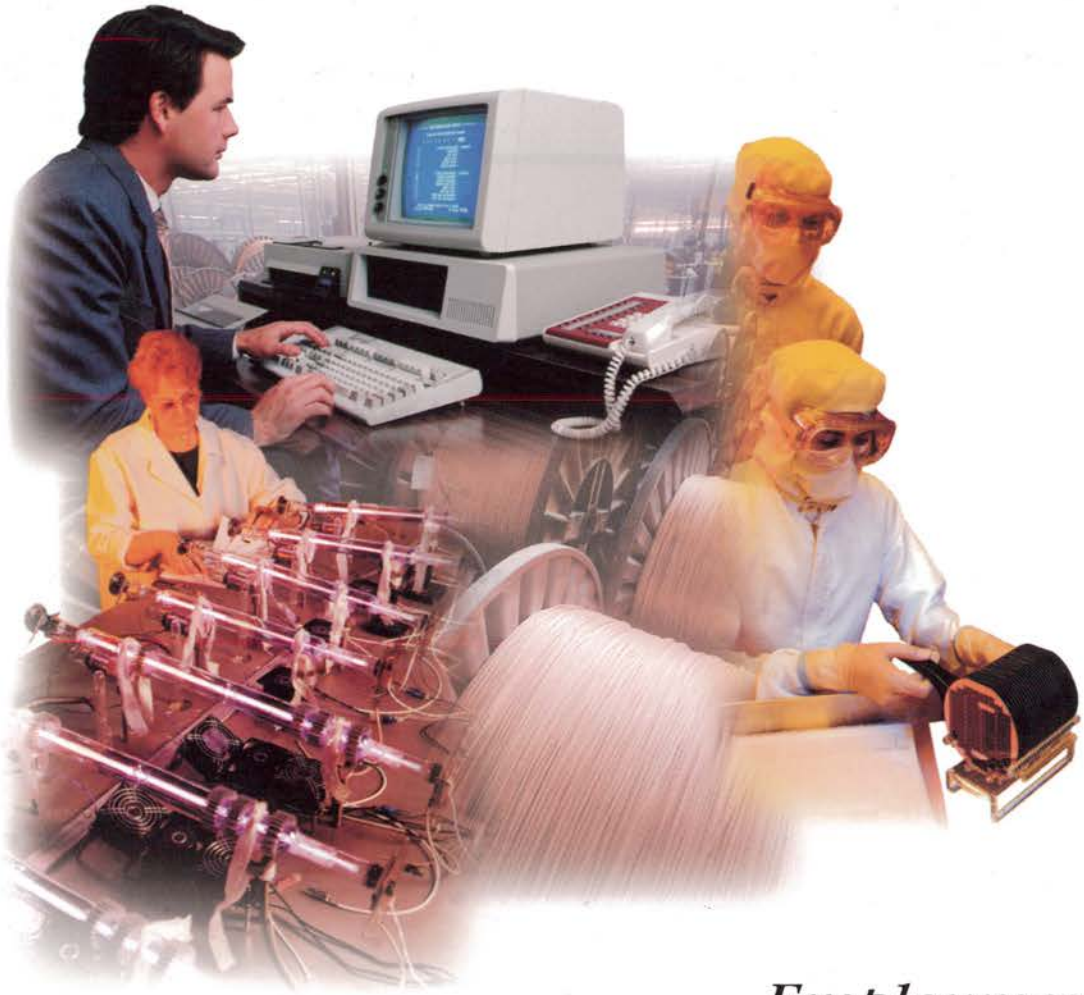
Annual Report

1998 - 1999



Employment Training Panel

THE EMPLOYMENT TRAINING PANEL

John Duncan, **Chairman**

Clifford Cummings, **Member**

Ralph L. Franklin, **Member**

Aram Hodess, **Member**

Patricia A. Noyes, **Member**

Laurel Shockley, **Member**

Pat Williams, **Member**

Ruben H. Zuniga, **Member**

Victoria Bradshaw, **Executive Director**

Oscar Wright, **Assistant Director**

Peter G. DeMauro, **General Counsel**

Gray Davis, **Governor**

VISION STATEMENT

The Panel will be recognized as a national model for industry specific training which provides excellent service to California business.

MISSION STATEMENT

The Employment Training Panel (ETP) is a significant economic development tool for business attraction and business retention. ETP will work in partnership with business, labor, and government, to provide funds for training California's workforce in the skills necessary for businesses to remain viable and compete in the global economy, while providing workers with reasonable wages and secure employment.

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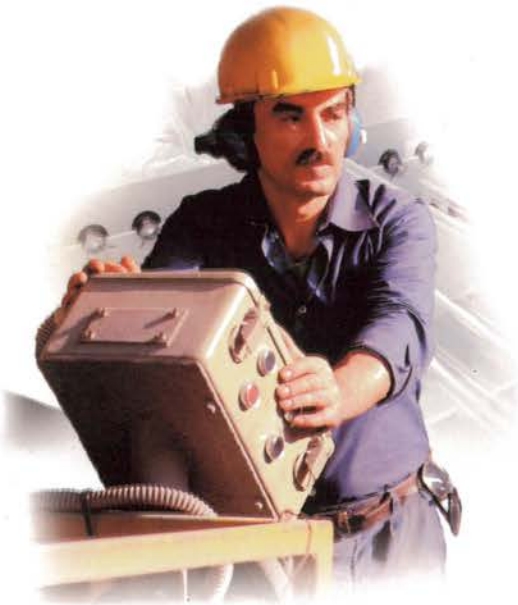

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Fiscal Year Highlights

FISCAL YEAR 1998-99 HIGHLIGHTS

Panel Actions

- Approved 284 new training projects and encumbered $85.2 million for the planned training and retention in employment of approximately 59,200 trainees (including both incumbent and unemployed workers), at an average cost of $1,440 per trainee. An additional $40.4 million in future year funds was also committed for these projects, to be encumbered incrementally in future years for additional training and trainees based on project success.

- Targeted business and industry with the most significant impact on the California economy, including traditional and high-tech manufacturing, telecommunications, computer programming and computer systems design, software development, biotechnology and multimedia/entertainment. Sixty-three percent of all newly approved training funds went to manufacturing employers and an additional 10 percent went to other high-technology businesses.

- Reduced the rate of disencumbranced funds to 29 percent, exceeding the fiscal year goal of 35 percent and the Panel's historical rate of more than 40 percent.

- Increased outreach to rural areas, increasing applications for rural projects by more than 100 percent.

- Continued automating the contracting process, providing for on-line eligibility determination, invoice payments and record keeping.

- Continued to evaluate the program through customer surveys and research studies. Research conducted by CSU, Northridge indicated ETP-funded training provides quantifiable benefits to trainees, participating employers, and the California economy.

Completed Contracts

- During the fiscal year, 166 contracts which were approved and implemented in previous years were completed. Performance data for these completed contracts showed:

  - Contractors earned $44.9 million for the successful training and retention in employment for 29,604 workers; the average training cost per trainee was $1,517, including $4,564 for new hires and $1,359 for retrainees.

  - The average hourly wage earned after training was $10.58 for new hires, and $17.75 for retrainees.

  - 65 percent of funds earned went to businesses in the manufacturing sector.

  - Primary occupations served were: production workers, clerical/office support workers, technical support personnel, sales and customer service representatives, machinists and machine operators, and management employees.

  - Of all business served, 85 percent were small businesses (i.e., employing 250 or fewer workers); 48 percent employed 20 or fewer workers. Small businesses earned 39 percent of all training dollars last year, and employed 71 percent of all new hires and 29 percent of all retrainees.

PANEL LEADERSHIP CHANGES	
September 8,1998	Ralph Franklin reappointed by Senate Pres. Pro Temp., John L. Burton.
January 3, 1999	Welcomed new Panel Chairman, John Duncan - Past Director of Department of Industrial Relations, appointed by Governor Pete Wilson. Welcomed new Panel Member, Clifford Cummings - Owner of Toyota of San Bernardino, Vice President of the Southern California Toyota Dealer Association, appointed by Governor Pete Wilson. Mr. Cummings previously served on the Panel from May 1996 to January 1998. Laurel Shockley reappointed by Governor Pete Wilson. Welcomed new Panel Executive Director, Victoria Bradshaw; and Assistant Director of Operations, Oscar Wright
January 20, 1998	Ruben H. Zuniga appointed by Assembly Speaker, Cruz Bustamante
January 22, 1999	Pat Williams reappointed by Assembly Speaker, Antonio Villaraigosa.
April 1, 1999	James Quillin resigns as Vice Chairperson after 14 years of distinguished service on the Panel.
April 4, 1999	Welcomed new Panel Member, Aram Hodess - Assistant Business-Manager, Financial Secretary-Treasurer with Local 159, Plumbers and Steam Fitters-appointed by Senate Pres. Pro Temp., John L. Burton.

