Employment Training Panel

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
Friday, July 17, 2026

Panel Members

Rebecca Bettencourt
Chair

Dee Dee Myers
Ex-Officio Member

Rick Smiles
Member

Gretchen Newsom
Member

Doug Tracy
Member

Jennifer Fothergill
Member

Mike Greenlee
Member

Executive Staff

Jessica Grimes
Executive Director

Kumani Armstrong
Assistant Director/Chief Counsel

Peter Cooper
Assistant Director/Senior Advisor

Laura Campbell
Chief Deputy Director

Tara Armstrong
Deputy Director of Technical Branch

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL
CalEPA Coastal Room
1001 I Street
Sacramento, CA 95814
Friday, July 17, 2026

CALL TO ORDER BY CHAIR BETTENCOURT

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

ROLL CALL

Present:
Rebecca Bettencourt
Rick Smiles
Gretchen Newsom
Jennifer Fothergill
Mike Greenlee
Douglas Tracy
Absent-Emily Desai

Executive Staff Present:
Jessica Grimes, Executive Director
Kumani Armstrong, Assistant Director/Chief Counsel
Peter Cooper, Assistant Director/Senior Advisor
Laura Campbell, Chief Deputy Director
Tara Armstrong, Deputy Director of Technical Branch
Jana Lazarewicz, Chief of Program Operations

ACTION TO APPROVE JULY PANEL MEETING AGENDA

The July Panel Meeting Agenda was reviewed.

ACTION Member Newsom moved to approve the July Panel Meeting Agenda. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

ACTION TO APPROVE MAY 2026 PANEL MEETING MINUTES

The May 2026 Panel Meeting Minutes included in the Panel Packet were reviewed.

ACTION: Member Newsom moved to approve the May 2026 Panel Meeting Minutes. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

EXECUTIVE REPORT

As we convene for the first panel meeting of the 2026–27 fiscal year, I'm eager to build upon our achievements and expand our impact in the year ahead.

We are entering a year filled with exciting opportunities as we continue with the California Energy Commission's Electric Vehicle Infrastructure Training Program (EVITP) and the Social Entrepreneurs for Economic Development (SEED 3) microgrants, and Paid Family Leave funds. These programs represent the longstanding tradition of ETP's interagency partnerships to support more businesses retraining and upskilling employees and is made possible thanks to the dedication of ETP staff.

Through these efforts, we aim to cultivate a skilled, future-ready workforce, where careers not only offer upward mobility, but also foster tangible wage growth. In alignment with Governor Newsom's California Jobs First Economic Blueprint, we are committed to effectively addressing regional workforce needs, ensuring equitable access to training, empowering communities, fostering sustainable economic growth, advancing equity, and driving resilient job creation across the state.

Before turning to today's proposals, I'd like to provide a brief budget update. Although the FY 2026-27 Budget Act has been enacted, the Department of Finance has not yet published the detailed budget schedules applicable to ETP. Accordingly, the FY 2026-27 contract funding allocations remain tentative and are based on the best information currently available. The tentative contract allocations total approximately $114.3 million and have been posted on the ETP website. Staff will review the Department of Finance's published budget details upon release and will bring forward any necessary updates to the panel.

Proposal Highlights
Now, for today's panel, we have 23 proposals submitted for review. If approved, ETP will award approximately $10.8 million dollars:

- 39% fall within the priority industry sector of manufacturing,
- 53% represent small businesses,
- 61% are from repeat contractors, and
- 39 are from new contactors.

An additional 13 delegations, totaling $476,952, have been reviewed and approved.

The proposals will be presented for review and action by Heather Miguel.

Presentations
None

Conclusion
That concludes my portion of the executive report. I will now hand it over to Michael Cable to continue the executive report. Thank you all!

LEGISLATIVE REPORT

We are currently in 2025-2026, second year of legislature. The legislature is currently in recess. They come back August 3rd.

SB 1059, known as the Employment Training Panel bill, did get put into the suspense file. It got out of the assembly appropriations and was put in the suspense file. What that means is that it will be lingering until the legislature returns August 3rd. There will be a suspense date that will take place on that suspense date we will find out whether it will essentially die in committee. So, we will be tracking that.

