

Employment Training Panel



Annual Report 2001-02

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MISSION STATEMENT

The mission of ETP is to provide financial assistance to California businesses to promote customized worker training through partnerships with government, business, and labor for the purpose of:

- ◆ Attracting and retaining businesses that promote a healthy California environment;
- ◆ Providing workers with good jobs that pay good wages;
- ◆ Successfully competing in the global economy; and
- ◆ Promoting the value of employee training.

VISION STATEMENT

ETP will maximize leveraging of ETP funding by partnering with other Workforce Development programs to strengthen the skills of California workers and maintain a healthy state economy.

THE PANEL

ETP is governed by an eight-member* Panel that sets policy for the operation of the Program, and meets each month in different parts of the State to consider and act on policy issues and training proposals. Panel members have backgrounds in business, labor, economic development and job training. They include:

Marsha H. Kwalwasser, Chairperson, appointed to the Panel in March 2001 by Governor Gray Davis. Ms. Kwalwasser is the Director of Government Relations for Northrop Grumman Corporation. She served four years as Chief of Staff and later as Chief Deputy Controller for then - California State Controller Gray Davis.

Aram Hodess, Vice Chairperson. He has been a member since April 1999 and was reappointed to the Panel in February 2001 by Senate President Pro Tempore John Burton. He is the Business-Manager of the Plumbers and Steam Fitters Union, Local 159.

Barry Broad, appointed to the Panel in January 2002. Mr. Broad is the principal in the Law Offices of Barry Broad, which specializes in government relations and administrative law. In his career he has served in various positions including legislative counsel for the California Teamsters Public Affairs Counsel, and as staff counsel to the Public Employment Relations Board.

Joan Dean, appointed to the Panel in July 2002 as the designee of the Secretary of Technology, Trade, and Commerce Agency (TTCA). In October 2002, Governor Gray Davis appointed Ms. Dean Deputy Secretary of TTCA. Her responsibilities include overseeing the Division of Technology and Community Innovation. Ms. Dean previously served as regional Director for TTCA's San Diego Region.

Robert M. Lennox, appointed in March 2001 by Governor Gray Davis. In 1987, Mr. Lennox was elected President of the Teamsters Union, Local 495. He now serves as Secretary-Treasurer of the Teamsters Joint Council 42 in El Monte.

Tyrone R. Freeman, appointed in June 2002 by Speaker of the Assembly, Herbert Wesson. In 1999 he became the General President of the Service Employees International Union (SEIU) Local 434B, Long Term Care Union in Los Angeles. Mr. Freeman is also an International Vice President of SEIU and Chair of the Southern California SEIU State Council.

Thomas E. Rankin, a Panel member since January 2000, was reappointed in February 2001 by Speaker of the Assembly Robert Hertzberg. He is President of the California Labor Federation, AFL-CIO, and its former Research Director and Legislative Representative. Mr. Rankin previously served as Chairman of the State Commission on Health and Safety, and Workers' Compensation.

*Currently, one Panel Member appointment is unfilled.

Table of Contents



TABLE OF CONTENTS

INTRODUCTION	1
The Importance of Workforce Training.....	3
Twenty Years Perfecting a Model for Success.....	3
Independent Validation and Verification	3
How ETP Works.....	4
Receiving ETP Funds and Completing Training	5
The FY 2001-02 Annual Report	7
THE YEAR IN REVIEW	9
Outreach and Strategic Planning.....	11
Targeting Funds.....	12
Special Initiatives	13
Self-Evaluation and Program Improvement	14
Serving Small Business	15
Using Information Technology to Improve Customer Service.....	15
Seamless Development and Monitoring.....	15
Contract Performance	16
APPENDICES	19
Appendix A: FY 2001-02 Revenue and Expenditures	A-1
Appendix B: FY Completed Contract Data.....	B-1
Appendix C: Characteristics of Panel Trainees.....	C-1
Appendix D: List of FY 2001-02 Completed Contracts	D-1

Introduction



"California's continuing economic competitiveness is increasingly dependent upon an educated and skilled workforce."

*Gray Davis, Governor
State of California*

INTRODUCTION

THE IMPORTANCE OF WORKFORCE TRAINING

In recent years, training and workforce development have played an increasingly important role in the economy. In California and the nation, the workplace has undergone profound changes, which require many workers to acquire advanced skills. Last year, Governor Gray Davis prioritized workforce training, in announcing a new California Labor and Workforce Development Agency, stating, "California's continuing economic competitiveness is increasingly dependent upon an educated and skilled workforce." With the submission of its Annual Report for Fiscal Year (FY) 2001-02, the Employment Training Panel (ETP) anticipates its own unique role as a member of the new Labor Agency, with its successful history of providing training support for California businesses and workers to help them compete in a global economy.

TWENTY YEARS PERFECTING A MODEL FOR SUCCESS

In FY 2001-02, ETP began its 20th year as a leader in California's workforce preparation and economic development arenas.

The Legislation creating ETP had the initial mandate of addressing displacement of workers resulting from plant closures by moving the unemployed quickly into jobs or by saving jobs of workers threatened with displacement. Since then, the program has been significantly expanded to benefit the overall California economy by primarily focusing its funds on the training of incumbent workers of businesses challenged by out-of-state competition — a role which ETP fulfills as California's only industry specific training program for incumbent workers:

- Since ETP's inception, approximately 90 percent of the training funds have been to support retraining of workers in California businesses.
- Job creation is another program emphasis, and funds are also provided for the training of unemployed workers for high-wage, high-skill jobs.

ETP has proven itself to be a key economic tool in support of the State's export base and key industries, by providing essential training assistance to California businesses and workers. This success was validated last year, when legislative amendments, effective January 1, 2001, made ETP a permanent and ongoing program.

ETP has helped California companies become more successful and expand the number of secure, good jobs in California's economy, by funding the training of almost 550,000 workers in 50,000 businesses. Approximately 70 percent of the businesses served have been companies with 100 or fewer workers.

INDEPENDENT VALIDATION AND VERIFICATION

Independent research has attested to the value of ETP-funded training for businesses and workers alike – participating companies have expanded their payrolls over similar businesses that do not participate in ETP – funded training; wage increases for workers completing ETP programs are approximately 20 percent higher than workers in similar companies; and ETP-funded training significantly reduces

unemployment and increases job security. Overall, there has been a return on investment of over \$5 for every \$1 in ETP funds spent on training, as measured in benefits to companies, workers, and California's economy.

The keys to ETP's success in its first 20 years include:

- Performance-based contracting: 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 a contractor earns no funds until a trainee completes all of the training and a subsequent employment retention period of at least 90 days in a training-related job.
- A focus on customized, employer-driven training for high-wage, high-skill, secure employment – primarily for the retraining of currently employed workers. ETP contracts promote wage increases and require employers to retain workers for specific periods to earn ETP funds.
- Businesses that benefit from the training are those firms that pay the tax that funds the ETP program -- ETP is funded through the Employment Training Tax, (ETT) 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.
- Employers directly share in the cost of training. Because a commitment to training is critical to success, ETP requires companies to pay a share of the training funded by ETP.

It is these elements that have made ETP a nationally recognized model for State-funded incumbent worker training programs.

How ETP WORKS

ETP is a joint business-labor program that serves as a catalyst for employer provided training in California. In order to strategically target businesses and industries for funding, the Panel collaborates with other entities such as business and labor-based organizations, the Technology, Trade and Commerce Agency (TTCA), educational institutions, and other state and local agencies. Marketing is coordinated with key partners who promote the program to industries targeted by the Panel. ETP targets basic industries such as manufacturing, software development, multi-media/entertainment, and telecommunications, because independent research has demonstrated that they have the highest return on funds invested, in terms of additional jobs and revenue generated.

ETP funds training through contracts directly with employers or groups of employers, training agencies and Workforce Investment Boards (WIBs). The program is business driven (businesses identify their own training needs) and works directly to help companies develop the workforce they need to produce competitive goods and services.

In its training contracts, ETP funds training that is customized to employers' needs, supplemental to training regularly provided by employers, and supported by employer contributions. The Panel also responds to priorities set by the Governor and Legislature, such as targeting training in high unemployment areas of the State, training for small businesses, and for occupations in health care and information technology.

Marketing Partners

To ensure it addresses the needs of its constituencies, ETP has enlisted key partners to provide marketing outreach to target industries. These partners include: the California Association for Local Economic Development; the California Manufacturers and Technology Association; the California Chamber of Commerce, the California Labor Federation; the Employment Development Department (EDD); the Latin Business Association; and the Technology, Trade and Commerce Agency. ETP has achieved focused targeting to specific industries through marketing contracts with these partners, which include specific performance standards. ETP also works with WIBs, training consultants, and other interested stakeholders to market ETP to potential businesses.

