

Employment Training Panel



Annual Report 2007-2008

THE EMPLOYMENT TRAINING PANEL

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Vision Statement

The Employment Training Panel will support economic development in California, through strategic partnerships with business, labor, and government.

Mission Statement

The Employment Training Panel provides financial assistance to California businesses to support customized worker training to:

- ***Attract and retain businesses that contribute to a healthy California economy;***
- ***Provide workers with secure jobs that pay good wages and have opportunities for advancement;***
- ***Assist employers to successfully compete in the global economy; and***
- ***Promote the benefits and ongoing investment in employee training among employers.***

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PREFACE

The Employment Training Panel – ETP is a statewide business-labor training and economic development program. The program supports the California economy by funding training to ensure employers have the skilled workers they need to compete globally. ETP funded training supports the creation and retention of high-wage, high-skilled, and secure jobs in industries that have the greatest positive impact on California’s economy.

The Panel¹ is one of the nation’s premier state-funded programs for retraining incumbent workers, and California’s sole discretionary economic incentive for business attraction, expansion and retention. A National Governor’s Association study found ETP’s emphasis on performance-based accountability to be a national model.²

The Panel is an eight-member bi-partisan board consisting of three gubernatorial appointees, two Speaker of the Assembly appointees, two Senate pro Tempore appointees, and an ex-officio member representing the Secretary of the Business, Transportation, and Housing Agency. Panel members represent the interests of labor and employers. The Panel meets monthly to review and approve training contracts, in accordance with statutory standards for eligibility and performance. Training contract terms are 24 months, and ETP monitors performance throughout the contract period.

A Brief History – ETP was created in 1982 with the mandate of addressing the large displacement of workers resulting from plant closures - by moving the unemployed quickly into jobs, or by saving jobs of workers threatened with displacement. Though the program has expanded to benefit the overall California economy, the Panel continues to operate under its legislative mandate to promote a healthy labor market, with emphasis on helping businesses overcome the challenge of out-of-state and international competition. The program adjusts to changes in economic conditions and workforce needs. For more than two decades, the Panel has supported California’s workers and employers, having provided close to \$1.2 billion for the successful training and employment retention of 720,000 trainees for approximately 75,000 California businesses.

Special Funding – ETP is not funded by general taxpayer dollars; rather, ETP is funded exclusively by the Employment Training Tax (ETT), which California companies participating in the Unemployment Insurance (UI) system pay to promote the development of California workers. ETT revenues are

¹ Throughout this report, the terms ETP and Panel are used interchangeably.

² National Governors’ Association Center for Best Practices, A Comprehensive Look At State-Funded Employer-Focused Job Training Programs, 1999.

deposited in the Employment Training Fund (ETF), which was established to support ETP and its training programs.

Why ETP Works – The following unique features contribute to the program's success:

- Employers Fund the Program – Businesses pay the tax that funds the program. No General Fund monies support the program.
- Workers & Business Benefit – Training provides increased wages and job security for trainees and increases businesses' production and profits.
- Customized Training – Employers identify their own training needs, decide which workers need training, and select their own trainers.
- Training for Frontline Workers – Often corporate training programs only allocate a small percentage of their training budget toward training frontline workers. ETP primarily funds frontline workers who produce products and provide services.
- Matching Contributions – Employers match at least one dollar of private money for every ETP training dollar. Repeat contractors make an increased contribution towards the cost of training. ETP does not fund the full cost of workforce training for employers.
- Catalyst for Employer-Provided Training – Employers who participate in ETP funded training recognize the value of training and increase their own future investment in training.
- Pay-for-Performance – ETP's performance-based contracting requirement ensures that training is tied to a real job. Contractors earn funds only if training results in a trainee working for at least 90 days after training, in a training related job, and at a required wage.

Return on Investment – Independent evaluations of the program have demonstrated ETP's success in supporting California businesses and workers. Such research found that Panel funded training yields a return on investment of over \$5 for every \$1 in funds spent on training, as measured in benefits to companies, workers, and the State's economy.

Report Summary – This annual report describes the Panel’s actions and accomplishments during FY 2007-08 (July 1, 2007 through June 30, 2008). Because contracts cover a span of 24 months, this report includes:

- The report year’s activities and funding approvals;
- Contracts approved in prior years which completed during FY 2007-08;
- Contracts approved prior to the report year that were still ongoing at the end of the report year, and
- Appendices, which include appropriations and expenditure information; funding in high unemployment areas; completed contract data; participant demographic data; information on contracts terminated during FY 2007-08; and, profiles of several ETP-funded projects, illustrating ETP’s multi-varied support for key industries and initiatives.

The Year in Review

ADDRESSING CALIFORNIA'S ECONOMIC DEVELOPMENT & WORKFORCE TRAINING NEEDS

In FY 2007-08, the Panel continued to play a key role in supporting business attraction and retention. Its investment resulted in the creation of thousands of new California jobs and supported employers' needs for a trained workforce to compete in the global economy.

Despite a slightly increased appropriation over the prior year, the Panel continued steps to maximize its funds, including applying moratoria on certain types of training proposals and incrementally encumbering funds in new training projects (i.e., encumbering a portion of total funding in the first year of a contract, with additional encumbrances later, based on project success). The Panel also refined its program requirements and streamlined the contracting process – improving program operations and service to customers.

ETP is unique in that it can respond immediately to the needs of the economy within the scope of its legislative mandate. As a significant incentive for business in California, ETP supported key Administration priorities: targeting training to address the statewide nurse shortage; Career Technical Education (CTE); and new and emerging technologies, such as clean technology and nanotechnology. The Panel also continued to collaborate with its workforce partners (e.g., Workforce Investment Boards, Community Colleges, and Economic Development Agencies), funding projects that retain and attract new businesses to the State.

The Panel continued to target priority industries in order to achieve the greatest “return on investment” to the State economy. Priority industries included: green technology, manufacturing, high technology, multi-media/entertainment, logistics and goods movement, agricultural crop production, healthcare, and construction. The Panel also targeted high unemployment areas; reached out to small businesses; and, addressed emerging workforce needs through Pilot Programs for nurse upgrade training, seasonal workers, CalWorks recipients, and ex-offenders and at-risk youth. Driven by its mission, the Panel proactively met its challenges and pursued opportunities to better serve California businesses and workers in FY 2007-08.

CONTRACT ACTIVITY

During the report year, ETP staff administered 879 training contracts. These included: 389 new agreements approved in the report year; b) 227 contracts approved in prior years, which completed in FY 2007-08; and c) 263 contracts approved prior to FY 2007-08, still active at the end of the fiscal year. The following table illustrates this activity.

	APPROVED CONTRACTS	COMPLETED CONTRACTS	ONGOING CONTRACTS	TOTAL
CONTRACTS	389	227	263	879
ALL TRAINEES	82,802	42,487	85,962	211,251

a) New Approved Contracts

The Panel encumbered all of its \$38.6 million in available new program funds, which, through incremental funding, enabled it to approve \$101 million in total contract amount for 389 new training contracts, as well as amendments to prior contracts, for the training and employment retention of 82,802 workers. (See Appendix A1, “Appropriations and Expenditures”.)

A majority of the funds was targeted to the combination of manufacturing and high technology services (information technology, advanced communications, software development, computer programming, multimedia/entertainment, engineering, biotech services, and research & development). These key industries have a multiplier effect on the State’s economy, increasing the return on ETP’s investment in training, as they positively impact job growth in other industries that rely on them, such as services, trade, and transportation.

An important priority for the panel is supporting special economic development initiatives that create new jobs and keep jobs in California. Approximately \$22 million was approved for 58 new projects that support business retention and expansion, that will result in the creation of over 7,200 new, high-paying jobs. Some of these projects are a direct result of joint state and local economic development efforts, via participation in RED Teams. ETP works with the California Business Investment Services (CalBIS) on “critical proposals” with an emphasis on creating new jobs in California.

b) Completed Contracts

A total of 227 contracts, approved in prior years, were completed, providing assistance to 1,901 employers for the training and employment retention of 42,487 workers, at an average cost of \$1,036 per trainee. Data from these completed contracts reflect the Panel’s continuing emphasis on funding training for high-wage, high-skilled workers in industries that positively impact California’s economy:

- Businesses in all major industries in California received assistance, with close to 50 percent of funds going to the manufacturing and high-technology sectors.
- Of all businesses served, 69 percent were small (i.e., employed 250 or fewer workers); 53 percent employed 100 or fewer workers; 38 percent employed 50 or fewer workers; and 19 percent employed 20 or fewer workers.
- The average post-training and employment retention wage for workers who were unemployed at the beginning of training (i.e., new hires) was \$11.74 an hour; retrainees averaged \$25.06 an hour.
- The training emphasis was on frontline workers in occupations such as design, production, delivery and warehousing, clerical and office support, technical support, sales, machinists and machine operators, nurses, construction, and hospitality.

(See Appendix B1: “Completed Contract Data”; Appendix B2: “Trainee Characteristics”; and Appendix B3: “Completed Contracts in FY 2007-08”. Note that while the Completed Contract list identifies industries served in those contracts, per NAICs Code designation, many of those contracts also supported green/clean technology.)

c) Ongoing Contracts

A total of 263 contracts approved prior to FY 2007-08 were still active at the end of the fiscal year, targeting training for 85,962 workers.

KEY ACTIONS AND ACCOMPLISHMENTS

In FY 2007-08, ETP approved more training contracts than in any previous fiscal year in its history. Through incremental funding, the Panel encumbered all of its \$38.6 million in funds available for new training by approving a total of \$101 million for the training of nearly 83,000 workers. Given the demand for training by California's employers and the Panel's limited funding, ETP exhausted all of its available training funds by May 2008, two months prior to the end of the fiscal year. At the same time, ETP successfully met most of its program goals and objectives for the report year. Highlights included:

- 73 percent of all approved program funds were targeted to priority industries including green technology, manufacturing, high technology, biotechnology, multimedia entertainment, construction, logistics, research & development, agriculture, and healthcare;
- \$22 million was approved for economic development projects resulting in business expansion and attraction, and the creation of over 7,200 new California jobs. This included two critical proposals in partnership with a Red Team - \$883,120 for Kyoho Machine Works to train 140 new workers; and \$7,039,500 for Virgin America to train 3,610 workers (Red Teams are formed at the behest of the Governor to attract employers to California or to help retain businesses in the State);
- \$9.6 million was approved for Career Technical Education (CTE) related training to assist 7,200 workers in occupations requiring vocational education to establish and further their careers, such as nurses, carpenters, electricians, welders, machine operators and production workers.
- \$11.8 million was approved for projects training over 13,000 workers in businesses that use or produce Clean Technology to protect the environment;
- \$9.1 million was approved to train nearly 5,500 nurses in the healthcare industry, including nursing upgrades to train certified nursing assistants (CNAs) to become licensed nurses, and for capacity building to provide employed nurses with increased specialized skills (e.g. surgery, emergency rooms);
- \$17.3 million was approved for the training of 12,515 workers in high unemployment areas (HUAs) of the State; and,
- \$1.3 million was approved for the training of over 400 ex-offenders and at-risk youth, under a new pilot program.

During the report year, the Panel took steps to simplify its processes through information technology enhancements including online systems, invoicing and rosters, and took further steps to support small business. During FY 2007-08, 157 new direct contracts with small businesses of 100 or fewer employees were approved, which was a 33 percent increase over the prior fiscal year.

- In support of small business, ETP participated in small business meetings at the state level (Department of General Services, California Department of Transportation, and Small Business Administration) and with local chambers whose audiences were entirely small business owners.

In the report year, ETP also undertook a number of actions to promote the value of workforce training including:

- Collaborated with Workforce Investment Board Directors statewide, the California Space Authority, Baybio, the International Association of Nanotechnology, the California Community Colleges, and One-Stop Career Center representatives;
- Contracted with the California Labor Federation, California Manufacturers & Technology Association (CMTA) and the California Workforce Association to attract and target industries/businesses, and initiated discussions regarding partnership possibilities with the California Community Colleges;
- Convened a Multiple Employer Contractor (MEC) forum to explore ideas to enhance MEC participation in the ETP program;
- Participated in Team California, a public-private membership partnership of economic development organizations, dedicated to business retention, development and attraction;
- Established weekly strategy/status meetings with California Business Investment Services Unit (CalBIS) and the Governor's Economic Development Advisor;
- Created a bimonthly ETP NewsLink, providing program updates and news bulletins, with distribution to ETP staff, stakeholders, marketing partners and contactors; and,
- Increased sponsorship opportunities and participated in key events such as the Annual Conference of California Association for Local Economic Development (CALED), Medical Devices and Manufacturers' Conference, California Food Processors Exhibition, California Workforce Association Spring Conference, California Green Summit, Economic Workforce Development Professionals Conference, and the International BioComm Conference.

KEY INITIATIVES & PRIORITIES

The Panel supported many key Administration initiatives and priorities in FY 2007-08, including:

- ***Nurse and Healthcare Training***

The Panel continued its support for nurse training, approving over \$9 million for the training of 5,463 nurses. This included projects to upgrade certified nurse assistants and health caregivers to become licensed nurses, as well as medical skills training for current nurses, through funding of specialty training programs. Much of the medical skills training included highly skilled areas, such as:

- Trauma
- Cardiovascular
- Stroke
- Postoperative
- Respiratory
- Neonatal
- Oncology
- Surgical

Training also focused on operating sophisticated medical equipment, including training in the use of CT scanners, Infusion Pumps, Defibrillators, and pharmacy software.

Such training is intended to increase overall medical skills by improving the communication, decision making, and critical thinking skills of nurses and other healthcare professionals, which will ultimately be expressed in an improvement in the quality of patient care.

In addition to support for nurse training, more than \$1.3 million was approved for the training of an additional 608 workers in healthcare-related fields, such as Medical Office Administration, Medical Billing Technicians, Lab Technicians and Medical Assistants.

- ***Clean/Green Technology***

Continuing its support for the Governor's focus on the environment, the Panel targeted training for firms employing "clean technology" methods, including environmental protection and other green business practices, processes and products. The Panel approved funding for projects with identified activities and products to protect the environment and prevent energy waste. These projects totaled \$11.8 million for the training of 13,661 workers in the report year. Examples of businesses funded that employ such green practices include:

- Give Something Back Business Products (Oakland), providing green printing and paper products, reusable systems and ergonomically correct products.
- Sun Microsystems, Incorporated (Menlo Park), designing and delivering eco-friendly processors, systems, and program and services that help business reduce power consumption.

- Cali Bamboo, Incorporated (San Diego), selling and distributing bamboo building products.
- Allan Company (Baldwin Park), recycling over 1 million tons of recovered fiber aluminum, plastics, non-ferrous metals, and glass annually.
- US FoodService, Incorporated (Tulare), eliminating non-biodegradable packaging.
- Abbott Vascular, Incorporated (Alameda), installing a 500-kilowatt hour solar power system to produce electricity.
- MemoryTen, Incorporated (Santa Clara), designing and providing customized memory chips and components using sustainable recycling. In an effort to become 'Green Certified' the company uses used computer parts, and also provides training in green technology.
- Frito-Lay (Rancho Cucamonga), using natural gas in its manufacturing process, with one plant using solar power to cook SunChips.

- ***Career Technical Education (CTE)***

Career Technical Education (CTE) prepares youth and adults for successful careers, and increases public awareness and appreciation for career and technical programs. The Panel supports the statewide emphasis on CTE and related programs, such as pre-apprenticeship training to meet the growing demand for employment in occupations requiring vocational education, such as nurses, carpenters, electricians, welders, machine operators and production workers. In the report year, the Panel approved \$9.6 million for CTE related projects to support 7,145 workers in manufacturing, healthcare, and construction.

- ***Nanotechnology***

Nanotechnology is the enabling platform technology for a wide range of applications, including in the chemical industry, electronics, biotechnology, aerospace, and homeland security. Generally, nanotechnology deals with developing materials or devices 100 nanometers or smaller. In the report year, the Panel approved 14 contracts supporting nanotechnology businesses, suppliers of nanotechnology components, and businesses with nanotechnology-related products, totaling \$7.4 million to train over 10,000 trainees. Some of these projects include: Intel Corporation; SAIC, Incorporated; Sun Microsystems Incorporated; Raytheon Company; and, Xilinx. For example, Xilinx is a manufacturer of chips that can be found in a wide variety of digital electronic applications including; cellular telephone networks, video game machines, high definition television equipment, as well as commercial and military satellite navigation systems.

- **High Unemployment Areas**

The Panel targets high unemployment areas (HUA)³ of the State, to foster training support for workers in regions with lagging economies, focusing on the “working poor”. During the report year, over \$17.3 million in training funds were approved for 122 contracts serving HUAs, providing training for 12,500 workers in 35 county or sub-county areas. (See Appendix A2. Note that while the HUA Contracts List identifies industries served in those contracts, per NAICs Code designation, many of those contracts also support green/clean technology.)

The Panel also focused on the following key *workforce* needs:

- **Central Valley and Rural Northern California**

Unemployment rates in the Central Valley and Rural Northern California have been persistently high for nearly three decades. The California Partnership for the San Joaquin Valley is working with business leaders, public agencies, and educational institutions to synchronize efforts to bring more jobs and economic diversification to this agricultural region. The Partnership is working to leverage incumbent employee training to reduce turnover and improve overall job stability. ETP has prioritized support for this effort by funding training projects that foster economic growth in the region. In the report year, a total of 103 projects were approved for \$16 million to train 11,500 workers in the Central Valley and rural Northern California counties.

- **Talent Transfer Training**

In the report year, the Panel committed up to \$5 million to support the Talent Transfer Initiative, a \$10 million public-private partnership initiated by the Labor and Workforce Development Agency (LWDA) to move workers laid off from jobs impacted by the decline in the residential construction industry into jobs requiring similar skills in public works and commercial construction, and to assist associated financial institutions. Construction is a priority industry in the Panel’s Strategic Plan, and support for this initiative will assist skilled displaced construction workers in a declining industry (residential) obtain employment in growing construction industries, such as highway, bridge, and other infrastructure projects. Panel funding will supplement \$5 million in 15 percent Workforce Investment Act (WIA) funds that has been awarded to nine contractors statewide. The proposed solution is to bring workers and employers together in ‘talent transfer’ events.

³ HUA’s are defined as counties or sub-county areas with unemployment rates at least 25 percent higher than the State average, based on data from the Employment Development Department’s (EDD) Labor Market Information Division.

PILOT PROGRAMS

The Panel tested a number of new training models in the report year, by implementing the following pilot programs, in support of changing workforce needs and the Administration and Legislature's priorities:

- ***Seasonal Worker Training***

On January 1, 2007, the Panel implemented a pilot program to fund training for workers in major seasonal industries under its SET category. The pilot focuses on the agricultural crop production industry, and training designed to increase employment retention and productivity in all cycles of crop production including harvesting, packing, processing and transportation. The pilot serves employers in seasonal industries and workers engaged in cyclical employment related to crop production seasons. Under this pilot, the Panel approved \$234,000 for 3 contracts to train 345 seasonal workers during the report year. The training is intended to provide the workers the skills necessary to adapt to new manufacturing and management techniques, and thereby improve their skills relative to growing, packing, storage, safe handling, shipping and other aspects of food production.

- ***Ex-Offender/At-Risk Youth***

Another pilot program to serve ex-offenders and at-risk youth was implemented on September 1, 2007, under the SET program serving workers with multiple barriers to employment. This pilot program addresses the Panel's Strategic Plan goal of supporting hard-to-serve populations by providing critical job skills training and jobs to ex-offenders and youth at risk of becoming involved in gangs and/or criminal activities. In the report year, 7 such contracts were approved, totaling \$1.3 million to train 404 trainees. Examples include: Alameda Corridor Jobs Coalition, to facilitate the training and placement of ex-offenders and at-risk youth in South Central Los Angeles into high paying construction jobs; and Comprehensive Training Systems, Inc., which trains and places ex-offenders to help them attain long term, fulltime employment.

- ***Welfare to Work Training***

In the report year, the Panel continued to support the State's welfare to work efforts through its Welfare to Work (W2W) pilot program for CalWORKS recipients. After approving \$3.5 million over two fiscal years for this initiative to train 829 CalWORKS recipients, the Panel placed a moratorium on such funding due to budget constraints, targeting future funding for CalWORKS recipients under its SET multiple Barriers category.

REGULATORY ACTIONS

Due to the dynamic nature of the ETP program, the Panel systematically reviews its regulations in order to simplify, update, and eliminate unnecessary requirements. In the report year, regulatory actions resulted in revising the substantial contribution requirement, which is a mandated employer contribution toward the cost of training for certain repeat retraining contracts. Additional regulatory action established guidelines for ETP contracts with businesses that utilize professional employer organizations and payroll companies

ADMINISTRATIVE IMPROVEMENTS

The Panel significantly improved its contracting process for its customers through the following:

- **Fast Track Contracting**

In the prior fiscal year, the Panel implemented the “fast track” contracting process for all direct training projects of \$50,000 or less, and for multiple employer contracts, providing entrepreneurial training for small business owners of \$50,000 or less. Due to the success and increase in projects under this model, the Panel increased the allowable “fast track” amount to \$75,000 in FY 2007-08.

- **Updated Contracting Documents**

The ETP Contractor Agreement document has been re-organized and simplified in a standard format for clarity and expedited use.

- **Help Desk for Enrollment/On-line Tracking and Invoicing Questions**

ETP began implementing a pilot program under which a Technical Assistance Specialist will answer questions on enrollment/certifications, invoice billing issues/online forms, online tracking system issues and general questions regarding payment for contractors served by the San Diego Regional Office. Once this pilot is fully implemented, results will be evaluated and the service potentially expanded for use by all contractors.

- **ETP Website**

The ETP website has been re-organized and updated for easy access and inclusion of many user-friendly internal links. ETP will continue to utilize such links and other electronic search tools for documents posted on the website.

The public can also now access the official version of the Panel’s enabling law directly from the ETP Website, with electronic search capability.

ENHANCING THE ROLE OF MECS

Multiple-employer contractors (MECs) serve multiple participating employers under a single agreement. MECs can include consortia (a group of employers – i.e. Industry Association); training agencies; educational institutions; local Workforce Investment Boards (WIB); and Joint Apprenticeship Training Councils (JATC). MECs are integral to the program, helping ETP reach and better serve its priority industries and populations, especially small businesses.

To determine strategies for enhancing the role of retraining MECs in the program, ETP conducted a MEC Forum in April 2008. The discussion focused on streamlining the contracting process, broadening eligibility criteria, and financial incentives/flexible billing to improve business cash flow. ETP is currently addressing many of the issues raised at the forum, including simplifying the contract amendment process, allowing more frequent invoicing, and assessing the application and employer certification processes. ETP plans to conduct additional forums with MEC stakeholders in FY 2008-09.

PLANNING FOR THE FUTURE

ETP's FY 2008-09 appropriation increased only slightly over the prior fiscal year, still about 26 percent below its historic levels. Further, estimated reduced collections of the ETF in FY 2008-09 resulted in a \$10.2 million decrease in the Panel's total funding for FY 2008-09, further impacting the Panel's funding situation. Given reduced funding levels and anticipated further reduction in future ETT revenues, the Panel will continue funding projects at minimal incremental levels, continue a number of funding moratoriums, and limit initial contract amounts. This will enable ETP to better support the training needs to California businesses and workers, with emphasis on key economic development initiatives, small businesses, nurse upgrade training, CTE, clean technology, veterans, and training for ex-offenders and at-risk youth—as reflected in the Panel's FY 2008-09 Strategic Plan, developed during the report year.

Also, during the report year, ETP worked with the Labor and Workforce Development Agency (LWDA) to sponsor legislation to make changes to improve the efficiency of the program and remove out-of-date references and requirements. Key changes include increasing the amount of funds allocated from 10 to 15 percent, annually, under the Special Employment Training (SET) category; and, revising the definition of eligible retrainee participant to serve workers employed for less than 90 days at the start of training, primarily where businesses are locating or expanding in the state. This legislation, AB2570 (Silva), was passed and signed into law by the Governor, and the resulting program changes will become effective January 1, 2009.

APPENDICES

A) NEW FUNDING APPROVAL DATA

A-1) APPROPRIATIONS AND EXPENDITURES

**A-2) APPROVED CONTRACTS IN HIGH
UNEMPLOYMENT AREAS (HUAS)**

B) COMPLETED CONTRACT DATA

B-1) COMPLETED CONTRACT DATA

B-2) TRAINEE CHARACTERISTICS

B-3) LIST OF COMPLETED CONTRACTS

C) TERMINATED CONTRACTS

C-1) LIST OF TERMINATED CONTRACTS

D) PROJECT PROFILES

APPROPRIATIONS AND EXPENDITURES

In FY 2007-08, ETP received a Budget Act appropriation of \$56.6 million. In addition to its appropriation, the reinvestment of \$14.6 million in disencumbered funds brought ETP's total funding to \$71.2 million. While the Panel's appropriation was only about 75 percent of its historical funding level, it was an increase over the preceding three fiscal years' appropriations.

A. Appropriation and Expenditure Report	FY 2007-08
<u>Appropriations from the Employment Training Fund (ETF)</u>	\$ 110,109,297
<u>Other Programs:</u>	
Department of Social Services/CalWORKS	(45,000,000)
Dept of Industrial Relations/Div Apprenticeship Stds	(3,171,000)
EDD Tax Branch (ETT Collection)	(5,025,040)
State Controllers Office & ProRata	<u>(322,101)</u>
Total	(\$53,518,140)
<u>ETP:</u>	
Appropriation to ETP	56,591,157
Reinvested Funds	<u>14,587,288</u>
Total	\$ 71,178,445
<u>ETP Expenditures:</u>	
Program Administration	(8,961,537)
Other ProRata	(861,976)
Marketing and Research	(450,684)
EDD Support	(498,804)
Program Funds:	
Prior Year Liabilities	(21,781,936)
New Training Contracts	<u>(38,623,508)</u>
Total	\$ 71,178,445

The resulting total of \$71.2 million available for FY 2007-08 was allocated by the Panel as follows:

- **Program Funds:** The Panel encumbered all \$ 60.4 million of available program funds for training. Of this amount, \$21.8 million was for prior year contract liabilities, due as a result of incremental funding, and \$ 38.6 million was for new training contracts. (In order to maximize its limited funds, ETP incrementally encumbers training funds, initially encumbering about 35 percent of the contract amount to cover first year costs and mitigate second year liabilities. Funding is disbursed over a two-year term per project.)
- **Program Administration:** Close to \$9.5 million was spent for program operational costs, including EDD support.
- **MARKETING AND RESEARCH:** \$450,684 was spent on strategic marketing conducted by outside consultants under contract to the Panel. Expenditure of marketing funds included marketing agreements with the California Manufacturers and Technology Association, and the California Labor Federation, which were awarded through a request for proposal process.
- **Pro Rata:** \$861,976 was spent for ETP’s share of Pro Rata costs for services provided by departments and agencies such as the Controllers Office and the Department of Finance.

B. New Training Contract Approvals

\$38.6 million was encumbered in the report year for new training contracts. Since the Panel incrementally encumbers about 35 percent of the total approved amount of contracts in their first year, this enabled the Panel to approve \$101 million in total contract amount in FY 2007-08 for new projects. These 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; and (b) the Special Employment Training (SET) category for businesses and workers not eligible under regular program criteria. Approximately 94.5 percent of funds were targeted for retraining, with 5.5 percent going for the training of unemployed workers. (Retraitees represented 98 percent of the trainee population, and new hires 2 percent.)

FY 2007-08 FUNDING COMMITMENTS

	Total
Approved Training Projects	389
Total Approved Funding* (in millions)	\$101
Workers Targeted for Training	82,802
Average Cost per Trainee**	\$1220

*\$38.6 million was encumbered for new training, with the remaining liability to be covered in future fiscal years’ funds, based on project performance.

**Overall average cost per trainee for new hires was \$3,629; for retrainees it was \$1,175

Training was targeted to the State's key industries, primarily the manufacturing, services, and high-technology sectors. 51 percent went to manufacturing and almost 18 percent went to services including in the healthcare industry such as for the training of Registered Nurses, Licensed Vocational Nurses, and Technicians. Almost 10 percent was approved for high technology sectors, such as software development, computer programming, and multimedia/ entertainment. This was a decrease in funding for manufacturing from the prior fiscal year, when 68 percent of funds went to manufacturing businesses. The decrease in funding for manufacturing businesses was accompanied by a slight increase in trade and high-tech, and a larger increase in funding for services. Additionally, 12 percent of total approved funds went to clean technology (some of which is included in the manufacturing and high technology funding percentages) to assist contractors in protecting the environment and reducing energy consumption.

**Contracts Approved In High Unemployment Areas
for FY 2007-08**

Appendix A2

Contractor	County	Industry	Portion of Contract Approved in HUAs	# of Trainees in HUAs
Advantage Route Systems, Inc.	Stanislaus	High Tech Mfg	\$46,800	30
AeA	Sacramento, Los Angeles, Madera, Contra Costa, Lake	Hi Tech/Mfg	\$24,124	17
AHC Inc.	Fresno	Finance	\$198,000	120
All Metals Supply, Inc.	Butte	Trade/Mfg	\$27,104	11
Allan Company	Fresno, Los Angeles	Trade Services	\$112,560	67
American Biodiesel, Inc. dba Community Fuels	San Joaquin	Manufacturing	\$93,600	15
Animal Supply Company	San Joaquin	Retail	\$25,200	70
Apollonia Dental Center	Kern	Services	\$17,160	13
Automobile Club of Southern California	Los Angeles, San Diego, Ventura, Kern, San Bernardino, Riverside, Santa Barbara, Tulare, San Luis Obispo	Insurance	\$273,645	351
Aviano Group, Inc.	San Bernardino	Engineer Services	\$25,792	8
Bakersfield Envelope Co. Inc. DBA Castle Print & Publication	Kern	Manufacturing	\$35,880	23
Bakersfield Heart Hospital	Kern	Healthcare	\$370,566	173
Ball Metal Food Container, LLC	Stanislaus	Manufacturing	\$801,000	356
Bank of America Corp	Fresno, Los Angeles, Contra Costa	Finance	\$178,002	261
Bay Area Economic Development Center	Statewide	Manufacturing	\$16,027	10
Bay area Video Coalition	Alameda/Bay Area	High Tech - Multimedia	\$117,369	21
Baycorr Packaging Inc. dba Heritage Paper	Fresno, San Joaquin	Manufacturing	\$112,896	56
Belleci Designs	Contra Costa	High Tech	\$4,160	4
Building Skills Partnership	Los Angeles	Service	\$16,672	16
Bunge North America, Inc.	Stanislaus	Manufacturing	\$103,680	48
Burdge, Inc.	Los Angeles	Printing	\$24,882	29
CalGren Renewable Fuels, LLC	Tulare	Manufacturing	\$74,100	50
California Controlled Atmosphere	Fresno, Kern, Tulare	Engineer/Constr Service	\$49,500	30
California Council for Excellence	Alameda, Los Angeles, Sacramento, San Bernardino, San Diego, Santa Clara, Riverside	Manuf, Aero, etc.	\$8,979	12
California Manufacturing Technology Consulting	Los Angeles	Manufacturing	\$117,333	110
California Retreaders, Inc.	Fresno	Manufacturing	\$182,540	40
California State University, Fresno Foundation	Fresno, Kings, Madera, Tulare	Various	\$49,547	43
Campbell Soup Company	San Joaquin (Yolo?)	Food Production	\$43,200	100
Cancer Care Associates of Fresno Medical Group, Inc.	Fresno	Healthcare	\$95,700	75
Chaffey Community College District	Riverside, San Bernardino	Manufacturing, Transport, Service, etc.	\$10,030	7
Charles A. Jones Skills & Business Center	San Joaquin, Yuba	Healthcare	\$79,653	22
Cine-Look	Fresno	Multimedia	\$37,440	12
Computer Tutor Business & Tech Institute*	Madera, Merced, San Joaquin, Stanislaus	Various	\$283,560	60
Connecticut General Life Insurance Company	Alameda, Tulare	Insurance	\$104,130	39
Conrad Corporation dba Conquest Imaging	San Joaquin	Service	\$74,888	37
Creative Communication Technologies, Inc.	Ventura	Communication	\$71,400	21

**Contracts Approved In High Unemployment Areas
for FY 2007-08**

Appendix A2

Contractor	County	Industry	Portion of Contract Approved in HUAs	# of Trainees in HUAs
Del Monte Corporation	Kings, Fresno, San Joaquin, Stanislaus	Food Production	\$318,618	469
Denmac Industries	Los Angeles	Manufacturing	\$50,050	25
District Council 16 Northern California Journeymen & Apprentice Training Trust Fund	Fresno, Alameda, Contra Costa, Sacramento, San Mateo, Santa Cruz, Santa Clara	Construction	\$46,537	53
Dreyer's Grand Ice Cream	Tulare	Food Production	\$548,496	293
Dry Creek Corporation, dba E&J Gallo Winery	Fresno, Merced, Stanislaus	Winery	\$753,300	675
Euomarket Designs Inc., dba Crate & Barrel	San Joaquin	Retail	\$76,950	57
Farmworker Institute of Education & Leadership	Fresno, Kern, Kings, Tulare, Stanislaus, San Joaquin	Agriculture	\$250,635	200
Franklin Career College	Los Angeles, San Bernardino	Healthcare	\$33,030	3
Frito-Lay, Inc.	Kern, Stanislaus, San Joaquin, Fresno, Tulare, San Bernardino	Food Production	\$347,040	482
Front Office Staff, Inc.	San Joaquin	Communication	\$10,560	8
Fuel Total Systems California Corporation	San Joaquin	Manufacturing	\$108,000	75
Gateway Cities Partnership, Inc.	Los Angeles	Healthcare	\$111,916	28
Gerl's Screenprinting, LLC	San Bernardino	Manufacturing	\$7,826	7
Give Something Back Business Products	Alameda	Manufacturing	\$58,760	20
Glendale Community College Prof Develop Ctr	Los Angeles etc.	Various	\$59,791	53
Good Samaritan Hospital, A California Limited Partnership	Kern	Healthcare	\$274,680	140
Goodwill Industries of San Joaquin Valley, Inc.	San Joaquin, Stanislaus, Fresno	Various	\$99,475	25
Goodwill Industries of Santa Cruz, Monterey & San Luis Obispo, Inc. dba Shoreline Workforce Development Services	Santa Cruz, Monterey	Various	\$103,202	21
Henkels & McCoy, Inc.	San Joaquin	Construction	\$30,492	22
Hitchcock & Holcombe, Inc. dba Continental Training Center	Contra Costa, Fresno, Los Angeles, San Joaquin, Shasta, Tulare, Yuba	Various	\$70,870	85
Hobbs Container Co., Inc.	Tulare	Manufacturing	\$41,600	16
HomEq Servicing	Sacramento	Finance	\$155,100	220
Infotech Institute, Inc. dba Infotech Career College	Los Angeles	Healthcare	\$23,112	6
Kern Federal Credit Union	Kern	Finance	\$49,764	58
Kyoho Manufacturing California (KHMCA)	San Joaquin	Manufacturing	\$883,120	140
Label Technology, Inc.	Merced	Printing	\$15,600	25
Lightspeed Systems Inc	Kern	High Tech	\$35,880	46
Los Angeles Opportunities Industrialization Ctr	Los Angeles	Various	\$165,250	125
Manco Abbott, Inc.	Fresno, Merced, Kern, Tulare	Real Estate	\$190,350	141
Masco Corporation	Fresno, Kern, Stanislaus, Monterey, Los Angeles	Constr & Manufac	\$150,732	158
McMillan Systems, Inc. dba McMillan	Fresno	High Tech	\$12,320	14
MedAmerica Billing Services, Inc.	Stanislaus	Service	\$322,320	272
Michael J. Stoiber	Contra Costa	Insurance	\$3,960	3
Mountain View Child Care Inc dba Totally Kids	San Bernardino	Healthcare	\$376,992	308
National Glass Association	Fresno, Los Angeles, Stanislaus, Sacramento, etc.	Service/Construction	\$136,250	218
Neil Jones Foods Company dba TomaTek, Inc.	Fresno	Food Production	\$944,136	423
Nestle Purina PetCare Company	Kern	Manufacturing/Trade	\$41,400	46

**Contracts Approved In High Unemployment Areas
for FY 2007-08**

Appendix A2

Contractor	County	Industry	Portion of Contract Approved in HUAs	# of Trainees in HUAs
New Technology Training Institute	Statewide	Service	\$15,048	4
New Way Services Inc.	Contra Costa	Healthcare	\$74,152	62
Nick Sciabica and Sons	Stanislaus	Food Production	\$31,200	20
North State Grocery, Inc. dba Holiday Quality	Butte, Colusa, El Dorado, Glenn, Modoc, Plumas, Shasta, Tehama, Yuba	Retail	\$22,950	51
Northern CA Construction & Training, Inc.	Sacramento, San Joaquin	Construction	\$82,240	16
Northern California Rehabilitation Hospital	Shasta	Healthcare	\$277,380	167
Northrop Grumman Integrated Systems	Kern	Aerospace	\$499,667	333
Noushig, Inc. dba Amoretti	Ventura	Food Production	\$74,880	29
NTMA Training Centers of Southern California	Los Angeles	Manufacturing	\$27,720	10
Orange County Nursery, Inc.	Tulare	Agriculture	\$37,908	13
Pacific Bell Directory	Los Angeles, Fresno, Kern, Riverside, Shasta, San Joaquin	Communication/Printing	\$96,624	88
Pacific Coast Companies, Inc.	Fresno, Los Angeles, Riverside, San Joaquin, Tulare, Yuba	Manufacturing	\$189,000	250
Pactiv Corporation	Fresno, Kern, San Bernardino, Tehama	Manufacturing	\$285,192	450
Paramount Citrus Association	Kern, Tulare	Agriculture	\$220,644	227
Paul Evert's R.V. Country	Fresno	Retail	\$55,200	46
PCL Industrial Services, Inc.	Kern	Construction	\$172,800	40
Performance Composites Inc.	Los Angeles	Manufacturing	\$49,764	22
PGP International Corporation	Colusa, Yolo	Food Production	\$234,000	130
Prime Healthcare Services, Inc.	San Diego, San Bernardino	Healthcare	\$187,515	106
Professional College Institute	Los Angeles	Healthcare	\$26,914	6
Prospect Medical Holdings, Inc.	Los Angeles	Service	\$135,450	129
Purple Lynx	Alameda	Service	\$6,072	6
Quad Knopf, Inc.	Fresno, Kern, Tulare	Service	\$362,250	161
Riverside County Economic Development Agency	Riverside, San Bernardino	Healthcare	\$77,070	7
Ross Dress for Less, Inc.	Riverside	Distribution Service	\$477,000	795
Sacramento Area Electrical Workers Joint Apprenticeship & Training Trust	Sacramento, Amador, El Dorado, Placer, San Joaquin, Solano, Sutter, Colusa, Yolo, Yuba	Construction	\$96,120	135
Sacramento Asian Pacific Chamber of Commerce	San Joaquin, Sutter, Yuba	Various	\$13,174	14
Sacramento Employment & Training Agency	San Joaquin, Sutter	Various	\$256,633	100
Safety Management Consultation Services	Sutter	Service	\$3,520	2
Shasta Regional Medical Center, LLC	Shasta	Healthcare	\$494,262	339
Siegfried Engineering, Inc	San Joaquin	High Technology	\$48,360	30
Southeast Area Social Services Funding Authority	Los Angeles, Ventura, Riverside, San Bernardino	Manufacturing	\$13,023	3
Southern California Floor Covering Crafts Joint Apprenticeship & Training Committee	Kern, Los Angeles, Riverside, San Bernardino	Construction	\$30,800	50
Southern California Glaziers Local Union 636 Joint Apprenticeship Trust	Los Angeles, San Bernardino, Riverside	Construction	\$44,005	44
Spreckels Sugar Company, Inc.	Fresno	Food Production	\$34,560	80
Sterling Alliance Inc., dba CCT Computer Learning Center	Shasta, Tehama, Trinity	Manufacturing, etc.	\$120,000	75
Supherb Farms	Stanislaus	Manufacturing	\$52,000	50
Teamsters Joint Council 42 Training Academy	Los Angeles	Transportation	\$165,830	44
TFI/EPI, LLC	Butte	Manufacturing	\$27,360	40
Tuff Stuff Products, Inc.	Tulare	Manufacturing	\$46,800	30

**Contracts Approved In High Unemployment Areas
for FY 2007-08**

Appendix A2

Contractor	County	Industry	Portion of Contract Approved in HUAs	# of Trainees in HUAs
United Facilities, Inc.	San Joaquin	Transportation Service	\$177,480	102
USS-POSCO Industries	Contra Costa	Manufacturing	\$311,220	455
Van Beurden Insurance Services, Inc.	Fresno	Insurance	\$97,680	37
Vista Healthcare, LLC	Riverside	Healthcare	\$149,688	126
VVP America Inc./Vitro America	San Joaquin	Manufacturing	\$205,380	70
West Covina Chamber of Commerce	Los Angeles, etc.	Various	\$160,396	130
Western Marine Insurance Services	San Joaquin	Insurance	\$220,000	50
Western Pacific Products, Inc.	Yolo, Los Angeles	Wholesale Trade	\$5,632	8
Western Summit Constructors, Inc.	San Joaquin, Stanislaus	Construction	\$14,927	23
TOTAL - 122 contracts			\$17,322,723	12,515

COMPLETED CONTRACT DATA

Of contracts approved in prior fiscal years, 227 completed during the report year. Training funded by these contracts focused on skills to assist employers in implementing technological innovations, diversifying goods and services, and transitioning to high-performance workplaces. The training was designed to provide workers with the skills required for long-term employment at good wages, and to help California employers remain competitive in the international economy.

A. SUMMARY OF COMPLETED CONTRACTS*

The following table illustrates FY 2007-08 completed contracts by funding category. The Panel funded training in high-wage, high-skill jobs for a total of 42,487 trainees at an average cost of \$1,036 per trainee.

	Total
Number of Contracts	227
Amount Earned (in millions)	\$44.0
Retained in Employment	42,487
Cost per Trainee	\$1,036

* See Appendix B-3, "Completed Contracts" for a listing of the year's completed contracts.

The overall percentage of actual-to-planned placements was 55 percent (62 percent for new hires, and 55 percent for retrainees). (The overall actual-to-planned rate is virtually the same as the retrainee rate, given new hires represent a very small proportion of total trainees and have little impact on the overall rate.) The placement rates for retrainees decreased slightly by one percent; however, the new hires increased significantly from the previous fiscal year's 47 percent. The average cost per trainee increased in the report year from the prior fiscal year, from \$1,011 to \$1,036 per trainee. The average cost per trainee was \$3,399 for new hires, and \$982 for retrainees.) Approximately 93 percent of funds were earned for successful retraining, with 7 percent going for the training of unemployed workers. (Retrainees represented 98 percent of the trainee population; and new hires 2 percent.)

B. TRAINEES SERVED BY SIZE OF BUSINESS

The following table provides numbers of trainees by size of business served. Twenty-two percent of all retrainees and 43 percent of new hires were employed by small businesses (i.e., 250 or fewer employees).

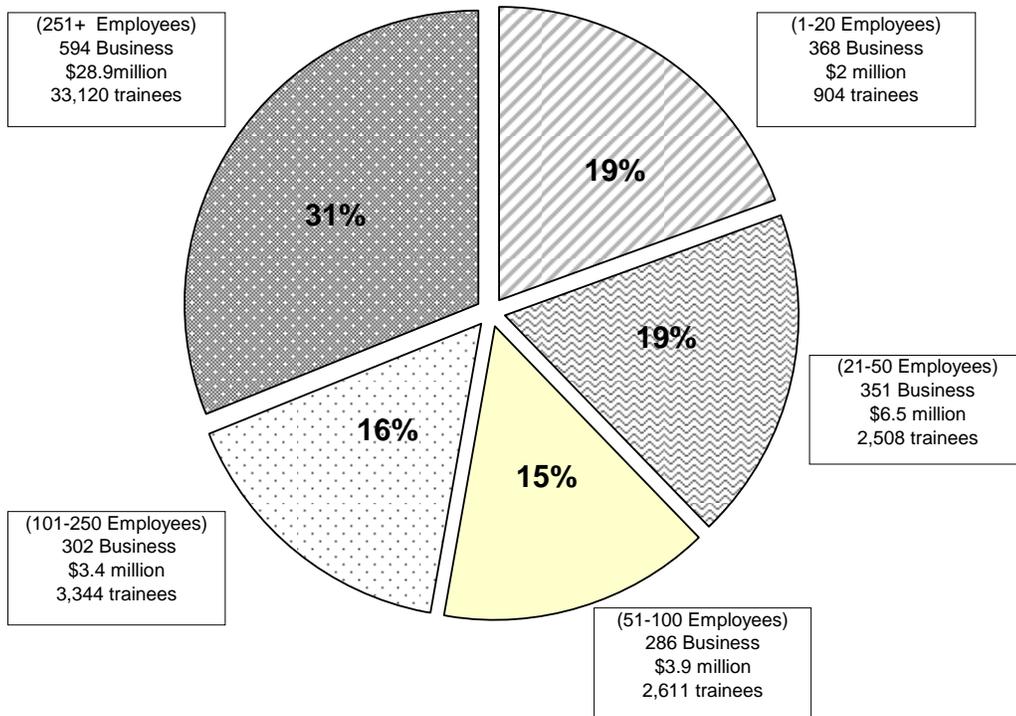
Bus. Size	Retrainees	New Hires	Rtrees \$ Earned	NH \$ Earned	\$ Earned Amount
1-20	739	165	\$1,250,110	\$734,171	\$1,984,281
21-50	2,425	83	\$6,136,950	\$365,489	\$6,502,439
51-100	2,522	89	\$3,462,694	\$421,272	\$3,883,966
101-250	3,240	104	\$2,992,286	\$449,910	\$3,442,196
251+	32,610	510	\$26,934,674	\$1,261,906	\$28,196,580
Totals	41,536	951	\$40,776,714	\$3,232,748	\$44,009,462

C. BUSINESSES SERVED BY SIZE

1,901 businesses were served in last year's completed contracts. While approving some limited training for unemployed workers, the Panel primarily funds the retraining of incumbent workers in California businesses, especially small firms, to help those employers become or remain competitive. A review of businesses served in completed contracts shows that 69 percent of all firms served were small (i.e., employed 250 or fewer workers), which was a decrease of about 3 percent over last fiscal year. Further, of all businesses served in completed contracts, 53 percent employed 100 or fewer workers; 38 percent employed 50 or fewer workers; and those with 20 or fewer employees represented 19 percent of all businesses served. (See chart below.)

The Panel funds training for small business through both direct contracts with single employers, and multiple-employer contractors (MEC) such as employer consortia, or training agencies that train workers of multiple employers. The Panel served 85 small businesses through direct contracts to provide training for 2,853 workers. This was a 21 percent increase from the prior fiscal year, due principally to the Panels implementation of the Small Business Program several years ago. Another 1,222 small businesses were served through 42 multiple employer contracts, which provided training for 6,514 workers.

**NUMBER & SIZE OF BUSINESSES SERVED
IN 2007-08 COMPLETED CONTRACTS**



D. TRAINING BY INDUSTRY

The Panel funded training in all major industries in California, with approximately half of funds going to the manufacturing and high-technology sectors (e.g., software development, biotechnology, telecommunications, engineering and multi-media/entertainment).

<p><u>Manufacturing</u> 19,407 trainees \$18. million (41% dollars earned) 54% businesses served</p>	<p><u>Services</u> 6,312 trainees \$7.4 million (17% dollars earned) 19% businesses served</p>
<p><u>High Technology*</u> 3,065 trainees \$2.5 million (6% dollars earned) 4% businesses served <small>*includes software development, multimedia/entertainment, computer programming and systems design, engineering and telecommunications.</small></p>	<p><u>Finance</u> 7,966 trainees \$7.4 million (17% dollars earned) 3% businesses served</p>
<p><u>Trade</u> 2,392 trainees \$2.8 million (6% dollars earned) 10% businesses served</p>	<p><u>Other**</u> 3,345 trainees \$5.9 million (13% dollars earned) 10% businesses served <small>**Includes agriculture, construction, and transportation.</small></p>

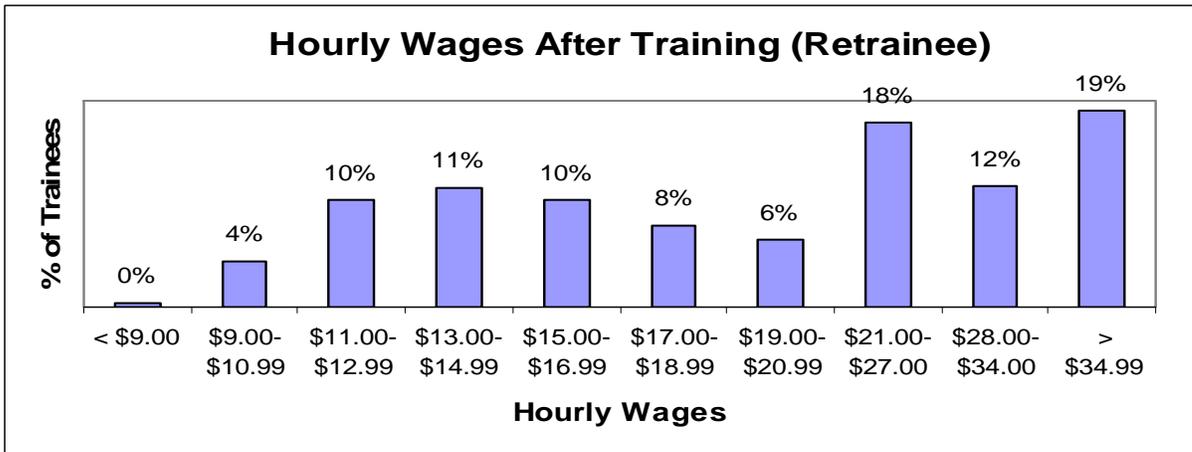
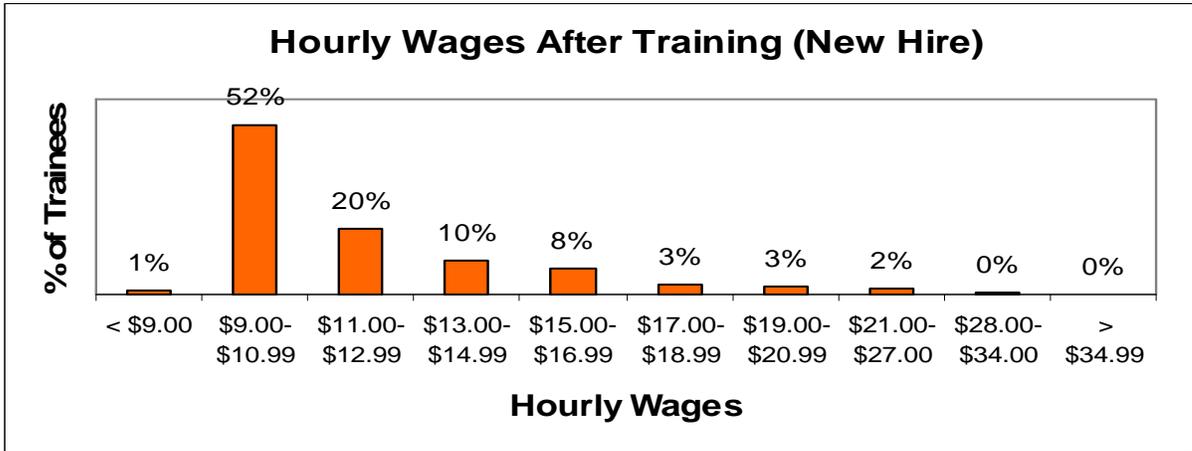
These industry data show that the percentage of funds earned by manufacturing firms in completed contracts decreased from the previous fiscal year due to the declining economy. Also, there were a few large contracts serving businesses in finance, which significantly increased the funds earned in the finance industry to 17 percent, compared to 6 percent in the prior year. However, the percentage of manufacturing businesses served was 54 percent, compared to 38 percent in FY 2006-07. The businesses served in high-technology contracts decreased to 4 percent from 18 percent the previous year, while funds earned by businesses in high technology services decreased only slightly from the prior year's 8 percent to 6 percent.

E. TRAINEE WAGES

The average post-training and retention wages for workers who were unemployed at the start of training (new hires) was \$11.74 an hour; for retrainees, it was \$25.06 per hour. Average wages were down approximately 11 percent for both new hires and retrainees compared to last fiscal year, likely as a result of the declining economy.

It is important to note that while ETP primarily funds training for high-wage, high-skill jobs, it also funds training for lower wage workers to assist them in advancing to better paying, more secure jobs. In the report year, 15 percent of ETP trainees earned less than \$13 per

hour. This is consistent with prior fiscal years' data, and reflects ETP's ability to assist workers at both ends of the wage spectrum.



F. LITERACY TRAINING

The Panel supports literacy training (writing, reading, language comprehension, math, and Vocational English as a Second Language) where training has a demonstrated link to job skills training. The majority of literacy training was for frontline workers in manufacturing, many whom were in high unemployment areas. Seventy-five of the completed contracts included literacy components for approximately 9,630 participants, at a cost of \$19.8 million for total training hours for those participants.

G. TRAINEE DEMOGRAPHICS

California Labor Force Characteristics:

California has a highly diverse population and labor force. As of January 1, 2007, the state had 37.7 million residents¹. In March 2007, California had 29.3 million working residents (16

¹ California Labor Market and Information Analysis 2007 <http://www.calmis.ca.gov/specialreports/Labor-Market-Economic-Analysis-2007.pdf> Retrieved 9/8/08

and over), of which 17.9 million were in the labor force (17 million were employed and 865,000 were unemployed). Whites made up 45 percent of the labor force; Hispanics accounted for 33.5 percent; Asians 12 percent; and African Americans 6.6 percent. Males made up 56 percent of the labor force and females 44 percent². The state's unemployment rate in July 2007 was 5.4 percent compared to 4.7 percent for the United States³.

Statistics show a strong correlation between personal income and educational attainment. The majority of persons with a Master's degree or higher (54 percent) and over one-third of those with a BA/BS degree (36 percent) had an annual income of \$60,000 or more⁴. Persons with an annual income of less than \$10,000 included 42 percent of persons with less than a high school education and 29 percent of those with a high school diploma. Regardless of ethnicity and sex, median personal income generally increased with higher levels of educational achievement.

The California labor force is highly skilled. Almost 81 percent of Californians age 25 and over had earned a high school diploma or higher and 30 percent had a bachelor's degree or higher⁵. Significant differences in education are observed between ethnic groups. Whites had the highest percentage of persons with at least a high school diploma (93.2 percent) and Asians had the highest percentage with a Bachelor's degree or higher 48.2 percent. Hispanics were more likely than other ethnicities to not earn a high school diploma (45.3 percent).

ETP Benefits:

ETP is California's only employer-driven training program that supports retrainee and new hire workers. ETP supported training assists a diverse group of employees expand their education and skills. This training consequently improves trainees' ability to earn higher wages in industries that support business attraction, retention, and expansion in the state. (See Appendix B2 for demographic data on trainees in contracts completing in FY 2007-08.)

Retrainee Characteristics:

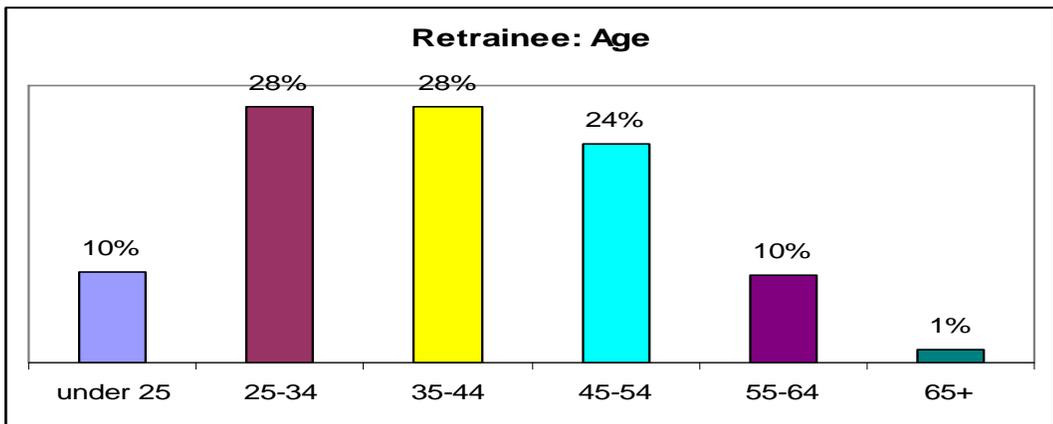
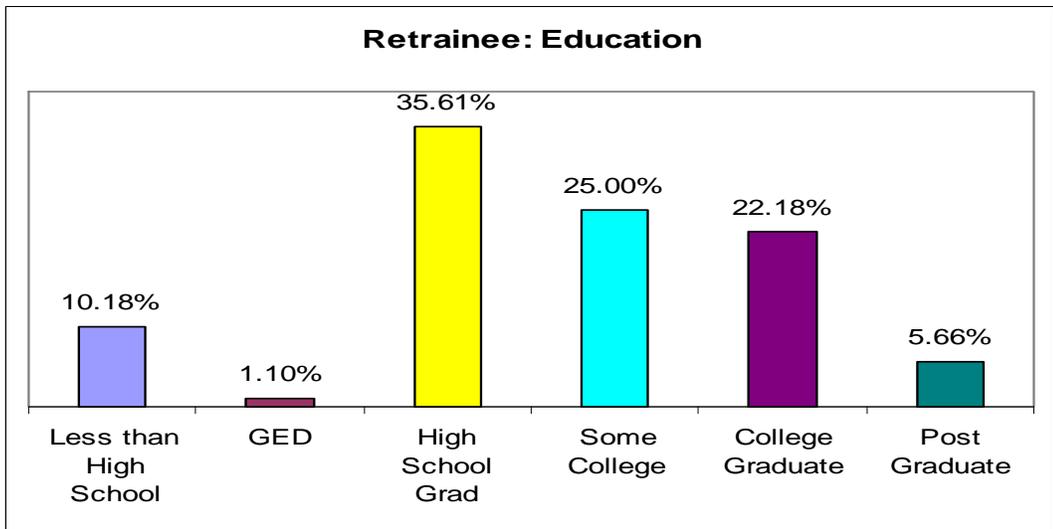
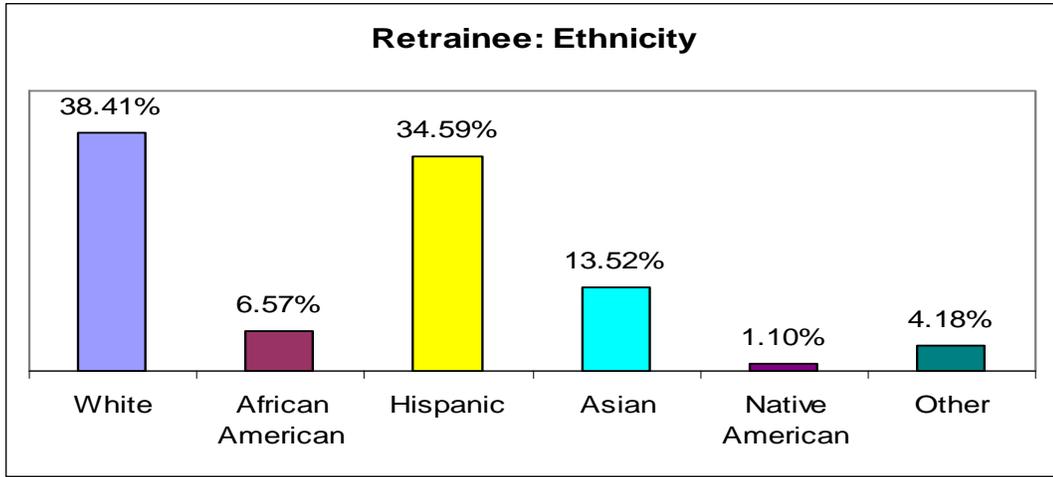
In the report year, fifty-nine percent of the retrainee population in completed contracts was male and 41 percent was female. The following charts illustrate retrainee ethnic, education, and age characteristics:

² Current Population Survey Report, March 2006
<http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/documents/California%20Current%20Population%20Survey%20Extended%20Report,%20March%202006.pdf> