



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
Friday, January 27, 2023**

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

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In Person Meeting
Friday, January 27, 2023

I. PUBLIC PANEL MEETING CALL TO ORDER

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

II. ROLL CALL

Present

Janice Roberts
Gloria Bell
Gretchen Newsom
Rick Smiles
Douglas Tracy
Aracely Campa Ramirez
Madison Hull
Ernesto Morales

Executive Staff

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

III. AGENDA

December agenda was reviewed.

ACTION: Ms. Newsom moved and Mr. Tracy 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. Bell 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.

V. REPORT FROM DIRECTOR

Today's panel meeting is for 35 proposals totaling \$3.5 million in funding requests. This includes 22 Delegation Orders. Today is Chairwoman Janice Roberts and Panel Member Gloria Bell's last panel meeting with us they decided to retire as they announced last meeting. A reception and recognition will be held immediately following this panel meeting, we will adjourn the meeting, have a reception and a few presentations in recognition of them. So for those of you who are here, please stick around and celebrate with us. Because we'd love to have you celebrate their all of their achievements and contributions to ETP over their combined 27 years on the panel. Stuart Knox was appointed by the governor as the Labor Secretary of California in late December, he will be attending.

VI. REPORT FROM ASSISTANT DIRECTOR

Health Care Advancement fund and Workforce Literacy fund programs, which allow us to support employers and workers that we usually cannot serve under a core program, including nonprofit health care providers, and community based organizations. We are in the process of expanding our Cal-E-Force data system to handle them. This includes application contract maintenance, monitoring systems, and other things that need to be done to make sure the funds are going out in a way that is accountable. This has been a complicated undertaking, to translate the guidelines that all of you approved, and has taken longer than anticipated. We are planning on opening the applications for both of these programs by the end of February or early March to be brought before panel in May or June for review and action. Stakeholder notifications will be sent out and signups will be on the website, in addition informational sessions will be held for stakeholders and prospective applicants.

VII. UPDATE ON CAL-E-FORCE

Some informational updates under our Cal-E-Force program; we are working on the applications through to the contract management for the Health Care and Literacy funding programs. We are testing each piece prior to rollout. We have done the change to systems limits for the single hours file upload to make sure that there is no overlap happening. We are still working with the Department of Apprenticeship Standards on a grant. Under the California Workforce Development Board under the Labor Agency we have released their H RTP grant and the RARP grant and are working on the invoice functionality. Under enterprise support we are looking at a VoIP systems or voice over internet so our Sacramento office will have better communication with our customers, looking ahead at that hybrid environment.

VIII. REPORT OF THE CHIEF DEPUTY DIRECTOR

Regarding Funding

Today's panel meeting is for approximately \$3.5 million, which does not include 22 Delegation Orders with a total of \$927,728. Delegation Orders are Proposals capped at \$75K and approved under delegated authority by the Director on a continuous flow basis. For this state fiscal year ETP has approved a total of 52 Delegation Orders. If all proposals scheduled for this panel meeting are funded today, the Panel will be approving 34 projects. After today's panel meeting the Employment Training Panel will have approximately \$37.4 million left in contracting capacity for the fiscal year.

Regarding Demand and Allocations:

There are 183 applications currently in demand and 47 applications are with the Regional Offices in development. With 22 applications under review with the applications and assessment unit and 114 submitted applications pending review. The estimated value of the 183 applications is \$42.1 million (\$32.8 million for single employers, \$2.7 million for multiple employer contracts, \$5.2 million for small business and \$644,000 for Critical Proposals.) We are currently within our allocations for this fiscal year 2022-2023.

IX. CONSENT CALENDAR

It was requested that Tab 6 (Kana Pipeline, Inc.) and Tab 7 (Mechanical Analysis/Repair, Inc. dba Mar-Tech) be pulled from the Consent Calendar.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the Consent Calendar with Tab 6 (Kana Pipeline, Inc.) and Tab 7 (Mechanical Analysis/Repair, Inc. dba Mar-Tech) having been pulled. All Panel Members present voted in the affirmative for approval of the Consent Calendar.