Year in Review

YEAR IN REVIEW

A RENEWED COMMITMENT

1998-99 was a year of continued success and exciting renewal for the Employment Training Panel (ETP). Working closely with its many partners who support statewide economic development and workforce preparation, the Panel continued to fund training in high-wage, high-skill jobs to support California businesses and workers. After 17 years of successfully serving California business as the State's only training program for incumbent workers, the Panel committed itself to a year of re-evaluation, working closely with customers and stakeholders to ensure the program continues to meet customer needs, while fulfilling its legislative mandate.

PARTNERS FOR IMPROVEMENT

In response to legislative interest in assuring the program accomplishes its legislative mandate, and in anticipation of ETP's role in California's implementation of the Federal Workforce Investment Act, the Panel refocused on basic program objectives in 1998-99. At the same time, the Panel faced an exciting and challenging period of new leadership, welcoming new Panel and Executive Staff Members. In order to facilitate this transition and familiarize the new leadership with program policies and issues, the Panel moved to address the program's priorities and future direction, in close partnership with its program stakeholders. Panel meetings included sessions devoted to the discussion of one or more program issues, providing an effective forum for dialogue between the Panel and its constituency in clarifying and resolving issues and setting policy.

These activities resulted last year in a number of regulatory, administrative, and process changes, all designed to improve the program. Through this ongoing partnership, the Panel addressed a number of key policy issues such as:

- approving regulatory and administrative changes to better facilitate Welfare to Work contracts;
- defining "frontline worker" to ensure training focuses on workers who directly deliver goods and services;
- eliminating funding for the training of senior level executives;
- beginning to redefine reasonable reimbursement costs;
- determining appropriate contractor/employer contributions to maximize the use of ETP funds;
- ensuring training funded is supplemental to that which employers provide in the normal course of business;
- examining reimbursement of new training methods, such as computer based training;
- refining record keeping requirements in light of new technologies;
- permitting reimbursement to employers for trainees who voluntarily leave employment prior to completion of their retention period;

- simplifying contracting requirements, including those pertaining to curriculum, training plans, and the amendment process; and,

- streamlining contract administration requirements.

This ongoing partnership with customers and stakeholders will continue in the current fiscal year as the Panel addresses other key issues such as the appropriate role of multiple employer contracts, understanding the concept of the high-performance workplace, and continued efforts to involve small business participation in ETP.

IMPROVED PROJECT PERFORMANCE

The Panel encumbered all of its regular program funds for the seventh consecutive year by targeting business and industry with the greatest impact on the State's economy -- including both traditional and high technology manufacturers, as well as a myriad of other high technology sectors such as advanced transportation and telecommunications, computer programming services, prepackaged software, computer systems design, biotechnology, and multi-media/entertainment. Sixty-three percent of approved funs went to businesses in the manufacturing sector, and additional 10 percent went to other high-technology businesses.

Initiating a new incremental funding process last year, the Panel encumbered $85.2 million of its $90.7 million in available training funds (the only unencumbered funds were $5.5 million in Welfare to Work monies). (See Appendix A, "Revenue and Expenditure Report.") Use of this new funding paradigm enabled the Panel to commit funding for the full scope of approved projects, while encumbering funds incrementally for larger projects, based on performance, in order to improve contract completion rates and reduce disencumbrances. This new funding approach, combined with other Panel actions resulted in a marked reduction in last year's disencumbrances, lowering the rate to 29 percent, exceeding the Panel's targeted disencumbrance goal of 35 percent.

1998-99 Project Commitments	
Approved Training Projects	284*
Millions Encumbered for Training	$85.2*
Persons Targeted for Training and Employment Retention	59,200
Average Cost Per Trainee	$1,440

*$40.4 million in future year funds was also committed for these projects, to be encumbered incrementally, based on project performance.

RURAL OUTREACH

In response to the 1998-99 Budget Act, the Panel increased its outreach and technical assistance to rural counties, increasing the distribution of ETP funds within rural areas in California. Expanding rural marketing efforts in 1998-99, the Panel effectively reached every county in the State to provide information and technical assistance to prospective contractors.

Through a concerted marketing campaign the Panel contacted employers, training agencies, employment development centers, schools, Chambers of Commerce, Private Industry Councils, local city and county governments, and one-stop centers in rural counties to ensure their access to program funds and to facilitate their contracting with the Panel.

DISENCUMBRANCES DRAMATICALLY REDUCED

BACKGROUND

The 1998-99 Budget Act required the Panel to adopt annual performance goals for reducing disencumbrances to no more than 35 percent of available training funds in FY 1998/99 and report annually to the Legislature on disencumbrances for the ensuing fiscal years.

RESULTS OF PANEL ACTIONS TO REDUCE DISENCUMBRANCES

The Panel's disencumbrances for FY 1998-99 were 29 percent, which is below the 35 percent disencumbrance goal or ETP's historical average of more than 40 percent. It appears future disencumbrances will be even lower, with projections for FY 1999-00 amounting to only 24 percent, much lower than the fiscal year goal of 30 percent.

Disencumbrances occur when funds are approved and encumbered for training but not earned. Disencumbrances primarily occur for economic and internal business conditions which are not within Panel or contractor control. However, the Panel has successfully taken action to reduce disencumbrances including implementing "incremental funding", i.e., approving funds in increments for larger projects to better control the level of funds encumbered but not earned, thus reducing disencumbrances.

The Panel has taken other administrative actions to reduce disencumbrances, such as limiting the number of training hours to 200 in retraining agreements; requiring early involvement of company management in the contract development process; intervention in or termination of contracts with poor performance; and improving information to contractors and their consultants/subcontractors early in the agreement development process to improve the planning, delivery, and administration of contracts. A recent study conducted by UCLA on disencumbrances validated many of the steps taken by the Panel to reduce disencumbrances, while also concluding that disencumbrances are primarily the result of economic and internal business conditions outside the contractor's or Panel's control.

This effort dramatically increased the number of rural companies applying for ETP funds by more than 100 percent in the fiscal year, and promises to increase the number of ETP contractors in rural areas in the coming years.

SERVING CUSTOMERS THROUGH ENHANCED TECHNOLOGY

Responding to its customers, the Panel significantly enhanced its information technology capabilities in 1998-99. The Panel focused on process improvement and automation of the contracting process for better and faster customer service. The eligibility process for multiple-employer contracts was automated; an on-line payment system for trainee enrollment was initiated; and record-keeping forms were made available on-line. To better interface with customers, the Panel also enhanced the ETP website; began conversion to a customer-compatible software system; took action to ensure its information technology system is Y2K compliant; and developed a plan to maximize its ability to deliver mission critical services to customers in the event of Y2K disruptions.

EVALUATING THE PROGRAM

Last year, the Panel funded an evaluation of the program's effectiveness by researchers at the California State University, Northridge (CSUN). This study examined the impact of Panel funded training on workers served by ETP in projects which ended in 1994-95 and 1995-96. The researchers also studied the impact the program had on the California economy for the years studied, and assessed the impact of ETP on the companies which employed the trainees. This study showed that ETP-Funded training provides quantifiable benefits to trainees, employers

and the California economy. The final report will be released in calendar year 2000, and the Panel will consider the report's recommendations, as applicable.

COMPLETED CONTRACT PERFORMANCE

Serving Primarily Manufacturing.

The Panel's emphasis on training for high-wage, high-skill workers in industries having the most significant impact on the State's economy was evident in last year's completed contract data. The Panel funded training in all major industries in California, with the majority of contracts and 65 percent of funds going to the manufacturing sector. Another 17 percent of Panel funds earned by contractors last year were earned by businesses in the services industry, with a significant percentage being firms in high technology sectors such as software development, biotechnology, telecommunications, and multi-media/entertainment.

Performance results demonstrate the Panel's continued support of the State's economy through the funding of quality training for large numbers of businesses and trainees, at a reasonable cost. One hundred and sixty-six contracts completed in the year, providing 3,726 employers with trained, highly-skilled workers. Contractors earned $44.9 million in completed contracts last year, providing training and employment retention for 29,604 workers at a low average reimbursement cost of $1,517 per trainee. (See Appendix B, "Completed Contracts" for a listing of the year's completed contracts.)

Training in completed contracts focused on skills to assist employers in implementing technological innovations or transitioning to high-performance workplaces. The Panel funded training to provide workers with the high-level skills required for long-term employment and to help California employers remain competitive in the international economy. The most frequently provided training courses last year included: Continuous Improvement; Computer Skills; Production Techniques; Customer Service; and Management Skills.

