relocating to a new location and the existing plant will be maintained as a cold storage as the employees moved to this new facility. So with that there's 125 in the Willows location and 25 in Crescent City. This proposal includes cross training and retraining and assistance with those employees for ongoing growth. They also have Cal Plant which will be the first MDF plant in the world to produce a MDF product from rice straw. The startup and the focus with those employees is included on new hire training. They also have high wages associated with the Cal Plant positions and the technical systems that they'll be using. Then the next road over is Carrier Farms, where they have taken a year with them to learn more about their systems in this project includes additional training with Carrier Farms. They are continuing on response of the CNA shortage, and have three cohorts of CNA allocated to this project and then lastly, as you just heard from Mountain View College was designated as a lead for the state and engaging with other community colleges within the collaborative and utilities to establish a utility line clearance arbors program with that, there are three other contractors Arbor Works Moberly, Davey Surgery and of those four contractors instead of bringing them forward in a single employer proposal, they have designated 50 trainees to go through their cohort to be included in this project. So one will be an onboarding them to the ETP process, as they too are challenged with hiring new staff and training. They'll give them the experience prior to coming to the panel and once they get the experience underneath a single employer contract, and they continue their efforts regionally in the north was Sierra College and Shasta and have Siscues as well, that's considering expanding underneath them first before they come forth for their proposals. Those are the projects that are involved with this contract and said thank you again for the consideration and the administrative staff that makes it all happen for their employees.

Acting Chairperson Roberts mentioned that they did an excellent job over the years and have been a good partner with ETP and they really appreciate that.

Mr. Cooper thanked them for being a great partner, the last two proposals are a subject of a press release that they're hoping to get approved to go out to show how they're working with the community colleges and employers to address forest management. They're also participating in this state's force management Task Force and stated that this is a great example of using state resources.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Mr. Tweini moved and Mr. Smiles seconded approval of Butte-Glenn Community College District in the amount of \$749,870. Acting Chairperson Roberts called for a vote, and all Panel Members present voted in the affirmative.

Motion carried, 6 - 0.

AMENDMENTS

Tab No. 18: Unical Aviation Inc.

Ms. Torres presented a proposal on behalf of Unical Aviation Inc. which is an amendment for an additional requested funding of \$190,950 bringing the cumulative amount of this agreement to \$608,450. There was one correction, first on page three for production staff, instead of the base wage of \$13.00, the base wage is actually \$13.76, which means there is a respective change on page two of four with regard to the health benefits, that means no health benefits will be necessary for Job Three because their base wage is at least that of the ETP minimum wage for the HUA wage modification. This proposal for additional funding includes the addition of Job Three and Job Four. The first is for the retraining incumbent priority Industry of 11 workers and then Job Four is also for trainees in the HUA locations. The increased training demand is above and beyond the training requested in this amendment. In other words, they have lots more training that they need and will provide in addition to what is included in this proposal. The additional training will include various course topics already listed under business skills and commercial computer and continuous improvement. As such, there will be no changes to the initial curriculum. Unical has submitted a final payment invoice which is approved by ETP for an equivalent payment of 93% of the contract amount. Therefore, Unical request meets the panel's current guidelines for agreement amendments for additional funding. Job Four is for the HUA location and Unical requests HUA wages for these trainees from \$18.34 per hour to \$13.76 per hour that includes approximately 27 production staff trainees who will need the HUA wage modification to meet ETP eligibility requirements.

Ms. Torres stated Staff recommends approval of this proposal and introduced Carol Gomez, Training Development Director.

Ms. Gomez stated she is the Training Development Director for Unical Aviation. They appreciate ETP support as they rapidly expand their operations here in California. They are proud to report that they completed enough training to earn 100% of the original award amount in the first six months of their agreement. Unical Aviation have increased their headcount in California by 250 employees in the last 15 months and are continuing to grow. They are also launching a Career Pathways Project which will identify internal training requirements for their employees to give them more earning potential and ETP funding will help them to provide that

necessary training. Additionally, she was hired by Unical 18 months ago. Basically, the purpose was to create effective training strategies to ensure they are making the best use of the ETP funds that they are receiving. So far she has hired two dedicated training resources, a technical trainer and a training coordinator to create more training for their employees and more opportunities. Based on their continued growth trajectory and these additional facts, Unical Aviation is confident they can earn the additional \$198,000 proposed in their amendment and wanted to point out that while their facility is in a designate high unemployment area which allows for wages as low as \$13 an hour, they do not have any employees making less than \$15 an hour and for those trained with ETP funds to date, no one makes less than \$17 per hour and about 80% of those individuals make \$20 an hour. She thanked them for considering their amendment proposal and was happy to answer any questions.

Acting Chairperson Roberts thanked Ms. Gomez for that clarification on the wages. and was just going to ask that same question. Hey, if I worked in city of industry, and then I went down to San Bernardino, and I knew my same counterpart was getting \$5 less an hour than I was, it wouldn't make sense and said thanks for that clarification, because she knows they just put it in there based on what the minimum wages are, but knows that they probably would pay more than that.

Acting Chairperson Roberts asked if the Panel had any questions.

Hearing none, Acting Chairperson Roberts asked for a motion.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of Unical Aviation Inc. amendment in the amount of \$608,450. Acting Chairperson Roberts called for a vote, and all Panel Members. present voted in the affirmative

Motion carried, 6 - 0.

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

Acting Chairperson Bell asked for any future agenda items Panel Members.

None were given.

X. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

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

XI. MEETING ADJOURNMENT

Acting Chairperson Roberts adjourned the meeting at 11:40 a.m.