The Panel funds two categories of training projects: 1) Economic Development, which funds job creation and retraining for businesses facing out-of-state competition; and 2) Special Employment Training (SET), for projects that do not meet the “out-of-state competition” requirement, but have characteristics that make them a priority for economic and workforce development.

- Ninety percent of annually available funds are spent under the Economic Development category, primarily to support retraining of incumbent workers, while 10 percent of funds under this category are used to support training for unemployed workers (i.e., “New Hires”) to enable them to become reemployed.
- Up to ten percent of annually available funds go to the SET category, in order to fund projects to improve skills and employment security of frontline workers in projects that do not meet the Economic Development category requirements but are a priority for workforce training.

Under both the Economic Development and SET categories, the Panel targets training in high unemployment areas (HUAs) of the State – i.e., with unemployment rates significantly higher than the State average, based on EDD’s Labor Market Information data, or sub-county areas containing large numbers of unemployed workers. Training is focused on the “working poor” - workers who have full-time jobs and fairly stable employment, but who earn low wages and lack the essential job skills necessary to improve their employment opportunities.

RECEIVING ETP FUNDS AND COMPLETING TRAINING

As a first step, potential contractors are required to attend an orientation on the program and the contracting process. Following the orientation, those interested in seeking funds submit a Request for Eligibility Determination (RED). In 2001-02, a total of 701 potential contractors attended an orientation. Of these, 529 submitted REDs, and 503 were determined eligible to proceed in the contracting process.

Eligible contractors’ applications are then assigned to the appropriate regional office for development. Contracts are developed according to program criteria and finalized for consideration by the Panel at regular monthly meetings. Following Panel approval, training begins and staff in ETP’s four regional offices monitor the projects and provide technical assistance to contractors to facilitate successful training performance. In the report year, 242 new projects were approved and implemented.

During the course of projects, Fiscal staff certify trainee eligibility for enrollment in training; process invoices; and provide technical assistance to staff and contractors. Both Monitoring and Fiscal staff assist in final project closeouts.

For up to three years after projects close, Audits staff conduct performance audits of training contracts to ensure ETP funds are spent in accordance with applicable laws, regulations, and policies. Last year, 20 audits were completed on a wide variety of projects.

Given ETP's performance based contracting criteria, funds are earned by contractors only after trainees complete the training and a subsequent employment retention period. Unearned funds are disencumbered and reinvested in new training projects.

Since contract duration can cover a span of up to 24 months, followed by closeout activities and potential audits at later dates, hundreds of contracts are administered by ETP staff in any given fiscal year. In 2001-02, approximately 700 training contracts were administered by staff, accounting for close to \$200 million and 150,000 trainees. (242 new projects were initiated, 199 contracts approved in prior years completed, and another 259 projects continued from prior years.)

2001-02 FISCAL YEAR HIGHLIGHTS

Panel Actions

- *Approved 242 new training projects and encumbered all \$83.2 million in available training funds for the training and retention in employment of approximately 75,000 workers (including both incumbent and unemployed workers), at an average cost of \$1,111 per trainee.*
- *Targeted business and industry with the highest return on investment of training dollars to the California economy, i.e., traditional and high-tech manufacturing, telecommunications, computer programming and systems design, software production, biotechnology and multimedia/entertainment. Sixty-five percent of all newly approved training funds went to manufacturing and high-technology companies.*
- *Prioritized training for small businesses, by approving a Small Business Pilot Project to facilitate direct contracts, with businesses with 100 or fewer employees.*

Completed Contracts

- *199 previously approved and implemented contracts were completed. Actual performance achieved in completed contracts results more than 2 years after initial project approval. Performance data for these completed contracts is important in measuring impacts, such as cost benefits, trainee wages, and workers, businesses and industries served. Last year's data showed:*
 - Contractors earned \$65.3 million for the successful training and retention in employment of 42,423 workers; the average training cost per trainee was \$1,539 (including \$5,762 per new hire, and \$1,357 per retrainee).*
 - The average hourly wage earned after training and employment retention was \$11.62 for previously unemployed workers (new hires), and \$19.35 for retrainees.*
 - 59 percent of all funds earned went to businesses in manufacturing and high technology sectors.*
 - 66 percent of all businesses served employed 100 or fewer workers.*

THE FY 2001-02 ANNUAL REPORT

This report describes the Panel's activities and achievements during the 2001-02 fiscal year. Since contracts cover a span of 24 months, the report covers:

- 1) Last fiscal year's activities and funding commitments, including a description of new policies and initiatives, and funding targets for the fiscal year.
- 2) Contracts approved in prior years that completed during the fiscal year, providing data on the results of those contracts with respect to businesses and trainees served.

Appendices are included that provide detail on 2001-02 funding commitments, completed contract data, and demographic data on program participants.

The Panel is pleased to submit its Annual Report for FY 2001-02, which describes ETP's actions and accomplishments as it nears 20 years as an economic development program. The Panel looks forward to working with its many customers and stakeholders in the years ahead to continue serving the training needs of California businesses and workers.

What Customers are Saying about ETP-Funded Training

Business Representatives

"We've benefited a great deal. This gave us an opportunity to really step-up the level of training. We were able to go outside and hire some really skilled trainers. ETP gave us the monies to provide what we didn't have staff to provide."

*Dick McGraw, Special Project Manager
Wente Brothers*

"The Quality training really got our people thinking and working on how to improve all kinds of things around the company. Everyone took a look at what they do, how they do it, what are the problems, how to resolve issues and conflicts when they arise..."

*Francis Hu, Owner
Performance Composites, Inc*

Trainees

"I went from knowing nothing to knowing everything about MasterCAM."

*Manuel Gasparyan
Superior Thread Rolling Co.*

"This program has helped me a lot...I have a better understanding of the machining and inspection process. My thanks to this program."

*Marc Hernandez
Vemco Drafting Machine Corp.*

"I used to be on the 'Internet Team', but I had no knowledge of Web Page design and very little training...this class got me back on the team and contributing to my department."

*Rosalie Acuna
Qiagen*

The Year In Review



“The Employment Training Panel has encouraged many companies who would not have invested in their workers, to invest and develop a competitive workforce for themselves and for California. ETP not only keeps jobs in California, but it helps California to adopt new technologies to accelerate competitiveness against other states and countries. The Governor announced not too long ago that our state was now 5th among nations in gross national product. ETP has been a major contributor to that growth from 7th to 5th over the past 10 years.”

*Michael G. Beason
Chairman, California Awards for Performance Excellence 2002*

THE YEAR IN REVIEW

"The Employment Training Panel contract with New United Motor Manufacturing, Inc., is a true partnership between the Company, Union, and the State of California. The funding has assisted us in training our workforce in preparation of launching the next generation of automobiles, including a vehicle specifically designed and engineered for export to Japan."

*Michael Dammer, Manager of Learning and Involvement
New United Motor Manufacturing, Inc.*

OUTREACH AND STRATEGIC PLANNING

In 2001-02, the Panel emphasized legislative outreach and strategic planning. Key actions included:

- A Legislative Subcommittee was formed, which met with legislators to raise awareness of ETP training initiatives and their impact on businesses, workers, and the State's economy.
- The strategic planning process was emphasized and refined – The Panel held a strategic planning session, attended by former Senator Patrick Johnston and various economic experts, who assisted in updating ETP's Strategic Plan. These legislative and planning efforts helped set the stage for ETP's role in the new Labor and Workforce Development Agency, ensuring that the Panel will take a leadership role in developing job training programs in the new agency.

New Labor Agency

In order to improve workforce development efforts in California, the Governor has established the Labor and Workforce Development Agency, which encompasses ETP, EDD, the Department of Industrial Relations (DIR), the Agricultural Labor Relations Board (ALRB) and the California Workforce Investment Board. ETP will retain its independence under this reorganization, and will continue to have the ability to act directly on training proposals and policy.

The new Labor Agency will offer ETP opportunities to collaborate and expand workforce training, particularly with regard to incumbent worker training. Therefore, in updating its Strategic Plan last year, the Panel set out a number of legislative goals for the future, including:

- *Seeking ETP's own State budget authority and corresponding budget code in the California State Budget to establish ETP as an autonomous program and enable it to maximize its participation as a partner in the new Labor Agency; and*
- *Pursuing an augmentation to its annual budget appropriation to meet increased demands by California businesses and workers, through the redirection of funds previously transferred from the Employment Training Fund (ETF) to CalWorks. This will enable ETP to better meet the training needs of businesses and workers, as evidenced by the more than \$25 million in unmet funding requests last year, given ETP's limited resources.*

TARGETING FUNDS

The Panel worked with its marketing partners to target businesses and industries with the greatest impact on California's economy. In order to strengthen marketing efforts, last year the Panel held quarterly forums with marketing partners to assess progress toward the Panel's marketing goals, and strengthened efforts with marketing partners to target growth sectors in California's economy.