1998/99 Completed Contracts

166 contracts completed

$44.9 million earned

3,726 businesses served

29,604 workers trained and retained in employment
(28,158 retrainees, 1,446 new hires)

Average cost per trainee: $1,517
Retrainee cost: $1,359
New hire cost: $4,564

Industries Served

Manufacturing 18,308 trainees

$29.1 million (65% dollars earned)

39% businesses served

Services 4,781 trainees

$7.6 million (17% dollars earned)

31% businesses served

Trade 1,413 trainees

$2.4 million (5% dollars earned)

18% businesses served

Other* 5,102 trainees

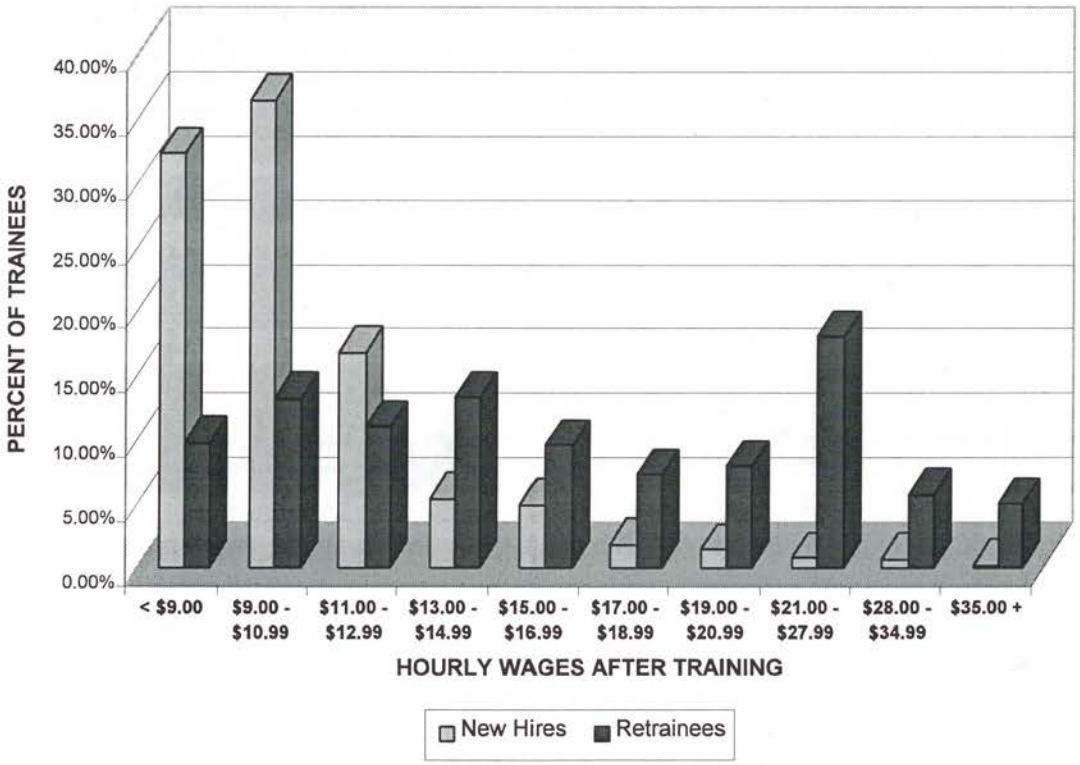
$5.8 million (13% dollars earned)

12% businesses served

*includes agriculture, construction, transportation, and finance

High-Wages for High-Skill Workers

The Panel continued to fund training for workers in high-wage, high-skill jobs. The average post-training and retention wage for new hires was $10.58 per hour; for retrainees it was $17.75 per hour. Retrainee average wages surpassed the 1997-98 average, increasing $1.60 per hour, from $16.15 to $17.75. New-hire average wages increased slightly above the 1997-98 average of $10.43 per hour to $10.58 an hour. Primary occupations trained were: production workers, clerical/office support workers, technical support personnel, sales and customer service representatives, machinists and machine operators, and, management employees. Data also indicates the typical retrainee was a white male, 25 to 44 years old, married, with some college education. The typical new hire trainee was a white male, 25 to 44 years old, single, with some college education. (Females constituted 33.8 percent of retrainees and 47.6 percent of new hires.) Generally, ETP trainees were better educated and slightly older than the State labor force as a whole. Various ethnic groups were served relatively proportionate to their composition in the labor force. However, Hispanic retrainees exceeded their percentage composition in the labor force, as did both Asian retrainees and new hires. (See Appendix E, "Characteristics of Panel Trainees Compared to California Labor Force.")

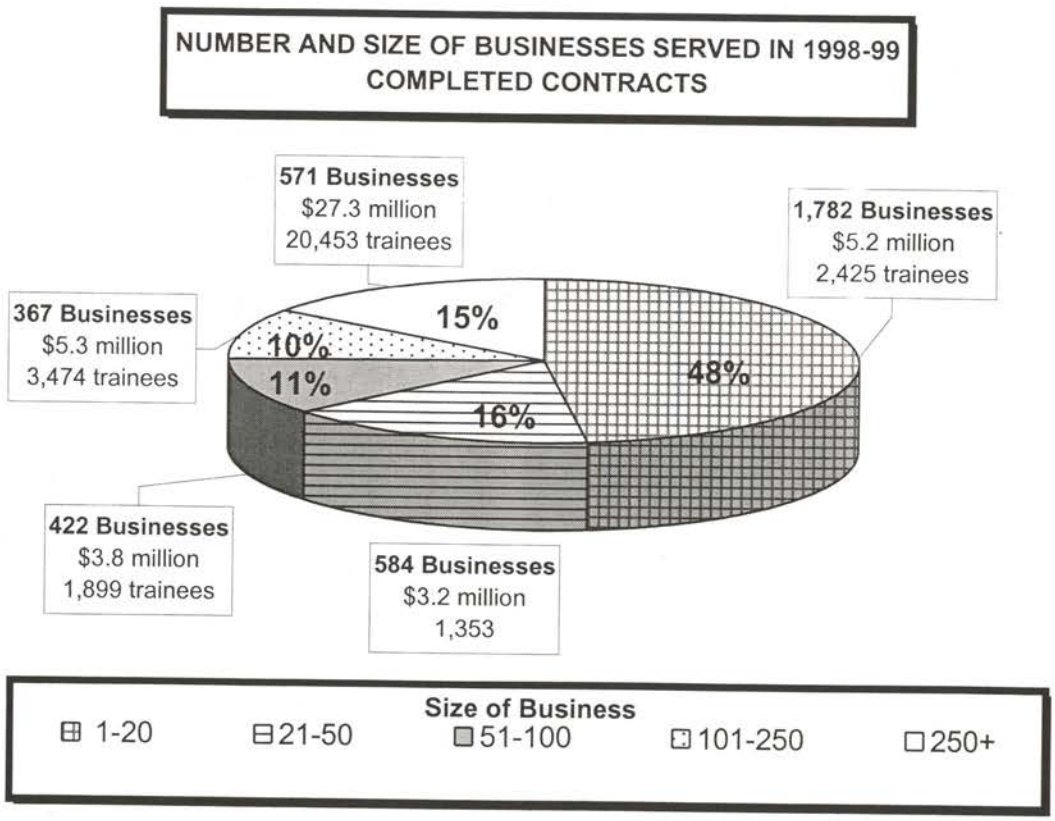


SERVING SMALL BUSINESS

Serving small business continued to be a Panel priority, as evidenced by the high number of small businesses served in the year's completed contracts. The Panel continued to be a key resource for small employers who have no readily available funds to train workers. Eighty-five percent of all businesses served by the Panel last year were small businesses (i.e., having 250 or fewer employees). The Panel also successfully targeted the State's smallest employers (i.e., 20 or fewer employees), with these employers representing 48 percent of all businesses served. Sixty-four percent of all businesses served had 50 or fewer workers; 75 percent had 100 or fewer workers. Overall, small businesses earned 39 percent of all training dollars expended last year, employing 71 percent of all new hires and 29 percent of all retrainees.

The Panel serves small business through both direct contracts with single employers and contracts with consortia or training agencies serving multiple employers. Contracting directly with 40 small businesses last year, the Panel funded training for 1,832 trainees. An additional 3,115 small businesses were served by the Panel through 48 multiple-employer contracts, providing training for 7,319 workers.

Supporting entrepreneurial training, the Panel reached the smallest of employers who comprise three-quarters of all the State's businesses. The success of the Panel's entrepreneurial training efforts can be measured by the marked increase in job growth for businesses that have participated in entrepreneurial training. After training and retention, those businesses experienced a 34 percent increase in their payrolls.



Appendices

APPENDIX A

REVENUE AND EXPENDITURE REPORT
Fiscal Year 1998-99

EMPLOYMENT TRAINING FUND (ETF) APPROPRIATION	**$85,161,700**
ETF Transfers:	
EDD State/Local Labor Market Information	($2,901,000)
Department of Industrial Relations	($2,779,700)
EDD Tax Collections Branch	($3,870,000)
Total	**($9,550,700)**
ETP Revenue:	
Appropriation From ETF	$75,611,000
Funds Reinvested	$26,500,000
Total	**$102,111,000**
EXPENDITURES	
Program Administration	($9,900,000)
Marketing and Research	($1,510,000)
Training	($85,225,230)
Total	**($96,635,230)**

APPENDIX B
COMPLETED CONTRACTS

Training in last year's completed contracts focused on skills to assist employers in implementing technological innovations or transitioning to high-performance workplaces. The Panel funded training to provide workers with the high-level skills required for long-term employment and to help California employers remain competitive in the international economy. The most frequently provided training courses last year included: Total Quality Management; Office Automation; Production Techniques; Customer Service; and Management Skills. Last year's completed contracts achieved 74 percent of total planned enrollments (84 percent for new hires, and 73 percent for retrainees). The percentage of actual placements compared to total planned job placements was 67 percent (80 percent for new hires, and 66 percent for retrainees).

