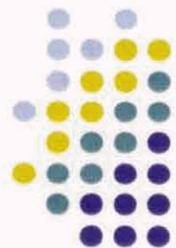


Employment Training Panel

Annual Report 2002-03



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, reappointed to the Panel in July 2003 by Governor Gray Davis, and has been a member since March 2001. 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 December 2002 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.

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.

Paul R. Kiesel, appointed November 2003 by Governor Gray Davis. Mr. Kiesel is an attorney and partner in the law firm of Kiesel, Boucher & Harson. He has served on the Board of Governors for the California and Los Angeles Trial Lawyers Association. He has also served on the Board of Governors for the Association of Business Trial Lawyers. Mr. Kiesel holds the "Public" Governor's appointee position on the Panel.

Robert M. Lennox, reappointed in July 2003 by Governor Gray Davis, and has been a member since March 2001. 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.

Thomas E. Rankin, a Panel member since January 2000, was reappointed in April 2003 by Speaker of the Assembly, Herbert Wesson. 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.

PREFACE

This report is intended as a resource for policymakers and those interested in a greater understanding of the Employment Training Panel (ETP) program. It is organized into sections intended to help readers easily access answers to specific questions about the program. However, for a more comprehensive understanding of how ETP carries out its mission, readers are encouraged to review each section consecutively. The content of each section is briefly summarized below:

The **Introduction** provides an overview of the mission and purpose of the ETP program as well as providing a brief review of its evolution.

The **Project Approval and Outreach** section reviews efforts to market the program to businesses and labor organizations and to develop and approve new training proposals in fiscal year 2002–03.

The **Program and Contract Performance** section provides program performance information and describes project management and service improvement efforts. Particular attention is devoted to training outcome measures for projects completed during the report year.

In addition, **Profiles** of several training projects are included throughout the Report, representing ETP's various funding priorities.

Finally, this Report incorporates **Appendices** which provide detailed information about program activities and training contract information. The reader will find that program performance information provided in this report is consistent with formats used in previous ETP annual reports and is done so to facilitate easy multi-year comparisons.

This annual report is submitted in compliance with ETP's authorizing statute as reflected in Unemployment Insurance Code section 10205 (i).

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I. INTRODUCTION

20 YEARS AS A NATIONAL MODEL

In fiscal year (FY) 2002–03, the Employment Training Panel (hereafter referred to as ETP or the Panel) celebrated its 20th year as the model for workforce training programs. ETP's history has seen it emerge from a simple “experiment” in diverting unemployment insurance (UI) tax dollars for the training of displaced workers, to a statewide economic development program, with the unique role of helping businesses in California’s basic industries respond to global competition.

Established in 1982 to assist workers displaced by plant closures, ETP’s mandate has significantly expanded over the years, in order to address the changing needs of California’s economy. The Panel’s own ongoing evaluations and program improvements have helped to ensure the program continually adjusts to varying economic needs – during times of both economic expansion and downturn. As a result, the program has become a key economic tool in support of the State’s export base and key industries. It does this primarily by supporting the retraining of incumbent workers in businesses challenged by out-of-state competitors and by helping companies train new employees through the program’s “new hire” training projects.

ETP ensures training for secure, high-wage, high-skill jobs, through its unique performance based contracting requirements. ETP-funded training is employer-driven and supported, as participating businesses plan and conduct training customized to their specific needs. Since its inception, ETP has approved training for more than 600,000 workers in approximately 65,000 businesses, most of which are small firms. (ETP defines small businesses as companies with 250 or fewer workers, while targeting the State’s smallest employers – those with 100 or fewer workers.)

The program's success was validated in 2001, when ETP’s sunset date was removed and it became a permanent economic and workforce development program. In FY 2002–03, the Panel's economic and workforce development role was strengthened, as it became a full partner in California's new Labor and Workforce Development Agency (LWDA), re-

enforcing its unique statewide niche in supporting the training needs of California's businesses and workers.

TRAINING THAT WORKS

Coinciding with ETP's 20th year as a program, researchers at California State University, Northridge (CSUN) recently published a book on ETP, based upon their years of research on the program, entitled, "Training that Works." This publication reviews the history of ETP, describes its status as the largest and most sophisticated state-funded training program in the country, and identifies the elements that have led to its success as a program "that works".

According to the CSUN authors, "Because ETP retraining programs upgrade both workers' skills and the jobs they fill, ETP training strengthens California businesses' advantages relative to their out-of-state competitors." The CSUN researchers have found the impact of ETP training on the economy has increased production in business, and consequently success of California businesses and the economy.

KEYS TO SUCCESS

Independent research, such as that conducted over the years by CSUN, the University of California Los Angeles, the National Governors Association, and the California Workforce Investment Board, has documented the value of ETP-funded training for businesses and workers alike. Participating companies have expanded their payrolls over similar businesses that do not participate; 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 and upward mobility. Overall, there has been a return on investment of more than \$5 for every \$1 in ETP funds spent on training, as measured in benefits to companies, workers, and California's economy. (See page 15 for a description of program evaluations conducted during the report year.)

The key elements identified as essential to ETP's success include:

- **Performance-based contracting** -- a key feature of ETP since its inception is its 100 percent performance-based contracting

requirement, which ensures that training is tied to a real job. This means that a contractor earns no funds until a trainee completes all of the training and subsequent employment retention of at least 90 days in a training-related job, at a required wage.

- **A focus on customized, employer-driven training for high-wage, high-skill, secure employment.** ETP contracts promote wage increases and require employers to retain workers for specific periods to earn ETP funds.
- **Businesses that benefit from 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 UI system. Typically, the Panel averages \$70 – \$100 million in training funds annually.
- **Employers directly share in the cost of training.** Because a commitment to training is critical to success, companies are required to match the cost of the training funded by ETP.

It is these elements which have made ETP a nationally recognized model for State-funded incumbent worker training programs. CSUN researchers found that while 45 states have some type of publicly funded worker training program, ETP has the largest and most successful program in the United States, and ETP's biggest contribution may be that, after employers experience the value gained from training, utilizing ETP funds, they are more willing to increase their own investment in these workers' training.

THE ANNUAL REPORT

The Panel is pleased to submit its Annual Report for FY 2002–03, which describes ETP's actions and accomplishments, after 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.

This report describes activities and achievements during the 2002–03 fiscal year. Since contracts cover a span of 24 months, the report covers:

- 1) Last fiscal year’s activities and funding approvals, including a description of new policies and training initiatives, and funding targets for the fiscal year.
- 2) Contracts approved in prior years that were 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 FY 2002–03 revenues and expenditures, completed contract data, demographic data on program participants, and a listing of new contracts approved in the report year.

2002-03 FISCAL YEAR HIGHLIGHTS

PANEL ACTIONS

- *Approved 275 new training projects amounting to \$119.4 million (actual encumbrances amounted to \$82.7 million -- all of the FY 2002-03 budget available for training). These contracts approved training and retention in employment of approximately 72,600 workers (including both incumbent and unemployed workers), at an average cost of \$1,138 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, multimedia/entertainment, and biotechnology. Seventy-three percent of all newly approved training funds went to manufacturing and high-technology companies.*
- *Prioritized training for small businesses, by implementing a Small Business Pilot Project to facilitate direct contracts with businesses having 100 or fewer employees.*
- *Despite cutbacks in staff resources of 10 percent during the year, made considerable progress in achieving its Strategic Plan goals and objectives for the year.*

COMPLETED CONTRACTS

- *225 previously approved and implemented contracts were completed. (Actual performance achieved in completed contracts results more than two 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 \$53.3 million for the successful training and retention in employment of 44,568 workers; the average training cost per trainee was \$1,197 (including \$5,665 per previously unemployed workers (new hires), and \$ 1,057 per retrainee).*
 - *The average hourly wage earned after training and employment retention was \$11.49 for previously unemployed workers (new hires), and \$22.44 for retrainees.*
 - *60 percent of all funds earned went to businesses in manufacturing and high technology sectors.*
 - *75 percent of all businesses served were small firms; 47 percent had 50 or fewer workers.*

II. PROJECT APPROVAL AND OUTREACH

BUSINESS/LABOR COLLABORATION

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, 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 shows these industries have the highest return on training funds invested, measured by 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.

Marketing Partners: To ensure it addresses the needs of its constituencies, ETP has enlisted key partners to provide marketing outreach to target industries. Currently, these partners include: the California Manufacturers and Technology Association, the California Labor Federation, 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 the California Chamber of Commerce, WIBs, the Employment Development Department, training consultants, and other interested stakeholders to make the ETP program accessible to businesses.

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

ETP funds training under two categories of training projects:

- 1) Economic Development, for job creation and retraining for businesses facing out-of-state competition. Ninety percent of annually available funds are spent under the Economic Development category, primarily to support retraining of incumbent workers. About 10 percent of funds in this category are used to support training for unemployed workers (i.e., “new hires”) to enable them to become re-employed.
- 2) Special Employment Training (SET), to train frontline workers in projects that do not meet the “out-of-state competition” requirement, but have characteristics that make them a priority for economic and workforce development. Up to 10 percent of annually available funds go to the SET category.

Under both the Economic Development and SET categories, the Panel targets training in high unemployment areas (HUA) of the State, where training is focused on the “working poor” – workers who have full-time jobs and stable employment, but who earn low wages and lack the essential job skills necessary to improve their employment opportunities.

HELPING THE UNEMPLOYED RE-ENTER THE WORKFORCE

Comprehensive Training Systems (CTS) is a private, non-profit training agency providing job skills training and job placement in the San Diego County area. CTS serves a large population of individuals with barriers to employment, providing Vocational English as a Second Language, remedial math and writing, and other training and educational programs.

The Panel provided CTS \$311,200 to train and place 50 unemployed individuals – most with barriers to employment – in secure jobs with career potential. CTS provided trainees 390 hours of training in either medical/non-medical office skills or building maintenance skills, at a cost of \$6,224 per trainee. Office trainees received training in computer skills, communication skills, office procedures, medical terminology, anatomy and physiology, and insurance billing. Maintenance trainees received training in electrical skills, carpentry, plumbing, and appliance repair.

According to Ashraf Yosofi, CTS Program Manager, training was an overall success, and the ETP experience was a good one! All trainees completed training and were placed in jobs earning hourly wages ranging from \$7.00 to \$13.99 (most earning between \$9 – \$12 per hour). With Panel support, 50 unemployed individuals overcame barriers to employment, learned marketable skills, and obtained secure jobs.

THE CONTRACTING PROCESS

As a first step, potential contractors are provided an orientation about the program and the contracting process. Following the orientation, those interested in seeking funds submit a Request for Eligibility Determination (RED). 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 the 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, 275 new projects were approved and implemented.

New On-Line Orientation and Eligibility Determination Process: During the report year, ETP implemented a new on-line Orientation system, replacing the former method of requiring all interested applicants new to ETP to attend live sessions. The on-line Orientation delivery is quicker, more consistent, and saves valuable staff resources for both employers and ETP. The new process provides contractors with quick and easy information to determine if they are interested in and eligible for ETP funds, and, if so, for a more directed first meeting to develop a training contract. With the eligibility determination process on-line, approval to proceed is fast, and necessary forms are more accessible, allowing the potential contractor a quick, inexpensive alternative for seeking ETP funds. ETP staff will be conducting an evaluation of the impact of these on-line processes, to determine how well it is working and if enhancements are needed.

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, Audit staff conduct performance audits of training contracts to ensure ETP funds are spent in accordance with applicable laws, regulations, and policies. Last year, 24 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, including potential audits at later dates, hundreds of contracts are administered by staff during the fiscal year. In 2002–03, 726 training contracts were administered by staff, accounting for close to \$250 million and 220,000 trainees. (275 new projects were approved; 226 contracts approved in prior years were completed; and another 225 projects approved in prior years continued.)¹

A MODEL FOR LABOR/MANAGEMENT COLLABORATION

With the help of \$127,000 in ETP funds, last year, Ameron International Pole Products Division retrained 98 current employees in continuous improvement, management skills, computer skills, customer service and job-related literacy, in order to remain economically competitive. The company is a wholly owned subsidiary of Ameron International and operates facilities in Fillmore, Oakland, South Gate, and the Division's headquarters in Ventura, California. The firm manufactures and supplies concrete, steel lighting, traffic poles and bollards for low-level lighting to customers throughout the U.S.

The project exemplified training that is a joint labor and management endeavor, as it involved collaboration between the company and two unions: the Paper, Allied-Industrial, Chemical & Energy Workers (PACE), International AFL-CIO Region XI; and International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Local #6.

Since it competes for business solely with out-of-state companies who pay lower wages and have a lower raw material cost than Ameron, the company and the participating unions delivered training that provided workers with the skills needed to address this competition, while still supporting high-wage, high-skilled, secure jobs.

According to Ameron executives, the training was a valuable experience, increasing staff morale and improving overall efficiency. A company representative stated, "The ETP training was vital to helping the company maintain an edge, and continue in business during such competitive times."

A ROLE IN THE NEW LABOR AGENCY

The Panel's economic development role was strengthened, as it became a member of the State's new Labor and Workforce Development Agency (LDWA). Given California's need for comprehensive labor and workforce strategies and organization, the LWDA was established as the umbrella agency for the State's workforce-related departments. Members include: ETP; the Employment Development Department (EDD); the Department of Industrial Relations (DIR); the Agricultural Labor Relations Board (ALRB); and the California Workforce Investment Board (CWIB).

¹New training projects are approved at each Panel meeting; training projects already underway are continuously monitored, amended, and terminated, as needed. A complete list of projects approved in prior years, and still active during the report year, can be obtained upon request by contacting ETP.

The new Labor Agency exemplifies the State’s commitment to maintaining a vibrant economy and business climate. The LWDA has made it a priority to support California’s economic competitiveness, which is increasingly dependent upon an educated and skilled workforce, and which will help sustain the State in competing globally. The Labor Agency plays a key role in leveraging job training dollars within the Agency, and in coordinating with other training programs in California. ETP has a key role to play within the Labor Agency in this effort, building upon its years of experience in supporting California’s businesses and workers.

As the new Labor Agency took shape, ETP participated in efforts to coordinate workforce related activities, with staff participating in workgroups and special committees to make improvements in program areas such as: data collection and reporting, public outreach, reforming one-stop operations, and career ladder development.

LEGISLATIVE OUTREACH

The Panel continued its emphasis on legislative outreach by reconstituting its Legislative Subcommittee to spearhead ETP’s legislative agenda and assist in the program’s developing role in the new Labor Agency. The Legislative Subcommittee was active in reviewing and taking positions on proposed legislation, the new State Budget, and in setting ETP’s legislative agenda for the budget year.

Two new bills were signed into law that will impact ETP:

- AB 1551 (Kehoe) created the San Diego Multi-use Biotechnology Training Center, and authorizes state and local entities, including ETP, to enter into agreements with it. The Center is intended to serve as an anchor and catalyst for the growth of biotechnology enterprise in the region, and to address the workforce needs of the industry.
- AB 1061 (Firebaugh) requires ETP to implement strategies to meet small businesses’ needs and to improve their access to ETP training. The bill also requires ETP to continue current efforts to assist aerospace and defense suppliers.

ETP's existing efforts to support training in the bio-tech, aerospace, and defense industries, as well as facilitating training for small businesses, will serve as a starting point in addressing these provisions.

During the report year, the Panel also worked to protect its budget appropriation, in view of the overall State budget shortfall. However, when the Budget Act for FY 2003-04 was signed, ETP's budget appropriation was reduced by nearly half, from the amount originally provided in the Governor's Budget, as a result of final hour negotiations, when ETF monies previously intended for ETP were transferred to the Department of Social Services (DSS) to support the CalWORKS Program.

Although ETP's appropriation has been significantly reduced for FY 2003-04, the demand for ETP funds continues to increase, as evidenced by the Panel's encumbering all its available training funds in FY 2002-03, with many funding requests going unmet. Therefore, in FY 2003-04, the Panel will seek the restoration of its regular funding to meet customer demand.

PARTNERING WITH WORKFORCE INVESTMENT BOARDS

ETP provided the Southeast Los Angeles County (SELACO), Workforce Investment Board (WIB) with \$1.3 million for the retraining of 1,636 workers for area businesses. This included support for firms in high unemployment areas, many of whose trainees are the working poor.

SELACO is a nonprofit organization formed in 1982, now serving as a WIB under the Job Training Partnership Act, to address shortages of qualified workers in a unique labor market, and simultaneously improve the quality of life for the workers within the community.

SELACO's ETP-funded project assisted 74 area firms, primarily small to medium-sized employers, respond to out-of-state competition, which has led to the continued downsizing of these businesses in recent years. Training was provided in continuous improvement, manufacturing, management, business, and computer skills. Vocational English as a Second Language was also provided, principally for working poor trainees.

The project is an example of how ETP partners with WIBs to assist business, while addressing the needs of low-wage workers. Trainees were provided skills that will help them stay employed and advance in the workplace.

STRATEGIC PLANNING

Last year, the Panel continued to refine its strategic planning process, as staff implemented action plans to carry out the goals and objectives of the FY 2002–03 Strategic Plan. Considerable progress was made in achieving ETP's funding targets; addressing key policy issues; supporting training initiatives, (including support for industries impacted by the 9/11 terrorist attacks and the Governor's Nurse Workforce Initiative); collaborating with workforce partners; and enhancing service to its customers. In May 2003, the Panel held a planning session to update its Strategic Plan for FY 2003–04. The session was attended by various economic experts who helped identify economic trends and training needs, as the Panel set its priorities for the year ahead. The updated Plan sets the stage for the Panel's increasing role in the Labor Agency, as it builds upon 20 years of success supporting California's businesses and workers.

ADDRESSING THE NURSING SHORTAGE

In response to the Governor's Nurse Workforce Initiative to address the State's nursing shortage, ETP has targeted up to \$5 million for the training of nurses and other healthcare workers throughout the State. The NCP Nursing Assistant Training program in Stockton completed a contract for \$390,660 to successfully train and place in employment 102 unemployed workers as certified nurse assistants (CNAs), moving these individuals from California's unemployment rolls to full-time, year-round employment.

This project served San Joaquin and Stanislaus Counties, which qualify as high unemployment areas, with unemployment rates of 9 percent and 11 percent, respectively, at the time the project was approved. Trainees were required to pass the California CNA exam, before being placed in a job. This training addressed the need in these counties for CNA's in long term care, home health care, hospitals, medical billing offices, and the correctional women's facility. Many trainees have used their NCP training as a career ladder, and are now moving on to Licensed Vocational Nursing.

With the shortage of skilled CNAs being so severe in the area, many of the enrolled trainees were potentially hard-to-place, including the young, unskilled, workers with little formal education, and other barriers; yet, the project expanded from an initial group of 25 trainees to 152. As the demand for nurse assistants accelerated, the wages increased, and interest by potential trainees increased, largely during the term of the ETP contract. The prevalent wage of graduate trainees upon placement was \$8.66 per hour. In addition to wage increases, NCP met with, and encouraged local health employers to improve working conditions. The trainees that graduated had the opportunity to be selective in applying for the best jobs. NCP officials report that demand among employers for more CNA's is such that some are offering a signing bonus" up to \$2,500 and five free uniforms, for accepting a job.

TARGETING FUNDS

Acting upon its Strategic Plan, the Panel worked closely with its marketing partners in the report year to target businesses and industries with the greatest impact on California's economy. Training was primarily targeted to specific sectors of California's basic industries, i.e., manufacturing and high-technology. As a result, ETP encumbered all \$82.7 million of the year's available training funds, approving 275 new contracts for the training and employment retention of approximately 72,600 workers. (See Appendix A, "FY 2002-03 Revenue and Expenditures".)

SUPPORT FOR CALIFORNIA'S BASIC INDUSTRIES

ETP primarily targets California businesses in basic industries facing out-of-state competition. For example, last year the Panel provided \$2.5 million to Applied Materials, Inc., a large semiconductor manufacturer in Santa Clara, for the successful retraining of 5,600 workers, in order to meet the challenges of increasing global competition.

Founded in 1967, Applied Materials develops, manufactures, markets, and services semiconductor wafer fabrication equipment for the worldwide semiconductor industry. Products include personal communication and networking devices, particularly those associated with the Internet, laptops, and cell phones, which are now the principal drivers of semiconductor end markets.

Applied Materials' competitive edge is increasingly dependent on meeting market demand to produce smaller, faster, and more powerful electronic parts and components. The company has developed 51 new major products and systems over the past 19 years, one-third of which have been developed in the last four years. This has had a major impact on the speed of change within the organization and the need for updated employee skills. This project concentrated on elevating workers' high performance workplace skills, and focused on the fact that semiconductors double in power, and halve in price, every 18 months.

ETP helped Applied Materials retrain its workforce to adapt to new technologies, computer systems, manufacturing processes, quality control requirements, and administration procedures. Company employees located in Santa Clara and Sunnyvale received nearly all the training for this project. Occupations trained included assemblers, as well as technicians, and programmers. They learned to promote zero product defects, reliability, and high yields; adaptation of the new business model; operation of new machines and assembly processes; and handling of hazardous materials.

According to a company representative, "ETP funding has made a tremendous difference in our worker education...we are able to leverage ETP funds to create a unified and systematic approach on how we discover, design, create and deliver training to our workers...ETP funding has helped create a sense of conscientiousness among our training professionals to deliver training that is not only applicable, but achieves our mutual goals of sustaining good, high-paying jobs with career potential here in Silicon Valley...we use ETP funding as seed money to create training that is effective, new and needed..."

The Panel awarded 90 percent of the year's available training funds to businesses facing out-of-state competition, with another 10 percent approved for Special Employment Training (SET) projects not meeting the out-of-state requirement, but otherwise furthering ETP's role to promote secure high-wage employment.

SERVING SMALL BUSINESS

Recognized as an essential resource for many small employers who otherwise have few resources to train workers, ETP continued its emphasis on assisting small businesses, since small businesses employ most of California's workers and serve as the economic engine of the State. More than three-fourths of all businesses served last year were small (i.e., having 250 or fewer workers), and 61 percent had 100 or fewer workers. (See Appendix B, items B and C.)

It should be noted that ETP serves small employers through both direct contracts with single employers, and multiple employer contracts (MECs) – i.e., contracts with employer consortia or training agencies that train workers of multiple employers. Most small businesses participating in ETP-funded training do so through MECs, since they often lack the resources to enter into direct contracts for the training.

Therefore, since small firms are primarily served through MECs, a Small Business Pilot Project (SBPP) was initiated in the report year to test streamlined and expedited contracting processes, in order to increase the number of small employers who contract directly with ETP for training assistance. Participation was limited to eligible small employers that employ 100 or fewer workers, and who meet ETP's out-of-state competition requirement.

The SBPP tests a modified contracting system with the following features:

- A simplified eligibility and application process, reducing the field office processing time to five days or less;
- A briefer training agreement document, reducing processing time, after approval, to as little as one day; and
- A modified two-payment schedule that allows for an expedited (5–10 day) invoicing process.

- Training contracts are capped at \$25,000.

SBPP participants often complete training within one to two months, as opposed to as long as two years, under ETP's regular process.

Small Business Pilot Project specialists, designated in each of ETP's regional offices, assisted in implementing the SBPP, and acted as liaisons and advocates for small firms. A total of 56 SBPP contracts were approved during the report year, totaling \$630,000 in funds. An evaluation of the SBPP, to be completed early in 2004, will consider whether the streamlined contracting approaches tested in the pilot worked, if it needs to be modified, and if it should be extended to ETP's other contract process.

TRAINING SOLUTIONS FOR SMALL BUSINESS

Z Microsystems, Inc. (ZMI), a small high tech firm in San Diego with 39 full-time workers, is one of the small businesses that participated in ETP's Small Business Pilot Project (SBPP) during the report year. ZMI custom designs, manufactures and markets a complete line of computing systems and subsystems for extremely harsh environments, such as arctic extremes and desert battle zones.

In recent years, ZMI's growing workforce, combined with rapidly advancing technology and the Department of Defense's stringent regulatory requirements, required the company to restructure itself into a high performance workplace. ETP provided ZMI \$14,700 to retrain 32 of its employees in courses vital to the company's competitiveness. Trainees learned problem solving in a team environment, implemented process improvements, and learned how to operate the newly purchased software system.

As a result, these workers are now able to eliminate processes which do not add value, through process mapping and identification of bottlenecks, which speeds up the process time from "in the door" to "out the door". Continuous improvement work teams have become commonplace, and are very effective.

ASSISTING BUSINESSES AND WORKERS IN HIGH UNEMPLOYMENT AREAS

In addition to funding training for high-wage, high-skill jobs in California's basic industries, ETP also supports businesses and workers in areas of the State significantly affected by the economic downturn. Thus, in FY 2002-03, the Panel approved \$17.2 million for training in HUAs. Of this amount, close to \$900,000 was to upgrade the skills of about 800 "working poor" trainees (i.e., employed workers who have full-time jobs, but earn low wages, and need training to move to higher-wage, secure employment), most of whom received waivers to the ETP minimum wage requirement.

In defining HUAs, the Panel targets counties or subcounty areas, with rates at least 25 percent higher than the State average, based on data from EDD's Labor Market Information Division.

ASSISTING BUSINESSES AND WORKERS IN HIGH UNEMPLOYMENT AREAS

Over the past several years, ETP has targeted training for businesses and workers in high unemployment areas of California. The Panel provided \$180,000 for Pacific Southwest Container (PSC) located in Modesto, to train 231 current workers in manufacturing, continuous improvement, and computer skills to help the company remain competitive.

PSC officials stated "because the company's goal is to remain continually focused on improving production quality, speed and dependability, production standards have changed significantly..." Therefore, the company needed its workers to improve communication skills, learn problem solving, and process improvement, as part of the overall training in production skills and techniques. Southwest Container provides customized packaging and corrugated sheet conversion packaging to a variety of manufacturers and other customers. A portion of the contract included training for 21 working poor trainees, who earned \$8.40/hour before training, with an increase to at least \$9.60 per hour after the employment retention period.

According to company officials, "PSC has had a difficult time finding skilled workers to build its products. The company has taken an active approach in interacting and partnering with local high schools, and at the community college level, to affect changes." After training, "ETP training benefited company trainees, by changing their attitude into a positive view of the need for training. The training classes increased the trainees' skills in their job, and developed awareness of their accountability for their performance and productivity within the company. The ETP record keeping requirements also made it easier for Pacific Southwest Container to convert and meet the ISO 9001 record keeping requirements."

Company representatives further state, "The educational process is an effective way for PSC to communicate the company's strategic goals to employees and to impart occupational skills that employees need to have and understand to keep the company competitive."

III. PROGRAM AND CONTRACT PERFORMANCE

A total of 225 training contracts approved in prior years were completed in the report year. Under these agreements, 3,139 employers were provided assistance for the training and employment retention of 44,568 workers, at an average cost of \$1,197 per trainee.

Data from these completed contracts reflect ETP'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 technology sectors.

Seventy-five percent of all businesses served were small (i.e., having 250 or fewer workers); Sixty-one percent had 100 or fewer workers; and twenty-nine percent had 20 or fewer workers.

EMPLOYER CONSORTIA ADDRESSES THE NEEDS OF SMALL AND MEDIUM-SIZED MANUFACTURERS

The Corporation for Manufacturing Excellence (MANEX) is a non-profit employer consortium located in Fremont, established for the purpose of "promoting the creation of jobs and the expansion of the tax base throughout the Bay Area by assisting small and medium sized manufacturing enterprises to improve their operating efficiencies and competitiveness." ETP provided MANEX \$1.3 million for the retraining of 1,300 workers of various companies. Courses in continuous improvement, management and business skills, occupational literacy, manufacturing skills, computer skills, and hazardous materials handling were offered. MANEX's marketing plan focused on businesses in electronics and computer technology, metals, plastics, apparel, design, software/ multimedia, biotech, and food processing industries. The consortium performed extensive custom needs assessments for those interested businesses to determine the types of training appropriate for each. The participating employers were chosen by MANEX based upon their need to address leadership and technology deficiencies. All training was delivered at the participating employers' worksites.

After the completion of training and a 90-day retention period, the hourly wages earned by trainees ranged from \$9.57 to \$46.50, with a weighted average of \$19.40 per hour. 72 percent of businesses served had fewer than 100 employees, and another 10 percent had between 100-250 employees. According to MANEX representatives, "These (small) businesses often have limited expertise in assessing training needs, designing a formal training program, and finding qualified vendors to conduct training customized to their firm's needs."

The average post-training and employment retention wage for workers who were unemployed at the beginning of training was \$11.49 an hour; retrainees averaged \$22.44 an hour. 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 Contract Data”).

ADDRESSING KEY POLICIES

The Panel addressed a number of key policy issues in FY 2002–03. Major actions included: placing moratoriums on a) the funding of structured on-site training (SOST) in ETP projects, and b) projects under the California Career Ladders to the 21st Century; as well as updating ETP’s Apprenticeship Training Policy. (The following table summarizes policy actions in the report year.)

PANEL POLICY ACTIONS IN FY 2002–03
<ul style="list-style-type: none"> Continued to limit training participation by managers and supervisors to 40 percent of the project. This policy reinforces ETP’s emphasis on the training of frontline workers directly producing or delivering goods and services. (October 2002)
<ul style="list-style-type: none"> Limited wage waivers in areas of high unemployment to 25 percent of the ETP minimum, requiring a corresponding 7 percent wage increase after the job retention period. (October 2002)
<ul style="list-style-type: none"> Reviewed issues concerning service charges and banquet tips as wages, approving the use of compulsory service charges as allowable wages. (October 2002)
<ul style="list-style-type: none"> Updated ETP’s Apprenticeship Policy, allowing funding for training in a pre-apprenticeship or journey-level training program. The training must be separate and non-duplicative of established formal apprenticeship programs. (November 2002)
<ul style="list-style-type: none"> Reviewed Career Ladder issues, placing a moratorium on funding of projects under the California Career Ladders to the 21st Century initiative, pending findings of an independent study on ETP’s role in funding Career Ladders. (January 2003)
<ul style="list-style-type: none"> Placed an indefinite moratorium on funding structured-on-site training (SOST) following findings of an independent study and public hearings. SOST, as a training delivery method, provides for supervised training at the worksite that allows trainees to transfer and test skills learned in the classroom. (February 2003)
<ul style="list-style-type: none"> Acknowledged recently emancipated foster youth as a multiple barrier population eligible for SET funding. (February 2003)
<ul style="list-style-type: none"> Revised the definition of training, reducing the required minimum number of training hours per trainee from 40 to 24 hours, to increase flexibility in contractor training plans. (June 2003)
<ul style="list-style-type: none"> Clarified the definition of laboratory training to allow for practicing skills learned in classroom instruction by: (1) allowing 10 percent of lab instruction time to be used for reviewing and answering questions on trainees’ work projects which are related to the lab training, and (2) specifying that during lab training hours, trainees cannot produce products or provide services which will ultimately be sold. (June 2003)

EVALUATING THE PROGRAM

The Panel continued to conduct program evaluations, to ensure ETP-funded training best serves California's businesses and workers. These included:

Structured On-site Training (SOST) Study

California State University, Northridge (CSUN) researchers conducted a study of SOST and presented their findings to the Panel in August 2002. SOST, as a training delivery method, provides for supervised training at the worksite that allows trainees to transfer and test skills learned in the classroom, at the worksite. However, in their study, the CSUN researchers identified significant issues regarding SOST reimbursement, delivery, and monitoring. After careful consideration and public hearings on the issue, the Panel determined that no potential solution adequately resolved liabilities associated with ETP funding of SOST. With these findings and the ongoing budget shortfall, an indefinite moratorium was placed on funding SOST.

ETP Effectiveness Study

Last year, the Panel contracted with CSUN for a new, independent study of ETP's impact on workers, businesses, and the State's economy. This follows CSUN's most recent two-year study completed in 2000, which found that ETP-funded training yielded significant benefits to participating businesses, workers, and the economy as a whole.

The new evaluation will examine more recent program data, by assessing: 1) the impacts of ETP-funded training on trainees, participating employers, and the State economy; and 2) the level of employer-supported training in California. The study will address two important questions:

- What quantifiable benefits have participating businesses received from ETP-funded training, and how do these benefits relate to effects on the California economy?
- To what extent did ETP-funded training improve earnings and job security for the workers who were trained?

This study will be completed in FY 2003-04. Preliminary findings show that trainee earnings are more pronounced in single employer contracts; earnings

gains vary substantially by industry; the relationship between the amount of training received and earnings change is complex (e.g., the assumption that “more training is better” is not always the case); and a trainee’s background affects the impact of ETP training on earnings gains (e.g., trainees with higher levels of formal education tend to experience larger earnings gains).

Career Ladder Study

The California Career Ladders to the 21st Century program was initiated by ETP in January 2001, in collaboration with EDD, to help businesses identify and build job ladders for the advancement of entry-level workers. Since this initiative began in January, 2001, \$2 million has been approved for 10 projects to train 1,500 workers.

However, during the report year, a moratorium was placed on projects under the Career Ladders program, pending an evaluation to determine ETP's role in funding such projects. An independent evaluation by the research group, MGT of America, was initiated during the report year. The study will clarify the term “Career Ladders”, better define ETP's role in funding Career Ladder projects, and determine which types of projects are the best investments and what project criteria are essential for successful outcomes. Findings are due to ETP in the spring of 2004.

Small Business Pilot Project (SBPP) Evaluation

In order to evaluate the effectiveness of the SBPP, the Panel entered into an interagency agreement with California State University, San Francisco, to assess that pilot program, and to determine if, and how the simplified processes may be applied to ETP's regular training projects. The SBPP evaluation will be completed early in 2004.

Statewide “Report Card”

ETP participates in the ongoing Senate Bill (SB) 645 “Report Card”, which is a statewide Performance Based Accountability (PBA) system to evaluate the effectiveness of California’s workforce preparation programs. This ongoing assessment shows that ETP is achieving its statutory objectives, with significant benefits for participating trainees.

The PBA 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 Fourth-Year PBA "Report Card" completed in May, 2003, showed significant results for ETP in the applicable measures, as described in the following table.

PBA REPORT CARD RESULTS

- *ETP trainees who were previously low wage earners experienced the biggest earnings increase of all the programs studied. The average wage increases for these workers were over \$17,000, outperforming even community college participants.*
- *ETP trainees' employment rate one year after program participation was about 97 percent for retrainees and 96 percent for new hires.*
- *Trainees continued to be employed at high rates two and three years after training, with retention rates of about 94 percent, and 92 percent, respectively.*
- *Retrainees typically showed earnings gains of more than \$4,000 in the year after training, with average annual earnings of \$41,500. New hires showed average earnings gains of over \$6,000 one year after training, with average annual wages of approximately \$23,000.*
- *Use of Unemployment Insurance benefits fell significantly for successful new hire trainees - from about 80 percent before training, to 20 percent one year after completing training.*
- *Data on welfare recipients showed that the need for CalWORKS assistance dropped from over 8 months to 2 months, on average, after ETP training.*

USING INFORMATION TECHNOLOGY FOR BETTER CUSTOMER SERVICE

During the report year, ETP continued refining its information technology (IT) capabilities, streamlining the contracting process; increasing program effectiveness; and enhancing service to customers.

- Internet access to enrollments, invoicing, class/lab tracking and trainee eligibility documents was made available to ETP customers.

- The orientation/eligibility process was automated and made accessible on the Internet, to provide customer access 24 hours a day, seven days a week.
- The Internet accessible class/lab tracking system was enhanced to track computer-based training.
- The use of electronic authorizations was initiated, in lieu of trainee signatures, to simplify and expedite the enrollment process -- ETP continues working to incorporate electronic authorization into its invoicing process.
- The ETP Internet website was enhanced to make information more accessible to customers.
- ETP's Operational Recovery Plan was enhanced, with periodic testing of the plan.

SEAMLESS DEVELOPMENT AND MONITORING

ETP contract developers and monitors provide ongoing assistance to contractors throughout development and implementation of their agreements. A pilot project was completed in the San Diego field office in which contract development and monitoring activities were combined to provide seamless service to contractors. This model was expanded to the North Hollywood office last year, and will be implemented in all offices in FY 2003-04.

FY 2002-03 REVENUE AND EXPENDITURES

Monies from the Employment Training Fund (ETF) are appropriated in the Annual Budget Act to ETP and other programs. ETP's FY 2002-03 appropriation was \$76 million. In addition, funds unearned by contractors in past year contracts are added to ETP's budget appropriation for reinvestment in new training projects in the budget year. For FY 2002-03, this amount was \$22.4 million, making a total of \$93.7 million available to ETP for the fiscal year (after administrative adjustments).

As indicated, below, under "ETF Appropriations to other Programs", 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: \$30 million to DSS for CAL-Works; \$3.1 million to DIR in support of the Division of Apprenticeship Standards; \$87,000 to the Statewide General Administrative (pro rata share), \$3.3 million for the State and Local Labor Market Information Program to produce industry and employment data; and \$4.7 million to EDD for the collection of the Employment Training Tax.

A. Revenue and Expenditure Report

(Illustrates revenues and expenditures for
FY 2002-03 Report Year as well as for FY 2003-04)

	Report Year (FY 2002-03)	Current Budget Year FY (2003-04)
<u>Employment Training Fund (ETF) Appropriation</u>	\$117,270,000	\$99,848,000
<u>ETF Appropriations to Other Programs:</u>		
Department of Social Services	(\$30,000,000)	(\$56,432,000)
Department of Industrial Relations	(\$3,136,000)	(\$2,947,000)
Statewide General Administrative (Pro Rata)	(\$87,000)	(\$156,000)
State and Local LMI	(\$3,306,000)	\$0
EDD Tax Collections Branch	(\$4,708,000)	(\$4,815,000)
Total	(\$41,237,000)	(\$64,350,000)
<u>ETP Revenue:</u>		
Appropriation to ETP	\$76,033,000	\$35,498,000
Funds Reinvested	\$22,400,000	\$44,055,973
Administrative Budget Adjustment for ETF Deficit	(\$4,100,000)	(\$24,300,000)
Position Reduction in Budget Act	(\$612,000)	(\$653,973)
Total	\$93,721,000	\$54,600,000
<u>Expenditures</u>		
CA Manufacturing Program (Interagency Agreement)	\$0	(\$2,126,000)
Program Administration	(\$9,546,399)	(\$8,196,004)
Marketing and Research	(\$1,500,000)	(\$960,000)
Training	(\$82,674,601)	(\$43,317,396)
Total	(\$93,721,000)	(\$54,600,000)

As indicated, \$93.7 million was available to the Panel in FY 2002-03 for program administration, marketing and research, and training:

- **Program Administration.** \$9.6 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 for FY 2002-03 was only 10 percent.
- **Marketing and Research.** \$1.5 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 included interagency agreements with the Technology, Trade and Commerce Agency and other organizations who marketed the program to targeted customers. Research funds were expended for services provided by EDD’s Labor Market Information Division and for external research studies.
- **Training.** The Panel encumbered all \$82.7 million of its available training funds. (See below.)

B. CHARACTERISTICS OF TRAINING PROJECT APPROVALS

The Panel encumbered all \$82.7 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 categories, the Panel approved \$17.2 million for training in high unemployment areas in the State.)

FY 2002-03 FUNDING COMMITMENTS*

	Total	Economic Development	SET
Approved Training Projects	**275	245	42
Training Funds Encumbered (in millions)	\$82.7	\$74.2	\$8.5
Workers Targeted for Training	72,600	65,490	7,110
Average Cost per Trainee***	\$1,138	\$1,133	\$1,196

* \$36.7 million in additional funds were used 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 \$5,550; for Retrainees it was \$1,013.

Training was targeted to the State's basic industries, primarily manufacturing and other emerging high-technology sectors. Sixty percent of approved funds went to businesses in manufacturing; another 13 percent was approved for businesses in non-manufacturing high technology sectors, such as software development, computer programming, and multimedia/entertainment. This is an increase from last fiscal year, when 59 percent of total training funds went to manufacturing businesses, and 6 percent to other high tech firms. The increase is largely the result of accomplishing the FY 2002-03 Strategic Plan objective to increase the percentage of funds targeted to manufacturing and high tech.

COMPLETED CONTRACT DATA

Two hundred and twenty-five 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 at good wages 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 funded training in high-wage, high-skill jobs for a total of 44,568 trainees at an average cost of \$1,197 per trainee.

	Total	Economic Development	SET	Welfare To Work
Number of Contracts**	225	199	31	9
Amount Earned (in millions)	\$53.3	\$48.5	\$3.7	\$1.1
Retained in Employment***	44,568	41,910	2,408	250
Cost per Trainee****	\$1,197	\$1,158	\$1,534	\$4,410

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

** 14 contracts include multiple funding.

***In last year's completed contracts, the percentage of actual to planned placements was 59 percent (53 percent for new hires, and 59 percent for retrainees). The 59 percent rate for retrainees was the same as last year, with completion rates again impacted by 9/11 events and the downturn in the economy. At 53 percent, the new hire completion rate took an aggressive downturn last year, from 81 percent in FY 2001-02, principally due to 9/11 after effects, business downsizing, and other economic factors.

**** The average cost per trainee decreased last year, both overall and for the Economic Development category. This appears to be largely the result of far fewer Welfare to Work trainees and new hire trainees completing in FY 2002-03 than in the previous year. (The average cost per trainee was \$5,665 for new hires, and \$1,057 for retrainees.)

B. RETRAINEES AND NEW HIRES SERVED BY SIZE OF BUSINESS

The following table provides numbers of trainees by size of business served. Twenty percent of all retrainees were employed by small businesses (i.e., 250 or fewer employees), while sixty-four percent of all new hires were employed by small firms.

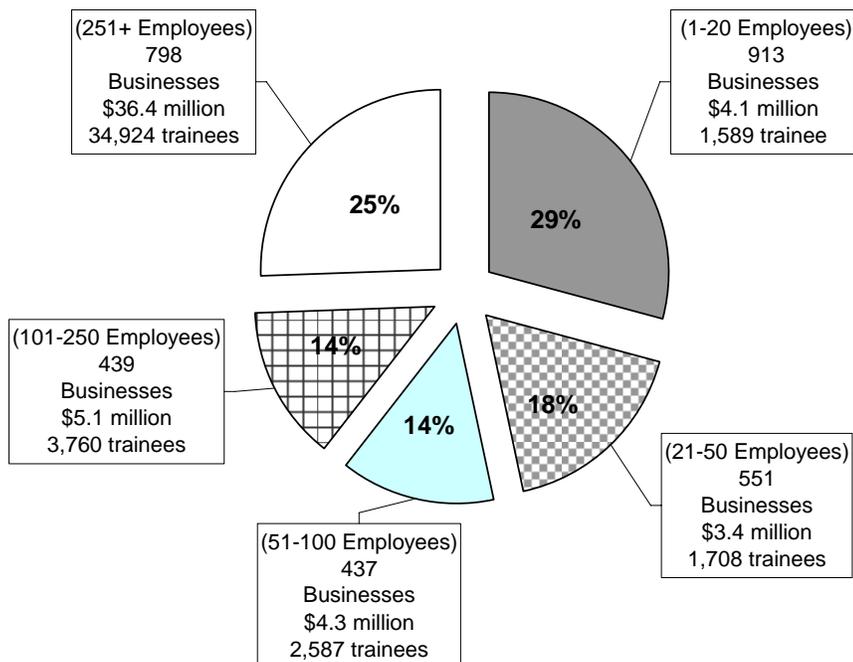
Business Size	Retrainees	New Hires	\$ Earned Amount
1-20	1,222	367	\$4,149,538
21-50	1,515	193	\$3,371,362
51-100	2,443	144	\$4,257,182
101-250	3,579	181	\$5,110,651
251+	34,423	501	\$36,451,560
Totals	43,182	1,386	\$53,340,293.00

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. Seventy-five percent of all businesses served in last year's completed contracts were small (i.e., 250 or fewer workers). Sixty-one percent of all businesses served had 100 or fewer workers; forty-seven percent had 50 or fewer workers; and those with 20 or fewer employees represented twenty-nine percent of all businesses served. (This is a slight drop from the prior fiscal year, when 80 percent of businesses served were small, and 67 percent had only 100 or fewer workers. The change is a reflection of the fact that MECs in the report year's completed contracts served a lower percentage of small businesses than did MECs in the prior year – i.e., 73 percent of businesses served by MECs in FY 2002-03 were small, down from 80 percent in FY 2001-02.) Overall, small businesses earned thirty-two percent of all training dollars expended last year, employing sixty-four percent of all new hires and twenty percent of all trainees.

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 44 small businesses last year, the Panel funded training for 1,503 workers. Another 2,296 small businesses were served through 57 multiple employer contracts which provided training for 8,141 workers in these small firms.

NUMBER & SIZE OF BUSINESSES SERVED IN 2002-03 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><u>Manufacturing 23,694 trainees</u> \$27.8 million (52% dollars earned) 47% businesses served</p>	<p><u>Services 4,987 trainees</u> \$8.6 million (16% dollars earned) 19 % businesses served</p>
<p><u>High Technology* 7,529 trainees</u> \$4.5 million (8% dollars earned) 3 % businesses served <small>*includes software development, multimedia/ entertainment, computer programming and systems design, and telecommunications.</small></p>	
<p><u>Trade 3,900 trainees</u> \$5.1 million (10% dollars earned) 13% businesses served</p>	<p><u>Other** 4,458 trainees</u> \$7.3 million (14 % dollars earned) 18% businesses served <small>**Includes agriculture, construction, transportation, and finance.</small></p>

These industry data show that the percentage of funds earned by manufacturing and high-tech firms in completed contracts increased slightly over the previous year, from 59 percent to 60 percent. At the same time, however, the percentage of businesses served in those industries increased from 46 percent to 55 percent. This is largely the result of an increased number of MECs completing in the report year serving more employers in those targeted industries.

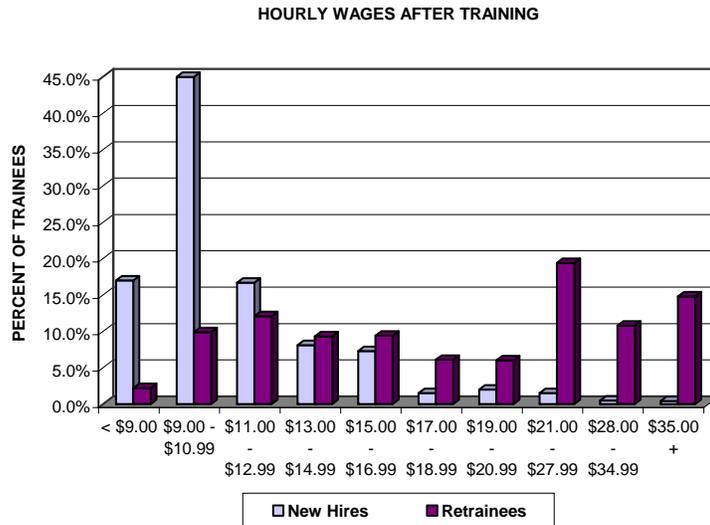
E. TRAINEE WAGES

The average post-training and retention wage for workers who were unemployed at the start of training (new hires) was \$11.49 an hour; for retrainees, it was \$22.44 per hour. The following chart provides the distribution of wages. While new hire wages were comparable to last year's \$11.62 per hour new hire wage, retrainee wages were up significantly from last year's wage of \$19.35, due to fewer welfare to work trainees (with typically lower wages) and a high number of completers in large manufacturing and high tech companies whose wages exceeded \$25 per hour.

It is important to note that while ETP primarily supports training for high-wage, high-skill jobs, it also supports training for lower wage workers to assist them in advancing to better paying, more secure jobs. In the report year, 20 percent of ETP trainees earned less than \$12.00 per hour. This is consistent with prior years' data and reflects ETP's ability to assist workers at both ends of the wage spectrum.

Recent CSUN research shows that the largest earning gains of ETP training completers are experienced by low wage earners – i.e., ETP training completers whose prior year

earnings were less than \$25,000 year (i.e., \$12 an hour) had an average earnings gain of 40 percent after training and employment retention. This compares to gains of 9 percent for trainees with prior year earnings between \$25,000 and \$55,000, and 2.2 percent for trainees with prior year earnings greater than \$55,000.



F. TYPES OF TRAINING

Given ETP’s emphasis on training for manufacturing and high tech jobs, 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-eight of the year’s completed contracts included literacy components for 6,005 participants at a cost of \$5.8 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. Contract data shows that this category of training was primarily provided for production workers in the manufacturing industry.

H. Terminated Contracts

Last year, 35 contracts were terminated prior to completion of the contract term. (This was consistent with the previous year’s 37 terminated contracts, continuing an improvement over FY 2000-01, when 47 contracts terminated.) 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, plant closure or sale of company, increase in business, dynamic market changes (including reactions to the September 11th attack), 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 nearly 65 percent of retrainees were male, while more than 57 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. ETP new hires were more likely to be single than married, while the California Labor Force was more likely to be married. (These trainee demographics are generally consistent with those in last year's completed contracts.)

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 more than 4 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. Other than Public Administration, the industries that are least represented, proportionately by ETP retrainees, are Natural Resources and Healthcare. (Note: High Technology Services has not been identified as a separate category for the California Labor Force, in the Current Population Survey.)

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

Characteristic	<u>Employment Training Panel</u>		<u>California Labor Force</u>	
	<u>New Hire</u> <u>Percent</u>	<u>Retrainee</u> <u>Percent</u>	<u>Unemployed</u> <u>2002</u>	<u>Employed</u> <u>2002</u>
<u>SEX:</u>				
Female	42.8%	35.1%	42.0%	45.4%
Male	57.2%	64.9%	58.0%	54.6%
<u>AGE: a/</u>				
<25	10.1%	9.0%	30.0% a/	14.9% a/
25-34	29.9%	28.5%	23.6% a/	24.0% a/
35-44	31.7%	31.8%	21.9% a/	26.5% a/
45-54	22.6%	22.7%	16.4% a/	22.0% a/
55-64	5.4%	7.5%	6.9% a/	10.2% a/
65+	0.3%	0.5%	1.2% a/	2.4% a/
<u>EDUCATION:</u>				
Less than H.S. Grad.	15.5%	9.6%	19.8% b,c/	19.8% b,c/
H.S. Graduate	33.5%	28.2%	24.0% b,c	24.0% b,c
Some College	33.4%	27.6%	28.3% b,c	28.3% b,c
College Graduate	15.6%	25.5%	18.6% b,c	18.6% b,c
Post Graduate	2.1%	9.1%	9.3% b,c	9.3% b,c
<u>MARITAL STATUS:</u>				
Married	48.7%	59.5%	52.2% c/	52.2% c/
Single	51.3%	40.5%	47.8% c/	47.8% c/
<u>ETHNICITY:</u>				
White	35.7%	42.9%	35.0%	49.9%
African-American	9.2%	6.0%	8.2%	5.4%
Hispanic	35.0%	29.1%	43.7%	31.5%
Asian	16.9%	18.2%	10.9%	12.4%
Native American	1.2%	0.8%	2.2% d/	0.8% d/
Other	2.0%	3.0%		
<u>VETERAN:</u>				
Yes	7.4%	7.0%	2.9%	10.7%
No	92.6%	93.0%	97.1%	89.3%
<u>INDUSTRY:</u>				
Natural Resources		0.23%	N/A	3.00%
Construction		1.88%	N/A	6.70%
Manufacturing		52.75%	N/A	12.50%
Transportation		0.95%	N/A	4.40%
Communications/Utilities		3.44%	N/A	2.30%
Trade		9.37%	N/A	20.20%
Business & Finance		5.76%	N/A	7.40%
Healthcare		0.62%	N/A	7.40%
Recreation		8.51%	N/A	6.80%
High Technology Services		16.34%	N/A	N/A
Other Services		0.14%	N/A	16.20%
Public Administration		0.01%	N/A	13.10%
a/ Based on 2002 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 2002 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 2002-03

APPENDIX D

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
ACCU-SEMBLY, INC.	LOS ANGELES	2	Manufacturing	25		\$35,360	75%
ADVANCE SCHOOL OF DRIVING, INC.	STATEWIDE	6	Various		37	\$141,710	100%
ADVANCED CAREER TECHNOLOGIES INSTITUTE	STATEWIDE	6	Various		56	\$377,483	41%
ADVANCED TRUCK DRIVING SCHOOL-VISALIA	TULARE	6	Transportation		28	\$107,240	54%
ADVANTAGE CAREER TRAINING	STATEWIDE	6	Various		5	\$15,960	8%
AETNA, INC.	SAN DIEGO	5	Finance	717		\$1,739,088	53%
AIRGAS DIRECT INDUSTRIAL/RUTLAND TOOL DIVISION	LOS ANGELES	4	Trade	82		\$57,410	78%
ALAMEDA COMPUTER CENTER, INC.	ALAMEDA	6	Various		54	\$345,359	61%
ALAMEDA COUNTY ELECTRICAL INDUSTRY APPRENTICESHIP TRNG TRUST*	ALAMEDA	6	Construction	157		\$156,236	100%
ALBERTO CULVER	LOS ANGELES	5	Manufacturing	209		\$187,430	99%
ALLTEL INFORMATION SERVICES-ACBS DIVISION	SAN DIEGO	5	service	8		\$14,648	3%
AMERICAN PRECISION GEAR COMPANY, INC.	SAN MATEO	1	Manufacturing	3		\$4,000	11%
AMERIMAX BUILDING PRODUCTS, INC.	SACRAMENTO	5	Manufacturing	27		\$20,800	62%
AMERON INTERNATIONAL, POLE PRODUCTS DIV.	STATEWIDE	5	Manufacturing	79		\$107,200	84%
APPLIED MATERIALS, INC.	SANTA CLARA	5	Hi Tech	5,609		\$2,459,740	81%
ARCHITECTURAL FOREST ENTERPRISES	SAN FRANCISCO	1	Trade	7		\$5,670	34%
AUTOLAND, INC.*	LOS ANGELES	3	Trade	64		\$113,030	26%
AUTOMOTIVE IMPORTING MANUFACTURING, INC.	SACRAMENTO	4	Manufacturing	61		\$120,186	47%
BAE SYSTEMS MISSION SOLUTIONS*	SAN DIEGO	5	Manufacturing	467		\$333,580	70%
BANNER PHARMACAPS, INC.	LOS ANGELES	5	Manufacturing	41		\$31,408	32%
BAXTER HEALTHCARE CORPORATION	VENTURA	5	Trade	89		\$59,150	17%
BEAR CREEK WINERY	SAN JOAQUIN	1	Manufacturing	14		\$16,000	53%
BELKIN COMPONENTS	LOS ANGELES	5	Manufacturing	22		\$22,880	81%
BELL CARTER OLIVE COMPANY	TEHAMA	4	Manufacturing	93		\$148,526	99%
BILTMORE HOTEL AND SUITES	SANTA CLARA	3	service	14		\$8,176	15%
BIOSENSE WEBSTER, INC.	LOS ANGELES	5	Manufacturing	126		\$78,520	43%
BLUE DIAMOND GROWERS	SACRAMENTO	5	Manufacturing	17		\$17,360	5%
BOOKBINDERS COMPANY	LOS ANGELES	2	Manufacturing	29		\$67,040	76%
BRISTOL INDUSTRIES	ORANGE	3	Manufacturing	128		\$174,742	95%
CALIFORNIA BOX COMPANY	LOS ANGELES	2	Manufacturing	0		\$0	0%
CALIFORNIA HUMAN DEVELOPMENT CORPORATION*	STATEWIDE	6	Various		40	\$191,699	51%
CALIFORNIA MANUFACTURING TECHNOLOGY CENTER	STATEWIDE	6	Manufacturing	2,157		\$1,907,368	78%
CALIFORNIA STATE UNIVERSITY FRESNO FOUNDATION*	STATEWIDE	6	Various	39		\$21,684	26%
CALPINE CORPORATION	STATEWIDE	5	Utilities	146		\$215,204	20%
CCT COMPUTER LEARNING CENTER	TRINITY	6	Various	90		\$142,720	100%
CELESTICA CORPORATION	ORANGE	5	Trade	0		\$0	0%
CHATSWORTH PRODUCTS, INC.	STATEWIDE	5	Manufacturing	18		\$18,360	25%
CHEVRON PRODUCTS COMPANY - RICHMOND REFINERY	CONTRA COSTA	5	Manufacturing	370		\$344,760	93%
COCA-COLA BOTTLING COMPANY OF NORTHERN CALIFORNIA	STATEWIDE	5	Manufacturing	416		\$261,292	58%
COHERENT, INC.	SANTA CLARA	5	Manufacturing	44		\$45,760	96%
COLUMBIA STEEL, INC.	SAN BERNARDINO	2	Manufacturing	14		\$16,320	49%
COMMUNITY BUSINESS COLLEGE INC.	STATEWIDE	6	Various		94	\$270,472	95%
COMMUNITY ENHANCEMENT SERVICES	LOS ANGELES	6	Various	20		\$64,900	100%
COMPREHENSIVE TRAINING SYSTEMS	SAN DIEGO	6	Various		38	\$236,512	76%
CONTINENTAL DATA GRAPHICS, INC.	LOS ANGELES	5	Manufacturing	300		\$233,496	30%

*Special Employment Training (SET) Category

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+, (6) Multiple Employers

COMPLETED CONTRACTS IN FY 2002-03

APPENDIX D

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
CONTINENTAL TRAINING CENTER	STATEWIDE	6	Various	174		\$134,735	27%
CONVERGENT COMPUTING*	ALAMEDA	1	Trade	32		\$37,840	62%
COPPER CONNECTION, INC.	SAN FRANCISCO	6	Various	146		\$273,657	22%
CORESLAB STRUCTURES (LA) INC.	RIVERSIDE	5	Manufacturing	105		\$222,960	81%
COUNTY OF PLACER OFFICE OF ECONOMIC DEVELOPMENT*	PLACER	6	Various	69	13	\$82,048	45%
COVENANT CARE, INC.	STATEWIDE	5	service	15	19	\$118,320	17%
COVER-ALL, INC.*	STATEWIDE	4	Construction	55		\$44,805	45%
CSD INDUSTRIES, INC. DBA C ENTERPRISES	SAN DIEGO	3	Manufacturing	35		\$24,388	15%
DACOR (DISTINCTIVE APPLIANCES, INC.)	LOS ANGELES	4	Manufacturing	83		\$97,630	22%
DAKO CORPORATION	SANTA BARBARA	4	Manufacturing	157		\$156,624	84%
DELTA DENTAL PLAN OF CALIFORNIA	SACRAMENTO	5	Finance	141		\$89,130	50%
DISNEYLAND, A DIVISION OF WALT DISNEY WORLD CO.	ORANGE	5	service	738		\$1,243,750	96%
DITECH.COM	ORANGE	5	Finance	493		\$561,640	58%
DJ ORTHOPEDICS, LLC	SAN DIEGO	5	Manufacturing	29		\$21,112	7%
DOOR COMPONENTS	SAN BERNARDINO	3	Manufacturing	25		\$35,225	81%
DUNN-EDWARDS CORPORATION	STATEWIDE	5	Manufacturing	349		\$374,692	83%
EATON AEROSPACE STERER ENGINEERING	LOS ANGELES	5	Manufacturing	152		\$122,870	45%
EL CAMINO COMMUNITY COLLEGE DISTRICT-CENTER FOR APPLIED COMPETITIVE TECHNOLOGIES (CACT)	LOS ANGELES	6	Various	155		\$106,972	33%
EL CLASIFICADO	LOS ANGELES	1	service	18		\$26,944	78%
EM SOLUTIONS	ALAMEDA	5	Manufacturing	11		\$4,840	1%
ENDEVCO CORPORATION	ORANGE	5	Manufacturing	117		\$75,376	94%
ERICSSON WIRELESS COMMUNICATIONS, INC.	SAN DIEGO	5	Hi Tech	181		\$145,080	19%
ERICSSON, INC.	ORANGE	5	Hi Tech	60		\$61,830	23%
ESTERLINE ARMTEC	RIVERSIDE	5	Manufacturing	232		\$248,250	70%
EXECUTIVE SOFTWARE INTERNATIONAL, INC.	LOS ANGELES	3	Manufacturing	53		\$94,900	56%
FARMWORKER INSTITUTE FOR EDUCATION & LEADERSHIP	STATEWIDE	6	Agriculture	0		\$0	0%
FASPAC SYSTEMS, INC.	SAN DIEGO	2	Hi Tech	6		\$6,100	16%
FIBRE INNOVATIONS, LLC	SANTA CLARA	1	Manufacturing	20		\$52,800	54%
FLEXTRONICS INTERNATIONAL USA, INC.	STATEWIDE	5	Manufacturing	177		\$157,670	9%
FOSTER ELITE TRUCK DRIVING SCHOOL	STATEWIDE	6	Transportation		28	\$99,578	9%
FOUNDATION FOR EDUCATIONAL ACHIEVEMENT	SAN DIEGO	6	Various	8		\$38,384	11%
FOUNDATION FOR EDUCATIONAL ACHIEVEMENT	SAN DIEGO	6	Various	302	109	\$1,045,980	54%
FOUR-D SUCCESS ACADEMY, INC.	SAN BERNARDINO	6	Various	40		\$159,600	25%
FRESNO, MADERA, KINGS & TULARE COUNTIES OF CALIFORNIA JATC*	FRESNO	6	Various	36		\$44,480	68%
FRITO-LAY, INC. - LA MIRADA	STATEWIDE	5	Manufacturing	151		\$150,800	100%
FUJITSU AMERICA, INC.	STATEWIDE	5	Hi Tech	216		\$240,132	16%
GAP, INC.-PACIFIC DISTRIBUTION CENTER	FRESNO	5	Trade	79		\$43,134	99%
GARMENT CONTRACTORS ASSOCIATION OF SOUTHERN CALIFORNIA, INC.*	STATEWIDE	6	Manufacturing	231		\$125,569	41%
GLENDALE COMMUNITY COLLEGE DIST - PROFESSIONAL DEV CENTER*	STATEWIDE	6	Various	839		\$1,250,485	97%
GNP COMPUTERS, INC.	LOS ANGELES	3	Hi Tech	116		\$166,038	68%

*Special Employment Training (SET) Category

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+, (6) Multiple Employers

COMPLETED CONTRACTS IN FY 2002-03

APPENDIX D

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
GOODWILL INDUSTRIES OF VENTURA/SANTA BARBARA COUNTIES	VENTURA	6	Various	2	45	\$178,734	80%
GOVERNMENT EMPLOYEES INSURANCE COMPANY (GEICO)	SAN DIEGO	5	Finance	235		\$149,682	100%
GRANITE CONSTRUCTION*	SANTA CLARA	5	Construction	10		\$52,000	83%
GREENHECK FAN CORPORATION	SACRAMENTO	5	Manufacturing	48		\$55,325	46%
GRUNDFOS PUMPS MANUFACTURING CORPORATION	FRESNO	4	Manufacturing	93		\$59,358	85%
GUEST INFORMANT, LLC	LOS ANGELES	3	Manufacturing	43		\$35,308	59%
HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT*	LOS ANGELES	6	Various	87		\$56,146	72%
HARRIS MORAN SEED COMPANY	STATEWIDE	4	Trade	9		\$14,040	39%
HERMAN MILLER WORKPLACE RESOURCE, INC.	LOS ANGELES	5	Trade	125		\$137,132	61%
HIRSCH ENTERPRISES, INC.	ORANGE	2	Construction	15		\$49,440	52%
HOMEBASE, INC.	STATEWIDE	5	Trade	0		\$0	0%
HORMEL FOODS CORPORATION	SAN JOAQUIN	5	Manufacturing	18		\$16,380	100%
HYATT CORPORATION	STATEWIDE	5	service	1,882		\$2,431,968	76%
IMATRON, INC	SAN MATEO	4	Manufacturing	0		\$0	0%
INDUSTRIAL INSULATIONS, INC.	LOS ANGELES	1	Manufacturing	19		\$32,600	38%
INGRAM MICRO INC.	ORANGE	5	Trade	228		\$148,764	46%
INLAND PAPERBOARD AND PACKAGING, INC.- ONTARIO	SAN BERNARDINO	5	Manufacturing	40		\$23,660	38%
INLAND PAPERBOARD AND PACKAGING, INC.- SANTA FE SPRINGS	LOS ANGELES	5	Manufacturing	29		\$23,140	30%
INLAND PAPERBOARD AND PACKAGING, INC.- TRACY	SAN JOAQUIN	5	Manufacturing	16		\$9,620	10%
INLAND PAPERBOARD AND PACKAGING, INC.-LA	LOS ANGELES	5	Manufacturing	149		\$84,500	88%
INTERNATIONAL ALUMINUM CORPORATION	STATEWIDE	5	Manufacturing	133		\$145,056	74%
ITT GILFILLAN, A DIVISION OF ITT INDUSTRIES, INC.	LOS ANGELES	5	Manufacturing	196		\$254,118	64%
J. L. DAVIDSON COMPANY, INC.	SAN DIEGO	6	Various	8		\$3,952	3%
JAMES HARDIE BUILDING PRODUCTS, INC.	SAN BERNARDINO	5	Manufacturing	33		\$26,838	29%
JOANN STORES, INC.	TULARE	5	service	162		\$320,090	63%
JOHNS MANVILLE INTERNATIONAL, INC. - WILLOWS FACILITY	GLENN	5	Manufacturing	124		\$117,195	43%
JOSEPH SCHMIDT CONFECTIONS, INC.	SAN FRANCISCO	2	Manufacturing	14		\$11,088	23%
KERN COMMUNITY COLLEGE DISTRICT (SBDC)*	KERN	6	Various	15		\$8,340	38%
KIRKHILL RUBBER COMPANY	LOS ANGELES	5	Manufacturing	457		\$330,872	81%
KNAUF FIBER GLASS	SHASTA	5	Trade	112		\$345,176	88%
KRAFT FOODS INC.	FRESNO	5	Manufacturing	282		\$287,040	100%
KRAFT FOODS INC./TULARE	TULARE	5	Manufacturing	49		\$56,490	42%
KRAFT FOODS, INC	ALAMEDA	5	Manufacturing	116		\$81,564	57%
KRAFT FOODS, INC. (VISALIA)	TULARE	5	Manufacturing	112		\$78,435	79%
KSL DESERT RESORTS, INC.	RIVERSIDE	5	service	61		\$52,390	23%
LA CANADA DESIGN GROUP*	LOS ANGELES	1	Hi Tech	8		\$6,400	100%
LANCE CAMPER MFG CORP.	LOS ANGELES	4	Manufacturing	41		\$47,560	91%
LATIN BUSINESS ASSOCIATION*	STATEWIDE	6	Various	16		\$13,344	16%
LEINER HEALTH PRODUCTS	LOS ANGELES	5	Manufacturing	82		\$92,742	63%
LOEWS CORONADO BAY RESORT	SAN DIEGO	5	service	85		\$58,292	35%
LOS ANGELES NATIONAL TOOLING & MACHINING ASSOCIATION	STATEWIDE	6	Manufacturing	579	243	\$3,643,984	67%
LOS ANGELES NEWSPAPER GROUP	LOS ANGELES	5	Manufacturing	519		\$270,630	98%
LOWE'S COMPANIES, INC.	RIVERSIDE	5	Trade	71		\$60,240	14%
MARINE INDUSTRIES COMPANY, LLC	NAPA	3	Manufacturing	26		\$15,600	87%

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COMPLETED CONTRACTS IN FY 2002-03

APPENDIX D

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
MARINER POST ACUTE NETWORK	STATEWIDE	5	service	5	11	\$55,680	11%
MARRIOTT HOTEL SERVICES DBA RANCHO LAS PALMAS RESORT & SPA	RIVERSIDE	5	service	278		\$216,840	39%
MEDIMPACT HEALTHCARE SYSTEMS, INC.	SAN DIEGO	4	service	9		\$5,096	3%
MILBANK MANUFACTURING COMPANY	ORANGE	5	Manufacturing	38		\$51,500	86%
MOTHER LODE TRUCK DRIVING SCHOOL	STATEWIDE	6	Transportation		14	\$44,688	28%
MURRIETTA CIRCUITS	ORANGE	2	Manufacturing	74		\$83,480	85%
MWB COPY PRODUCTS, INC. DBA MWB BUSINESS SYSTEMS*	STATEWIDE	5	Trade	82		\$128,856	95%
NATIONAL ALLIANCE OF BUSINESS	STATEWIDE	6	Various	199		\$129,086	11%
NATIONAL MARKETING SERVICES	ORANGE	2	Manufacturing	42		\$63,040	100%
NATIONWIDE LENDING CORPORATION	ORANGE	2	Finance	64		\$98,220	98%
NCP NURSING ASSISTANT TRAINING OF STOCKTON	SAN JOAQUIN	6	Various		102	\$390,660	100%
NCR CORPORATION	STATEWIDE	5	Manufacturing	52		\$27,040	9%
NELSON NUTRACEUTICAL, INC.	LOS ANGELES	4	Manufacturing	25		\$22,360	25%
NEUTROGENA CORPORATION	LOS ANGELES	5	Manufacturing	245		\$202,588	62%
NEW UNITED MOTOR MANUFACTURING, INC. (NUMMI)	ALAMEDA	5	Manufacturing	1,634		\$1,581,576	100%
NORTH AMERICAN INSTITUTE	LOS ANGELES	6	Various		25	\$107,725	83%
NORTHROP GRUMMAN SYSTEMS CORPORATION	STATEWIDE	5	Manufacturing	2,523		\$1,333,800	84%
NTMA TRAINING CENTERS OF SOUTHERN CALIFORNIA	STATEWIDE	6	Manufacturing	479		\$1,465,920	95%
NUGGET MARKETS INC.*	YOLO	5	Trade	102		\$53,040	100%
NULAIID FOODS, INC.	SAN JOAQUIN	2	Trade	35		\$22,680	95%
OXMAN COLLEGE	STATEWIDE	6	Various	100		\$595,800	100%
PAC WEST TELECOMM, INC.	SAN JOAQUIN	5	Hi Tech	456		\$382,912	75%
PACIFIC COAST BUILDING PRODUCTS INC.	STATEWIDE	5	Manufacturing	534		\$1,284,780	53%
PACIFIC SOUTHWEST CONTAINER, INC.	STANISLAUS	4	Manufacturing	144		\$86,400	48%
PECHINEY CAST PLATE	LOS ANGELES	3	Manufacturing	89		\$83,512	74%
PERI STREET WELDING	CALAVERAS	1	Manufacturing	1		\$3,200	50%
PRACTICAL DATA PROCESSING, INC.	LOS ANGELES	6	Various	88	151	\$810,885	52%
PRIVATE MEDICAL-CARE, INC. (PMI) DBA PMI DENTAL HEALTH PLAN	LOS ANGELES	4	Finance	124		\$88,348	57%
PRODUCTION SPECIALTIES	SACRAMENTO	1	Manufacturing	18		\$39,760	71%
QAD, INC.	STATEWIDE	5	Hi Tech	248		\$215,280	76%
QUEBECOR WORLD	MERCED	5	Manufacturing	22		\$28,398	37%
R.E.M. CONCEPTS, INC. DBA ABC WINDOW COMPANY	SAN BERNARDINO	3	Construction	101		\$87,150	89%
RANDS SYSTEMS, INC.*	STATEWIDE	6	Various	157	74	\$893,824	66%
RANTEC POWER SYSTEMS, INC.	SAN LUIS OBISPO	5	Manufacturing	30		\$39,090	50%
RAYTHEON COMPANY	STATEWIDE	5	Manufacturing	207		\$183,716	55%
RECOT, INC., DBA FRITO-LAY, INC.	SAN BERNARDINO	5	Manufacturing	458		\$363,816	82%
REISGEN INC., DBA CONTRACTED COMPUTER TRAINING	LOS ANGELES	6	Various	524		\$297,392	84%
REXAM BEVERAGE CAN AMERICAS	ALAMEDA	5	Manufacturing	63		\$79,104	87%
RICOH ELECTRONICS	ORANGE	5	Manufacturing	108		\$131,536	81%
RIO HONDO COLLEGE	STATEWIDE	6	Various	225		\$142,575	67%
ROHR INC, DBA BFGOODRICH AEROSPACE/AEROSTRUCTURES GRP	RIVERSIDE	5	Manufacturing	166		\$192,446	32%
ROHR, INC, DBA GOODRICH AEROSTRUCTURES GROUP	SAN DIEGO	5	Manufacturing	451		\$326,261	47%
RUIZ FOOD PRODUCTS, INC.	TULARE	5	Manufacturing	97		\$119,664	49%
SAN DIEGO PARADISE POINT RESORT	SAN DIEGO	5	service	200		\$331,760	56%

*Special Employment Training (SET) Category

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COMPLETED CONTRACTS IN FY 2002-03

APPENDIX D

Contractor Name	County	Business Size**	Industry	Retraitees	New Hires	Contract Earned	Percent Earned
SAN FRANCISCO BAY AREA NATIONAL TOOLING AND MACHINING ASSOCIATION TRAINING CENTER	STATEWIDE	6	Manufacturing	151	22	\$373,594	19%
SAN JOAQUIN & CALAVERAS COUNTIES ELECTRICAL (JATC)*	SAN JOAQUIN	6	Various	32		\$23,621	87%
SAN LUIS OBISPO COUNTY JATC*	SAN LUIS OBISPO	6	Various	19		\$11,875	38%
SANTA CLARITA COMMUNITY COLLEGE DISTRICT	STATEWIDE	6	Various	538		\$364,597	80%
SEARS LOGISTICS SERVICES, INC.	KERN	5	Transportation	311		\$227,370	100%
SEARS, ROEBUCK & COMPANY	SAN BERNARDINO	5	Trade	439		\$523,480	82%
SEMINIS, INC.	VENTURA	5	Agriculture	102		\$100,600	47%
SEMPRA ENERGY*	SAN DIEGO	5	Utilities	90		\$89,136	22%
SIERRA SYSTEMS GROUP, INC.	LOS ANGELES	5	Hi Tech	0		\$0	0%
SMITTYBILT, INC.	RIVERSIDE	5	Manufacturing	0	0	\$0	0%
SMT UNLIMITED, L.P.	ALAMEDA	3	Manufacturing	43		\$38,590	29%
SOLANO & NAPA CO ELECTRICAL JOINT APPRENTICESHIP & TRNG COMM*	NAPA	6	Various	34		\$34,867	75%
SOUTHEAST LOS ANGELS COUNTY WORKFORCE INVESTMENT BOARD	STATEWIDE	6	Various	1,636		\$1,535,397	79%
SPECIALTY LABORATORIES, INC.	LOS ANGELES	5	Hi Tech	124		\$85,271	23%
SPECTRA-PHYSICS	SANTA CLARA	5	Manufacturing	135		\$89,136	89%
SPRINGBOARD	SAN FRANCISCO	6	Various			\$0	0%
SSMB PACIFIC HOLDING COMPANY, INC.*	ALAMEDA	3	Trade	12		\$12,000	14%
STANDARD PACIFIC HOMES, ORANGE COUNTY DIVISION*	ORANGE	5	Construction	130		\$131,764	91%
STANFORD MICRODEVICES, INC.	SANTA CLARA	3	Manufacturing	0		\$0	0%
SUMITOMO METAL MINING USA, INC.	SAN DIEGO	4	Manufacturing	83		\$50,684	58%
SYSTEM STUDIES, INC.	SANTA CRUZ	2	Manufacturing	12		\$14,400	22%
TATUNG COMPANY OF AMERICA INC.	LOS ANGELES	5	Trade	85		\$134,480	46%
TAYCAL PRESS	TULARE	2	Manufacturing	86		\$68,800	96%
TAYLOR - LISTUG, INC. DBA TAYLOR GUITARS	SAN DIEGO	4	Manufacturing	33		\$54,860	86%
TECHNOLOGY INTEGRATION GROUP	SAN DIEGO	6	Various	78		\$143,691	73%
TECSTAR INC. APPLIED SOLAR DIVISION	LOS ANGELES	5	Manufacturing	0		\$0	0%
TELETECH CUSTOMER CARE MANAGEMENT (CA), INC.*	SAN JOAQUIN	5	Manufacturing	712		\$2,085,980	76%
THE CORPORATION FOR MANUFACTURING EXCELLENCE DBA MANEX	STATEWIDE	6	Manufacturing	1,295		\$1,310,041	75%
THE GREATER MERCED CHAMBER OF COMMERCE*	MERCED	6	Various	24		\$25,008	63%
THE PERMANENTE MEDICAL GROUP, INC.*	STATEWIDE	5	service	24		\$49,920	53%
TITAN SYSTEMS CORPORATION, LINKABIT DIVISION	SAN DIEGO	5	Hi Tech	111		\$99,180	60%
TRANSFER FLOW, INC.	BUTTE	2	Manufacturing	16		\$15,400	96%
TRINET	ALAMEDA	4	service	56		\$62,720	36%
UNIFIED WESTERN GROCERS, INC.	LOS ANGELES	5	Trade	476		\$384,648	58%
UNIGEN CORPORATION	ALAMEDA	2	Manufacturing	48		\$88,880	68%
UNION TECHNOLOGY CORPORATION	LOS ANGELES	1	Manufacturing	8		\$16,000	100%
UNITEDHEALTH GROUP-UNIPRISE	BUTTE	5	Finance	284		\$737,280	72%
UPRIGHT INC.	MADERA	5	Manufacturing	42		\$34,840	9%
USS-POSCO INDUSTRIES	CONTRA COSTA	5	Manufacturing	142		\$117,020	82%
VALLECITOS CET, INC.*	ALAMEDA	6	Various		2	\$11,490	13%
VALLEY CAREER COLLEGE	SAN DIEGO	6	Various		57	\$300,162	63%
WAL-MART STORES, INC.	TULARE	5	Trade	147		\$202,216	16%

COMPLETED CONTRACTS IN FY 2002-03

APPENDIX D

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
WARNER BROTHERS STUDIOS A DIV OF TIME WARNER ENTERTAINMENT CO. L.P.	LOS ANGELES	5	Hi Tech	227		\$181,350	100%
WATERMAN INDUSTRIES, INC.	TULARE	4	Manufacturing	39		\$23,088	12%
WATSON LABORATORIES, INC.	RIVERSIDE	5	Manufacturing	213		\$166,452	82%
WAVESPLITTER TECHNOLOGIES, INC.	ALAMEDA	4	Manufacturing	9		\$13,680	15%
WESTECH COLLEGE	STATEWIDE	6	Various	545		\$757,550	78%
WESTERN ELECTRICAL CONTRACTORS ASSOCIATION*	SACRAMENTO	6	Various	8		\$16,016	10%
WOMEN'S EMPLOYMENT ACTION LEAGUE	LOS ANGELES	6	Various	1		\$3,990	4%
WORLDWIDE EDUCATIONAL SERVICES, INC.*	STATEWIDE	6	Various		119	\$627,171	64%
YOSEMITE CONCESSION SERVICES CORP.	MARIPOSA	5	service	154		\$154,050	25%
Z MICROSYSTEMS, INC.	SAN DIEGO	1	Manufacturing	34		\$48,384	92%
				43,182	1,386	\$53,340,293	

*Special Employment Training (SET) Category

** (1) 1-50, (2) 51-100, (3) 101-250, (4) 251-500, (5) 501+, (6) Multiple Employers

**Approved Contracts
in Fiscal Year 2002/03**

APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retraitees to Train	# New hires to Train
AAA PLATING AND INSPECTION, INC.	LOS ANGELES	Manufacturing	3	\$3,400	17	
ABX HEMATOLOGY, INC. DBA ABX DIAGNOSTICS	ORANGE	High Technology	5	\$39,364	46	
ADAMS RITE MANUFACTURING COMPANY	LOS ANGELES	Manufacturing	5	\$243,100	153	
ADCON TECHNICAL INSTITUTE, INC.	LOS ANGELES	Various	6	\$88,960	90	
ADVANCED CARDIOVASCULAR SYSTEMS, INC. DBA GUIDANT VASCULAR INTERVENTION	RIVERSIDE	Manufacturing	5	\$1,053,260	1349	
ADVANCED CAREER TECHNOLOGIES INSTITUTE	SACRAMENTO	Various	6	\$952,560	125	
ADVANCED MATERIAL JOINING CORPORATION, DBA ADVANCED TECHNOLOGY COMPANY	LOS ANGELES	Service	3	\$14,400	12	
AEC ABLE ENGINEERING COMPANY, INC.	SANTA BARBARA	Manufacturing	4	\$39,000	60	
AERO UNION CORPORATION	BUTTE	Manufacturing	4	\$51,760	54	
AETNA INC.	STATEWIDE	Finance	5	\$1,564,680	767	
AFFILIATED COMPUTER SERVICES, INC. (ACS)	KERN	Service	5	\$138,060	330	
AGRI-CEL, INC.	KERN	Manufacturing	3	\$68,000	28	
AIRCRAFT HINGE, INC.	LOS ANGELES	Manufacturing	2	\$15,600	20	
ALAMEDA COMPUTER CENTER	STATEWIDE	Various	6	\$650,350		125
ALEXANDER'S MOVING AND STORAGE	STATEWIDE	Trade	5	\$126,614	123	
AMERICAN TRUCK SCHOOL, LLC	STATEWIDE	Various	6	\$610,325		200
ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	LOS ANGELES	Various	6	\$750,044	403	
APPLIED MATERIALS	STATEWIDE	Manufacturing	5	\$2,966,400	4800	
APTOS BERRY FARMS, INC.	VENTURA	Agriculture	5	\$104,000	200	
ARCHER TRAVEL SERVICE, INC.	LOS ANGELES	Service	2	\$108,000	42	
AREMAC HEAT TREATING INC.	LOS ANGELES	Manufacturing	2	\$8,800	22	
AT&T CORPORATION*	STATEWIDE	High Technology	5	\$2,102,308	898	
ATLAS PACIFIC ENGINEERING COMPANY, INC.	STATEWIDE	Trade	5	\$53,248	21	
AUTODESK, INC.	STATEWIDE	High Technology	5	\$256,366	500	
AUTOMATIC DATA PROCESSING, INC.	LOS ANGELES	High Technology	5	\$1,019,196	1050	
AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA*	STATEWIDE	Finance	5	\$1,134,000	1750	
AVENCOR, LLC	SAN DIEGO	Trade	1	\$3,020	5	
B&K ELECTRIC WHOLESALE	STATEWIDE	Trade	3	\$77,160	71	
BABCOCK, INC.	LOS ANGELES	Manufacturing	4	\$64,930	110	
BANK OF AMERICA CORPORATION	STATEWIDE	Finance	5	\$3,644,160	2920	
BAY AREA VIDEO COALITION	STATEWIDE	Various	6	\$1,001,455	650	
BEACH HOUSE INN*	STATEWIDE	Service	5	\$99,320	50	
BEVERLY ONCOLOGY & IMAGING*	LOS ANGELES	Service	2	\$44,660	30	
BORLA PERFORMANCE INDUSTRIES	VENTURA	Manufacturing	4	\$64,480	124	
BURLINGAME INDUSTRIES, INC.	SAN BERNARDINO	Manufacturing	5	\$423,800	483	
CALIFORNIA AUTOMOTIVE SEALING, INC.	ALAMEDA	Manufacturing	5	\$98,280	110	
CALIFORNIA CHASSIS, INC.	ORANGE	Manufacturing	3	\$53,360	57	
CALIFORNIA COMMERCE BANK	LOS ANGELES	Finance	5	\$224,900	173	
CALIFORNIA HUMAN DEVELOPMENT CORPORATION*	STATEWIDE	Various	6	\$345,957		68
CALIFORNIA INSTITUTE OF CUSTOMER ENGINEERING, INC.	RIVERSIDE	Various	6	\$329,900		50
CALIFORNIA MANUFACTURING TECHNOLOGY CENTER	LOS ANGELES	Manufacturing	6	\$2,455,290	2000	

* Special Employment Training (SET) Category

** (1) 1-20, (2) 21-50, (3) 51-100, (4) 101-250, (5) 251+, (6) Multiple Employers

**Approved Contracts
in Fiscal Year 2002/03**

APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retrainees to Train	# New hires to Train
CALIFORNIA PRO-SPECS, INC., DBA PRODUCTION SPECIALTIES	SACRAMENTO	Manufacturing	2	\$89,600	28	
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS	VENTURA	Various	6	\$12,285	15	
CALIFORNIA STEEL INDUSTRIES, INC.	SAN BERNARDINO	Manufacturing	5	\$79,040	121	
CALIFORNIA WATER SERVICE COMPANY*	STATEWIDE	Utilities	5	\$967,512	618	
CALPINE OPERATING SERVICES COMPANY, INC.	STATEWIDE	Utilities	5	\$234,000	320	
CANADAIGUA WINE CO., INC.	MADERA	Manufacturing	5	\$52,416	72	
CEILINGS PLUS, A JOINT VENTURE	LOS ANGELES	Manufacturing	3	\$128,240	76	
CELLCO PARTNERSHIP DBA VERIZON WIRELESS	STATEWIDE	High Technology	5	\$2,850,146	2466	
CERUS CORPORATION	CONTRA COSTA	High Technology	4	\$70,200	135	
CHEVRON USA, INC.	KERN	Manufacturing	5	\$554,528	992	
CITY NATIONAL BANK*	STATEWIDE	Finance	5	\$274,560	423	
COATING SPECIALTIES, INC. DBA AERO PRODUCTS COMPANY	LOS ANGELES	Manufacturing	1	\$5,600	7	
COLOR AD INC.	LOS ANGELES	Service	3	\$24,960	32	
COMMUNITIES IN SCHOOLS OF SOUTH BAY, INC.*	LOS ANGELES	Various	6	\$105,484	29	40
COMMUNITY BUSINESS COLLEGE, INC.	STATEWIDE	Various	6	\$861,750		150
COMMUNITY CAREER DEVELOPMENT, INC.	LOS ANGELES	Various	6	\$145,440	80	
COMPUTER TUTOR BUSINESS & TECHNICAL INSTITUTE*	STANISLAUS	Various	6	\$240,500		40
CONEXANT SYSTEMS, INC.	STATEWIDE	Manufacturing	5	\$371,000	500	
CONTINENTAL DATA GRAPHICS, A SUBSIDIARY OF THE BOEING COMPANY	STATEWIDE	Manufacturing	5	\$141,895	295	
COVAD COMMUNICATIONS, INC.*	SANTA CLARA	Construction, Special Trade Contractor	5	\$126,605	262	
CTB/MCGRAW-HILL	MONTEREY	Manufacturing	5	\$159,120	306	
CUSTOM BUILDING PRODUCTS	STATEWIDE	Manufacturing	5	\$202,800	390	
CUSTOM CABS INDUSTRIES	SAN DIEGO	Construction, Special Trade Contractor	5	\$9,792	8	
CYCLE GEAR, INC.	STATEWIDE	Trade	4	\$96,720	96	
CYPRESS GROVE CHEVRE, INC.	HUMBOLT	Manufacturing	1	\$3,120	4	
CYTEC ENGINEERED MATERIALS INC.	ORANGE	Manufacturing	5	\$217,672	270	
D.T. MATTSON ENTERPRISES INC DBA PRO-LINE	SAN BERNARDINO	Manufacturing	2	\$23,400	30	
DEY, L.P.	NAPA	Manufacturing	5	\$932,710	694	
DIAMOND WELL DRILLING		Construction, Special Trade Contractor	2	\$52,440	15	
DIVERSA CORPORATION	SAN DIEGO	High Technology	5	\$179,381	235	
DOCUSOURCE, LLC	ORANGE	Trade	3	\$140,000	70	
DUAL GRAPHICS, INC.	LOS ANGELES	Manufacturing	3	\$19,440	36	
DUNN-EDWARDS CORPORATION	STATEWIDE	Manufacturing	5	\$494,520	751	
EATON AEROSPACE	ORANGE	Manufacturing	5	\$238,680	140	
EATON AEROSPACE STERER FLUID CONTROLS	LOS ANGELES	Manufacturing	5	\$229,100	305	
EDGESOFT, INC.	LOS ANGELES	High Technology	1	\$7,020	9	
EDUCATIONAL SERVICES, LLC DBA ADVANCED COLLEGE OF TECHNOLOGY	SAN DIEGO	Various	6	\$196,720	160	
E-GATE COLLEGE, INC.	ORANGE	High Technology	6	\$199,700	176	
EL CAMINO COMMUNITY COLLEGE DISTRICT (CACT)	LOS ANGELES	Various	6	\$260,000	300	

* Special Employment Training (SET) Category

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**Approved Contracts
in Fiscal Year 2002/03**

APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retrainees to Train	# New hires to Train
EMPLOYERS GROUP	STATEWIDE	Various	6	\$563,390	770	
EMPOWER RF SYSTEMS, INC.	LOS ANGELES	Service	2	\$2,880	9	
ENDPAK PACKAGING, INC.	LOS ANGELES	Manufacturing	3	\$46,080	18	
ENVIRONMENT CONTROL FRESNO*	FRESNO	Service	2	\$12,080	17	
EXPERIAN INFORMATION SOLUTIONS, INC.	ORANGE	Service	5	\$582,960	820	
F & P INC. DBA HOWE MARKETING GROUP	LOS ANGELES	Service	2	\$39,800	27	
FANSTEEL CALIFORNIA DROP FORGE	LOS ANGELES	Manufacturing	5	\$15,600	20	
FREEDOM ORANGE CO INFORAMTION DBA ORANGE COUNTY REGISTER	ORANGE	Manufacturing	5	\$23,920	46	
FRESNO COUNTY WORKFORCE INVESTMENT BOARD*	FRESNO	Various	6	\$23,242	16	
FRONTLINE SALES, INC.	LOS ANGELES	Trade	1	\$7,100	13	
GABRIEL MEDIA GROUP, INC.	LOS ANGELES	Service	1	\$7,800	10	
GAP, INC.	STATEWIDE	Trade	5	\$798,096	1279	
GENERAL MOTORS ACCEPTANCE CORPORATION DBA DITECH.COM	ORANGE	Finance	5	\$358,800	600	
GENERAL MOTORS SERVICES AND PARTS OPERATIONS	SAN BERNARDINO	Manufacturing	5	\$592,800	240	
GEN-PROBE INCORPORATED	SAN DIEGO	Manufacturing	5	\$313,120	468	
GLENDALE COMMUNITY COLLEGE PROFESSIONAL DEVELOPMENT CENTER*	STATEWIDE	Various	6	\$2,639,306	2114	
GNA INDUSTRIES, INC.	FRESNO	Manufacturing	1	\$6,720	6	
GOLDEN STAR TECHNOLOGY, INC.	LOS ANGELES	Trade	3	\$55,600	21	
GOODWILL INDUSTRIES OF SANTA CLARA COUNTY	SANTA CLARA	Various	6	\$143,640		30
GOODWILL INDUSTRIES OF VENTURA & SANTA BARBARA COUNTIES	STATEWIDE	Various	6	\$212,240		70
GORDON LABORATORIES	LOS ANGELES	Manufacturing	2	\$20,280	26	
HANNIBAL INDUSTRIES, INCORPORATED	LOS ANGELES	Manufacturing	5	\$21,112	37	
HANSON LAB FURNITURE		Manufacturing	2	\$7,800	10	
HIT PRODUCTS CORPORATION	TULARE	Manufacturing	3	\$123,000	41	
HITCHCOCK & HOLCOMBE, INC., DBA CONTINENTAL TRAINING CENTER	SACRAMENTO	Various	6	\$199,887	211	
HOLLY YASHI, INC.	HUMBOLT	Manufacturing	2	\$19,500	25	
HOUSE OF PACKAGING, INC.	LOS ANGELES	Manufacturing	4	\$118,248	123	
ICI DULUX PAINTS	LOS ANGELES	Manufacturing	5	\$143,260	201	
ID8 MEDIA, INC.	STATEWIDE	High Technology	1	\$54,000	15	
IDEAL GRINDING TECHNOLOGIES, INC.	LOS ANGELES	Manufacturing	1	\$2,000	5	
IMAGIC, INC.	LOS ANGELES	Service	2	\$2,280	4	
INDIGO SYSTEMS CORPORATION	SANTA BARBARA	Service	4	\$247,000	152	
INDUSTRIAL MODIFICATION & REPAIR, INC.	LOS ANGELES	Manufacturing	1	\$12,480	16	
INFONET SERVICES CORPORATION	STATEWIDE	High Technology	5	\$564,895	449	
INLAND PAPERBOARD & PACKAGING, INC.	SANTA CLARA	Manufacturing	5	\$83,200	160	
INLAND PAPERBOARD AND PACKAGING, INC.	CONTRA COSTA	Manufacturing	5	\$56,160	108	
INTEL CORPORATION	STATEWIDE	Manufacturing	5	\$1,688,154	2823	
INTERNATIONAL METAL TRADING, LLC	LOS ANGELES	Manufacturing	1	\$30,400	9	
IRVINE CHAMBER OF COMMERCE	ORANGE	Various	6	\$213,835	125	
J & R FILM CO. INC. DBA MOVIOLA DIGITAL EDUCATION CENTER	STATEWIDE	Various	6	\$958,000	500	
JOHNS MANVILLE CORPORATION	GLENN	Manufacturing	5	\$59,540	78	

* Special Employment Training (SET) Category

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**Approved Contracts
in Fiscal Year 2002/03**

APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retrainees to Train	# New hires to Train
JOSEPH PHELPS WINERY AND VINEYARDS	NAPA	Manufacturing	3	\$3,840	12	
KDS PRINTING & PACKAGING, INC.	LOS ANGELES	Manufacturing	1	\$39,600	15	
KEISER CORPORATION*	FRESNO	Manufacturing	3	\$72,800	52	
KEY ELECTRONICS MANUFACTURING	SAN DIEGO	Manufacturing	1	\$3,040	6	
KING'S HAWAIIAN HOLDING COMPANY, INC.	LOS ANGELES	Construction, Special Trade Contractor	5	\$33,696	108	
KMART CORPORATION	RIVERSIDE	Trade	5	\$413,990	678	
KMC WHEEL COMPANY	RIVERSIDE	Manufacturing	4	\$80,736	70	
KRAFT FOODS, INC., SAN LEANDRO	ALAMEDA	Manufacturing	5	\$62,400	100	
LA TORTILLA FACTORY	SONOMA	Manufacturing	3	\$12,600	50	
LOEWS CORONADO BAY RESORT	SAN DIEGO	Service	5	\$108,160	190	
LOS ANGELES COUNTY ELECTRICAL TRAINING TRUST*	LOS ANGELES	Various	6	\$159,730	200	
MAGNUS MOBILITY SYSTEMS INC	ORANGE	Trade	1	\$8,320	16	
MARIANI PACKING CO., INC.	SOLANO	Manufacturing	4	\$137,280	177	
MARS SALES COMPANY INC.	LOS ANGELES	Manufacturing	3	\$25,580	19	
MCLANE SUNEAST DBA MCLANE SOUTHERN CALIFORNIA*	SAN BERNARDINO	Trade	5	\$134,277	313	
MELLES GRIOT, INC.	STATEWIDE	Manufacturing	5	\$97,240	146	
MICROSEMI CORPORATION	ORANGE	Manufacturing	5	\$322,530	345	
MIDIMAN, INC.	LOS ANGELES	Trade	3	\$95,700	54	
MISSION HILL TRUCK SCHOOL INC.	STANISLAUS	Transportation	6	\$199,160		52
MORGAN ADVANCED CERAMICS, INC.	ALAMEDA	Trade	5	\$138,840	208	
MTC HOLDINGS*	STATEWIDE	Finance	5	\$214,596	157	
MWS WIRE INDUSTRIES	LOS ANGELES	Manufacturing	2	\$7,340	28	
NAPROTEK, INC.	SANTA CLARA	Manufacturing	3	\$190,400	70	
NEW UNITED MOTOR MANUFACTURING, INC.	ALAMEDA	Manufacturing	5	\$6,373,302	2427	
NIEBAUM COPPOLA ESTATE WINERY	SONOMA	Manufacturing	5	\$56,680	109	
NORTHERN CALIFORNIA CONSTRUCTION & TRAINING, INC.*	STATEWIDE	Construction, Special Trade Contractor	6	\$107,232		24
NORTHERN CALIFORNIA TEAMSTERS APPRENTICE TRAINING AND EDUCATION TRUST FUND	STATEWIDE	Construction, Special Trade Contractor	6	\$127,539		40
NORTHROP GRUMMAN CORPORATION	LOS ANGELES	Manufacturing	5	\$904,800	1700	
NTMA TRAINING CENTER OF SOUTHERN CALIFORNIA	STATEWIDE	Manufacturing	6	\$5,248,300	550	400
NUGGET MARKET, INC.*	STATEWIDE	Trade	5	\$140,049	171	
NURSERYMEN'S EXCHANGE, INC.*	SAN MATEO	Agriculture	5	\$142,612	230	
NURSING CARE PROVIDERS, INC. DBA NCP VOCATIONAL SCHOOL	STATEWIDE	Various	6	\$612,750		150
NVISION, INCORPORATED	NEVADA	Manufacturing	3	\$7,400	16	
OBERMAN, TIVOLI, MILLER AND PICKERT, INC. DBA MEDIA SERVICES	LOS ANGELES	Service	4	\$177,125	125	
OBERTHUR CARD SYSTEMS	LOS ANGELES	Manufacturing	5	\$186,550	190	
OFFICE DEPOT, INC.	LOS ANGELES	Trade	5	\$219,489	369	
ONE HEALTH PLAN OF CALIFORNIA, INC.	STATEWIDE	Finance	5	\$698,984	367	
ORLANDO SPRING CORPORATION	ORANGE	Manufacturing	2	\$17,160	22	
ORTHO ENGINEERING, INC.	LOS ANGELES	Trade	2	\$14,040	18	
OWENS DESIGN INCORPORATED	ALAMEDA	Service	2	\$9,360	12	
PACIFIC COAST PRODUCERS	YOLO	Manufacturing	5	\$353,600	65	
PACIFIC DESIGN TECHNOLOGIES, INC.	SANTA BARBARA	High Technology	1	\$7,200	9	
PACIFIC MARINE SHEET METAL CORPORATION DBA SOUTHWEST FABRICATORS	SAN DIEGO	Manufacturing	4	\$83,200	160	

* Special Employment Training (SET) Category

** (1) 1-20, (2) 21-50, (3) 51-100, (4) 101-250, (5) 251+, (6) Multiple Employers

**Approved Contracts
in Fiscal Year 2002/03**

APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retrainees to Train	# New hires to Train
PACIFICA CAPITAL	SAN DIEGO	Real Estate	2	\$14,880	24	
PAC-WEST TELECOMM, INC.*	STATEWIDE	High Technology	5	\$452,320	317	
PANTRONIX CORPORATION	ALAMEDA	Manufacturing	3	\$18,000	75	
PARAMIT CORPORATION	SANTA CLARA	Manufacturing	5	\$409,240	267	
PAYROLL PEOPLE, INC.	FRESNO	Service	3	\$5,760	10	
PELCO	FRESNO	Manufacturing	5	\$787,644	991	
PELICAN ROPE WORKS	ORANGE	Manufacturing	1	\$2,760	6	
PEOPLESOFT, INC.	ALAMEDA	Manufacturing	5	\$520,000	400	
PERFORMANCE PLASTICS, INC.	SAN DIEGO	Manufacturing	3	\$89,220	60	
PERKINELMER HOLDINGS, INC.	SANTA CLARA	Manufacturing	5	\$29,640	57	
PIONEER PACKING, INC.	ORANGE	Trade	5	\$99,840	76	
PLANT EQUIPMENT, INC.	RIVERSIDE	Manufacturing	4	\$51,252	61	
PLEASANT HOLIDAYS, LLC	KERN	Service	5	\$104,000	200	
POLYCOMP ADMINISTRATIVE SERVICES, INC.	STATEWIDE	Finance	4	\$62,920	121	
POLYONE CORPORATION	LOS ANGELES	Manufacturing	5	\$7,800	15	
POWDERCOAT SERVICES INC.	ORANGE	Manufacturing	3	\$4,460	19	
PRACTICAL DATA PROCESSING, INC.	LOS ANGELES	High Technology	6	\$678,700	100	200
PREMIER RETAIL NETWORKS	SAN FRANCISCO	Service	4	\$57,408	92	
PROACTIVE PACKAGING AND DISPLAY	SAN BERNARDINO	Manufacturing	2	\$24,960	32	
PROMETHEUS LABORATORIES, INC.	SAN DIEGO	High Technology	4	\$67,600	130	
PROMO UNLIMITED	LOS ANGELES	Trade	2	\$17,940	23	
Q MICROWAVE, INC.	SAN DIEGO	Manufacturing	2	\$67,200	21	
QUALLION LLC	LOS ANGELES	Manufacturing	3	\$24,400	52	
R.E.M. CONCEPTS, INC. DBA ABC WINDOW COMPANY	SAN BERNARDINO	Construction, Special Trade Contractor	4	\$99,866	167	
RADIOLOGICAL ASSOCIATES OF SACRAMENTO MEDICAL GROUP, INC.*	SACRAMENTO	Service	5	\$312,176	251	
RANDS SYSTEMS, INC.	STATEWIDE	Various	6	\$1,364,946	202	150
RANTEC POWER SYSTEMS INC.	SAN LUIS OBISPO	Manufacturing	5	\$60,840	58	
RAYTHEON COMPANY	STATEWIDE	Various	6	\$2,269,960	1000	
RECOT, INC. DBA FRITO - LAY, INC.	SAN BERNARDINO	Manufacturing	5	\$357,994	562	
REM EYEWEAR INC.	LOS ANGELES	Trade	3	\$25,060	20	
REXAM BEVERAGE CAN AMERICAS	ALAMEDA	Manufacturing	5	\$87,100	76	
RINA ACCOUNTANCY CORPORATION*	STATEWIDE	Service	3	\$46,800	45	
RIO HONDO COLLEGE	LOS ANGELES	Various	6	\$169,840	265	
ROY E. WHITEHEAD, INC.	RIVERSIDE	Manufacturing	3	\$14,000	35	
RWM FIBER OPTICS, INC.	STATEWIDE	Various	6	\$195,330		34
SACRAMENTO EMPLOYMENT AND TRAINING AGENCY*	SACRAMENTO	Various	6	\$205,260	200	
SAINT-GOBAIN CONTAINERS, INC.	LOS ANGELES	Manufacturing	5	\$207,848	417	
SAINT-GOBAIN SEMICONDUCTOR EQUIPMENT, INC.	SANTA CLARA	Manufacturing	5	\$489,424	300	
SAN DIEGO ELECTRICAL TRAINING TRUST*	SAN DIEGO	Various	6	\$150,000	200	
SAN DIEGO SHEET METAL WORKS, INC.	SAN DIEGO	Manufacturing	3	\$32,000	40	
SAN DIEGO-IMPERIAL COUNTIES LABOR COUNCIL*	SAN DIEGO	Various	6	\$1,095,315		195
SANTA CLARITA COMMUNITY COLLEGE DISTRICT	STATEWIDE	Various	6	\$436,380	600	
SANTA CRUZ MILLWORK	SANTA CRUZ	Manufacturing	1	\$3,640	5	
SANTA MONICA COMMUNITY COLLEGE	LOS ANGELES	Various	6	\$485,388	254	
SAP LABS, INC.	SANTA CLARA	High Technology	5	\$91,000	175	
SAWING SERVICES CO.	LOS ANGELES	Construction, Special Trade Contractor	1	\$2,400	6	
SEAGATE RECORDING MEDIA OPERATIONS	SANTA CLARA	Manufacturing	5	\$402,792	500	

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** (1) 1-20, (2) 21-50, (3) 51-100, (4) 101-250, (5) 251+, (6) Multiple Employers

**Approved Contracts
in Fiscal Year 2002/03**

APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retrainees to Train	# New hires to Train
SEARS LOGISTIC SERVICES, INC.	KERN	Trade	5	\$234,416	168	
SEARS, ROEBUCK AND COMPANY*	STATEWIDE	Trade	5	\$499,200	480	
SERCOMP CORPORATION	LOS ANGELES	Manufacturing	3	\$20,280	26	
SETCO, INC.	ORANGE	Manufacturing	5	\$119,938	159	
SHEFFIELD PLATERS, INC.	SAN DIEGO	Manufacturing	2	\$3,120	4	
SOLANO COMMUNITY COLLEGE*	SOLANO	Various	6	\$27,800	50	
SOLID STATE STAMPING, INC.	RIVERSIDE	Manufacturing	3	\$24,960	32	
SONFARREL, INC.	ORANGE	Manufacturing	3	\$19,500	25	
SOUTHEAST LOS ANGELES COUNTY WORKFORCE INVESTMENT BOARD	STATEWIDE	Various	6	\$2,208,940	2380	
SOUTHWEST ADMINISTRATORS, INC.*	LOS ANGELES	Finance	5	\$52,000	100	
SPECTRA LABORATORIES, INC.	ALAMEDA	High Technology	5	\$167,906	245	
STANDARD PACIFIC HOMES, ORANGE COUNTY DIVISION*	ORANGE	Construction, Special Trade Contractor	5	\$294,424	171	
STRATEGIC HOTEL CAPITAL, THE RITZ-CARLTON, LAGUNA NIGUEL	ORANGE	Service	5	\$545,940	526	
SUN MICROSYSTEMS, INC.	STATEWIDE	Manufacturing	5	\$3,950,100	6300	
SUNSWEET GROWERS INC.	YUBA	Manufacturing	5	\$65,000	125	
SYSCO FOOD SERVICES OF SAN DIEGO, INC.*	SAN DIEGO	Manufacturing	5	\$185,562	329	
T CHRISTY ENTERPRISES	ORANGE	Trade	3	\$24,960	37	
TAYLORMADE GOLF COMPANY, INCORPORATED	SAN DIEGO	Trade	5	\$164,775	325	
TECHFLEX PACKAGING, LLC	LOS ANGELES	Manufacturing	2	\$7,680	16	
TECHNICAL DIFFERENCE INC.	SAN DIEGO	Manufacturing	1	\$14,040	18	
TEICHERT, INC.*	STATEWIDE	Construction, Special Trade Contractor	5	\$718,900	700	
THE ALAMEDA COUNTY ELECTRICAL INDUSTRY APPRENTICESHIP AND TRAINING TRUST*	STATEWIDE	Construction, Special Trade Contractor	6	\$205,720	235	
THE BOEING COMPANY, AIRLIFT & TANKER PROGRAMS	LOS ANGELES	Manufacturing	5	\$2,366,000	2150	
THE CASTLE PRESS	LOS ANGELES	Manufacturing	2	\$14,000	35	
THE FAIRMONT HOTEL, SAN JOSE	SANTA CLARA	Service	5	\$432,840	262	
THE HENRY WINE GROUP*	SOLANO	Manufacturing	5	\$43,446	82	
THE HOMAC COMPANIES	KINGS	Manufacturing	5	\$48,360	69	
THE MARTIN-BROWER COMPANY, L.L.C.*	SAN JOAQUIN	Trade	5	\$107,328	185	
THE PINES RESORTS OF CALIFORNIA, INC. DBA THE PINES RESORT & CONFERENCE CTR*	MADERA	Service	4	\$127,400	125	
THE RIGHT WAY COMPUTER TRAINING CENTER	LOS ANGELES	Various	6	\$198,702		51
THE TRANE COMPANY*	STATEWIDE	Trade	5	\$381,472	262	
TLD DISTRIBUTION	LOS ANGELES	Trade	3	\$24,960	32	
TM MICROSCOPES CORPORATION	SANTA CLARA	Trade	5	\$23,920	17	
TRESPA NORTH AMERICA, LTD.	SAN DIEGO	Trade	5	\$14,400	6	
TRINET NETWORKING AND TRAINING, INC.	STATEWIDE	High Technology	6	\$199,400	75	
TULARIK INC.*	SAN MATEO	High Technology	5	\$236,823	251	
TYCO THERMAL CONTROLS LLC	SAN MATEO	Manufacturing	5	\$259,311	109	
U. S. RIGGING SUPPLY CORPORATION	ORANGE	Trade	1	\$3,120	7	
UAW LABOR EMPLOYMENT AND TRAINING CORPORATION	STATEWIDE	Various	6	\$447,256	446	
UNICHEM INDUSTRIES, INC.	ORANGE	Trade	1	\$4,380	9	
UNION TECHNOLOGY CORPORATION	LOS ANGELES	Manufacturing	2	\$36,000	9	

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**Approved Contracts
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APPENDIX E

Contractor Name	County	Industry	Business Size**	Contract Approved Amount	# of Retrainees to Train	# New hires to Train
UNITED BEHAVIORAL HEALTH/UNITED HEALTHCARE, INC.	SAN FRANCISCO	Finance	5	\$129,350	199	
UNITED COMPUTER COLLEGE INC., DBA UNITED EDUCATION & COMPUTER COLLEGE*	STATEWIDE	Various	6	\$286,450	175	30
UNITED PARCEL SERVICE, INC. (OHIO)*	STATEWIDE	Trade	5	\$1,793,025	2331	
VALLEY FRESH, INC.	STANISLAUS	Manufacturing	5	\$49,140	72	
VARCO INTERNATIONAL, INC.	ORANGE	Manufacturing	5	\$293,722	300	
VA-TRAN SYSTEMS, INC.	SAN DIEGO	Manufacturing	1	\$4,680	6	
VEKTREX ELECTRONIC SYSTEMS, INC.	SAN DIEGO	High Technology	1	\$3,800	9	
VENOCO, INC.	SANTA BARBARA	Service	4	\$93,535	94	
VIDEO PRODUCTS GROUP	VENTURA	Manufacturing	2	\$7,800	10	
VIDEO SYMPHONY ENTERTRAINING, INC.	STATEWIDE	Various	6	\$1,188,800	750	
VISION SERVICE PLAN	STATEWIDE	Finance	5	\$1,554,527	1896	
W.L. BUTLER CONSTRUCTION, INC.*	SAN MATEO	Construction, Special Trade Contractor	4	\$186,902	110	
WATSON PHARMACEUTICALS, INC.	RIVERSIDE	Manufacturing	5	\$43,940	97	
WEST HILLS COMMUNITY COLLEGE DISTRICT	STATEWIDE	Various	6	\$198,214		46
WESTECH COLLEGE SCHOOL OF TECHNOLOGY	STATEWIDE	Various	6	\$973,000	700	
WILBUR CURTIS COMPANY, INC.	LOS ANGELES	Manufacturing	5	\$350,363	262	
WINGARD QUALITY SUPPLY LLC	ALAMEDA	Manufacturing	2	\$21,060	27	
WINTEC INDUSTRIES, INC.	ALAMEDA	Trade	5	\$230,230	230	
WORKPLACE HOLLYWOOD	LOS ANGELES	Manufacturing	6	\$196,060	146	
WORLDWIDE EDUCATIONAL SERVICES OF CALIFORNIA, INC.*	STATEWIDE	Various	6	\$615,610		128
YOSEMITE CONCESSION SERVICES CORPORATION	MARIPOSA	Service	5	\$208,000	350	
Z MICROSYSTEMS, INC.	SAN DIEGO	Manufacturing	2	\$12,800	32	
Z- WORLD, INC.	YOLO	Manufacturing	3	\$169,680	84	

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The Annual Report was prepared by the Planning and Research Unit staff: Mike Rice, Ann Covington, Cheryl Griffiths, Shari Little, Jill McAloon, and Elizabeth Slape.

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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