



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**

Friday, January 26, 2024

Panel Members

Rebecca Bettencourt
Chair

Dee Dee Myers
Ex-Officio Member

Rick Smiles
Member

Gretchen Newsom
Member

Douglas Tracy
Member

Madison Hull
Member

Michael Hill
Member

Executive Staff

Jessica Grimes
Executive Director

Peter Cooper
Assistant Director

Jaime Gutierrez
Chief Deputy Director

Tara Armstrong
Deputy Director of Technical Branch

Laura Campbell
Chief of Program Operations

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
California Environmental Protection Agency
1001 I Street, Coastal Room, Second Floor
Sacramento, California 95814
Friday, January 26, 2024**

I. PUBLIC PANEL MEETING CALL TO ORDER

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

II. ROLL CALL

Present

Rick Smiles
Gretchen Newsom
Madison Hull
Douglas Tracy
Chris Dombrowski

Not in attendance

Rebecca Bettencourt
Mike Hill

Executive Staff

Jessica Grimes, Executive Director
Peter Cooper, Assistant Director
Jaime Gutierrez, Chief Deputy Director
Tara Armstrong, Deputy Director of Technical Branch
Laura Campbell, Chief of Program Operations

III. AGENDA

The January Agenda was reviewed.

ACTION: Member Newsom moved and Member Hull seconded approval of the January Agenda with no changes. All Panel Members present voted in the affirmative for approval as moved.

Motion carried, 5 to 0.

IV. MINUTES

The December Meeting Minutes were reviewed with a correction to page 4, Tab 2 to reflect the first motion to approve, which was made by Member Newsom, seconded by Member Hull, and page 13, Tab 23 should reflect the first motion to approve was made by Member Newsom, seconded by Member Hull.

ACTION: Member Tracy moved and Member Newsom seconded the approval of the December Meeting Minutes with a correction to page 4, Tab 2 to reflect the first motion to approve was made by Member Newsom, seconded by Member Hull; and page 13, Tab 23 should reflect the first motion to approve was made by Member Newsom, seconded by Member Hull. All Panel Members present voted in the affirmative for approval as moved.

Motion carried, 5 to 0.

V. REPORT FROM THE EXECUTIVE DIRECTOR

Our website has been updated to reflect new opportunities, chiefly the Paid Family Leave small business grants which is now accepting applications and the Agriculture Initiative, which includes an allocation of \$10M for the agriculture sector and agriculture-adjacent industries. The Public Policy Institute of California praised ETP in its report “Policies for Creating Jobs and Keeping jobs in California” for being effective in creating jobs and “showing positive effects on employment, worker earnings and employment stability.”

Today’s meeting presents 15 projects to support 3,087 trainees for approximately \$2.8 million.

VI. LEGAL REPORT

Lisa Powell, General Counsel for the Labor and Workforce Development Agency, provided an update on recent legislation regarding changes to the Bagley-Keene Act. COVID era remote meeting flexibilities have expired. Since ETP Panel is back in person, these changes will offer extra flexibilities. SB 544 was signed into law on September 2023 and went into effect January 1, 2024. It allows State Board meetings to be held by teleconference under certain circumstances. The basic rule is if the majority of members are in the same location, remote attendees can participate. For example, if there were 5 present, and someone wanted to attend but was ill, they could attend remotely (the location does not have to be noted or open to the public), but they have to be on camera and must announce if any other adults are in the room with them. Also, you could have 2 locations which collectively have a majority of the members. Both would have to be noted and open to the public. If there is a technical difficulty for the remote participant (with their camera) that’s allowed but would need to be announced in the meeting. There is a requirement that votes have to be taken by roll call. In the event that these requirements cannot be met, then an adjournment or postponement of the meeting is required.

VII. REPORT OF THE CHIEF DEPUTY DIRECTOR

Regarding Funding:

Highlights from the Governor’s proposed State Fiscal Year 2024-25 budget as it relates to ETP: 1) ETP will continue funding at the same levels as for SFY 2023-24; 2) ETP budget authority in the proposed SFY 2024-25 is \$122.9 million; and 3) there is a line item that states \$100 million will be repurposed from the ETP Fund to help reduce the States \$37.9 billion shortfall. ETP is fortunate to have built up a healthy reserve over the last few years so that we’re able to use it to contribute to the budget shortfall while continuing to serve our customers.

Today's Panel meeting, for approximately \$2.8 million, includes eight Delegation Orders for a total of \$485,392. Delegation Orders are proposals capped at \$75K and approved under the delegated authority of the Executive Director on a continuous flow basis. ETP has approved a total of 27 delegation orders for this State Fiscal Year. If all proposals scheduled for this Panel Meeting are funded today, the Panel will be approving 15 projects.