Twenty-one of the year's completed contracts included literacy components for 724 participants at a cost of $378,218 for basic skills training. These included: six projects with Basic Math; twenty with Vocational English as Second Language (VESL) instruction; and one with Team Literacy instruction. Most trainees participating in literacy training are frontline workers in occupational categories such as production worker or assembler.

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
AD INDUSTRIES, INC LOS ANGELES/MANUFACTURING	3		28	$49,556	86.2%
ADEPT TECHNOLOGY, INC. SANTA CLARA/MANUFACTURING	4		212	$239,280	64.2%
ADVANCED BIONICS CORPORATION LOS ANGELES/MANUFACTURING	3		63	$28,140	56.5%
ADVANCED MP TECHNOLOGY ORANGE/SERVICE	2		19	$27,796	27.9%
AIRTOUCH COMMUNICATIONS CONTRA COSTA/COMMUNICATIONS	5		1,307	$522,800	100.0%
ALAMEDA COMPUTER CENTER, INC. ALAMEDA/SERVICE	6	28		$150,164	100.0%
AMAX ENGINEERING CORP ALAMEDA/MANUFACTURING	3		23	$25,096	53.4%
AMCAST PRECISION SAN BERNARDINO/MANUFACTURING	5		183	$183,860	85.7%
AMS CAREERTECH INSTITUTE ALAMEDA/SERVICE	6	21		$78,204	80.8%
ANDERSEN RACK SYSTEMS, INC. SAN JOAQUIN/MANUFACTURING	2		76	$91,502	80.1%
ANDERSON DEALERSHIP GROUP CUPERTINO ** STATEWIDE/SERVICE	6		23	$65,096	27.7%
APTOS CORPORATION SANTA CLARA/MANUFACTURING	2		15	$21,792	22.6%
AXIAL INDUSTRIES, INC SANTA CLARA/MANUFACTURING	2		11	$15,762	66.2%

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
BANK OF AMERICA NT & SA ** STATEWIDE/FINANCE	5		108	$216,216	100.0%
BECKMAN INSTRUMENTS, INC. ORANGE/MANUFACTURING	5		872	$766,196	70.9%
CA SERVICE STATION & AUTO REPAIR ASSOC TECH TRNG PRG ** MARIN/SERVICE	6		465	$387,810	77.6%
CALIFORNIA HUMAN DEVELOPMENT CORPORATION ** SONOMA/SERVICE	6	23		$131,321	45.2%
CALIFORNIA HYATT CORPORATION SAN FRANCISCO/SERVICE	5		715	$995,664	91.8%
CALIFORNIA MANUFACTURING TECHNOLOGY CENTER LOS ANGELES/SERVICE	6		333	$498,456	88.4%
CALIFORNIA STATE UNIVERSITY FRESNO FOUNDATION ** FRESNO/FINANCE, INSURANCE & REAL ESTATE	6		161	$89,516	80.5%
CALIFORNIA STEEL INDUSTRIES, INC. SAN BERNARDINO/MANUFACTURING	5		17	$36,550	77.3%
CALIFORNIA CARE HEALTH PLANS INC, DBA BLUE CROSS OF CA ** VENTURA/FINANCE & INSURANCE	5		273	$187,720	37.6%
CAREER EDUCATION CENTER SAN MATEO/SERVICE	6	43		$208,163	71.7%
CERWIN VEGA, INC. VENTURA/MANUFACTURING	4		43	$47,476	78.2%
CHAPMAN UNIVERSITY ORANGE/SERVICE	6		66	$48,192	18.1%
CITY OF LONG BEACH/CAREER TRANSITION CENTER (PIC) LOS ANGELES/PUBLIC ADMINISTRATION	6		150	$233,417	90.0%
CMA/MASONITE BUILDING & INDUSTRIAL PRODUCTS MENDOCINO/MANUFACTURING	5		163	$128,588	27.1%
CNA EDUCATION & TRAINING SERVICES ** SAN FRANCISCO/SERVICE	6	13		$29,822	65.0%
COAST COUNTIES PETERBILT TRUCK & EQUIPMENT COMPANY ** SANTA CLARA/RETAIL	3		71	$171,346	52.4%
COMPLETE CLAIMS SERVICE ORANGE/SERVICE	6	28		$150,164	56.0%
CONTINENTAL GRAPHICS CORPORATION LOS ANGELES/MANUFACTURING	5	43	164	$611,680	84.5%
CONTINENTAL PLASTIC CONTAINERS, INC. ORANGE/MANUFACTURING	5		114	$226,234	62.1%
CONTRA COSTA COUNTY OFFICE OF EDUCATION ROP CONTRA COSTA/SERVICE	6	0		$0	0.0%

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
CONTRACTED COMPUTER TRAINING LOS ANGELES/SERVICE	6		710	$441,186	97.6%
COUNTY OF VENTURA ** VENTURA/SERVICE	6		197	$239,080	49.1%
DAWSON PRODUCTION SERVICES, INC. KERN/SERVICE	5	33	204	$362,988	39.3%
DELUXE LABORATORIES LOS ANGELES/SERVICE	5		97	$123,287	93.3%
DMGI INC. (DBA DELCO MACHINE AND GEAR) LOS ANGELES/MANUFACTURING	2		46	$76,220	42.0%
DOUBLETREE HOTELS CORPORATION SAN DIEGO/SERVICE	5		45	$64,160	13.6%
DOUGLAS AIRCRAFT CO, COMP OF MCDONNELL DOUGLAS CORP. LOS ANGELES/MANUFACTURING	5		1,349	$381,330	30.1%
DREYER'S GRAND ICE CREAM ALAMEDA/MANUFACTURING	5		21	$28,158	81.1%
DRIESSEN AIRCRAFT INTERIOR SYSTEMS ORANGE/MANUFACTURING	5		102	$145,764	89.3%
DV INDUSTRIES, INC. LOS ANGELES/MANUFACTURING	2		5	$6,112	10.0%
DYNAMIC CIRCUITS, INC. SANTA CLARA/MANUFACTURING	4		299	$223,066	80.3%
E. & J. GALLO WINERY STANISLAUS/MANUFACTURING	5		550	$484,392	39.7%
ECONOLITE CONTROL PRODUCTS,INC. ORANGE/MANUFACTURING	3		115	$122,226	97.8%
ECONOMIC & SOCIAL OPPORTUNITIES, INC. SANTA CLARA/SERVICE	6	13		$46,475	43.3%
FAIRCHILD AEROPACE FASTENERS LOS ANGELES/MANUFACTURING	5		1,408	$2,899,621	89.7%
FANSTEEL CALIFORNIA DROP FORGE, A DIV OF FANSTEEL, INC. LOS ANGELES/MANUFACTURING	5		53	$36,494	100.0%
FENDER MUSICAL INSTRUMENTS CORP. RIVERSIDE/MANUFACTURING	5		161	$348,754	69.9%
FOSTER POULTRY FARMS MERCED/MANUFACTURING & FOOD PROCESSING	5		64	$67,990	68.8%
FOUNDATION FOR EDUCATIONAL ACHIEVEMENT ** SAN DIEGO/SERVICE	6	117	787	$1,624,155	95.9%
GARY D. NELSON AND ASSOCIATES, INC. ** SONOMA/SERVICE	3		99	$144,144	66.0%

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
GENERAL ELECTRIC ENGINE SERVICES, INC. SAN BERNARDINO/MANUFACTURING	5		197	$636,465	30.5%
GLENDALE COMMUNITY COLLEGE PROFESSIONAL DEV. CENTER ** LOS ANGELES/SERVICE	6		1,792	$2,840,604	92.1%
GNB TECHNOLOGIES LOS ANGELES/MANUFACTURING	5		181	$233,423	47.1%
GOLDEN WEST HOMES RIVERSIDE/MANUFACTURING	5		173	$362,412	92.2%
GREYHOUND LINES, INC. ** STATEWIDE/TRANSPORTATION	5		247	$306,124	72.9%
GROSSMONT - CUYAMACA COMMUNITY COLLEGE DISTRICT ** SAN DIEGO/SERVICE	6		23	$14,076	38.3%
GTE GOVERNMENT SYSTEMS CORPORATION SANTA CLARA/MANUFACTURING	5		113	$158,491	41.0%
HAWKER PACIFIC, INC. LOS ANGELES/TRANSPORTATION & COMMUNICATION	3		178	$222,752	97.2%
HEAT & FROST, INSULATORS & ASBESTOS WORKERS, LOCAL 5 JAT ** LOS ANGELES/SERVICE	6		71	$176,151	83.5%
HOLIDAY INN WORLDWIDE SAN FRANCISCO/SERVICE	5		124	$163,680	67.3%
ILC TECHNOLOGY, INC. SANTA CLARA/MANUFACTURING	4		30	$24,320	4.9%
INDALA CORP, A SUBSIDIARY OF MOTOROLA, INC. SANTA CLARA/MANUFACTURING	5		39	$56,552	27.8%
INDUSTRIAL ELECTRIC MANUFACTURING, INC. ALAMEDA/MANUFACTURING	3		0	$0	0.0%
INLAND STAR DISTRIBUTION CENTERS, INC. FRESNO/TRANSPORTATION & COMMUNICATION	3		35	$67,182	47.5%
INTEGRATED PACKAGING ASSEMBLY CORPORATION SANTA CLARA/MANUFACTURING	3		93	$166,536	61.5%
IVEX PACKAGING CORPORATION TULARE/MANUFACTURING	5		104	$114,452	57.0%
J & V FOAM PRODUCTS, INC. SAN BERNARDINO/MANUFACTURING	5		0	$0	0.0%
JEWISH VOCATIONAL AND CAREER COUNSELING SERVICE SAN FRANCISCO/SERVICE	6	27		$107,965	88.8%
JOHNSTON SWEEPER COMPANY, INCORPORATED SAN BERNARDINO/MANUFACTURING	5		100	$211,452	45.6%
JONES & STOKES ASSOCIATES, INC. SACRAMENTO/SERVICE	3		17	$7,208	85.0%