Motion carried, 8 to 0.

X. PRESENTATION

A presentation was given by Civic Makers.

XI. REPORT AND ACTION ITEMS

Mario Maslac presented. ETP wants to amend the Expansion project guidelines that were approved last year and the CCCF project guidelines. The reason is that unlike our core funding, we can reinvest the unused funds into new contracts with the Expansion and CCCF there is a sunset to when we lose authority for those fund and it is June 30, 2024. In our core funding generally the performance rate is anywhere between 75% and 80% on any contract, we expect that rate to be the same for these. To maximize that performance we do not have time to take the recaptured funds and put them into new contracts. So we want to make sure that we are rearranging these funds and putting them to where they get maximum use to take advantage of as much of the \$50 million in this case as we can. There are a couple of different ways to do this, one is to allow amendments above the cap and the other is to allow those amendments to be considered phase one training so that they can be used retroactively for any contractors that have already begun training to cover the training. Another method is to allow an extension of the terms beyond 24 months but no later than March 30, 2024. That gives us about three months to close out all of the accounting. The guidelines already have clawback provisions, we have engaged will all the contractors not meeting the benchmarks and have started working on getting some of the funds back about \$2.2 million are ready to come back. We are about halfway through this process, which is happening as contracts are hitting the one year mark. The provision in both of the guidelines says that they have to be at 60% performance. We are looking forward to reinvesting into the more successful projects that are meeting benchmarks. So the draft of the amended guidelines is saying that you can amended the program project cap and that it should be considered phase one training, with the added provision that allows for an amendment of the term beyond 24 months but not to exceed

March 20, 2024.

ACTION: Ms. Bell moved and Mr. Smiles seconded the approval of the amended guidelines for the expansion fund. All Panel Members present voted in the affirmative for approval of the amended guidelines for the expansion fund.

Motion carried, 8 to 0.

ACTION: Ms. Newsom moved and Mr. Smiles seconded the approval of the amended guidelines for the CCCF fund. All Panel Members present voted in the affirmative for approval of the amended guidelines for the CCCF fund.

Motion carried, 8 to 0.

XII. SECOND LEVEL APPEAL

A second level appeal was submitted by Capital Engineering Consultants ETP Contract No. ET20-0359. A contractor has the right to appeal a final adverse decision and in this case there was a final contract close out and notice of overpayment which is being appealed. According to Section 4450 of ETP Regulations, there is a two level appeal process, the first level of appeal is to the Executive Director, Reg Javier, which must be submitted within 30 days and include a statement setting forth the issues and facts in dispute. Any documents or other writings that support the appeals or the grounds of the appeal should be forwarded with the appeal. The Executive Director will issue a written determination within 60 days of receiving that appeal. This was done in this case and included in the panel packet. The second level of appeal is to the Panel, which must be submitted within 10 days of receipt of the Executive Director's determination. The Second level appeal should include a statement setting forth appellants arguments as to why the Executive Directors determination should be reversed by the Panel, including any supporting documents or other writings. This was done in this case and are included in the panel packet. According to Section 4450 (b) (2) of ETP regulations upon receipts of the second level appeal the Panel must take one of the following actions: first, refuse to hear the matter giving the appellant written reasons for the denial, or conduct a hearing at a regularly scheduled meeting date panel meeting or delegate the authority to conduct a hearing to a subcommittee of one, or more panel members or to the Administrative Law Judge of the Office of Administrative Hearings. Therefore, we are here today for the Panel to choose one of these options. This is not going to be a day dedicated to hearing a matter on the merits, there is allowed public comment, but we are not taking testimony. We are not going to be receiving any exhibits today, the question is what to do next. In this case you can see from the panel packet documents, the appeal at issue does not present any fact or issue in dispute, but rather the appellant merely contends that they should have received additional opportunities and personal communications that are not included, not required or even allowed in their contract nor in ETP's codes or regulations. Therefore, there are no grounds to adjudicate. Staff recommendation is that the panel move to refuse to hear this matter in accordance with Section 4450 (b) (2) (a) (1), that no hearing take place as there are no grounds for appeal, no documents to review or to consider, thus instructing your legal unit, myself to prepare and serve a written denial to the contractor consistent with ETP regulations. A factual point that the communications to fiscal from the contractor was to close out the project.

