



**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL**

Friday, February 28, 2025

Panel Members

Rebecca Bettencourt
Chair

Dee Dee Myers
Ex-Officio Member

Rick Smiles
Member

Gretchen Newsom
Member

Doug Tracy
Member

Michael Hill
Member

Jennifer Fothergill
Member

Mike Greenlee
Member

Executive Staff

Jessica Grimes
Executive Director

Kumani Armstrong
Assistant Director/Chief Counsel

Peter Cooper
Assistant Director

Tara Armstrong
Deputy Director of Technical Branch

Laura Campbell
Chief of Program Operations

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
East End Complex Auditorium
1500 Capitol Avenue
Sacramento, California 95814
Friday, February 28, 2025**

I. PUBLIC PANEL MEETING CALL TO ORDER

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

II. ROLL CALL

Present

Rebecca Bettencourt
Rick Smiles
Gretchen Newsom
Douglas Tracy
Michael Hill
Jennifer Fothergill
Mike Greenlee
Derek Kirk

Executive Staff

Jessica Grimes, Executive Director
Kumani Armstrong, Assistant Director/Chief Counsel
Peter Cooper, Assistant Director

III. AGENDA

The February Agenda was reviewed, and a request was made to cluster together Tab 1 (Aegnus West, LLC), Tab 5 (ORIC Pharmaceuticals, Inc.), and Tab 11 (Buck Institute for Research on Aging dba Buck Institute).

ACTION: Member Newsom moved and Member Smiles seconded approval of the February Agenda, and clustering together Tab 1 (Aegnus West, LLC), Tab 5 (ORIC Pharmaceuticals, Inc.), and Tab 11 (Buck Institute for Research on Aging dba Buck Institute). All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

IV. MINUTES

The January 24, 2025 Panel Meeting Minutes included in the Panel Packet were reviewed. Correction requested on Tab 13 Carlton Forge the approved amount was \$382,592.

ACTION: Member Fothergill moved and Member Smiles seconded approval of the January Minutes, with the correction to Tab 13 Carlton Forge the amount to be changed to \$382,592. Panel Members present voted in the affirmative for approval of the Minutes as moved.

Motion carried by roll call vote, 7 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – abstained

V. REPORT FROM THE EXECUTIVE DIRECTOR

Introduction of new Panel Member Mike Greenlee and Go-Biz designee Derek Kirk.

Earlier this week, Derek Kirk, Dee Dee Myers, and Labor Secretary Stewart Knox, joined Governor Newsom to unveil the Economic Blueprint, which provides an actionable plan for economic growth and recovery across 13 economic regions. It highlights California's Strategic Sectors with a three-prong approach that strengthens sectors that have an established competitive position, Manufacturing, Agriculture, and Transportation & Logistics; accelerates high growth sectors that are poised for expansion, such as Aerospace & Defense, Clean Energy, Biotechnology, and Semiconductors; and invests in emerging sectors, such as AI, Robotics, Hydrogen, Carbon Management and the like. We look forward to supporting this effort and opportunities to expand partnerships that will lead to quality jobs.

Today there are 16 proposals, including one Delegation Order, and one request for an out-of-state vendor amendment. Forty-four percent of today's proposals are from repeat contracts, and 56% are from new contractors. In addition, 43% are in the priority industry sector of manufacturing, and 19% are from small businesses with 14% from High Unemployment Areas. Curriculum-wise we see topics as diverse as artificial intelligence, renewable energy, safety, adaptability, and work ethics not to mention OSHA training, training topics designed to meet workers from frontline staff to more high-tech positions.

Steve Duscha, ETP's first Executive Director passed away. Duscha played in integral part in what ETP is today, so I want to make sure we publicly acknowledge his impact and show our appreciation to him.

VI. LEGISLATIVE AND LEGAL UPDATE

The last day for bills to be introduced was last Friday on the February 21, 2025.

We are going through them now, and there will be a Legislation Memorandum at the next Panel meeting.

There are a few bills that are coming in regarding data collection, although all of those look primarily non-substantive. There is another bill pending and there may be more discussion regarding that during public comment, but we are looking at and analyzing it. It concerns a bill regarding whether or not the Employment Training Fund could be used for interest on debt.

VII. REPORT OF THE CHIEF DEPUTY DIRECTOR

Regarding Funding:

Today's Panel meeting is for approximately \$4.7 million. It includes one Delegation Order for a total of \$45,211. Delegation Orders are proposals capped at \$75K and approved under the delegated authority of the Executive Director on a continuous flow basis. For this state fiscal year, ETP has approved a total of 23 delegation orders. We have 5 projects on the consent calendar for approximately \$867,580. If all proposals scheduled for this Panel Meeting are funded today, the Panel will be approving 15 projects.

Regarding Demand and Allocations:

There are 192 applications currently in demand, and 93 applications are with the Regional Offices in development, 25 applications are under review with the Applications and Assessment Unit, and 74 submitted applications are pending review. The estimated value of the 192 applications is \$102.8 million (\$29.8million in demand for single employer contracts, \$13.7 in demand for small business \$58.9 million in demand for multiple employer contracts, \$446,655 million for apprenticeships. We are currently within our total allocations for this fiscal year 2024-25.

VIII. CONSENT CALENDAR

Four proposals were removed from the Consent Calendar: Tab 1 (Agenus West, LLC), Tab 2 (Cornerstone Building Brands Services, Inc.), Tab 4 (NGM Biopharmaceuticals, Inc.), and Tab 5 (ORIC Pharmaceuticals, Inc.).

ACTION: Member Newsom moved and Member Smiles seconded approval of the Consent Calendar with the removal of Tab 1 (Agenus West, LLC), Tab 2 (Cornerstone Building Brands Services, Inc.), Tab 4 (NGM Biopharmaceuticals, Inc.), and Tab 5 (ORIC Pharmaceuticals, Inc.). All Panel Members present voted in the affirmative for approval of the Consent Calendar as moved

Motion carried, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye

Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

IX. POLICY COMMITTEE REPORT

Member Newsom provided a Policy Committee Report, starting with Policy Manager Lis Testa who gave a quick report on SB 1321 implementation efforts, stakeholders should look for the CEF changes to be announced in a stakeholder notification toward the beginning or middle of April. Veteran's guidelines was a topic of discussion. Guidelines were reviewed and some revisions were gone over. The revised guidelines will come back to committee at our next meeting.

A discussion on the quality of MEC (multiple employer contract) proposals, focusing on ways to improve the MEC application contents to give Panel the most accurate information available to assist in decision making. The revision process was also discussed centering on the types of revision requests ETP receives and determining which types of revisions should come before Panel. No action was taken on this action item.

A discussion on the Justice Involved Opportunity Youth guidelines, previously call the EX Offender at Risk Youth guidelines while originally scheduled for action there was additional discussion on this topic and it will come back to committee for further discussion at a future meeting.

X. REVIEW AND ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

Tab No. 2: Cornerstone Building Brands Services, Inc.

First time contractor. Funding requested \$243,712 to train 272 trainees. Training will take place at their locations in West Sacramento and Vacaville.

Panel asked about wage progression.

Rob Spiller explained that within 90 days there is an evaluation, another in a year and every six months thereafter.

Panel questioned why the high turnover rate?

Rob Spiller explained there was some involuntary restructuring.

Panel asked about the new processes/procedures encouraging retention and promotion.

Rob Spiller stated that they should have the turnover rate amended 13% is probably a truer number. They have two sites one had higher turnover. Now they have more support there it is the same management over both sites. There is now a two day on boarding were it used to be one hour. A buddy systems has been implemented for new hires.

ACTION: Member Smiles moved and Member Hill seconded approval of the proposal submitted by Cornerstone Building Brands Services, Inc. in the amount of \$243,712. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye

Rick Smiles – aye

Gretchen Newsom – aye

Doug Tracy – aye

Mike Hill – aye

Jennifer Fothergill – aye

Mike Greenlee – aye

Derek Kirk – aye

Tab No. 1: Agenus West, LLC

Tab No. 5: ORIC Pharmaceutical, Inc.

Tab No. 11: Buck Institute for Research on Aging dba Buck Institute

Tab 1 - Agenus West, LLC: first time contractor, requesting \$127,400 in funding to serve 70 trainees.

Tab 5 - ORIC Pharmaceutical, Inc.: requesting \$186,648 in funding to serve 101 trainees.

Tab 11 - Buck Institute for Research on Aging dba Buck Institute: requesting \$249,760 to train 223 trainees. There is a correction to the Buck proposal: the training vendor, Hands On LLC, will be receiving \$108,000 (not \$200,000).

Panel explained that they are being clustered together because they are similar industries and the same contractor for the vendor has been identified and the curriculum is similar too. When they see a sub vendor receiving this level of funding there are questions specific to them, what is their value, what they are doing and what they are doing differently for each of you. Can you explain what is going on here and how did you hear about it? What made you want to apply?

The Agenus rep responded that their HR Director of Operations had worked with Hands On at a previous company

The Buck Institute rep responded that they found out about ETP and Hands On through Biocom which is a life sciences trust

The ORIC rep responded that he had experience working with Hands On at a previous company. They demonstrated expertise in the pharmaceutical and biotech industry. He had used them in the past to help with the commercialization program that involved training and preparing an organization to bring on over 200 sales reps.

Panel asked if they wrote their applications individually or as a group because they read similarly.

Agenus rep replied that they tapped into their HR organizations network, and had some input from Hands On, but the application was developed internally.

Buck Institute rep replied that they rewrote their application several times, but it was primarily prepared by herself in conjunction with a team of executive and academics advisors along with Hands On for assistance as needed.

ORIC rep consulted with other companies that have this program in place and good feedback from them. He had their chief legal officer and members of their legal team review it.

Panel asked that in the future, even if zero value is given to the subcontractor, they be listed.

Panel commented that they studied the needs and training curriculum and went on the Hands On Training, LLC website; and under the medical tab, it talks about tactical medical and emergency training, which looks like an EMT job. What value are they adding that is directly meeting training needs?

Buck rep stated that it is strictly the soft skills portion that they are providing all the other needs listed on the training are going to be done in house with some other vendors, yet to be identified.

ORIC rep stated that it was the soft skills for them. They have a number of bachelor degree scientists that want to move up in the ranks to become leaders and team managers; so it is a lot of team management, leadership summarizing high-level technical concepts into softer more strategic visions. The other pieces revolves around preparing our organization for advance clinical trials, so some GCP compliance and training that relates to the regulatory affair environment and what to expect.

Agenus rep responded that it is their understanding from conversations with them that the needs that they have Hands On can provide.

Panel asked how they are planning to manage the moving pieces to ensure success.

Agenus rep explained that they have two dedicated HR employees, and they did not want to spend any funding if they could handle it in house.

Buck rep explained that she and their HR team would be handling and like Agenus they did not want to spend additional funds if not necessary especially with the potential to lose NIH funding looming.

ORIC rep explained that they are leveraging some of their admin support to provide support for this, they have in their budget for Q3 a potential head count.

ACTION: Member Newsom moved and Member Hill seconded approval of the proposal submitted by Agenus West, LLC (Tab No. 1) in the amount of \$127,400; ORIC Pharmaceutical, Inc. (Tab No. 5) in the amount of \$186,648; and Buck Institute for Research on Aging dba Buck Institute (Tab No. 11) in the amount of \$249,760. All Panel Members present voted in the affirmative to approve the proposals as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye

Rick Smiles – aye

Gretchen Newsom – aye

Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 4: NGM Biopharmaceuticals, Inc.

First time contractor. Funding requested \$200,200 to train 110 trainees. Training will take place at their San Mateo County location.

Jose Uretha stated that they have also identified Hands On LLC as a potential vendor but they are not on the application because they do not have a contract with them yet.

ACTION: Member Smiles moved and Member Hill seconded approval of the proposal submitted by NGM Biopharmaceuticals, Inc. in the amount of \$200,200. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

XI. ACTION ON PROPOSALS

Single Employer Contracts

Tab No. 6: Alpine Corporation

Repeat contractor. Funding requested \$89,544 to train 39 retrainees. Training will take place at their locations in Los Angeles and Ventura.

Panel asked about wage progression and turnover.

Jose Cervantes answered that a companywide review process for staff will be taking place of the next two months, three of their warehouses staff received a 6% increase. The majority will be earning more than \$21.00 per hour after 2 years. A new building was recently purchase in the city of Simi Valley and the 2 hour drive difference caused the loss of some staff.

ACTION: Member Hill moved and Member Smiles seconded approval of the proposal submitted by Alpine Corporation in the amount of \$89,544. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 7: Brown's Construction Service, Inc.

First time contractor. Funding requested \$98,560 to train 88 trainees. Training will take place at their locations in Bakersfield, Palmdale, Porterville and Clovis.

Panel stated concern regarding the post-retention wage being low for construction with the bulk of the workforces earning only \$20.00 per hour. And an explanation of what a construction front-line worker was.

Dave Fords explained that the majority of construction work that they do is oil field maintenance. Mainly dirt work, operating backhoes and scrappers. So it's more laborers, operating engineers, and operators. The name was adopted from oilfield maintenance.

Panel wanted to know if they were providing prevailing wage, since in the proposal they were diversifying their business by seeking both private and public contracts. How are you going to address that with the training? The wages presented are not prevailing wages.

Dave Fords responded when they are averaging or jumping from the public works project to a private sector project the wages don't filter out in the nature of the application. The lowest wage that's approved for this being JUA is \$17 they went up to \$20 with benefits. What's the wage progression, they are being up skilled as they moved to public works projects and bounce back and forth so the overall average is much higher.

Panel recommended looking into legislative opportunities and possible partnering with other companies.

Panel asked for clarification on the perm process. Being a fairly small company it looks like you are going to train 20 workers which would add a larger percentage to your headcount. Is that process a screening process to hire fewer people or do you intend to hire 20 eventually? Do they get partial benefits on the temp status?

Dave Fords stated they plan to eventually hire 20. Yes, to the partial benefits and it also depends on the temp agency that they are pulled from.

ACTION: Member Smiles moved and Member Hill seconded approval of the proposal submitted by Brown's Construction Service, Inc. in the amount of \$98,560. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 8: Home Express Delivery Service, Inc. dba Temco Logistics

Withdrawn.

Tab No. 9: Hydro-Aire Aerospace Corp. dba Crane Aerospace & Electronics

Repeat contractor with good performance. Funding requested \$599,200 to train 535 retrainees. Training will take place at their location in Los Angeles.

Panel asked about wage progression and the classification for engineering staff (about 90 of them) being compensated \$20-\$25 an hour. This is a low amount for engineering.

Wendy Maidena explained that they are hiring entry level people coming out of college and providing them with the additional training so that can progress to the higher levels.

ACTION: Member Hill moved and Member Smiles seconded approval of the proposal submitted by Hydro-Aire Aerospace Corp. dba Crane Aerospace & Electronics in the amount of \$599,200. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 10: Reyes Coca-Cola Bottling, LLC

First time contractor. Funding requested \$599,760 to train 714 trainees. Training will take place at their locations in Sacramento, Rancho Cucamonga, Irvine, Downey and San Leandro.

ACTION: Member Newsom moved and Member Smiles seconded approval of the proposal submitted by Reyes Coca-Cola Bottling, LLC in the amount of \$599,760. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 12: Karma Automotive, Inc.

Repeat contractor with good performance. Funding requested \$327,600 to train 260 workers. Training will take place at their locations in Orange and Riverside counties.