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
KERN COMMUNITY COLLEGE DISTRICT ** KERN/SERVICE	6		43	$23,908	53.8%
KLA-TENCOR SANTA CLARA/MANUFACTURING	5		558	$282,288	100.0%
KOMAG INC. SANTA CLARA/MANUFACTURING	5		167	$131,380	79.0%
KWIKSET CORPORATION ORANGE/MANUFACTURING	5		514	$415,808	61.5%
LASER MARK-IT, INC. LOS ANGELES/SERVICE	1		13	$25,392	57.5%
LIBBEY GLASS, INC. LOS ANGELES/MANUFACTURING	5		63	$43,056	69.7%
LITHONIA LIGHTING CO, DIV OF NATIONAL SERVICE INDUSTRIES, INC. LOS ANGELES/MANUFACTURING	5		168	$81,561	39.1%
LODAN WEST, INC. SAN MATEO/MANUFACTURING	3		126	$151,637	90.4%
LOMA LINDA UNIVERSITY MEDICAL CENTER - ETD STATEWIDE/SERVICE	6		576	$1,251,648	100.0%
LOS ANGELES CHAPTER TRAINING CENTER - NATIONAL TOOLING & MACHINING ASSOCIATION LOS ANGELES/SERVICE	6	232	411	$2,827,070	100.0%
LUCENT TECHNOLOGY ORANGE/TRANSPORTATION & COMMUNICATION	5		268	$332,160	79.3%
MAIL BOXES ETC. ** SAN DIEGO/SERVICE	4		50	$32,351	80.8%
MAINLAND COMPANY, INC.,DBA CRAZY SHIRTS ORANGE/MANUFACTURING	4		2	$1,446	0.8%
MARINCO NAPA/MANUFACTURING	5		50	$47,514	77.3%
MARRIOTT HOTEL SERVICES, INC. DBA ANAHEIM MARRIOTT ORANGE/SERVICE	5		133	$122,420	53.7%
MASTER-HALCO, INC. ORANGE/MANUFACTURING	5		99	$98,128	23.1%
MEDICAL ANALYSIS SYSTEMS, INC. VENTURA/MANUFACTURING	3		76	$136,588	42.6%
MEG TECHNOLOGIES, INC. LOS ANGELES/RETAIL	1		13	$26,416	86.4%
MICRO DENTAL LABORATORIES ALAMEDA/MANUFACTURING	4		181	$228,724	42.0%
MOBIL OIL CORPORATION LOS ANGELES/MANUFACTURING	5		814	$835,800	84.6%

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** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
MOLDEX-METRIC, INC. & METRIC PRODUCTS, INC. LOS ANGELES/MANUFACTURING	4		99	$57,420	14.3%
MTI CORPORATION ORANGE/MANUFACTURING	4		183	$114,724	100.0%
NATURE'S BEST, INC. ORANGE/RETAIL	3		124	$123,733	66.8%
NDC SYSTEMS, INC. LOS ANGELES/MANUFACTURING	2	0	13	$7,800	8.1%
NEC ELECTRONICS INC. SANTA CLARA/MANUFACTURING	5		59	$68,944	32.8%
NORTHROP GRUMMAN MILITARY AIRCRAFT SYSTEM LOS ANGELES/MANUFACTURING	5		480	$3,037,673	83.3%
OPPORTUNITIES INDUSTRIALIZATION CTR WEST, INC SAN MATEO/SERVICE	6	25		$66,012	29.1%
ORRICK, HERRINGTON, & SUTCLIFFE LLP ** SAN FRANCISCO/SERVICE	5		198	$135,720	30.7%
OXMAN COLLEGE SACRAMENTO/SERVICE	6		426	$651,790	100.0%
PACIFIC BELL MOBILE SERVICES ** CONTRA COSTA/COMMUNICATION	5		758	$938,682	100.0%
PACIFIC HARBOR LINE, INCORPORATED ** LOS ANGELES/TRANSPORTATION & COMMUNICATION	5		10	$21,950	52.5%
PARAMOUNT CITRUS INC. TULARE/AGRICULTURE	4		0	$0	0.0%
PARKER HANNIFIN CORP - COMPUMOTOR DIVISION SONOMA/MANUFACTURING	5		62	$35,618	46.9%
PARKER SYMETRICS - STRATOFLEX AEROSPACE/MILITARY CONNECTORS DIV, A SUBSIDIARY OF PARKER HANNIF VENTURA/MANUFACTURING	5		130	$161,516	89.8%
PERFORMANCE CONTRACTING INC SAN DIEGO/CONSTRUCTION	5		54	$92,960	69.1%
PILKINGTON AEROSPACE ORANGE/MANUFACTURING	5		148	$80,858	32.4%
PRACTICAL DATA PROCESSING, INC. STATEWIDE/SERVICE	6	167		$845,855	100.0%
PRECISION SILICONES, INC. SAN BERNARDINO/MANUFACTURING	1		26	$35,600	70.3%
PREPRODUCTION PLASTICS, INC. RIVERSIDE/MANUFACTURING	2		21	$44,720	77.5%
PRODUCTION PATTERN & FOUNDRY COMPANY, INC. ALAMEDA/MANUFACTURING	2		89	$189,840	98.3%

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
QUALITY BUSINESS, INC. LOS ANGELES/SERVICE	6	2		$10,428	16.7%
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT ** ORANGE/SERVICE	6		44	$61,160	73.3%
RANDS SYSTEMS, INC. SAN DIEGO/SERVICE	6	98	262	$1,087,887	73.6%
RECOT, INC. (D.B.A. FRITO-LAY) SAN BERNARDINO/MANUFACTURING	5		5	$8,840	4.2%
RIO HONDO COLLEGE ** LOS ANGELES/SERVICE	6		124	$73,694	100.0%
RIVER CITY SMALL BUSINESS CHAMBER ** SACRAMENTO/SERVICE	6		45	$44,042	56.4%
SAN DIEGO CONSORTIUM & PRIVATE INDUSTRY COUNCIL SAN DIEGO/SERVICE	6	68		$293,692	32.4%
SAN FRANCISCO BAY AREA CHAPTER TRAINING CENTER - NATIONAL TOOLING & MACHINING ASSOCIATION ALAMEDA/SERVICE	6	154	438	$1,895,835	100.0%
SANTA CLARA MOTOR CAR DEALERS ASSOC. ** SANTA CLARA/SERVICE	6		76	$212,335	44.8%
SARES-REGIS GROUP ** ORANGE/CONSTRUCTION	5		31	$102,848	46.0%
SCHLAGE LOCK/ADVANCED DEVELOPMENT FACILITY(ADF) SANTA CLARA/MANUFACTURING	5		37	$25,182	49.0%
SEALRIGHT PACKAGING COMPANY LOS ANGELES/MANUFACTURING	5		170	$388,080	78.1%
SER JOBS FOR PROGRESS, INC. ORANGE/SERVICE	6	15		$60,780	62.5%
SHASTA COUNTY PRIVATE INDUSTRY COUNCIL, INC. SHASTA/SERVICE	6	18	8	$113,044	48.9%
SHERATON, PALO ALTO/STANFORD SANTA CLARA/SERVICE	6		229	$368,960	42.2%
SIEMENS BUSINESS COMMUNICATIONS SYSTEMS LOS ANGELES/MANUFACTURING	5		37	$24,900	12.2%
SKADRON COLLEGE SAN BERNARDINO/SERVICE	6	9	78	$129,870	68.1%
SONY PICTURES IMAGEWORKS INC., A DIV OF SONY ENTERTAINMENT LOS ANGELES/SERVICE	5		89	$95,370	37.6%
SOUTH BAY CIRCUITS, INC. SANTA CLARA/MANUFACTURING	4		40	$68,728	15.1%
SOUTHERN CALIFORNIA GAS COMPANY LOS ANGELES/TRANSPORTATION & COMMUNICATION	5		243	$278,640	19.1%