Training was primarily targeted to manufacturing and other emerging high-technology sectors -- i.e., 58 percent of approved training funds went to manufacturing firms; another 7 percent went to businesses in non-manufacturing high tech sectors, such as multimedia/entertainment, software development, and computer programming.

As a result, the Panel encumbered all \$83.2 million of its available training funds for the year, approving 242 new contracts for the training and employment retention of almost 75,000 workers. (See Appendix A, "FY 2001-02 Revenue and Expenditures".) An additional \$25 million in funding requests could not be addressed in the fiscal year, indicating significantly greater customer demand for training funds than could be met.

Approximately 92 percent of the year's available training funds were approved for businesses facing out-of-state competition, with another 8 percent approved for Special Employment Training projects.

The Panel approved more than \$17 million for training in high unemployment areas, with a focus on the working poor. Of this amount, approximately \$6.2 million was provided for training to upgrade the skills of approximately 5,500 working poor trainees (i.e., employed workers who have full-time jobs but are in low wage jobs and need training to move to higher-wage secure employment), most of whom received waivers to the ETP minimum wage requirement.

Addressing Key Policies

The Panel reached out to stakeholder and constituency groups, including business, labor, government agencies, and contractor and consultant associations to ensure their participation in program improvements. Panel meetings regularly included sessions devoted to the discussion of one or more program issues, providing an effective forum for dialogue between ETP and its constituency in clarifying and resolving issues and setting policy.

The Panel addressed a number of training-related policies and requirements, by:

- *updating ETP's high unemployment area policy to address training needs in areas of greatest economic need, with a focus on the "working poor";*
- *strengthening criteria for Special Employment Training (SET) projects to prioritize funding for frontline workers in businesses not eligible under the Panel's regular criteria;*
- *initiating studies of fixed-fee reimbursement rates and the effectiveness of Structured On-Site Training; and*
- *strengthening its employer contribution policy to require employers to provide a contribution toward training-related costs in projects for the training of unemployed workers (following a temporary moratorium on the funding on new hire projects, pending resolution of this issue).*

In July 2001, a moratorium was placed indefinitely on funding Welfare to Work projects (an allowable funding category since 1996), given the ETP's limited funding, the availability of other State and Federal funding sources to fund welfare to work employment-related services, and the 2001-02 Budget Act transfer of \$61.7 million from the Employment Training Fund to the Department of Social Services for CALWorks. As part of its Strategic Plan, the Panel has set a goal of redirecting ETF funds to ETP Welfare to Work and expanded worksite based training initiatives in FY 2003-04.

SPECIAL INITIATIVES

Given its limited resources, the Panel worked to ensure the maximum utilization of its funds through coordination with other partners in the workforce preparation arena. Major initiatives last year included:

- Approving the use of up to \$10 million to support the California Career Ladders to the 21st Century and Techforce initiatives:
 - Under California Career Ladders to the 21st Century, ETP collaborates with the Employment Development Department (EDD) to promote projects to provide training to workers in low wage jobs to help them advance into higher paying positions in jobs with career advancement opportunities. Since the initiative began, the Panel has approved almost \$2 million for 10 Career Ladder projects to train 1,500 workers.
 - The Governor's Information Technology Initiative (Techforce) was established to help train information technology workers, in partnership with local Workforce Investment Boards (WIBs). Thus far, the Panel has approved approximately \$2 million for 5 Techforce projects throughout the State.
- Targeting \$10 million to address the needs of industries especially affected by the September 11 terrorist attacks, including airlines, tourism, manufacturing, and hospitality.
- Supporting the Governor's Nurse Workforce Initiative, a partnership of state workforce development agencies to address California's shortage of trained nurses. This is a three-year project, with potential funding from various agencies to help build the nursing workforce in California. The Governor has proposed that ETP funding be used to complement Workforce Investment Act funding, where appropriate. The Panel targeted \$5 million to address health worker/nurse training projects.

Support for Red Teams

The Panel also supported economic development through collaborative efforts with other entities in the economic development and workforce preparation arenas, including support for Red Teams. Red Teams are locally generated teams of government and economic development entities that come together for a specific project to attract a company to California, to retain companies in the State, or to help them grow and expand in California. ETP has participated on Red Teams over the years that have targeted McDonnell Douglas, Legoland, Packard Bell, Swiss Air, and Fender Musical Instruments. A recent Red Team was initiated to locate a vehicle assembly center in San Bernardino. ETP funds are used as part of an overall RED Team incentive package.

SELF-EVALUATION AND PROGRAM IMPROVEMENT

The ETP legislation requires periodic evaluations of training projects and the program. Last year, ETP participated in the following evaluation and program improvement efforts:

Structured on-Site Training (SOST) Study

Researchers at California State University Northridge (CSUN) undertook a study on Structured-On-Site Training (SOST) in ETP contracts. SOST is a training delivery method, similar to on-the-job training, in which trainees apply the knowledge and skills acquired in classroom training to a workplace setting. This study, which was completed in July 2002, described issues and outlined possible approaches for improving ETP-funded SOST. This research indicated that, while SOST adds substantial value to ETP training, there are significant issues relating to SOST delivery and reimbursement.

As a result, CSUN proposed that the Panel continue funding SOST only if it meets rigorous criteria for structure – customized training that is supplemental, planned, executed according to a schedule, and results in learning. The concerns raised by this study are not new, but are complicated issues that ETP has attempted to address over the nineteen years of the program's existence.

The Panel will address the issue of SOST funding in FY 2002-03 by holding public work sessions to seek input on developing a workable model that addresses the issues raised by CSUN regarding SOST delivery and reimbursement. The Panel will make a final determination on SOST by February 2003.

Statewide "Report Card"

ETP participates in the ongoing SB 645 "Report Card", which is a statewide system to evaluate the effectiveness of California's workforce preparation programs. The result of this ongoing assessment shows that Panel efforts are achieving the statutory objectives established for ETP.

This statewide system was initiated in 1996 through SB 645 (Johnston) and provides annual reports on participating agencies' performance with respect to measures for employment retention, earnings, unemployment insurance savings, and public assistance savings. In addition to ETP, other participating programs include: Chancellor's Office of the California Community Colleges; California Training Benefits; CalWorks; Job Service; Workforce Investment Act; and the Department of Rehabilitation;

The Third-Year PBA "report card", issued last year, showed significant results for ETP in the applicable measures. These included:

- ETP trainees' employment rate one year after program participation was over 97 percent;
- Trainees continued to be employed at high rates two and three years after training, with retention rates of 94 percent and 91.1 percent, respectively;
- ETP retrainees typically showed earnings gains of more than \$3,000 in the year after training, with average annual earnings of \$35,800; most new hires showed earnings gains of more than \$2,000 a year after training, with average annual wages of approximately \$23,000.

- Use of Unemployment Insurance benefits fell significantly for successful new hire trainees - from 82 percent before training to 22 percent a year after completing training.

SERVING SMALL BUSINESS

Recognized as an essential resource for many small employers who otherwise have no means to train their workers, the Panel continued its emphasis on assisting small businesses. A small business representative was assigned in each field office to facilitate the contracting process for all small businesses that enter into agreements with ETP.

A small business work group was also initiated to improve small businesses' ability to contract directly with ETP. In August 2002, the Panel approved the workgroup's recommendations and directed staff to implement a pilot program to facilitate direct contracts for small employers with 100 or fewer employees to increase their participation, especially in outlying areas of the State where they are under-represented. Results of this pilot program will be evaluated late in the 2003 calendar year.

USING INFORMATION TECHNOLOGY TO IMPROVE CUSTOMER SERVICE

ETP continued improving its information technology (IT) capabilities and contracting processes to increase program effectiveness and enhance customer service. Key actions included:

- The Panel focused on improving its on-line processes, enhancing its enrollment, invoicing, and training tracking systems to simplify work processes and provide better service to customers.
- ETP worked to automate its orientation and eligibility processes on-line, and began studying the feasibility of using electronic signatures to further simplify the application and eligibility processes.
- To better meet the needs of its customers, the Panel redesigned its public web site, making information more accessible and implementing on-line customer surveys.

SEAMLESS DEVELOPMENT AND MONITORING

ETP developers and monitors provide ongoing assistance to contractors throughout development and implementation of their agreements. A pilot project was completed last year in the San Diego field office in which development and monitoring were combined to provide seamless service to contractors. This model is currently being implemented in the North Hollywood office, and will be implemented in all regional offices in 2002-03, based upon the experience gained in the San Diego and North Hollywood offices.

CONTRACT PERFORMANCE

A total of 199 contracts, approved in prior years, were completed in 2001-02. Under these agreements, 5,277 employers were provided assistance for training and employment retention for 42,423 workers, at an average cost of \$1,539 per trainee.

