



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**

Teleconferenced Zoom Meeting
Friday, July 29, 2022

Panel Members

Janice Roberts
Acting Chairperson

Gloria Bell
Member

Dee Dee Myers
Ex-Officio Member

Ernesto Morales
Member

Gretchen Newsom
Member

Rick Smiles
Member

Douglas Tracy
Member

Madison Hull
Member

Executive Staff

Reg Javier
Executive Director

Peter Cooper
Assistant Director

Jaime Gutierrez
Chief Deputy Director

Tara Armstrong
Deputy Director of
Technical Branch/CIO

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I. PUBLIC PANEL MEETING CALL TO ORDER

Acting Chairperson Janice Roberts called the meeting to order at 9:32 a.m.

II. ROLL CALL

Present

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

Executive Staff

Reg Javier, Executive Director
Peter Cooper, Assistant Director
Tara Armstrong, Deputy Director of Technical Branch/CIO

Absent

Ernesto Morales
Jaime Gutierrez, Chief Deputy Director

III. AGENDA

July agenda was reviewed

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the Agenda. All Panel Members present voted in the affirmative for approval of the Meeting Agenda.

Motion carried, 7 to 0.

IV. MINUTES

No changes to July Meeting Minutes

ACTION: Mr. Smiles moved and Ms. Bell seconded the approval of the Meeting Minutes. All Panel Members present voted in the affirmative for approval of the Meeting Minutes from the last panel meeting.

Motion carried, 7 to 0.

V. REPORT OF DIRECTOR

Today's agenda is just over \$5.7 million in 22 proposals, including five delegation orders. Going forward the intent is to have one panel meeting per quarter in person and the rest done virtually. Work is being done to redesign our application processes to that end we have contracted with Civic Makers to consult and Virginia Hamilton will be the facilitator for the entire process. A slowdown in flow of application for funding this year has been noticed, in response our EDU team is expanding our outreach and marketing efforts to bring in new applicants.

VI. REPORT OF THE ASSISTANT DIRECTOR

Regarding Apprenticeship funding the demand for funding this program greatly exceeded the available funding. After reviewing the applications we are proposing a \$500,000 cap. We had nearly 70 applications with funding requests of nearly \$30 million which is more than our allocation of roughly \$23 million for this year. After some adjustments the easiest way to stay within our allocation was to cap it at \$500,000. We will fund the number submitted after applying the \$16 rate to the apprentices. We have been auditing ourselves and making corrections. Two examples are we have been reimbursing the veteran apprentice's at a \$26 per hour instead of \$18 per hour rates, which is now coming down to \$16 per hour, this is to account for the RSI. All Apprenticeship program applications will be presented at the September Panel meeting, with a handful of new apprenticeship programs. We are coordinating with DAS to ensure that the trainee's numbers provided on applications in reasonable and in determining eligibility.

VII. UPDATE ON CAL-E-FORCE

Under our new Kelly program, we have added two additional questions to the application for union streamlining the application. In addition we added the next industry codes and did the web lookup for those approved at the last panel meeting. A new automated letter is going out from the system so the customers get their letter right away once the panel approves to cut down on staff time. Automation of job number creation areas are being looked at to help staff doing development. Under our Kelly grants program, we are still supporting seven grants with ETP and the CWDB. We have released the application for breaking barriers and the functionality for review and scoring for the prison to employment grant. Work on the fund management part should be done shortly as well as security enhancements for the audit and assessment.

VIII. REPORT FROM STAFF ATTORNEY

This month's legislation memorandum was emailed separately from the panel packet with a copy posted on our website. Legislature is out for summer recess until August 1. On the legislation memorandum we have removed various bills that did not get out of their respective house by the June 4 deadline. Quick report about teleconference meeting or Zoom meetings previous authority allowing teleconference meeting expired at the end of March, so in person meeting were resumed. A trailer budget bill SB 189 was signed and chaptered and became effective on June 30 under section 20 which puts back into place a temporary measure allowing teleconference meeting only until July 1, 2023. This gives ETP authority to conduct teleconferenced meetings as an option. We are looking at having small group administrative training sessions with staff and panel members, as a refresher to go over Bagley Keene, Robert's Rules of Order, conflict of interest, general duties among other things, the legal unit is working on preparing a proposed agenda and written materials and will be reaching out in the near future.

IX. REPORT OF THE CHIEF DEPUTY DIRECTOR

Mario Maslac presented the report on behalf of the Chief Deputy Director.