We remain agnostic publicly facing on this. It is called the Employment Training Panel bill because it makes changes to our enabling legislation.

TECHNOLOGY REPORT

Gen AI tool across the organization. Last year, ETP performed risk management activities, worked with our state partners and completed the necessary Gen AI assessments. Over the last several months, ETP has successfully conducted our internal pilot program. The Microsoft Copilot Gen AI tool, which included internal communications education for responsible use. Additional security and privacy testing and training and hands on practice for those pilot users. We are ready to launch the full organizational rollout next week. We will run it for several weeks through guided structured activities and weekly meeting checks to ensure availability for those who wish to learn more about it.

Under Cal E program, we are improving our Cal E program eligibility process by including and using ACES data or employer data directly within our ETP system. Reducing the need for access to EDD systems to pool the information manually.

Under Cal E grants as Doctor Grimes, our director has discussed our electric vehicle infrastructure training program or EVITP was launched for that grant.

Lastly, CWDB, who is inside our Ca-E-Force launched a Workforce Accelerator Fund 14.

REPORT OF THE CHIEF DEPUTY DIRECTOR

Today's Panel Meeting will fund 23 projects for approximately $10.8 million dollars.
In addition to the projects listed on today's panel agenda, there are 13 delegation orders that were approved in June for Fiscal Year 25–26, totaling 4 hundred 76 thousand, 9 hundred 52 dollars ($476,952).

Delegation Orders are Proposals capped at 75 thousand dollars and approved under delegated authority by the Director on a continuous flow basis.

Demand

We have 265 applications in demand:
143 applications are currently in development.
55 applications are in eligibility review.
And 55 submitted applications are pending review.

Closed Contracts Highlights

I'd like to share an overview of our accomplishments for Fiscal Year 25–26. ETP successfully closed 316 contracts totaling $74.7 million.

Of these contracts there were:
137 Single Employer Contracts
34 Multiple Employer Contracts
85 Apprenticeship contracts
55 Small Businesses represented
And 5 critical proposals

These outcomes reflect continued impact across various sectors and business sizes.
Announcement

The Employment Training Panel, in collaboration with the California Energy Commission, is pleased to announce the release of the Solicitation for Proposals (SFP) for the Electric Vehicle Infrastructure Training Program (EVITP) Fund 2.0. This grant opportunity is now available for applications until July 31st and provides up to $2.7 million in funds to support the training and certification of electricians responsible for installing electric vehicle charging equipment statewide. More information can be found by visiting the ETP webpage.

POLICY COMMITTEE REPORT

ETP Policy Committee met on Thursday, June 25th with attendees both in person and over Zoom. The Policy Committee welcomed Mike Greenless as our new member.

The meeting had three discussion items on the agenda, not action items. The first was the seasonal worker guidelines, which are being replaced by a simpler, more streamlined seasonal worker information sheet. We also discussed the legislative and regulatory origins of ETP's priority industries. As this was a first installment that will have multiple discussions on ETPs priority industries and the priority industry designation process.

We revisited the topic of affiliates and the single with affiliates contractor category, reviewing the origin of this contractor type and the issue that arises with its use. The first installment in a series of multiple conversations committee will have on this item.

ACTION ON PROPOSALS

Single Employer Contracts

Tab No. 1: <u>Applied Medical Resources Corporation</u>

Panel had a question regarding the comprehensive benefits package that covers up to 30% for medical, dental and vision and what that means.

Samantha Wang explained that it is not just for medical, it is for the total fringe benefits, which includes a retirement plan, disability benefits, training reimbursement, bonuses and everything else. The company applied medical covers 80%. Dental and vision are paid by the employees.

ACTION: Member Smiles moved to approve Applied Medical Resources Corporation in the amount of $497,000. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 2: <u>Cognizant Technology Solutions U.S. Corporation</u>

Panel asked regarding AI what guardrails are being put into place to protect the jobs of the workers so that they are not training themselves out of a job.

Amy Dietz replied their philosophy around AI enablement and training is to give associates as much access to these tools as possible and training in support of that so they can upskill. We have rolled out a new architecture to help associates see the progression they need to make.