Data from these completed contracts reflected the Panel's continuing emphasis on funding training for high-wage, high-skilled workers in industries that positively impact California's economy. Businesses in all major industries in California received assistance, with most funds going to manufacturing and high tech sectors.

80 percent of all businesses served were small (i.e., having 250 or fewer workers); 67 percent had 100 or fewer workers; and 35 percent had 20 or fewer workers.

The average post-training and employment retention wage for workers who were unemployed at the beginning of training was \$11.62 an hour; retrainees averaged \$19.35 an hour. (While the average retrainee wages were slightly lower than those in completed contracts last year, this appears to be the result of the recent economic downturn, especially in high tech sectors, and is consistent with the lower State average wage, as reported by EDD for last year.) Occupations trained were primarily frontline workers including production workers, clerical and office support, technical support, sales and customer service representatives, machinists and machine operators, and hospitality workers. (See Appendix B, "Completed Contracts".)

What Customers are Saying About ETP-Funded Training

Business Representatives

"After fifteen years in the television commercial production business, our company faced its toughest challenges during the economic downturn of 2002. In order to survive, we were forced to create a business model for a new business, which incorporates all of the experience we have accumulated with the old business... The State of California ETP program allowed us to school our employees in the advanced technology of DVD. Video Symphony provided superior teaching staff, excellent equipment and a highly professional learning environment. Since then, our company was able to launch a new media DVD division and has successfully produced its first titles for worldwide distribution."

Leo Zahn, President
Picture Palace

"With the support of ETP, we have made very substantial progress developing our associates... they have helped us use training as a strategic tool to address business and process improvements that we need to continue our strong growth."

Jenny Hurwitz, VP Human Resources
BD Biosciences Pharmingen

"The funds we received from ETP really helped us in training new workers for current and future labor market demands. With their upgraded skills, the Russian refugees who participated in our training program will be more competitive in the labor market."

Julie Bayley, Director of Training Programs
Jewish Vocational Services

"...I want to thank ETP for all you have done to simplify the paper process. Years ago, we had a department that consisted of six people who only dealt with ETP enrollments, monitoring, invoicing, and auditing. Today, that department no longer exists. The process has been made so simple, that it is approximately a 50% position. And, the main reason for this is the online system and the continual improvements. Thank you!"

Kim Holland, ETP Program Manager
Glendale Community College

Trainees

"We have been able to find solutions outside of the box... This has transcended into more efficient processes and decreased scrap rates."

Martin Jimenez
Alflex Corporation

"Intense computer training with lots of support and great return on your efforts. I can now create forms and reports. I can present to customers more effectively."

Sue Smith
Reliable Systems

"All our new development is web-oriented. The program gave me all I need to know about internet business. It is my foundation to more web programming adventure."

Sherry Hwang
The Boeing Company - Rocketdyne

Appendices



FY 2001-02 REVENUE AND EXPENDITURES

Monies from the Employment Training Fund (ETF) are appropriated to the Panel and to other programs. The FY 2001-02 appropriation to the Panel was \$76 million. In addition, funds unearned by contractors in past year contracts are added to the budget appropriation. For the 2001-02 year, this amount was \$18.4 million, making a total of \$94.5 million available to ETP for the fiscal year.

As indicated under ETF Transfers below, the Employment Development Department (EDD), the Department of Social Services (DSS) and the Department of Industrial Relations (DIR) also receive a portion of training funds through Budget Act transfers. Last year, those ETF appropriations included: \$61.7 million to DSS for CAL-Works, \$3.2 million to DIR in support of the Division of Apprenticeship Standards; and \$4.7 million to EDD for the collection of the Employment Training Tax, in addition to \$3.4 million for the State and Local Labor Market Information Program to produce industrial and employment data.

A. REVENUE AND EXPENDITURE REPORT (FY 2001-02)

<u>Employment Training Fund (ETF) Appropriation</u>	\$148,987,000
<u>ETF Appropriations to Other Programs:</u>	
Department of Social Services	(\$61,650,000)
EDD State/Local Labor Market Information	(\$3,393,000)
Department of Industrial Relations	(\$3,226,000)
EDD Tax Collections Branch	(\$4,678,000)
Total	(\$72,947,000)
<u>ETP Revenue:</u>	
Appropriation From ETF	\$76,040,000
Funds Reinvested	\$18,420,000
Total	\$94,460,000
<u>Expenditures</u>	
Program Administration	(\$10,275,308)
Marketing and Research	(\$1,000,000)
Training	(\$83,184,692)
Total	(\$94,460,000)

As indicated, \$94.5 million was available to the Panel in 2001-02 for program administration, marketing and research, and training:

- **Program Administration.** \$10.3 million was spent for program operational costs. The costs to administer the program are determined through the budgetary process and are reviewed annually by the Department of Finance and the Legislature. ETP by statute may expend up to 15 percent of its budget allocation for administration. The actual expenditure was 13 percent.

- **Marketing and Research.** \$1 million was spent on strategic marketing and research to identify and target the best use of limited funds. These funds were prioritized for marketing, research and evaluations conducted by outside consultants under contract to the Panel. Expenditure of marketing funds includes interagency agreements with the Technology, Trade and Commerce Agency and other organizations who market the program to targeted customers. Research funds may be expended for services provided by EDD's Labor Market Information Division and for external research studies.
- **Training.** The Panel encumbered all \$83.2 million of its available training funds. (See below.)

B. CHARACTERISTICS OF TRAINING PROJECT APPROVALS

The Panel encumbered all \$83.2 million of its available training funds for the year. Training funds were approved under: a) the regular Economic Development category, primarily for the retraining of incumbent workers in businesses threatened by out-of-state competition, as well as training for unemployed workers; b) the Special Employment Training (SET) category for businesses and workers not eligible under regular program criteria. Within the Economic Development and SET Category, the panel approved \$17 million for training in high unemployment areas in the State.

FY 2001-02 FUNDING COMMITMENTS*

	Total	Economic Development	SET
Approved Training Projects	242**	223	34
Training Funds Encumbered (in millions)	\$83.2	\$78.2	\$5.0
Workers Targeted for Training	74,887	69,751	7,136
Average Cost per Trainee***	\$1,111	\$1,121	\$701

* \$30.4 million in additional funds was also approved during the year, to cover prior years funding commitments, under ETP's incremental funding process for these projects, to be encumbered incrementally, based on project performance.

**Includes several projects with Economic Development and SET funding categories.

***Overall average cost per trainee for new hires was \$5,108; for Retrainees it was \$1,011.

Training was targeted to the State's manufacturing industry and other emerging high-technology sectors. Fifty-nine percent of approved funds went to businesses in manufacturing; another 6 percent was approved for businesses in non-manufacturing high technology sectors, such as software development, computer programming, and multimedia/entertainment.

COMPLETED CONTRACT DATA

One hundred and ninety-nine contracts approved in prior years were completed during the report year. Training in these contracts focused on skills to assist employers in implementing technological innovations, diversifying goods and services, and transitioning to high-performance workplaces. The training provided workers with the skills required for long-term employment and helped California employers remain competitive in the international economy.

A. SUMMARY OF COMPLETED CONTRACTS*

The following table illustrates last year's completed contracts by funding category. The Panel continued to provide training in high-wage, high-skill jobs for a total of 42,423 trainees at an average cost of \$1,539 per trainee.

	Total	Economic Development	SET	Welfare To Work
Number of Contracts**	199	175	24	9
Amount Earned (in millions)	\$65.3	\$54.1	\$2.6	\$8.6
Retained in Employment***	42,423	38,562	2,175	1,686
Cost per Trainee****	\$1,539	\$1,402	\$1,217	\$5,089

* See Appendix D, "Completed Contracts" for a listing of the year's completed contracts.

** 9 contracts include multiple funding.

***In last year's completed contracts, the percentage of actual placements compared to total planned job placements was 60.2 percent (82.8 percent for new hires, and 59.1 percent for retrainees).

**** While the average cost per trainee increased from last year's completed data, overall and for the Economic Development category, this appears to be largely the result of four times as many Welfare to Work trainees, and more than twice as many new hire trainees completing in 2001-02 over the previous year. (The average cost per trainee was \$5,762 for new hires, and \$1,357 for retrainees.)

B. RETRAINEES AND NEW HIRES SERVED BY SIZE OF BUSINESS

As indicated, the following table provides numbers of trainees by size of business served. Thirty percent of all retrainees were employed by small businesses, while 81 percent of all new hires were employed by small businesses (i.e., those with 250 or fewer workers).

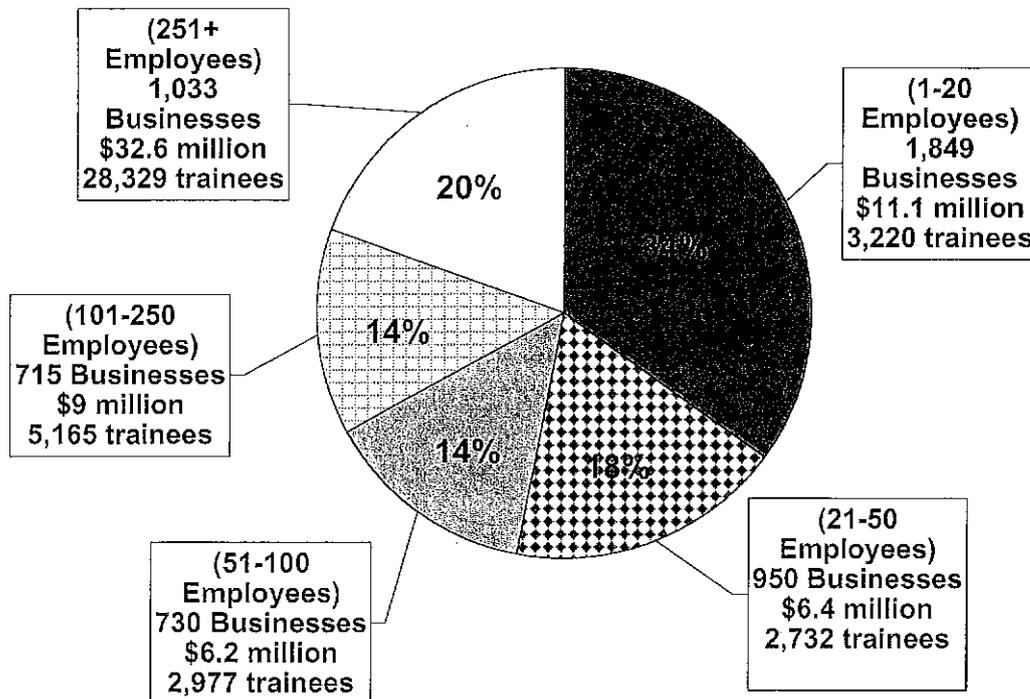
Business Size	Retrainees	New Hires	\$ Earned Amount
1-20	2,296	924	\$11,048,628
21-50	2,290	442	\$6,427,089
51-100	2,578	399	\$6,211,527
101-250	4,744	421	\$9,038,198
251+	27,789	540	\$32,551,478
Totals	39,697	2,726	\$65,276,920

C. BUSINESSES SERVED BY SIZE

Recognized as an essential resource for many small employers who otherwise have no means to train their workers, the Panel continued its emphasis on assisting small businesses. Eighty percent of all businesses served in last year's completed contracts were small. Sixty-seven percent of all businesses served had 100 or fewer workers; 53 percent had 50 or fewer workers; and those with 20 or fewer employees represented 35 percent of all businesses served. Overall, small businesses earned 50 percent of all training dollars expended last year, employing 81 percent of all new hires and 30 percent of all retrainees.

The Panel serves small employers through both direct contracts with single employers and contracts with employer consortia or training agencies that train workers of multiple employers. Contracting directly with 34 small businesses last year, the Panel funded training for 1,703 workers. Another 4,210 small businesses were served through 69 multiple employer contracts which provided training for 12,391 workers.

**NUMBER & SIZE OF BUSINESSES SERVED IN
2001-02 COMPLETED CONTRACTS**



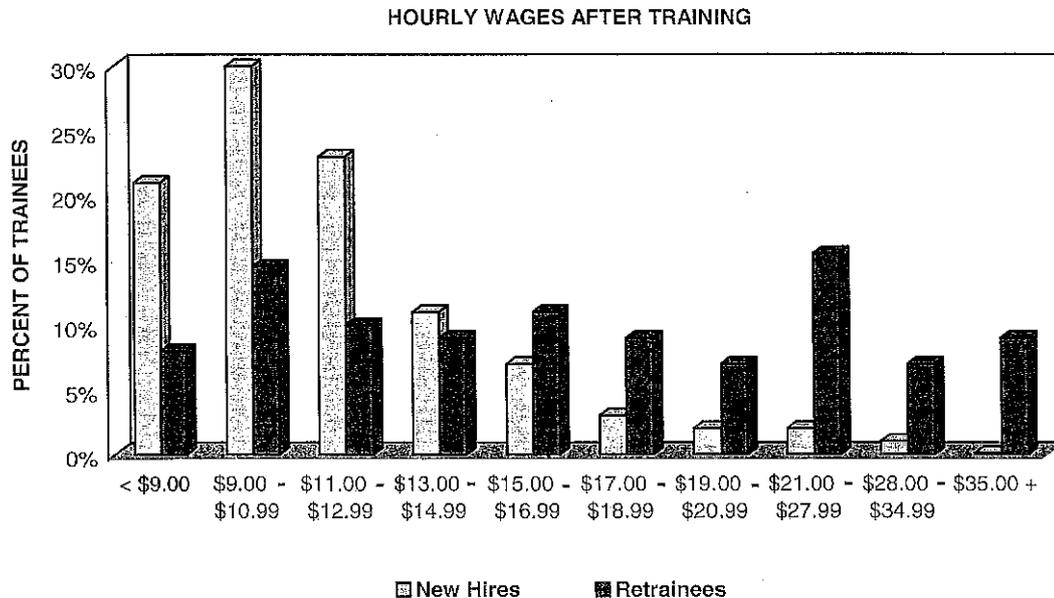
D. TRAINING BY INDUSTRY

The Panel funded training in all major industries in California, with a majority of contracts and funds going towards the manufacturing sector. Businesses in non-manufacturing, high technology sectors such as software development, biotechnology, telecommunications, and multi-media/entertainment also earned a significant percent of available funds.

<p>Manufacturing 27,721 trainees \$34 million (52% dollars earned) 39% businesses served</p>	<p>Services 4,270 trainees \$12.2 million (19% dollars earned) 25% businesses served</p>
<p>High Technology* 2,740 trainees \$4.6 million (7% dollars earned) 7% businesses served *includes software development, multimedia/entertainment, computer programming and systems design, and telecommunications.</p>	
<p>Trade 3,574 trainees \$7.3 million (11% dollars earned) 15% businesses served</p>	<p>Other** 4,118 trainees \$7.1 million (11% dollars earned) 14% businesses served **Includes agriculture, construction, transportation, and finance.</p>

E. TRAINEE WAGES

The average post-training and retention wage for workers who were unemployed at the start of training (new hires) was \$11.62 an hour; for retrainees, it was \$19.35 per hour. The following chart provides the distribution of wages.



F. TYPES OF TRAINING

The most common types of training in these contracts were: Continuous Improvement, Computer Skills, Production Techniques, Customer Service, Assembly Work, Computer Numerical Control, Computer Networking and Programming, Project Management, Statistical Process Control, Communication Skills, Total Quality Management, Hazardous Materials, and Management Skills.

G. LITERACY TRAINING

The Panel supports literacy training, defined as writing, reading, language comprehension, math, and Vocational English as a Second Language (VESL), where such training has a demonstrated link to job skills training.

Twenty-five of the year's completed contracts included literacy components for 2,193 participants at a cost of \$2.5 million for Vocational English as a Second Language (VESL), in order to provide English speaking skills to some lower wage workers to facilitate their vocational skills training and success on the job.

H. Terminated Contracts

Last year, 33 contracts were terminated prior to completion of the contract term. In some cases, some training occurred, but in others, training never began. Most of the contracts were terminated due to changes in the company's business environment, including reorganization, increase in business, dynamic market changes, turnover and staff reductions, business/industry declines, system implementation problems, and changes in priorities. In only a few cases, were contracts terminated because the contractors were unable to comply with ETP performance requirements.

I. Trainee Demographics

Trainee demographic data indicates that more than 64 percent of retrainees were male, while 54 percent of new hires were male. The male representation of retrainees was higher than in the corresponding labor force category of employed workers. For both new hires and retrainees, the biggest percentage of age groups served were 35-44 years old, while in the labor force, the largest percentage of unemployed age groups were less than 25 years old. The retrainees served by ETP were slightly better educated than the employed labor force in general (largely as a result of their comparative age). ETP trainees were more ethnically diverse than those in the labor force, except for Hispanics, which were under-represented in ETP new hire trainees (i.e., new hires who were Hispanic represented 30.5 percent of all new hire trainees, while 48.2 percent of unemployed workers in California were Hispanic). It is anticipated that ETP efforts currently underway will address this disparity – e.g., working with the Latin Business Association as a marketing partner, and targeting funds to high unemployment areas.

Demographic characteristics of trainees by industry affiliation are also provided. Only employed labor force data are available for comparison to ETP retrainee industries. This shows that almost 5 times as many ETP retrainees work in manufacturing as there are employed manufacturing workers in the labor force. This is largely a result of ETP's emphasis on manufacturing and basic industries. The industry that is least represented, proportionately, by ETP retrainees, is construction.