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
SUNDOR BRANDS, INC. ORANGE/MANUFACTURING	5		69	$68,298	45.9%
SWAT-FAME INC. LOS ANGELES/MANUFACTURING	4		148	$171,824	63.7%
SYNC RESEARCH ORANGE/SERVICE	3		0	$0	0.0%
TECHNETICS, INC. SAN DIEGO/MANUFACTURING	2		48	$35,749	45.9%
THE CLOROX COMPANY ALAMEDA/MANUFACTURING	5		153	$121,848	29.0%
THE CORPORATION FOR MANUFACTURING EXCELLENCE (MANEX) ALAMEDA/MANUFACTURING	6		514	$510,664	100.0%
THE HELMS GROUP, INC. STATEWIDE/SERVICE	6		439	$463,500	62.7%
THMX HOLDINGS, LLC., DBA THERMAL DYNAMICS CORP. SAN BERNARDINO/MANUFACTURING	3		0	$0	0.0%
THOMAS BROS. MAPS ORANGE/MANUFACTURING	3		9	$8,400	22.1%
TOSHIBA AMERICA ELECTRONIC COMPONENTS INC. SANTA CLARA/MANUFACTURING	5		92	$105,268	35.8%
TRI-MAG, INC. TULARE/MANUFACTURING	2		16	$27,674	64.4%
TRY-DYE, INC. LOS ANGELES/MANUFACTURING	1		20	$46,320	87.1%
UNISYS CORPORATION SANTA CLARA/MANUFACTURING	5		113	$136,904	66.6%
UNITED EDUCATION INSTITUTE ORANGE/SERVICE	6		185	$228,951	75.8%
UNIVERSITY OF PHOENIX, SACRAMENTO CAMPUS ** SACRAMENTO/SERVICES	6		255	$489,345	100.0%
UNIVERSITY OF SOUTHERN CALIFORNIA - IMS CENTER LOS ANGELES/SERVICE	6	35		$65,695	31.3%
URS GREINER WOODWARD CLYDE ALAMEDA/SERVICE	5		28	$32,328	8.5%
VALIN CORPORATION SANTA CLARA/MANUFACTURING	3		39	$35,828	35.8%
VINYL TECHNOLOGY, INC. LOS ANGELES/MANUFACTURING	2		11	$6,630	91.1%
VISALIA TIMES DELTA & TULARE ADVANCE REGISTER TULARE/MANUFACTURING	5		120	$221,240	77.4%

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** Special Employment Training (SET) category

APPENDIX B
COMPLETED CONTRACTS

CONTRACTOR & COUNTY/INDUSTRY	BUSINESS SIZE*	NEW HIRES	RETRAINEES	EARNED AMOUNT	PERCENT EARNED
VISTA METALS CORP SAN BERNARDINO/MANUFACTURING	2		7	$9,520	23.3%
WELLEX CORPORATION ALAMEDA/MANUFACTURING	3		108	$185,486	69.7%
WEST COAST DETECTIVE ACADEMY ALAMEDA/SERVICE	6	8		$43,008	22.2%
WESTECH COLLEGE SAN FRANCISCO/SERVICE	6		483	$671,370	80.5%
WESTECH COMMUNICATIONS ** ALAMEDA/SERVICE	2		26	$49,840	46.4%
WESTERN GROWERS ASSOCIATION ** ORANGE/AGRICULTURE	3		92	$82,622	80.0%
WESTERN MARINE INSURANCE SERVICES ** SAN JOAQUIN/FINANCE & INSURANCE	1		11	$26,144	42.5%
WESTMED TRAINING SANTA CLARA/SERVICE	6	25		$84,907	43.2%
WEYERHAEUSER SACRAMENTO/MANUFACTURING	5		95	$111,532	62.6%
WORLDWIDE EDUCATIONAL SERVICES OF CA CONTRA COSTA/SERVICE	6	201	25	$938,266	95.5%
WYMAN GORDON INVESTMENT CASTINGS, INC. ALAMEDA/MANUFACTURING	5		138	$169,900	87.5%
YOPLAIT/COLUMBO USA LOS ANGELES/MANUFACTURING	5		125	$147,193	47.4%
ZIFF DAVIS COMDEX & FORUMS SAN MATEO/SERVICE	5		124	$60,664	37.5%
Totals		1,446	28,158	$44,906,969	
Average Cost Per Trainee:				$1,517	

*(1) 1 - 50; (2) 51 - 100; (3) 101 - 250; (4) 251 - 500; (5) Over 500; (6) Multiple Employers

** Special Employment Training (SET) category

APPENDIX C
TERMINATED CONTRACTS

The following contracts were approved by the Employment Training Panel, but were terminated during 1998-99 prior to completion of the contract term. The table includes a brief description of each contract and the reason for termination. In some cases, some training occurred, but in others training never began. Most of the following 50 contracts were terminated due to changes in the business environment, including reorganization, increase in business, dynamic market changes, turnover and staff reductions, business/industry declines and changes in priorities. Also, some contracts were terminated because the contractors felt the ETP requirements did not meet their needs, the cost of training was too high, the paperwork involved was excessive, or they received poor advice from consultants. The Panel surveyed contractors who terminated or withdrew Panel contracts in 1998/99, to determine ways to improve responsiveness to customer needs, and thereby decrease the number of terminated contracts. Suggestions for improving processes included allowing contractor to plan training more reasonably; making the process more flexible to lessen the impact on the company and production levels; simplifying record keeping; and improving Orientation sessions.

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Amplica, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Microwave Circuits $96,850 97 MS, Continuous Improvement, Bus Skills, PT To prepare for diversification of products/services.	The company requested termination due to the company's present environment (economic conditions such as management and business priority changes).
Brooks Protective Services, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Services Security Services $315,000 60 Corporate Industrial Security Officer Job Creation.	The company requested termination due to economic circumstances beyond their control.
Chemicon International Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Riverside Manufacturing Biological Products $11,970 19 Computer Skills To retrain employees in highly technical software.	The company requested termination due to workload sheduling difficulties.
Chem-Tronics, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	San Diego Manufacturing Aerospace Products $292,500 300 PT To remain viable and competitive in world market with improved product quality.	The company requested termination due to tremendous growth in sales, limiting employees' availability for training.

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Cohesive Technology Solutions	County:	Contra Costa	The company requested termination due to a company reorganization, and being purchased by competitors.
	Industry:	Services	
	Product/Service:	Computer Services	
	Contract Amount:	$61,200	
	Planned Trainees:	45	
	Planned Training:	Business Skills.	
	Reason for Training:	To remain on cutting edge of technology.	
Composite Optics, Inc.	County:	San Diego	The company requested termination due to dynamic market changes.
	Industry:	Manufacturing	
	Product/Service:	Composite Materials	
	Contract Amount:	$380,484	
	Planned Trainees:	456	
	Planned Training:	Communication, MS, PT	
	Reason for Training:	To be viable corporation and to increase skills of workforce.	
Condor Freight Lines	County:	Statewide	The company requested termination due to unanticipated production demands.
	Industry:	Transportation	
	Product/Service:	Transportation Services	
	Contract Amount:	$52,936	
	Planned Trainees:	76	
	Planned Training:	Process Improvement, Administrative and Dispatcher Skills, Sales, Computer Technology	
	Reason for Training:	To remain competitive and to grow.	
Console Foods, Inc.	County:	Tulare	The company withdrew the application due to numerous delays and production conflicts.
	Industry:	Manufacturing and Food Processing	
	Product/Service:	Food Products	
	Contract Amount:	$95,370	
	Planned Trainees:	132	
	Planned Training:	PT, OA, CS, Quality	
	Reason for Training:	To satisfy customer demands and improve production, by giving employees needed technical skills and an understanding of their roles in the production process.	

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Copeland Beverage Group, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing and Food Processing Dairy Products $90,000 75 Computer Skills, PT, CIMPRO, ISO 9002 To provide employees with adequate skills for company to manufacture a quality product in a highly competitive industry.	The company wanted to make changes to the agreement which took them longer than planned, then realized the scope and timing of the changes were impractical with the existing contract, and so requested termination.
Domaine Chandon and Simi Wineries	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Napa Manufacturing Wine $445,060 211 Continuous Improvement To become high-performance workplace.	The company requested termination due to turnover in their management.
Enoch Packing Company, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Fresno Manufacturing and Food Processing Dried Fruits $140,900 117 Process Improvement, VESL To increase production and reduce waste by transitioning to team-based organization.	The company withdrew the application, due to crop conditions requiring a reduction in staff.
ERM-West, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Contra Costa Services Environmental Consulting $48,638 79 MS, High Perf. Skills, OA, ISO 9000, Audit Trng To improve operating effieciency.	The company requested termination due to a large acquisition of workload.
G.C. Management Company	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Orange Retail Computer and Software $94,112 60 OA, PT, MS, Strategic Bus Plan, Sales, Std Query Language To compete and increase market share.	The company requested termination after experiencing a protracted weakening of market conditions, and their second workforce reduction for the year.