Regarding Funding

Today's Panel Meeting is for approximately \$5.7M, which includes five approved Delegation Orders for a total of \$235,244. Delegation Orders are Proposals capped at \$75K and approved under delegated authority by the Director on a continuous flow basis. If all proposals scheduled for this Panel Meeting are funded today, the Panel will be approving 22 projects. After today's Panel Meeting, the Employment Training Panel will have approximately \$87.3M left in contracting capacity for fiscal year 2022/2023. ETP has received 265 Pre-applications, and there are currently 84 applications in the Regional Offices in development, 64 applications are with the Application and Assessment Unit (AAU), and 117 submitted applications are pending review.

Regarding Demand and Allocations:

Total demand \$23.6 million in demand for single employer contracts. \$2.7 million for multiple employer contracts and \$10.2 million for small business, \$888,656 in demand for Critical Proposals and close to \$30 million for Apprenticeships. We are currently within all allocated funding for the fiscal year 2023. In conducting our internal audit and review of our legislation, regulations and policy process, we have changed how requests to shift funds between job numbers will be handled going forward, stakeholders have been notified starting August 1, 2022 requests to shift funds between job numbers will need to go through a revision process.

Due to an error on tab 12 Advanced Composite products and technologies, NGS was left off the Consent Calendar and should be approved together with the rest of the Consent Calendar.

X. CONSENT CALENDAR

Mention was made regarding tab five Clark Rush and Mechanical, who reported that all of the funds received or payments in reference to a consultant occupations are filed on a W-2 there is no commissions and the combined positions for customer service and estimating work with customers to assess needs and match both programs and equipment to repair solutions, creating a cost pricing quote. Their regular employee and all wages are reported through EDD.

ACTION: Mr. Smiles moved and Ms. Newsom seconded the approval of the Consent Calendar. All Panel Members present voted in the affirmative for approval of the Consent Calendar.

Motion carried, 7 to 0.

XI. PRESENTATION FOR APPRENTICESHIP CAP

Apprenticeship cap recommendation at \$500,000 per Apprenticeship project.

ACTION: Ms. Newsom moved and Ms. Bell seconded the approval of the new Apprenticeship cap of \$500,000 per project. All Panel Members present voted in the affirmative for approval of the new \$500,000 Apprenticeship cap.

Motion carried, 7 to 0.

XII. REVIEW AND ACTION OF PROPOSALS

SINGLE EMPLOYER CONTRACTS

Tab No. 10: B.R. Building Resources Company

First time contractor. Funding requested \$289,800 for an estimated 170 retrainees and 40 job creation trainees, located in San Diego County. This is a set project and priority wage modification from \$39.21 per hour to \$29.41 per hour is being requested.

ACTION: Ms. Bell moved and Ms. Newsom seconded approval of the proposal submitted by B.R. Building Resources Company in the amount of \$289,800. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 7 to 0.

Tab 11 was withdrawn and Tab 12 was moved to the Consent Calendar

Tab No. 13: Headway Technologies

Repeat contractor, sixth ETP contract, third in the last five years. Veterans are hired through normal hiring process. Funding requested \$499,629 for an estimated 452 retrainees and 145 job creation trainees, delivered in five locations in Milpitas. Retraining will be trained on new production equipment and software.

Concern and questions were raised regarding productive labs and the necessity for 200 hours at \$23 which is close to the entire project amount. It was mentioned that this many hours is no longer acceptable. Is it a one to three ratio? More explanation was requested around why 200 hours of productive lab? Production lab meaning actually on the floor making product for sale.

Lisa Douglas, California Training Administrator (subcontractor) responded people hired are not allowed to actually work independently on the equipment until they have weeks of training, 4-8 weeks. Mostly one on one, it's always been one on one. So we can always change to one on one if it is preferred with a supervisor trainer to teach the equipment come before the hire is allowed to be free and work independently. Then they become certified.

Clarification was requested as to whether productive lab is only for job creation employees.

Lisa Douglas responded that they will probably have some new hire in the job in the non-job creation group due to not meeting the wage and some in job one with some productive lab but most will be in job creation

Mention was made about how 200 hours for 100 employees, times \$23 per hour was \$460,000 and the requested funding was \$499,900. There is a level of discomfort when the contract is all productive lab, because you are making money. Unlike 100 hours or eight weeks of classroom training, going through books, and working prototypes of equipment before touching a piece of equipment and making product for sale. You are going right to the floor with three to one training ratio.