Regarding Demand and Allocations:

There are 110 applications currently in demand and 61 applications are with the Regional Offices in development. 20 applications are under review with the applications and assessment unit and 29 submitted applications pending review. The estimated value of the 110 applications is \$20.5 million (\$15.5 million for single employers, \$2.9 million for multiple employer contracts, \$110,537 for small business, \$2.3 for apprenticeships, and zero in demand for Critical Proposals). We are currently within our total allocations for this fiscal year 2023-24. We do not have a Consent Calendar for this Panel meeting.

VIII. FISCAL TEAM PRESENTATION

Marcela Loza, Fiscal Manager, presented an overview of ETP's Fiscal Unit with general statistics.

IX. ELIMINATION OF THE RETRAINING JOB CREATION PROGRAM

Laura Campbell, Chief of Program Operations, provided a presentation regarding the Retrainee Job Creation program (RJC) that launched as a pilot program in 2011 in response to elevated unemployment rates and is currently still in effect, but ETP no longer allocates funding due to significantly decreased unemployment rates. The Policy Committee addressed this topic at their December 2023 meeting and decided to recommend its elimination. Staff is requesting an action item to eliminate the RJC program based on the recommendations of Policy Committee. If approved, it means that any applications received before today's date that contains an RJC component will be processed, but no new RJC components can be requested, however any existing contracts will not be affected.

ACTION: Member Newsom moved and Member Tracy seconded approval of the motion to approve elimination of the Retrainee Job Creation program. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried, 5 to 0.

X. ACTION ON PROPOSALS

Reminder was given by Panel regarding Agriculture Initiative. When the concept of the pilot program was first presented to Panel information about how low the wages were was given, one of the components was the concept of encouraging worker voice and supporting worker voice in the workplace (how they are being treated, safety issues, wage progression). The Panel is interested in how that is being interpreted and the process, if any, is in place.

SINGLE EMPLOYER CONTRACTS

Tab No. 1: Walter Anderson Plumbing, Inc.

Withdrawn

Tab No. 2: FreshPoint California, Inc.

Correction this is an Agriculture Initiative training proposal and not a priority industry, nor is it a repeat contractor. Funding requested \$237,998 to train 180 trainees under Job one retrainees SET HUA and 23 under Job 2, creation retraining SET. Training will be provided at their Turlock facility only.

ACTION: Member Newsom moved and Member Hull seconded approval of the proposal submitted by FreshPoint California, Inc. in the amount of \$237,998. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 5 to 0.

Tab No. 3: Lyell Immunopharma, Inc.

Priority Industry, First time contractor. Funding requested \$198,375 to train 75 retrainees under Job one and 50 under Job 2, job creation. Training to be delivered at headquarter location in South San Francisco.

Question regarding wage progression and how soon the lower end \$26 an hour workers can anticipate wage increases.

Anne Tomlin stated they have a broad range of wages (60% scientists) promotional reviews are twice a year in March and October.

ACTION: Member Newsom moved and Member Tracy seconded approval of the proposal submitted by Lyell Immunopharma, Inc. in the amount of \$198,375. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 5 to 0.

Tab No. 4: Apex Site Solutions, Inc. dba Apex Site Solutions

Repeat contractor. Funding requested \$172,615 to train 144 workers including 35 new employees. Training will take place at their Elk Grove location.

Comment was made regarding the occupational title of construction workers. Their wages are significantly lower than the construction industry itself. We usually see a post retention wage of \$30.90 an hour. Request was made to move the wages for the field crew from \$19 per hour to \$30.90 an hour. Everyone else would stay the same.

Jeremy Elmiss stated they did have out of state competition. Agreed to \$30.90 post retention wage including benefits.

Staff state that it would require a new job classification.

ACTION: Member Newsom moved and Member Hull seconded approval of the proposal submitted by Apex Site Solutions, Inc. dba Apex Site Solutions in the amount of \$172,615 with the notion that we create a new Job number 3 for job classification field crew occupation title, including any trainees and that their post retention wage is \$30.90 and they are allowed to use the healthcare benefits to meet that post retention wage. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 5 to 0.

Tab No. 5: Bell Brother's Heating and Air, Inc.

Withdrawn

MULTIPLE EMPLOYER CONTRACTS (MEC)

Tab No. 6: Key Code Media, Inc.

Repeat contractor. Funding requested \$461,250 to train 375 retrainees. Training will take place statewide.

Comment was made that the funding request was significantly higher than previously (more than 4x). What are you going to do to achieve success?

Veronica Corner responded that they reached 100% of usage on the current contract 5 months ahead of time, and they have had multiple companies that are interested in training with them. They have experienced significant growth in the last 2 years (about 3x more), this includes more resources and contacts. They are an association with a new apprenticeship program which should use about a quarter of the requested funds.

Question as to what is the apprenticeship program?