ACTION: Member Smiles moved to approve Cognizant Technology Solutions U.S. Corporation in the amount of $490,000. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 3: Euroline Steel Windows

Panel asked about the AI training to support engineering production planning and operational efficiency and what the training is.

Vanessa Allen explained they have a new ERP system launching that is embedded with AI along with other system software for design engineers that will support the drafters to create a better extender for our drawings.

ACTION: Member Newsom moved to approve Euroline Steel Windows in the amount of $247,520. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 4: Pacific Steel Group, LLC

Panel stated that it was a critical proposal, and it is noted that the wage increases are approximately 1 to 3%. What is the wage progression?

Mark Olson responded that the 3% is on an annual basis, a cost-of-living adjustment. Wage progression for employees that train into upper levels of the line of progression averages about 5% increase for each step through the line.

Panel asked if it was the same for fabricators.

Mark Olson replied yes. Having the fabrication at the same site as the steel manufacturing facility is a great opportunity for fabricators to move from the fabrication shop into the steel manufacturing facility where there are more career opportunities.

Panel asked for clarification so there is a cola increase and an increase in the training they have gone through.

Mark Olson stated yes. So, the steel manufacturing people start in the utility position at $24.25 an hour and as they train and move into the permanent vacancy in the line of progression, they will get a subsequent increase averaging 5% for each opportunity.

ACTION: Member Smiles moved to approve Pacific Steel Group, LLC in the amount of $742,560. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 5: <u>Redwood Beverage Group, LLC</u>

Panel commented about productive lab, showing 25 hours for nearly 90% of the employees and asked for an explanation of what type of training they go through. Is it a side-by-side OJT training on a live product?

Representative John explained there is some basic training then you go to classroom training, then you go to the floor we want to focus on specific things that you will do on a day-to-day basis. As you gain more experience there is a potential for cross training. Yes, the classroom is a classroom setting.

ACTION: Member Newsom moved to approve Redwood Beverage Group, LLC. in the amount of $254,800. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy– aye

Tab No. 6: Reser's Fine Foods, inc. dba Fresh Creative Foods

Panel asked for elaboration on how this has been right sized and how things have changed.

Patricia Duenas Padilla explained they did not use a consultant last time and she entered things incorrectly, lesson learned.

ACTION: Member Smiles moved to approve Reser's Fine Foods, inc. dba Fresh Creative Foods in the amount of $81,152. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 7: Robeert Bosch Semiconductor, LLC

Panel stated concern around the semi fab operators and wage progression, there are 60 being compensated between $20.01 and $25 an hour.

Scott Olson explained that they have a compressed work week shift and there is daily overtime in their hourly rate, which is higher than shown. ETP did not allow it to be included. Progression wise there is an annual salary increase of around 3%. There is always a step increase opportunity. So, operator one to operator 2 to operator 3, it is a 10% increase on average. This training will support the idea that they would move from operator one to an operator two.

Panel asked for clarification, so the wage progression is tied to training, it is not waiting until a position is open. It is real progression almost like an apprentice mode, but that is not an apprentice currently.

Scott Olson replied that is correct.

Panel asked about the significant amount of Productive Lab being proposed. What are the specifics of this training and how is it structured? Panel is also concerned about the 1 to 3 training.

Scott Olson explained that semiconductor devices are manufactured in a clean room environment. Inside the clean room are hundreds of specialized tools that cost hundreds of millions of dollars. The environment simply cannot be replicated outside of that environment. So, the training must occur in the manufacturing space and the 1 to 3 is a more efficient use of that training resource.

ACTION: Member Smiles moved to approve Robert Bosch Semiconductor, LLC in the amount of $896,000. Member Newsom Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 8: <u>Ryzlink Corp. dba Chuwa America</u>

Panel asked about AI and protecting the workers and maintaining their jobs.

Representative Robbie replied each week new models are deployed so there is a constant evolution in training.

ACTION: Member Smiles moved to approve Ryzlink Corp. dba Chuwa America in the amount of $604,800. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 9: <u>San Diego Compressed Airpower, LLC dba Advanced Air & Vacuum</u>

Panel commented that in the proposal the company provides health benefits, medical, dental, vision, paid time off, vacations, sick time, holidays, retirement planning and life insurance. What does that equate to in dollars and cents?