Panel asked about high turnover.

Kathy McDougall we were a much larger organization prior to COVID. We had two right sizing events this year.

ACTION: Member Hill moved and Member Smiles seconded approval of the proposal submitted by Karma Automotive, Inc. in the amount of \$327,600. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 13: Lam Research Corporation

Repeat contractor with good performance. Funding requested \$599,760 to train 510 workers. Training will take place at their location in Alameda County.

ACTION: Member Smiles moved and Member Fothergill seconded approval of the proposal submitted by Lam Research Corporation in the amount of \$599,760. Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 7 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – abstained
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Tab No. 14: Altos Labs, Inc.

Withdrawn.

Tab No. 15: Niagara Bottling, LLC

Repeat contractor with good performance. Funding requested \$349,440 to train 312 workers. Training will take place at their nine locations across the state. Correction requested amount should be \$349,440. There is a correction to the turnover rate to this project it is 6%.

ACTION: Member Newsom moved and Member Smiles seconded approval of the proposal submitted by Niagara Bottling, LLC in the amount of \$349,440. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Multiple Employer Contracts

Tab No. 16: Workforce Development Corporation of Southeast Los Angeles County, Inc.

Repeat contractor with good performance. Funding amount requested is \$849,981.

Panel asked what was driving the training outside the regional area. The geographical areas are eastern Los Angeles County, the southeastern area and there are Bay Area wages and statewide wages. Are they heavily populated or linked to your area somehow?

Lillian Lucero explained primarily it is an opportunity to any of our current companies interested in ETP training including subsidiaries or sister companies for maximum flexibility.

ACTION: Member Newsom moved and Member Smiles seconded approval of the proposal submitted by Workforce Development Corporation of Southeast Los Angeles County, Inc. in the amount of \$849,981. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

AMENDMENT

Tab No. 17: Dumont Printing, Inc.

Requesting to use out of state vendor, Bindery Machine Repair (located in Oakdale, PA) and they are a seller of some equipment the Dumont purchased. They were able to train on the specific installation and maintenance for the new machinery the company acquired. Correction to current contract performance table which lists the contract as ET23-0314 that should be ET24-0314.

Susan Moore explained that their turnover is from people retiring. So there is a challenge to train the new workforce and then the existing workforce with new equipment. The vendor that they purchased from was qualified to meet the install requirement and the warranty on the equipment was not located in California. The equipment is proprietary to their industry.

Panel mentioned that some people send a few employees to get trained and they come back to train the others.

Susan Moore said that normally they would but they felt that the training would be best in their facility on the custom work that they are doing.

Panel asked so you are taking your UAT and using it as a training opportunity as it's being installed. Using the training dollars to be able to do on site rather than sending them out and bringing that one instructor who is also coming out to the installation.

Susan Moore responded yes.

ACTION: Member Newsom moved and Member Smiles seconded approval of the amendment submitted by Dumont Printing, Inc. All Panel Members present voted in the affirmative to approve the proposal as moved.

Motion carried by roll call vote, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

XII. OPPORTUNITY FOR PANEL MEMBERS TO REQUEST AGENDA ITEMS FOR FUTURE PANEL MEETING

No comments.

XIII. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Phillip Herrera commented that he is the chairman of the ETP Coalition for Jobs, and has good news. They sponsored a bill, AB 765 that will essentially protect ETP's rainy day fund going forward. It need to be signed by the Governor.

Staff Counsel stated that ETP's agnostic on a position concerning this bill.

Rocio Leon commented that she has consistently been seeing signatures that include a phone number when interacting with staff. She feels this is important.

XIV. MEETING ADJOURNMENT

Chair Bettencourt asked for motion to adjourn the panel meeting.

ACTION: Member Smiles moved and Member Hill seconded motion 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, 8 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Doug Tracy – aye
Mike Hill – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Derek Kirk – aye

Chair Bettencourt adjourned the meeting at 11:10 p.m.