**CHARACTERISTICS OF PANEL TRAINEES
COMPARED TO CALIFORNIA LABOR FORCE**

Characteristic	Employment Training Panel		California Labor Force	
	New Hire Percent	Retrainee Percent	Unemployed 2001	Employed 2001
SEX:				
Female	45.6%	35.6%	43.0%	45.9%
Male	54.4%	64.4%	57.0%	54.1%
AGE: a/				
<25	9.3%	7.5%	31.9% a/	15.1% a/
25-34	25.1%	29.1%	24.8% a/	23.5% a/
35-44	34.1%	34.0%	21.4% a/	27.4% a/
45-54	24.2%	22.0%	14.4% a/	22.1% a/
55-64	6.9%	7.0%	6.3% a/	9.3% a/
65+	0.4%	0.4%	1.2% a/	2.6% a/
EDUCATION:				
Less than H.S. Grad.	13.3%	11.3%	18.9% b,c/	18.9% b,c/
H.S. Graduate	36.5%	29.8%	24.4% b,c	24.4% b,c
Some College	36.5%	29.6%	27.7% b,c	27.7% b,c
College Graduate	12.5%	23.4%	19.6% b,c	19.6% b,c
Post Graduate	1.2%	5.9%	9.4% b,c	9.4% b,c
MARITAL STATUS:				
Married	46.2%	58.7%	53.4% c/	53.4% c/
Single	53.8%	41.3%	46.6% c/	46.6% c/
ETHNICITY:				
White	39.4%	42.6%	35.6%	52.3%
African-American	13.1%	5.2%	7.8%	6.4%
Hispanic	30.5%	28.6%	48.2%	27.7%
Asian	13.8%	18.2%	7.9%	12.6%
Native American	0.9%	2.5%	0.5% d/	1.0% d/
Other	2.3%	2.9%		
VETERAN:				
Yes	9.1%	7.1%	2.9%	10.7%
No	90.9%	92.9%	97.1%	89.3%
INDUSTRY:				
Natural Resources		0.6%	N/A	2.8%
Construction		1.0%	N/A	6.1%
Manufacturing		65.3%	N/A	13.7%
Transp/Commun/Util		2.9%	N/A	6.7%
Trade		8.4%	N/A	19.7%
Business & Finance		5.1%	N/A	15.3%
Services		16.5%	N/A	31.2%
Public Administration		0.2%	N/A	4.5%
a/ Based on 2001 annual averages from Employment Status Report.				
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 March 2001 census provided by the Bureau of Labor Statistics in the <u>Current Population Survey</u> conducted by the Bureau of the Census.				

COMPLETED CONTRACTS IN FY 2001-02

APPENDIX D

CONTRACTOR	COUNTY	BUSINESS SIZE**	INDUSTRY	RETRAINEES	NEW HIRES	CONTRACT EARNED AMOUNT	PERCENT EARNED
A 1 CARBIDE PRECISION WEAR PARTS	ORANGE	5	Manufacturing	60	0	\$88,148	62%
ABM INDUSTRIES, INC.	STATEWIDE	5	Service	75	0	\$84,230	33%
ACCENTURE LLP	STATEWIDE	5	Service	86	0	\$113,392	23%
ACCESS USA COMPUTER & MANAGEMENT TRAINING CENTER	STATEWIDE	6	Various	72	0	\$91,512	34%
ADAC LABORATORIES	SANTA CLARA	5	Manufacturing	264	0	\$250,110	42%
ADT SECURITY SERVICES, INC.*	STATEWIDE	5	Service	337	0	\$175,240	59%
ADVANCED CAREER TECHNOLOGIES INSTITUTE	CONTRA COSTA	6	Various	0	62	\$485,364	75%
AJAX BOILER, INC.*	LOS ANGELES	3	Manufacturing	75	0	\$140,192	68%
AMERICAN STEEL FRAME, INC.	SAN JOAQUIN	1	Manufacturing	0	0	\$0	0%
AMERICAN TRUCK SCHOOL, LLC	STATEWIDE	6	Trade	0	118	\$366,199	100%
ANAHEIM MANUFACTURING	ORANGE	5	Manufacturing	105	0	\$124,144	95%
ANALOG DEVICES, INC.	SANTA CLARA	5	Manufacturing	279	0	\$423,156	100%
ANDERSON ASSOCIATES STAFFING CORPORATION	LOS ANGELES	2	Service	13	0	\$57,057	26%
AREA TRUCK DRIVING SCHOOL	SANTA CLARA	6	Various	0	181	\$693,230	100%
AT&T CORPORATION	STATEWIDE	5	High Technology	154	0	\$123,448	15%
AUTODESK, INC.	STATEWIDE	5	High Technology	454	0	\$344,656	81%
AUTOMOTIVE DEALERSHIP BUSINESS SCHOOL	STATEWIDE	6	Trade	0	77	\$196,769	87%
BAXTER HEALTHCARE CORPORATION, IV SYS DIV, IRVINE MFG PLANT*	ORANGE	5	Manufacturing	50	0	\$89,748	50%
BAYER CORPORATION	ALAMEDA	5	Manufacturing	140	0	\$192,920	20%
BEAR CREEK PRODUCTION COMPANY	KERN	5	Manufacturing	32	0	\$24,960	28%
BIW CONNECTOR SYSTEMS, LLC	SONOMA	2	Manufacturing	63	0	\$79,455	79%
BRYMAN COLLEGE	STATEWIDE	6	Various	99	0	\$78,176	48%
CAL SHEETS LLC	SAN JOAQUIN	1	Manufacturing	37	0	\$55,050	91%
CALENERGY OPERATING CORPORATION*	IMPERIAL	5	Communication	21	0	\$104,520	62%
CALIF STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION	STATEWIDE	6	Various	96	0	\$66,696	11%
CALIFORNIA CAREER SCHOOL	STATEWIDE	6	Various	0	131	\$498,654	76%
CALIFORNIA INSTITUTE OF CUSTOMER ENGINEERING, INC.	STATEWIDE	6	Various	0	55	\$312,733	55%
CALIFORNIA MANUFACTURING TECHNOLOGY CENTER	STATEWIDE	6	Service	1,233	0	\$1,142,037	100%
CALIFORNIA STATE AUTOMOBILE ASSOCIATION*	STATEWIDE	5	Finance	586	0	\$228,540	36%

*Special Employment Training (SET) Category

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+

COMPLETED CONTRACTS IN FY 2001-02

APPENDIX D

CONTRACTOR	COUNTY	BUSINESS SIZE**	INDUSTRY	RETRAINEES	NEW HIRES	CONTRACT EARNED AMOUNT	PERCENT EARNED
CALLAWAY GOLF COMPANY	SAN DIEGO	5	Manufacturing	183	0	\$234,216	71%
CANANDAIGUA WINE COMPANY	MADERA	5	Manufacturing	66	0	\$104,900	77%
CAREER MANAGEMENT INSTITUTE	STATEWIDE	6	Various	0	25	\$127,971	36%
CAREER NETWORKS INSTITUTE	ORANGE	6	Various	0	21	\$123,756	72%
CENTER FOR EMPLOYMENT TRAINING	SACRAMENTO	6	Various	0	152	\$970,009	100%
CENTRAL MEDICAL CENTER VOCATIONAL SCHOOL	LOS ANGELES	6	Various	24	7	\$129,577	83%
CENTRAL RECOVERY & DEVELOPMENT PROJECT, INC.	LOS ANGELES	1	Service	20	0	\$110,400	22%
CENTRE CITY DENTAL LABORATORY, INC.	SAN DIEGO	1	Manufacturing	20	0	\$26,740	64%
CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT*	ALAMEDA	6	Various	31	0	\$17,236	70%
CINNABAR CALIFORNIA, INC.	LOS ANGELES	3	Service	47	0	\$47,300	38%
CITATION PRECISION	SAN BERNADINO	5	Manufacturing	193	0	\$148,047	77%
CITY OF ANAHEIM	ORANGE	6	Various	25	0	\$127,675	25%
CLARK PACIFIC	SAN BERNADINO	4	Manufacturing	76	0	\$74,940	53%
COATINGS RESOURCE CORPORATION	ORANGE	2	Manufacturing	18	0	\$32,016	26%
COLE INSTRUMENT CORPORATION	ORANGE	2	Manufacturing	21	0	\$27,320	96%
COMMUNITIES IN SCHOOLS OF SOUTH BAY, INC.	LOS ANGELES	6	Various	19	50	\$217,693	67%
COMMUNITY BUSINESS SCHOOL LLC	STANISLAUS	6	Various	0	126	\$723,870	100%
COMPUTER CABINET CORPORATION	SANTA CLARA	3	Manufacturing	35	0	\$39,340	40%
COMPUTER EDUCATION INSTITUTE	STATEWIDE	6	Various	460	0	\$492,200	48%
COMPUTER TUTOR	STANISLAUS	6	Various	0	12	\$72,772	73%
CONTINENTAL GRAPHICS, A DIV. OF CONTINENTAL GRAPHICS HOLDINGS, INC.	LOS ANGELES	5	Manufacturing	177	0	\$265,248	63%
CONTINENTAL TRAINING CENTER	CONTRA COSTA	6	Various	794	0	\$931,250	72%
CORPORATION FOR MANUFACTURING EXCELLENCE (MANEX)	STATEWIDE	6	Various	775	0	\$675,547	68%
DADE BEHRING, INC.	SANTA CLARA	5	Manufacturing	24	0	\$26,104	8%
DIVERSIFIED PARATRANSIT, INC.	LOS ANGELES	4	transportation	26	0	\$55,120	52%
DOLLAR TREE STORES, INC.	STANISLAUS	5	Service	62	0	\$28,000	88%
DREAMWORKS L.L.C.	LOS ANGELES	5	High Technology	60	0	\$70,040	75%
E & J GALLO WINERY	STANISLAUS	5	Manufacturing	723	0	\$793,520	100%
EASTON SPORTS, INC	LOS ANGELES	5	Manufacturing	290	0	\$264,288	91%

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+

COMPLETED CONTRACTS IN FY 2001-02

APPENDIX D

CONTRACTOR	COUNTY	BUSINESS SIZE**	INDUSTRY	RETRAINEES	NEW HIRES	CONTRACT EARNED AMOUNT	PERCENT EARNED
EATON LEONARD, INC. DBA EAGLE EATON LEONARD	SAN DIEGO	5	Manufacturing	51	0	\$77,586	45%
EL CAMINO COMM COLLEGE DIST/CTR FOR APPLIED COMPETITIVE T	LOS ANGELES	6	Various	167	0	\$98,180	87%
ELGAR CORPORATION	SAN DIEGO	3	Manufacturing	181	0	\$171,984	61%
ELK GROVE USD BUSINESS & TECHNOLOGY TRAINING INSTITUTE	STATEWIDE	6	Various	0	21	\$132,153	100%
ENTENMANN'S (BESTFOODS BAKING COMPANY)	LOS ANGELES	5	Manufacturing	124	0	\$154,336	92%
ENTERTAINMENT INDUSTRY DEVELOPMENT CORPORATION	LOS ANGELES	6	Various	1,079	0	\$1,792,500	100%
FAIRFIELD SUISUN ADULT SCHOOL	SOLANO	6	Various	0	43	\$173,964	88%
FOOTHILL DE ANZA COMMUNITY COLLEGE DISTRICT CENTER FOR APPL	SANTA CLARA	6	Various	10	0	\$8,349	18%
FOUNDATION FOR EDUCATIONAL ACHIEVEMENT	SAN DIEGO	6	Various	331	148	\$1,268,681	77%
FREIXENET USA	SONOMA	5	Manufacturing	19	0	\$11,704	54%
FUJITSU TEN CORPORATION OF AMERICA	LOS ANGELES	5	High Technology	60	0	\$45,669	93%
GALGON INDUSTRIES, INC.	ALAMEDA	4	Manufacturing	2	0	\$2,760	3%
GARRETT AVIATION SERVICES	SANTA BARBARA	5	Manufacturing	21	0	\$83,647	15%
GENCORP AEROJET	SACRAMENTO	5	Manufacturing	1,417	0	\$1,478,044	63%
GEORGE G. GLENNER ALZHEIMER'S FAMILY CENTER, INC*	SAN DIEGO	6	Various	0	71	\$355,781	100%
GEORGIA PACIFIC CORPORATION	MADERA	5	Manufacturing	126	0	\$66,608	100%
GKN AEROSPACE/CHEM TRONICS, INC.	SAN DIEGO	5	Manufacturing	132	0	\$68,640	17%
GLENDALE COMMUNITY COLLEGE PROFESSIONAL DEV CTR*	LOS ANGELES	6	Various	1,920	0	\$2,602,516	95%
GOLDEN STATE BULB GROWERS, INC.	MONTEREY	3	Agriculture	68	0	\$57,622	49%
GOODWILL INDUSTRIES OF VENTURA & SANTA BARBARA COUNTIES	STATEWIDE	6	Various	0	30	\$114,900	100%
GREATER SACRAMENTO URBAN LEAGUE*	SACRAMENTO	6	Various	0	31	\$153,357	9%
HAAS AUTOMATION, INC.	VENTURA	5	Manufacturing	684	0	\$791,200	100%
HAWKER PACIFIC AEROSPACE	LOS ANGELES	4	transportation	212	0	\$77,168	78%
HAYES LEMMERZ INTERNATIONAL, INC.	LOS ANGELES	5	Manufacturing	65	0	\$68,261	34%
HOLLY YASHI, INC.	HUMBOLT	1	Manufacturing	27	0	\$25,336	77%
HUGHES NETWORK SYSTEMS, A HUGHES ELECTRONICS CO	SAN DIEGO	5	Manufacturing	158	0	\$64,350	37%
HUSSMANN CORPORATION	SAN BERNADINO	5	Manufacturing	114	0	\$131,640	38%
HYDROFORM USA	LOS ANGELES	3	Manufacturing	192	0	\$336,600	84%
HY LITE PRODUCTS, INC.	RIVERSIDE	5	Manufacturing	57	0	\$37,500	57%

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+

COMPLETED CONTRACTS IN FY 2001-02

APPENDIX D

CONTRACTOR	COUNTY	BUSINESS SIZE**	INDUSTRY	RETRAINEES	NEW HIRES	CONTRACT EARNED AMOUNT	PERCENT EARNED
IMSA BUILDING PRODUCTS INC.	YOLO	5	Manufacturing	98	0	\$109,252	85%
INETVERSTY	STATEWIDE	6	Various	90	18	\$321,514	66%
INSTITUTE OF COMPUTER TECHNOLOGY, INC.	LOS ANGELES	6	Various	0	22	\$105,336	37%
INTERNATIONAL E Z UP, INC.	RIVERSIDE	3	Manufacturing	38	0	\$30,480	43%
INTERNATIONAL RECTIFIER CORPORATION	RIVERSIDE	5	Manufacturing	72	0	\$60,592	19%
J. B. RADIATOR SPECIALTIES, INC	SACRAMENTO	3	Manufacturing	118	0	\$146,460	72%
JAMES R. GLIDEWELL DENTAL CERAMICS, INC.	ORANGE	5	Manufacturing	110	0	\$164,320	39%
JDS UNIPHASE	SANTA CLARA	5	Manufacturing	1,396	0	\$1,466,500	100%
JEWISH VOCATIONAL AND CAREER COUNSELING SERVICE	SAN FRANCISCO	6	Various	0	8	\$30,640	53%
JOHN H. HARLAND COMPANY	SAN DIEGO	5	Manufacturing	39	0	\$23,232	62%
JOIE ORCHARD, LLC*	SAN MATEO	5	Service	17	0	\$12,516	58%
JOMED, INCORPORATED	SACRAMENTO	4	Manufacturing	81	0	\$159,234	35%
KENDALL JACKSON WINE ESTATES, LTD.	SONOMA	5	Manufacturing	1,400	0	\$9,880	1%
KINGS RIVER ELECTRIC*	FRESNO	1	Construction	1	0	\$1,860	20%
LIGHTWAVE ELECTRONICS CORPORATION	SANTA CLARA	3	Manufacturing	60	0	\$73,132	56%
LINEAR INDUSTRIES LTD	LOS ANGELES	2	Manufacturing	32	0	\$36,190	65%
LOCKHEED MARTIN CORPORATION, LOCKHEED MARTIN SPACE SYSTEMS CO.	SANTA CLARA	5	Manufacturing	615	0	\$354,380	8%
LOCKHEED MARTIN IMS WELFARE REFORM SERVICES	LOS ANGELES	6	Various	1,413	0	\$7,216,191	76%
LONG BEACH WORKFORCE DEVELOPMENT BUREAU CAREER TRANSITION CENTER WIA	LOS ANGELES	6	Various	740	0	\$628,288	100%
LOS ANGELES CHAPTER NATIONAL TRAINING & MACHINING ASSOCIATION TRAINING CENTER TRUST*	STATEWIDE	6	Various	889	324	\$5,182,871	85%
LOS ANGELES COUNTY ELECTRICAL TRAINING TRUST*	LOS ANGELES	6	Construction	60	0	\$64,376	20%
LUXFER, INC.	RIVERSIDE	5	Manufacturing	210	0	\$196,952	52%
LYNCOLE XIT GROUNDING, INC.	LOS ANGELES	1	Manufacturing	11	0	\$9,240	73%
MAD RIVER BREWING COMPANY, INC	HUMBOLT	1	Manufacturing	14	0	\$12,400	100%
MILLER BREWING COMPANY	LOS ANGELES	5	Manufacturing	419	0	\$450,588	69%
MOUNTZ, INC.	SANTA CLARA	2	Manufacturing	31	0	\$60,616	42%
MSC PINOLE POINT STEEL, INC.	CONTRA COSTA	5	Manufacturing	11	0	\$7,202	2%
MSC SOFTWARE CORPORATION	ORANGE	5	High Technology	0	0	\$0	0%
NATIONAL ALLIANCE OF BUSINESS	STATEWIDE	6	Various	1,412	0	\$949,795	73%

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+

COMPLETED CONTRACTS IN FY 2001-02

APPENDIX D

CONTRACTOR	COUNTY	BUSINESS SIZE**	INDUSTRY	RETRAINNEES	NEW HIRES	CONTRACT EARNED AMOUNT	PERCENT EARNED
NATIONAL METAL STAMPINGS, INC.	LOS ANGELES	2	Manufacturing	15	0	\$27,900	90%
NATIONWIDE CREDIT, INC.	STATEWIDE	5	Finance	174	0	\$286,560	15%
NATURE'S BEST, INC.	ORANGE	4	Trade	169	0	\$218,040	62%
NCP VOCATIONAL SCHOOL	STATEWIDE	6	Various	0	75	\$306,675	62%
NETAFIM IRRIGATION, INC.	FRESNO	3	Agriculture	44	0	\$45,058	37%
NEW HORIZONS COMPUTER LEARNING CENTER	STATEWIDE	6	Various	187	0	\$103,972	37%
NEWPORT MEDICAL INSTRUMENTS	ORANGE	5	Manufacturing	21	0	\$19,656	66%
NEXTIRA, LLC	ORANGE	5	High Technology	194	0	\$152,620	18%
NORTHERN CALIFORNIA TEAMSTERS APPRENTICESHIP TRAINING & EDUCATION TRUST FUND	STATEWIDE	6	Various	0	36	\$113,751	73%
OBERTHUR CARD SYSTEMS	LOS ANGELES	5	Manufacturing	182	0	\$265,280	59%
OPPORTUNITIES INDUSTRIALIZATION CENTER WEST	SAN MATEO	6	Various	0	7	\$23,729	29%
ORANGE COUNTY CONTAINER	LOS ANGELES	5	Manufacturing	146	0	\$230,226	69%
OVERLAND DATA, INC.	SAN DIEGO	3	Manufacturing	77	0	\$111,642	68%
OXMAN COLLEGE	STATEWIDE	6	Various	150	0	\$893,700	100%
PACER TECHNOLOGY*	SAN BERNADINO	3	Manufacturing	79	0	\$91,080	70%
PACIFIC LIFE INSURANCE COMPANY	ORANGE	5	Finance	1,000	0	\$1,148,000	100%
PPG INDUSTRIES, INC.	FRESNO	5	Manufacturing	166	0	\$139,120	99%
PRACTICAL DATA PROCESSING, INC.	STATEWIDE	6	Various	0	437	\$2,312,110	100%
PROCTOR & GAMBLE MANUFACTURING COMPANY	SACRAMENTO	5	Manufacturing	37	0	\$55,640	50%
PROFESSIONAL CAREER INSTITUTE	LOS ANGELES	6	Various	0	37	\$188,959	74%
PTI TECHNOLOGIES, INC.	VENTURA	5	Manufacturing	58	0	\$62,816	40%
PUBLIC SAFETY TRAINING ASSOCIATION INC.	SAN DIEGO	6	Service	15	0	\$14,355	38%
QUALITY PLUS ENTERPRISES TECHNICAL INSTITUTE	ORANGE	6	Various	114	0	\$174,573	100%
QUINTILES, INC.	STATEWIDE	5	Service	134	0	\$106,767	17%
RANDS SYSTEMS, INC.	STATEWIDE	6	Various	259	101	\$1,129,029	71%
REACHING POTENTIALS EDUCATIONAL INSTITUTE	SACRAMENTO	6	Various	0	14	\$41,176	69%
REDWOOD EMPIRE ELECTRICAL TRAINING TRUST*	SONOMA	6	Various	0	0	\$0	0%
REED MANUFACTURING COMPANY	SAN BERNADINO	2	Manufacturing	24	0	\$40,404	40%
REFRIGERATING ENGINEERS AND TECHNICIANS ASSOCIATION	STATEWIDE	6	Various	122	0	\$203,496	87%

*Special Employment Training (SET) Category

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COMPLETED CONTRACTS IN FY 2001-02

APPENDIX D

CONTRACTOR	COUNTY	BUSINESS SIZE**	INDUSTRY	RETRAINEES	NEW HIRES	CONTRACT EARNED AMOUNT	PERCENT EARNED
RIFOCS CORPORATION	VENTURA	2	Manufacturing	30	0	\$18,000	24%
S. F. BAY AREA NTMA TRAINING CENTER	ALAMEDA	6	Various	535	114	\$1,649,323	61%
SACRAMENTO AREA ELECTRICAL JOINT APPRENTICESHIP TRAINING COMMITTEE J.A.T.C.*	STATEWIDE	6	Various	11	0	\$7,337	9%
SAFETRAN SYSTEMS CORPORATION	SAN BERNADINO	5	Manufacturing	152	0	\$262,036	69%
SAN DIEGO COUNTY SER/JOBS FOR PROGRESS, INC.*	SAN DIEGO	6	Various	0	23	\$110,124	43%
SAN DIEGO ELECTRICAL TRAINING TRUST*	SAN DIEGO	6	Various	71	0	\$53,950	54%
SAN DIEGO WORKFORCE PARTNERSHIP, INC.	SAN DIEGO	6	Various	74	1	\$116,640	24%
SAN FRANCISCO SEWING ASSOCIATION	NAPA	4	Manufacturing	41	0	\$76,670	20%
SANTA CLARITA COMMUNITY COLLEGE DISTRICT	LOS ANGELES	6	Various	512	0	\$338,493	91%
SANTA ROSA JUNIOR COLLEGE	SONOMA	6	Various	86	0	\$60,143	27%
SAP LABS, INC.	SANTA CLARA	5	Service	182	0	\$158,860	34%
SEAGATE RECORDING MEDIA CORPORATION	SANTA CLARA	5	Manufacturing	167	0	\$154,480	59%
SHADE FOODS, INC	ALAMEDA	4	Manufacturing	0	0	\$0	0%
SILICON GRAPHICS, INC.	SANTA CLARA	5	Manufacturing	53	0	\$28,072	7%
SILICON VALLEY COLLEGE	STATEWIDE	6	Various	43	54	\$353,273	63%
SKADRON COLLEGE, CORINTHIAN COLLEGE, INC.	SAN BERNADINO	6	Various	142	0	\$184,092	100%
SKILL CENTERS OF AMERICA COLLEGE	SAN DIEGO	6	Various	33	34	\$234,945	28%
SMC CORPORATION OF AMERICA	ORANGE	5	Manufacturing	121	0	\$203,691	100%
SMS TECHNOLOGIES, INC.	SAN DIEGO	3	Manufacturing	145	0	\$176,810	64%
SOUTHEAST LOS ANGELES COUNTY WORKFORCE INVESTMENT BOARD	LOS ANGELES	6	Various	854	8	\$1,003,191	79%
SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP, PERMANENTE VISION SERVICES	LOS ANGELES	5	Service	114	0	\$59,280	26%
SR TECHNICS AMERICA	LOS ANGELES	5	Communication	217	0	\$319,579	19%
ST. JOHN KNITS INC.*	ORANGE	5	Manufacturing	237	0	\$154,460	71%
STOCKTON NEWSPAPERS, INC DBA THE RECORD	SAN JOAQUIN	5	Manufacturing	73	0	\$52,806	23%
SUMIDEN WIRE PRODUCTS CORPORATION	SAN JOAQUIN	5	Manufacturing	10	0	\$19,600	64%
SUN MICROSYSTEMS, INC.	SANTA CLARA	5	Manufacturing	3,190	0	\$3,415,275	70%
SYSCO FOOD SERVICES OF LOS ANGELES*	LOS ANGELES	5	Trade	224	0	\$377,370	76%
SYSCO FOOD SERVICES OF SAN DIEGO, INC.*	SAN DIEGO	5	Trade	174	0	\$275,540	62%
SYSCO FOOD SERVICES OF SAN FRANCISCO, INC.*	ALAMEDA	5	Trade	263	0	\$389,090	78%

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Additional copies of the Annual Report may be obtained by contacting the Employment Training Panel at 1100 J Street, 4th Floor, Sacramento, CA 95814, (916) 327-5640.

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