Randy Landing stated they covered 50% of the cost and 3% matching IRA is offered; the employee covers the rest of the cost. They do offer tuition support and different certifications as technicians are looking to advance.

ACTION: Member Newsom moved to approve San Diego Compressed Airpower, LLC dba Advanced Air & Vacuum in the amount of $84,000. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 10: Skyline Commercial Interiors, Inx. Dba Skyline Construction

No comments or questions.

ACTION: Member Smiles moved to approve Skyline Commercial Interiors, Inx. dba Skyline Construction in the amount of $210,000. Member Newsom Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 11: Sully-Miller Contracting Company

Member Smiles recused himself.

Panel had questions regarding the non-union workers regarding the up to $474 for employer cost, health insurance, vision and dental based on the employee's coverage and plan. It sounds like a stipend. What if you have multiple dependents or kids.

Early Munguia state they cover up to 87% of the cost and $474 would be the maximum.

ACTION: Member Newsom moved to approve Sully-Miller Contracting Company in the amount of $563,360. Member Tracy Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 5 to 0.

Rebecca Bettencourt – aye
Rick Smiles – recused
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 12: <u>Terran Orbital Corporation</u>

No comments or questions.

ACTION: Member Smiles moved to approve Terran Orbital Corporation in the amount of $197,400. Member Fothergill Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 13: <u>Timberworks Construction, LLC</u>

Panel noted the lower post retention wage for construction, instead of $33 and hour $24.67, was proposed because of out-of-state competition; can you elaborate on that?

Gary Pedrucci explained that essentially, they were told to provide the competitors that could come in from out of state and bid against them and take jobs. They found six in Nevada, Arizona and some as far as the Midwest, that for larger jobs will send crews to do work in California. After speaking with a large Northern California builder an addition 4 names were added that bid against them.

Panel expressed concern with the bulk of the framing staff and the 300 that are being proposed to be compensated at $20.01 to $25.00 per hour and what wage progression looks like.

Gary Pedrucci said progression is based on experience, longevity with the company and the training programs they have in place. They move from role to role depending on progression. The 20-25 is because the number is $24.67 with a $0.33 wiggle room.

ACTION: Member Smiles moved to approve Timberworks Construction, LLC in the amount of $592,900. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 14: <u>Universal Health Services of Rancho Springs, inc. dba Southwest Healthcare Rancho Spring and Inland Valley Hospital</u>

Withdrawn

Tab No. 15: <u>Wonderful Pistachios & Almonds, LLC</u>

Panel asked about wage progression for production associates, specifically the 35 being compensated for less than $20 an hour, what does training look like?

Lola Ramirez stated that they come in under the $20 and are evaluated six months later and are moved into the higher rates.

Panel asked for clarification that those 35 are likely to be compensated at the end of the contract.

Lola Ramirez replied absolutely.

ACTION: Member Newsom moved to approve Wonderful Pistachios & Almonds, LLC in the amount of $427,560. Member Tracy Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

MULTIPLE EMPLOYER CONTRACTS

Tab No. 16: <u>American Education Systems Corp. dba American College of healthcare and Technology</u>

Panel asked if there was pressure on these employees to continue training at cost after ETP training.

Barry Maliki stated no.

Panel asked about the audit findings found and what is in place to prevent these findings again.

Barry Maliki explained that the bulk of that was reporting eh roster to ETP as far as the number of hours. They now have a person in charge of that.

ACTION: Member Smiles moved to approve American Education Systems Corp. dba American College of healthcare and Technology in the amount of $838,600. Member Fothergill Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 17: <u>First Software USA dba Oxford Institute of Technology</u>

Panel asked if the training is all about the employers and trainees and then it is concluded, there is no pipeline of tuition paying students.

Kashish Nizami explained they do not charge anything from the employers, it is part in kind contributions.

Panel asked about the delivery method and is there preparation to take the industry certifications? Is it prepping them for the curriculum to pass the exam?

Kashi Nizami stated our teams work with them if they have a training room, we send our instructor there and some work remotely. Everything is live instructor led. They focus on practical implementation. If they want to proceed, we can guide them on how to get certified. Different companies have different requirements we can provide practice questions if they ask.

ACTION: Member Smiles moved to approve First Software USA dba Oxford Institute of Technology in the amount of $633,480. Member Fothergill Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 18: <u>Good for Others Foundation</u>

No comments or questions.

ACTION: Member Smiles moved to approve Good for Others Foundation in the amount of $597,624. Member Newsom Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 19: Key Code Media, Inc. dba Key Code Education

Panel asked for elaboration on lessons learned and how thing is going to be done going forward to achieve 100%.

Veronica Warner said that with the California Film and TV tax credit program we are more optimistic. Productions are up, location on location shoots are up, new film and television series are up, and we are expanding our classes to include broadcast and live event training which has seen consistent growth.

ACTION: Member Newsom moved to approve Key Code Media, Inc. dba Key Code Education in the amount of $64,484. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 20: Los Angeles Pacific College

Panel asked about their performance levels previously in the 80% range, now they are asking for over double of prior contracts. Why so much more?

Myra Moreno explained they believe the COVID pandemic and economic challenges affected previous contracts. They are improving marketing strategies and recruitments and are anticipating 100% potential earnings.

Panel expressed concern with the higher amount and the most payment earned in past performance was about $170,000. A recommendation was made to reduce the amount for up to $200,00. Staff were asked for clarification on the difference between number retained versus number of trainees in prior contracts.

Staff responded that the number of trainees estimated is the projected number that the proposal puts forth. The number of retained are the total number of placements to date. So, 16 have been placed.

ACTION: Member Newsom moved to approve Los Angeles Pacific College in the reduced amount of up to $200,000. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 21: <u>Oceanside Chamber of Commerce</u>

Panel asked if employers are members of Chamber of Commerce.

Scott Ashton stated that most are but not all our but we have relationships in which we serve businesses.

ACTION: Member Newsom moved to approve Oceanside Chamber of Commerce in the amount of $514,556. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 22: <u>Rancho Santiago Community College District</u>

No comments or questions.

ACTION: Member Smiles moved to approve Rancho Santiago Community College District in the amount of $440,852. Member Greenlee Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Tab No. 23: Workforce Development Corporation of Southeast Los Angeles County, Inc.

No comments or questions.

ACTION: Member Newsom moved to approve Workforce Development Corporation of Southeast Los Angeles County, Inc.in the amount of $899,181. Member Smiles Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

AMENDMENT

Tab No. 24: El Classificado dba El Classificado/ED Hispanic Media

Amendment requesting moving the budget from the inside sales representatives to the outside sales representatives.

Panel member Newsom explained that being an advocate of labor and workers she cannot support the concept of compensating somebody potentially less than California's minimum wage. Trainees and workers should receive a stable income that can be relied upon. The outsize sales reps have an actual wage range of $7.50 per hour up to $15 and hopefully they get their commission. Hopefully that exceeds this wage range and ultimately hopefully meets the post retention wage of $23.56 an hour this is troubling.

Chair Bettencourt asked staff if it is an alternate retention or 90-day retention.

Staff replied 90-day retention.
Chair Bettencourt stated that the hard part is the base wage, but they are coming through with a minimum of $24.00 an hour. To qualify to be trained under this they must meet that $24.00 or not receive reimbursement.

Member Newsom explained that this is creating a compensation structure that allows workers to be compensated at potentially only $7.50 an hour or they do not include them in the contract.

Chair Bettencourt stated that it seems the sales world is driven by compensation and incentive or bonuses and they go into this job knowing their income is going to be minimum. I struggle with commission, but I look at success in a contract they still must meet the retention wage or they don't get funding.

Member Newsom stated that they should at least meet the minimum California wage of compensation and build on commission after you meet that minimum.

Representative Rosa stated that this structure is something that the sales reps want. The lowest range in 2025 was $24.26 and the maximum of 133. Given that the California labor Code excludes these persons and they are earning that amount of money.

Director Grimes explained that their prior contract, did disclose the minutes reflect from January 2026 Panel that they had been impacted by the Altadena fire, and they are trying to come back and upscale some folks. It is an important context. Secondly, their proposal stated in the December 2025 Panel, 47 were listed as inside sales. So, the net effect is going to be 9 of the original 47.

Member Fothergill questioned within their organization is the career progression to start at the inside sales and then progress to the outside sales? Or is it the reverse?

Representative Rosa stated that is not a requirement that a person that is an outside sales rep needs to start with the inside sales position.

Chair Bettencourt asked if there were car allowances, fuel cards or anything in the benefits package to support them in with travel costs?

Representative Rosa replied that the outside sales rep occupation implies that they are more than 50% out and allowance for car are given. Health benefits are included, same as other employees. They can submit their expenses for reimbursement.

Chair Bettencourt asked about the retention in this role?

Representative Rosa stated that most of the outside sales have been with the company for 5 years.

Member Greenlee replied that he has a hard time with the minimum wage being so low. If the lowest guy is already over the minimum wage if you set your minimum sales guys at the minimum and kept their commission, they are still out there working and making over minimum wage. If they don't sell work with them one on one to train them better and get them producing. The $7.50 base has no safety net.

Representative Rosa explained they do earn more than the minimum wage for the first month they are in training and development and this is for a certain number of months then we switch the structure, so they earn commission and we assign zones with sales that are going to exceed those minimums.

Member Greenlee stated that is the point. If they are being guaranteed those commissions over minimum wage, set the safety net at minimum wage and let them earn over it not a $7.50 wage.

Representative Rosa explained that if they change the commission they would lose them to better opportunities.

Chair Bettencourt commented that this sounds like it is an industry trend and the determination needs to be made as to whether we should allow this occupation at this wage.

Chair Fothergill asked what prompted the request for this amendment.

Staff explained that during the development of the proposal commission-based wages were being looked at closely and it was close to the Panel deadline, so it was removed. The company reached out to staff to include these outside sales staff.

Member Newsom asked if they had to make that wage ($23.56) the entire contract or is there a possibility that the employee does not make enough that week or doesn't make enough commission and they got nothing or very little and then they come back and get a commission the following week?

Staff answered that they are under a 90 retention, earnings are based on their last date of training and the 90 days preceding. But yes, it is possible.

Director Grimes stated the reason we have the post retention wage is the understanding that ostensibly training should happen within the first 21 months and then allow for those last three months for the retention period. Then we have a contract with EDD in which labor market information data provides us with the quarterly wage file that provides an aggregate level for every trainee that we receive. Staff from our fiscal department then look at that and can back into what it means in terms of hourly wage and if those 90 days do not square then that person does not receive reimbursement.

Fiscal staff added that there are two layers. First the minimum wage is met and entered if it is not met, they are disqualified and then the hourly wage they provided, which is a calculation and based on that hourly rate times full time we make sure they are working full time during that retention.

Member Newsom asked if in this case the minimum wage is $7.50 or the post retention wage?

Staff responded that it is the post retention contractual wage.

ACTION: Member Smiles moved to approve the panel amendment El Classificado dba El Classificado/ED Hispanic Media. Member Fothergill Seconded. All Panel Members present voted in the affirmative for approval as moved.

Motion carried by roll call vote, 5 to 1.

Rebecca Bettencourt – aye
Rick Smiles – aye
Gretchen Newsom – nay
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

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

No comments.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Phillip Herrera commented about the diversity of the applications. He shared the news that after three months in the hospital Michael Hill was back home and on his way to full recovery. He wants to continue his work at Foothill; he cares about workers and his work at the Panel.

Chair Bettencourt asked for motion to adjourn the Panel meeting.

ACTION: Member Smiles moved to adjourn the Panel meeting. Member Fothergill Seconded. All Panel Members present voted in the affirmative to adjourn the Panel meeting as moved.

Motion carried by roll call vote, 6 to 0.

Rebecca Bettencourt – aye
Gretchen Newsom – aye
Rick Smiles – aye
Jennifer Fothergill – aye
Mike Greenlee – aye
Douglas Tracy – aye

Chair Bettencourt Adjourned the meeting at 11:53 p.m.