Shelley Lal responded that there is classroom training (TV) for new hires before going to the floor. This includes 10 hours of orientations.

A request was made for a reduction in productive lab, bringing it down to 75 hours on a one to one training ratio. 200 hours is too high.

Comment was made that it does appear they are almost making money off the contract. 75 hours is almost two full weeks which seems high. With one on one training a full week on the machines would be sufficient, with an emphasis on other skills. 50 hours of productive lab with one on one training is more comfortable.

It was concluded that bringing the productive lab down to not more than 50 hours with one on one training ratio was best.

Lisa Douglas replied that they could work with that.

ACTION: Ms. Newsom moved and Ms. Bell seconded approval of the proposal by Headway Technologies, Inc. in the amount of \$499,629 with not more than 50 hours of productive lab training and a one to one training ratio. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 7 to 0.

Tab No. 14: Ingomar Packing Company, LLC

Priority Industry and repeat contractor, second ETP contract in last five years. Funding requested \$487,600 for an estimated 80 trainees in job one within HUA area and 235 seasonal retrainees under job two. Training will be provided at two locations in Los Banos.

Comment was made that again 200 hours of productive lab is being requested almost the total project amount, which is way too high especially for seasonal workers, who come back season after season. Reduction to no more than 50 hours of productive lab and one to one ration training before approval.

A question was raised regarding when medical benefits are received by 235 seasonal retrainees?

Benito Martinez, Human Resources Administrator replied the seasonal employees work for 3 months, so no benefits.

A question was raised regarding if seasonal employees work only 3 months of the year but they are asking for funds to train them for 3 months and they receive no benefits. How many seasonal employees become full time?

Mr. Martinez replied maybe 5 or 6 become full time.

Concern was raised as to what is being requested is productive lab and it would mean that the company is making a profit on the seasonal employees.

The point was raised that approval should just go to full time employees. Therefore with only full time employees being funded the productive lab would fall off and ETP would be funding only the 80 retrainees in job one for 30 hours.

Lisa Douglas, California Training Administrator (subcontractor) replied that they actually have 500 seasonal employees but just put down the 235, so they could change it to the actual 500 and lower the productive lab and do the one on one training.

Comment was made that since there a quite a few more questions, unlike Headway Technologies the prior tab where it could be modified, this one should be tabled and sent back for further review to address concerns.

ACTION: Mr. Smiles moved and Ms. Bell seconded to table the proposal submitted by Ingomar Packing Company, Inc. in the amount of \$487,600 for a future panel meeting. All Panel Members present voted in the affirmative to approve the proposal be tabled as moved.

Motion carried, 7 to 0.

Tab No. 15: Vander-Bend Manufacturing, Inc.

Priority Industry and repeat contractor, 32nd project and third within last five year. Funding requested \$499,790 for an estimated 195 under job one and 358 retrainees, delivered at San Jose, Santa Clara, Stockton and Rancho Cordova facilities.

Question was asked regarding the 60 hours of productive lab with one to two training ratio on assembly, CNC machines fabrication, welding, surface preparation, machine operation and grinding and was it with all 530 trainees?

Matt Howell, Training Manager responded that generally less than 60 productive hours are used. The main focus is to have people become quite expert at the CNC machine, then the productive line hours are for when they are ready to operate it. The 60 productive hours are an average, in previous contracts 20-30 tops were used. The new hire generally get zero-five productive line hours due to the lower skill set.

Comment was made regarding one on one training as being preferred and that 530 trainees with productive lab will utilize the entire \$500,000 contract. Just certain employees should go through less than 60 hours of productive lab and a one to one training ratio.

A reminder was given that if all the productive labs hours are not used, you cannot move it to another job. Clarification was given that up to 40 hours with a one on one ratio using job titles as an indicator.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by Vander-Bend Manufacturing, Inc. in the amount of \$499,790 with a one to one ratio for the training and up to 40 hours on the production lab not the 530 trainees, just certain job titles. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 7 to 0.

Tab No. 16: Crain Walnut Shelling, LP

Repeat contractor, good prior performance. Funding requested \$226,550 to train total of 187 workers including 50 new trainees delivered at their Tehama County facility.

ACTION: Ms. Bell moved and Mr. Smiles seconded approval of the proposal submitted by Crain Walnut Shelling, LP in the amount of \$226,550. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 7 to 0.