Mr. Sherman with Capital Engineering stated this was his first opportunity to participate in the ETP program and they have a consultant that helped in the effort who has been involved for many years. They were told by the consultant, that this is the first time this kind of situation has occurred in his experience. He remarked that it looks that it is pretty obvious, a couple of things, were not done. One on our part, a button wasn't pushed to submit some labor, the labor was posted on the site for staff to review and also in a close out procedure that is typically used was not in our case, where this would have been discovered. So personally we would never participate in this program again. It would have to be really different, there was a lot of overhead on our part to provide the paperwork necessary to support. But from our perspective, these occurrences and then not even allowing us to get this on the table.

Response was given that there are a lot of mitigating factors regarding why you didn't perform and you did have a consultant that has been in the business for quite a long time, so this was an oversight. Thank you for your comments.

ACTION: Ms. Newsom moved and Mr. Smiles seconded the refusal to hear the matter given the appellant reasons for the denial as previously stated. All Panel Members present voted in the affirmative for refusal to hear the matter given the appellant reasons for the denial as previously stated.

Motion carried, 8 to 0.

XIII. REVIEW AND ACTION OF ITEMS PULLED FROM CONSENT CALENDAR

Tab No. 6: Kana Pipeline, Inc.

First time contractor. Funding requested \$110,492 to train 140 retrainees over two job numbers. Training will take place in Riverside California. The proposed contractor has confirmed that the productive lab is estimate at zero to nine hours with the potential reimbursable value \$20,980, which equates to 26% of the requested funding amount. This training project will provide trainees a valuable skill set and a growing industry where they will learn construction processes and the operation of numerous tools and equipment.

Questions raised: Why are you not utilizing apprenticeship? Or are you? Are there pathways for your workers to get into apprenticeship? And a little bit about the quality of the curriculum that they're receiving and how it advances them in their careers? How do they progress from pipe layer one all the way up to pipe layer four, what does the training and curriculum look like?

Comment was made that in looking at different contracts coming forward, and taking the perspective of what is best for the worker, what kind of training and curriculum are they receiving, that is going to be able to advance them in their careers so that they can go and earn higher wages and be consistent on that, that their wages continue to go up. And that they don't have this kind of roller coaster effect, not necessarily in your contract, but definitely elsewhere, where there's this dynamic of putting the workers to work on both public works projects and private works, that creates this strain in their income.

Ms. Entzminger, replied that they hire all laborers direct and of different skill sets, including zero training or experience in construction. So we don't use the state apprenticeship program. We

use our own internal training and development programs for training. Most of our work is commercial or residential, 25% of our work is public but the majority is private and they do not tend to move. A copy of manual created to introduce a worker to the curriculum, which is reviewed in a classroom setting over a period of 8-10 hours was handed out. Those without experience go through a 90 day training program and are given evaluations. At their annual review, they have the opportunity to increase their wage to the higher end of the range, and graduate to the next category if they've achieved all the competencies within the two years or whatever the period of time is for that level. The manual is not actually work instructions, but meant to be an introduction to all of the activities that they're going to perform, and to explain how we want them to approach them. It's 98% learned in the field in one on one training.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by Kana Pipeline, Inc. in the amount of \$110,492. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 7: Mechanical Analysis/Repair, Inc. dba Mar-Tech

First time contractor. Funding requested \$151,800 to train 80 workers including 30 new employees. Training will take place in Lodi at the Mar-Tech location.

Questions raised: Why are you not utilizing apprenticeship? Or are you? Are there pathways for your workers to get into apprenticeship? And a little bit about the quality of the curriculum that they're receiving and how it advances them in their careers?