Veronica Corner stated that they would be trained by a different company and just a population of students that would be coming in.

Question regarding whether they would be trained through this contract and whether there are apprentices elsewhere.

Veronica Corner replied yes they are still categorized as employees and will be receiving wages.

Question as to who they would be apprenticed to and is it DAS certified, approved by the State of California? What is that program called?

Veronica Corner replied she is not sure exactly what the program is called but it's a post-production engineering apprenticeship.

Comment was made that apprentices are not allowed to be double counted for different contracts.

Staff commented that they do not have any apprentice programs. There are not any media or post production space that they are aware of. Staff will look into that to make sure that there is no overlap.

Question as to how Key Code Media will be making the 100% success with 4 times the amount of your last contract.

Veronica Corner replied that they have a couple different companies, such as Nickelodeon Disney cartoon network, big figures in the industry who did not make it in time for the previous contract before they ran out of funding, so they will obtain training in the next contract, potentially hundreds of trainees.

Comment was made as to the lack of collective bargaining agreements with industry media unions.

Veronica Corner responded that there is no union for the particular position like a post-production engineer or colorist.

Comment was made that the wage range for the colorist at \$21 per hour is very low for the industry.

Veronica Corner responded that they were an entry level position and we have specific training and different certifications involved which would streamline the ascent into a higher position.

Request for more information regarding the certifications. Are they able to carry the certification to a different job?

Veronica Corner explained there are two different kinds of certifications one is our proprietary Key Code education certification. The other is vendor certified training and they can take the associated exams, the cost is included.

Recommendation to fund this proposal at \$250,000.

ACTION: Member Newsom moved and Member Hull seconded approval of the proposal submitted by Key Code Media, Inc. in the revised ETP funding amount of up to \$250,000. All Panel Members present voted in the affirmative to table the proposal as moved.

Motion carried by roll call vote, 5 to 0.

Tab No. 7: The Cerritos College Foundation

First time contractor. Funding requested \$499,872 to train 508 retrainees. Training located statewide.

Public comment by Annie Rafferty in support of the project.

ACTION: Member Hull moved and Member Newsom seconded approval of the proposal submitted by The Cerritos College Foundation in the amount of \$499,872. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 5 to 0.

Tab No. 8: The Industrial Council of the City of Commerce, California

Repeat contractor. Funding requested \$694,950 to train 565 retrainees. Training will take place statewide.

Request to elaborate on how they would reach the 100% on the current contract.

Robert Taylor and subcontractor stated that they would be reaching the 100%, the current contract does not expire until July 31st.

Comment was made that the current contract doesn't expire until July 31st.

A request was made of staff for a date to start this contract after close out of the current contract.

Staff responded June 30.

ACTION: Member Newsom moved and Member Tracy seconded approval of the proposal submitted by The Industrial Council of the City of Commerce, California in the amount of \$694,950, with the contract to commence June 30, 2024. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 5 to 0.

AGRICULTURE

Tab No. 9: Reiter Berry Farms, Inc.

Funding requested \$173,880 to train 27 trainees and 225 seasonal workers. They are requesting a HUA wage waiver for all trainees as well as a retention modification for its seasonal workers in accordance with ETP's seasonal worker program component.

Statement was made that a significant number of the employees receiving training are seasonal workers and anticipating only 3 months of employment with Reiter Berry Farms. Can you talk about this a little more? What do they do from there?

Staff responded that this came up during the development discussions and is not included in the proposal; however, they actually employ they're seasonal workers for approximately 10 months of every year.

Marilyn Peake stated that approximately 85% of their workers return year after year. They are then eligible for unemployment benefits.

Request was made that the post retention wage for Job 2 at \$17 be moved to match Job one at 17.66 per hour.

Marilyn Peake agreed to the wage change.

ACTION: Member Newsom moved and Member Tracy seconded approval of the proposal submitted by Reiter Berry Farms, Inc. in the amount of \$173,880 with the caveat that the post retention wage for Job number 2 will increase from \$17 to match that of Job number 1 at \$17.66 per hour All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 5 to 0.

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

No comments were made.

XII. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Comment made by Phil Herrera regarding the reallocation of the rainy day fund of \$100 million to pay for essentially interest on a UI loan to the Feds. This money is for the program and for the employers and encourages ETP to look at ways to avoid having to use the fund such as the allocations that we are providing to applicants. This is kind of a rip off even if it is part of the solution for the governor's budget.

XIII. MEETING ADJOURNMENT

Acting Chair Smiles asked for motion to adjourn the panel meeting.

ACTION: Member Hull moved and Member Newsom seconded to adjourn the panel meeting. All Panel Members present voted in the affirmative to adjourn the panel meeting as moved.

Motion carried by roll call vote, 5 to 0.

Member Smiles (Acting Chair) Adjourned the meeting at 10:45 a.m.