MULTIPLE EMPLOYER CONTRACTS

Tab No. 17: National Veterans Transition Services, Inc. National Veterans

Repeat contractor, third ETP contract in five years. Proposal correction to the support cost amount and total ETP funding on page one and the estimated number of trainees and average cost per trainee on page two. . The support cost should be \$35,148. Funding requested should be \$255,258 for an estimated 87 trainees located in San Diego but works with employers statewide for training placement. Reboot is the comprehensive military to civilian transition program that they developed.

Elaboration was requested on what production staff is under job number one. What does the position entail?

Maurice Wilson, President responded that they are facilitators, educators who help with life reconstruction.

Elaboration was requested regarding how veterans are being placed? How the employers identified and what are does that look like? Can you name a few of the employers?

Mr. Wilson responded that they work with hundreds of different employers, who reach out and contact them. The challenge is to meet the demand. We are working across the state with veterans network organizations about 400-500 organizations. Some examples, General Atomics, General Dynamics, Accenture, Amazon, security companies, local organizations in San Diego, CCS, Global Tech, shipyards.

Question was raised regarding whether or not tuition or programs fees were being charged for veterans participating in the Reboot program and that any training outside ETP is being covered by donations and grants. Is the GI Bill being used for program costs?

Mr. Wilson responded that veterans or their family members pay nothing. Neither the GI Bill nor tuition assistance.

Question was raised regarding past performance of 80% at \$116,000 and now the funding request is double that, is there an explanation as to why you are asking for so much more with just a 80% performance from last time?

Mr. Wilson responded that the whole process is helping veterans deal with the challenges and barriers to reintegration and the lesson that was learned from last time was to not to put them into the program without doing the first phase to work through the Partner Network and resolve life issues first. We've got the sequencing, correct now and can enhance the numbers we think we're looking at 95 or 87.

ACTION: Mr. Smiles moved and Ms. Newsom seconded approval of the proposal submitted by National Veterans Transition Services, Inc. National Veterans in the amount of \$255,645. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 7 to 0.

Tab No. 18: American Health Education.

Priority industry, new contractor. Funding requested \$298,800. Correction to be made under the training agency certification section on page five as the BPPE licensure is valid until 9/12/24. Estimated number of trainees are 100 for job number one new hire veterans receiving medical skills training to be delivered at their headquarters in Livermore.

Question raised regarding whether the same components as National Veterans Transition Services are being used are they the same employer group? Who are some of your employers?

Response given by Yvette Surendran, Director, they market and locate veterans for EMT training course and are approved by the bureau of post-secondary education in California. Our sister company NorCal ambulance, Royal ambulance, Bay medic, Falk ambulance which is the 911 system in the area also Falcon. There are a number of retirement communities such as Stoneridge Creeks that hire as well.

Questions as to whether NorCal ambulance had an ETP contract was asked as well if the veterans are being charges the EMT training fees in the amount of \$2,950? If ETP is providing them enough hours to complete all the training modules to receive certifications or college credits? What about the \$250 nonrefundable application fee? The \$250 course textbook fee, Brady emergency care 14th edition which includes a lab to be paid at registrations, is ETP funded program paying these? Or are they excess or paid by the GI Bill?

Yvette Surendran responded that they do not take the GI Bill and anticipate that these funds will be used for all the fees for those recruited.

ACTION: Mr. Smiles moved and Ms. Bell seconded approval of the proposal submitted by American Health Education in the amount of \$298,800. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 7 to 0.

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

Acting Chairperson Roberts provided an opportunity for Panel Members to request for consideration an Agenda Item for a future Panel Meeting.

Ms. Newsom suggested the topic of Productive Lab for the next policy committee meeting.

Acting Chairperson Roberts agreed that Productive Lab needs to be scrutinized to be consistent.

XIV. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

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

Robert Meyer of ETP provided a quick report and updated regarding the health care initiative.

Philip Herrera commented on the issue of Productive Lab and suggested there are ways to change the 130 proposals to better explain what is being done in terms of Productive Lab. Looking forward to discuss at the next policy committee meeting.

David Tiesdale commented on the rule of changing in between job numbers, and creating guidelines for doing so. Suggests guidelines for streamlining positive changes.

Diana Torres of ETP provided a report and update regarding the expansion funds and community college fund.

XV. MEETING ADJOURNMENT

Acting Chairperson Roberts adjourned the meeting at 11:17 a.m.