Response given by Mr. Bell was we hire people who have no skills to skilled workers. And so our goal is to bring them up to a higher wage. We try to give them competitive wages so there is not that swing. The workers figure out how to build and manufacture pumps and parts inside our shop with the CNC, machinist, and safety valve, millwrights and confined space rescue divisions so the opportunity to grow is there.

It was mentioned that there are 125 items under the productive lab even though it is at 25%.

Jill Meeuwsen explained that this was submitted several months ago but she will make sure it is paired down.

ACTION: Mr. Smiles moved and Mr. Tracy seconded approval of the proposal submitted by Mechanical Analysis/Repair, Inc. dba Mar-Tech. in the amount of \$151,800. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

SINGLE EMPLOYER CONTRACTS

Tab No. 9: Alliance Environmental Holdings, LLC

Repeat contractor. Funding requested \$261,648 to train 333 retrainees and 20 job creation trainees located in various locations statewide. Please note the prior contract had earnings of 60% of the approved amount and this proposal has been right sized accordingly.

Question regarding how soon would those under job number two advance to a higher wage?

Response by Ms. Crozat was that it is based on knowledge, technique and experience and it evaluated quarterly so they are able to advance quickly.

ACTION: Ms. Newsom moved and Mr. Smiles seconded approval of the proposal submitted by Alliance Environmental Holding, LLC in the amount of \$261.648. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 10: G & C Auto Body, Inc.

Repeat contractor. Funding requested \$393,000 to train 190 workers including 150 new employees training will take place at their 29 locations throughout California.

Clarification was requested regarding the 25 veterans and were they fit, it looks like they are making the lowest wage and how soon are they working up?

Jill Meeuwsen responded that the lowest wage on veterans is \$23 an hour not \$20. Wage adjustments on wages are made every 90 days top range every two to four year period of time.

Question was asked as to what pre post scanning is regarding productive lab.

Mr. Crozat stated that every car is different and how you hook up the tool and reading the results is very complex.

ACTION: Ms. Newsom moved and Ms. Bell seconded approval of the proposal submitted by G & C Auto Body, Inc. in the amount of \$393,000. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 11: Navis LLC dba NAVIS Corporation

First time contractor. Funding requested \$294,630 to train 210 workers, including 40 new employees. Training will take place at Navis's Oakland location.

ACTION: Mr. Smiles moved and Mr. Morales seconded approval of the proposal submitted by Navis LLC dba NAVIS Corporation in the amount of \$294,630. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 12: Niagara Bottling, Inc.

Repeat contractor. Funding requested \$299,000 to train 500 workers. Training will take place in Niagara Bottlings eight locations throughout California.

Elaboration was requested regarding the quality of the curriculum being constructed and how that's advancing those workers and their careers.

Mr. Thomas responded that most of the training was internal they promote from within.

ACTION: Mr. Morales moved and Mr. Smiles seconded approval of the proposal submitted by Niagara Bottling, Inc. in the amount of \$299,000. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

Tab No. 13: Northern California Construction Training, Inc.

Repeat contractor. Funding requested \$402,344 to train 76 new hire trainees. Training will take place in Northern California Construction training locations in Sacramento, San Joaquin, Yolo, Mendocino, Placer and Stanislaus counties.

Comment was made that 80% of trainees successfully transition into an apprenticeship program or full time employment. Training is absolutely free. Are you collecting the GI bill?

Mr. Armstrong responded that is correct. 80-85% we have a strong placement rating. There is never a cost and upon graduation if some needs a new pair of boots or a tool belt that will be provided at no cost, fee for joining a union is also covered. No we do not collect the GI bill.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the proposal submitted by Northern California Construction Training, Inc. in the amount of \$402,344. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 8 to 0.

XIV. 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.

XV. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

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

Recognition was given to Janice Roberts and Gloria Bell by Annie Rafferty and Eldon Davidson for their service to ETP. Barry Broad also thanked them for their service on the Panel.

XVI. MEETING ADJOURNMENT

Acting Chairperson Roberts adjourned the meeting at 11:22 p.m.