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Gilmore Envelope Corporation	County:	Los Angeles	ETP terminated the contract due to unearned payments and lack of progress in the training.
	Industry:	Manufacturing	
	Product/Service:	Envelopes	
	Contract Amount:	$979,244	
	Planned Trainees:	306	
	Planned Training:	Leadership, ISO 9000, Office Skills, OA, Strategic Bus Plan, Financial/Compensation, Time Mgmt, Team Bldg, World Class Mfg, PT	
	Reason for Training:	To become technologically capable and ISO 9000 certified.	
Guardian Industries Corporation	County:	Fresno	The company requested termination due to unforeseen economic circumstances
	Industry:	Manufacturing	
	Product/Service:	Glass Products	
	Contract Amount:	$650,766	
	Planned Trainees:	367	
	Planned Training:	Interpersonal Skills, MS, Work Process Improvement, Technical Skills	
	Reason for Training:	To become high-performance workplace.	
HUFCOR-Airwall, Inc.	County:	Los Angeles	The company requested termination due to unexpected increases in workload, and stated ETP requirements such as SOST and other documentation were burdensome.
	Industry:	Manufacturing	
	Product/Service:	Movable Partitions and Walls	
	Contract Amount:	$34,355	
	Planned Trainees:	53	
	Planned Training:	OA, Quality, PT, Math	
	Reason for Training:	To become high-performance workplace.	
Hughes Danbury Optical Systems, Inc.	County:	Santa Clara	The company requested termination, as they were purchased by Raytheon Corp, which caused them to realign their work guidelines and personnel tasking procedures.
	Industry:	Manufacturing	
	Product/Service:	High Acuity Lenses	
	Contract Amount:	$83,608	
	Planned Trainees:	68	
	Planned Training:	Process Improvement, Team/Problem Solving, OA	
	Reason for Training:	To implement high-performance workplace.	

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Hyundai Electronics America	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Clara Retail Electronic Parts $60,775 72 MRP To learn skills to operate new computer system, enabling company to remain competitive and grow.	The company requested termination due to changes in the workforce - downsizing, an impending merger, and business priority changes.
IDRC Teleservices, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	San Diego Services Telephone Call Center $279,628 382 PT, Leadership To diversify goods and services in response to out-of-state competition.	As a result of rapid ramp-up periods required by their clients, IDRC was forced to make some business changes which were in direct conflict with the guidelines of the contract: classroom sizes exceeded the ratio, they had a turnover rate in excess of the maximum allowed, and they had to hire temporary staff. So the company requested termination.
Inprise Corporation	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Cruz Services Prepackaged Software $249,990 306 Techical Skills To become a leading provider in new markets with new products.	The company requested termination due to a recent reduction in workforce; they do not have the necessary resources available to continue training.
Invitrogen Corporation	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	San Diego Manufacturing Molecular Biology Research Tools and Services $87,360 101 MRP To maintain and improve market share.	The company requested termination because they purchased new software for training, then decided the software was not able to meet their needs.
John P. Wolfe Engineering, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Clara Manufacturing Vacuum Tubes $68,592 63 MRP, OA, Blue Print Reading, SPC To transition to high-performance workplace.	The company requested termination due to a downturn in the semi-conductor industry, resulting in downsizing.

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Kaiser Marquardt	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Ramjet Engines $75,112 102 PT, MS, Computer Skills To meet and surpass customer expectations while remaining competitive.	The company requested termination due to a loss of employee population.
Los Angeles County Office of Education	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Services Training Services $418,050 225 Automotive Repair To expand the number of competent service technicians.	ETP terminated the contract due to lack of performance.
Micro Matic USA Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Liquid Transfer Valves $31,200 60 Conitnuous Process Improvement To meet challenges associated with growth.	The company requested termination due to a decline in business which resulted in several layoffs.
Moore Technologies - Moore Epitaxial Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Clara Manufacturing Semiconductor Manufacturing Devices $99,804 70 PT, OA, High-Performance Skills To provide quality products more efficiently than competitors.	The company requested termination due to the semiconductor industry facing a serious downturn.

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Objective System Integrators, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Sacramento Services Computer Software $576,224 288 Performance & Technical Skills, MS To maintain competitive edge and provide solutions to complex technological systems.	The company requested termination due to a significant number of reorganizations, which has resulted in turnover and a reduction in the workforce.
Omnicell Technologies, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Clara Services Medical Supply Systems $163,200 100 Team Building, Business Skills, PT To move to high-performance workplace.	The company requested termination due to their inability to get the project off the ground. They had scheduled too many hours at the recommendation of a subcontractor, and could not release the employees for those hours.
Optical Radiation Corporation	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Xenon Lamps $334,172 202 OA, Bus Skills, PT, MS To attain high-performance workplace.	The company requested termination due to their current and forecasted production schedule. There were scheduling conflicts and administrative difficulties.
Packard Hughes Interconnect	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Orange Manufacturing PC Boards $265,450 175 MS, Leadership & Development Skills, PT, VESL To compete, and adapt to high-performance workplace.	The company requested termination due to a new union contract and business direction.
Panasonic - AKME	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	San Diego Communication Telephones $39,702 62 OA To compete and increase market share.	The company requested termination due to a lack of participation from employees.

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Powis Parker, Inc.	County:	Alameda	The company requested termination due to a drop in sales, a current product was late and over budgeted, and management/business priority changes.
	Industry:	Manufacturing	
	Product/Service:	Laminated and Coated Binding	
	Contract Amount:	$131,772	
	Planned Trainees:	90	
	Planned Training:	MS, High-Performance Workplace Skills	
	Reason for Training:	To begin quality training program.	
Rane Technical Training Centers, Inc.	County:	San Diego	The company withdrew the application, due to economic conditions affected by management changes (did not satisfy ETP request for continuity of management justification).
	Industry:	Services	
	Product/Service:	Training Services	
	Contract Amount:	$208,572	
	Planned Trainees:	40	
	Planned Training:	Computer & Copier Machine Repair	
	Reason for Training:	To fill job market.	
Rave Precision, Inc.	County:	Alameda	The company requested termination because of several drawbacks, lack of personnel, and production demands.
	Industry:	Manufacturing	
	Product/Service:	Metal Cabinets	
	Contract Amount:	$113,308	
	Planned Trainees:	71	
	Planned Training:	MS, Process Improvement, PT, VESL	
	Reason for Training:	In order to compete - must become high-performance workplace.	
Resound Corporation	County:	San Mateo	Due to an increased volume of work, and hiring of new staff needing several months of training, the company chose to terminate the contract.
	Industry:	Manufacturing	
	Product/Service:	Hearing Aids	
	Contract Amount:	$168,088	
	Planned Trainees:	171	
	Planned Training:	MRP, PT, SPC, VESL, Leadership Skills, OA, Team Skills, CS	
	Reason for Training:	To convert to a high-performance workplace.	
San Mateo County Restaurant and Hotel Association	County:	San Mateo	The association requested termination due to Union problems, a change in ownership, and the new Board didn't want the liability.
	Industry:	Serrvices	
	Product/Service:	Training Services	
	Contract Amount:	$253,132	
	Planned Trainees:	285	
	Planned Training:	OA, Job Skills, MS, Communication, CS, Team Bldg, VESL, Sales	
	Reason for Training:	To become high-performance workplace.	

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Santa Clara County Black Chamber of Commerce	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Clara Services Entrepreneurial Training $104,000 200 MS, Computer Skills To support small business owners.	ETP terminated the contract due to lack of performance.
Sanyo Denki America, I	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Computer Components $28,756 22 Continuous Improvement, MS, OA, TQM To improve quality in move towards high performance.	The company requested termination due to trainees' workload; the trainees were unable to attend training.
Senior Systems Technology, Inc.	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Electronics $193,520 190 Electronic PT To remain competitive and to provide new jobs for the unemployed.	ETP terminated the contract due to lack of performance.
Signet Scientific Company	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Los Angeles Manufacturing Flow and Analystical Instruments $148,493 100 PT, Process Improvement, Team Bldg, VESL To continue becoming high-performance.	The company requested termination due to several issues: an amendment request was denied; there was a 50% reduction in funding because of double enrollment; no SOST was completed (because of the other issues the company felt there was no need to do SOST); and declining business and sales factors.
Spectrian Corporation	County: Industry: Product/Service: Contract Amount: Planned Trainees: Planned Training: Reason for Training:	Santa Clara Retail High Power Amplifiers $435,220 450 MS, Production & Computer Skills, Team Bldg, CS, Quality, SPC, Decision Making, Problem Solving, Project Mgmt To increase sophistication of high performance workplace.	The company requested termination as they were experiencing a temporary downturn, and management changes.

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TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Storopack, Inc.	County:	Los Angeles	The company requested termination due to a major division of Storopack being sold.
	Industry:	Manufacturing	
	Product/Service:	Recycled Polystyrene	
	Contract Amount:	$85,800	
	Planned Trainees:	42	
	Planned Training:	System Applications & Products, OA	
	Reason for Training:	To transition to high performance workplace.	
True Tech Corporation	County:	Alameda	The company requested termination due to an increase in production, and prohibitive overtime costs required to complete the training.
	Industry:	Retail	
	Product/Service:	Machine Parts	
	Contract Amount:	$133,368	
	Planned Trainees:	87	
	Planned Training:	MS, High-perform, OA, PT	
	Reason for Training:	To move to high-performance workplace in response to competition.	
Tycom Corporation	County:	Orange	The company requested termination, as they were experiencing enrollment problems, and having trouble meeting the terms and conditions of the agreement.
	Industry:	Manufacturing	
	Product/Service:	Carbide Cutting Tools	
	Contract Amount:	$761,384	
	Planned Trainees:	405	
	Planned Training:	MS, Leadership Skills, OA, PT	
	Reason for Training:	To improve productivity and increase market share.	
Unisource Worldwide, Inc.	County:	Orange	The company requested termination due to internal changes and personnel changes.
	Industry:	Services	
	Product/Service:	Paper Products	
	Contract Amount:	$486,160	
	Planned Trainees:	443	
	Planned Training:	OA, CS, Ser. Excellence, Product Knowledge	
	Reason for Training:	To enhance company's ability to remain competitive, to grow, and to ensure continuing relationship with customers.	
Vail Wire and Steel	County:	San Bernardino	The company requested termination because the training that was scheduled was not the right kind of training for their needs.
	Industry:	Manufacturing	
	Product/Service:	Store Fixtures, Shelving, Screen Printing	
	Contract Amount:	$69,600	
	Planned Trainees:	41	
	Planned Training:	Problem Solving, Team Bldg, CS, Supv & Computer Skills, PT, Sales, Marketing, Pricing	
	Reason for Training:	To implement more efficient production system for continued growth and to remain competitive.	

APPENDIX C
TERMINATED CONTRACTS

CONTRACTOR	CONTRACT PROFILE		REASON FOR TERMINATION
Ventura Foods, LLC	County:	Los Angeles	The company requested termination, as they have undergone a dramatic reconfiguration of their management structure, and the assessment of costs was incomplete and inaccurate.
	Industry:	Manufacturing and Food Processing	
	Product/Service:	Food	
	Contract Amount:	$230,354	
	Planned Trainees:	187	
	Planned Training:	Leadership & Supv Skills, Communication, Bus Fundamentals, High-Perf, Production Skills (Job, Coaching, Bus Writing, SPC, Shop Math),VESL	
	Reason for Training:	To become high-performance workplace, enabling company to meet productivity goals and competitive needs.	
Vision Solutions, Inc.	County:	Orange	The company requested termination due to tremendous growth and many changes within the organization.
	Industry:	Manufacturing	
	Product/Service:	Software and Programming	
	Contract Amount:	$245,656	
	Planned Trainees:	163	
	Planned Training:	Quality, Team Bldg, Technical Skills	
	Reason for Training:	To meet challenge of out-of-state competition.	
Volt Directory Systems/Services	County:	Orange	The company withdrew the application, as they could not fill the retention and hours of training requirements.
	Industry:	Services	
	Product/Service:	Catalogs, Directories, Graphics	
	Contract Amount:	$42,744	
	Planned Trainees:	62	
	Planned Training:	OA, Desktop Publishing, CS, MS	
	Reason for Training:	To become high-performance workplace.	
Westcoast Performance Products USA Inc.	County:	Orange	The company requested termination, stating ETP has too many hurdles, obstacles and requirements for the company to follow.
	Industry:	Manufacturing	
	Product/Service:	Exhaust Systems	
	Contract Amount:	$96,348	
	Planned Trainees:	110	
	Planned Training:	MS, Quality, Team Skills, OA, PT	
	Reason for Training:	Experiencing growth and becoming high-performance workplace.	

TYPE OF TRAINING

CS	Customer Service	PT	Production Techniques
MRP	Manufacturing Resource Planning	SPC	Statistical Process Control
MS	Management Skills	TQM	Total Quality Management
OA	Office Automation	VESL	Vocational English as Second Language

APPENDIX D
ACTIVE CONTRACT SUMMARY

The following contracts were approved prior to fiscal year 1998-99 and were still active as of July 1, 1999:

Contracts Active as of July 1, 1999	
Active Training Contracts	161
Millions Approved for Training	$71.4
Persons Targeted for Training and Employment	47,617
Contracts Targeting Small Businesses Employing 100 or Fewer Workers	52

Job-Linked literacy is included in many of the active projects. Training represented is reading, math, business English, and Vocational English as Second Language (VESL). The active projects with literacy training include:

Literacy Training	
Contracts with VESL Component	20
Contracts with Basic Math Component	4

The Panel funds training in a wide variety of skills. The most common types are:

Most Frequent Types of Training
Office Automation (OA)
Statistical Process Control (SPC)
Management Skills (MS)
Total Quality Control (TQM)
Production Techniques (PT)
Customer Service (CS)

APPENDIX E

CHARACTERISTICS OF PANEL TRAINEES COMPARED TO CALIFORNIA LABOR FORCE

	Employment Training Panel		California Labor Force	
Characteristic	New Hire Percent	Retrainee Percent	Unemployed 1998	Employed 1998
SEX:				
Female	47.6	33.8	42.7	44.8
Male	52.4	66.2	57.3	55.2
AGE: a/				
<25	12.3	6.8	32.3	14.1
25-34	33.7	26.3	25.6	26.3
35-44	29.1	34.3	23.2	28.2
45-54	20.1	23.2	12.0	20.2
55-64	4.6	8.6	5.4	8.9
65+	0.2	0.7	1.5	2.3
EDUCATION:				
Less H.S. Grad.	8.1	11.8	19.9 b,c/	19.9 b,c/
H.S. Graduate	36.1	25.9	25.2 b,c/	25.2 b,c/
Some College	38.4	35.4	28.5 b,c/	28.5 b,c/
College Graduate	14.6	21.2	18.5 b,c/	18.5 b,c/
Post Graduate	2.8	5.7	7.9 b,c/	7.9 b,c/
MARITAL STATUS:				
Married	41.9	65.1	52.4 c/	52.4 c/
Single	58.1	34.9	47.6 c/	47.6 c/
ETHNICITY:				
White	46.1	44.7	35.7	54.2
African-American	10.1	6.2	12.7	6.0
Hispanic	26.9	29.2	39.0	27.3
Asian	14.2	15.6	11.1	11.8
Native American	1.3	1.0	1.5d/	0.7d/
Other	1.4	3.3		
VETERAN:				
Yes	8.9	12.7	0.6	10.7
No	91.1	87.3	99.4	89.3

a/ Figures do not total 100 percent due to rounding.
b/ Percentages are for total population 25 years and older.
c/ Data is not separated by individual category of employed or unemployed.
d/ Combines the categories of Native American and Other.

Unemployment and Civilian Labor Force data are based on the 1998 annual averages provided by the Bureau of Labor Statistics in the Current Population Survey conducted by the Bureau of the Census.

A BRIEF HISTORY

The Employment Training Panel (ETP) is a statewide economic development program to support the overall California economy by ensuring that employers have the trained workers they need to compete in the global economy. The Panel effectively performs the role of a statewide economic development partner by collaborating with business, labor, and other public entities.

The Panel was created in 1982 with the initial mandate of addressing the large displacement of workers resulting from plant closures by moving the unemployed quickly into jobs or by saving jobs of workers threatened with displacement. In January 1994, the focus of the Panel program was significantly expanded to one that benefits the overall California economy by primarily focusing its funds on the training of unemployed workers for high-wage, high-skill jobs and on the retraining of incumbent workers of businesses challenged by out-of-state competition -- a role which the Panel fulfills as California's only training program for incumbent workers.

The Special Employment Training (SET) category allows the Panel to fund training for businesses and workers not eligible under the regular program criteria. In addition, 1998 amendments to the Program added Welfare to Work as a new funding category under which the Panel is able to fund retraining for employed current or former welfare recipients in support of California's welfare reform activities.

A key feature of ETP since its inception is its 100 percent performance-based contracting requirement, which ensures that the training is tied to a real job. This means no funds are earned by a contractor until a trainee completes all of the training and a subsequent employment retention period of at least 90 days in a training-related job. Since it began in 1983, ETP has served California well by training over 318,000 workers for 32,900 businesses.

ETP is funded through the Employment Training Tax which is levied on the California employers who participate in the Unemployment Insurance System. Typically, the Panel averages $70 to $100 million in training funds annually.

The Annual Report was prepared by the Planning and Research Unit staff: Ada Carrillo, Mike Rice, Ann Covington, Tish Fujimori, Jill McAloon, and Elizabeth Slape.

Additional copies of the Annual Report may be obtained through the Employment Training Panel, 1100 J Street, 4th Floor, Sacramento, CA 95814, (916) 327-5409.

The Employment Training Panel (ETP), as a recipient of state funds, is an equal opportunity employer/program and is also subject to Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA).

Individuals with disabilities who would like to receive the information in this publication in an alternate format may contact ETP at (916) 327-5409.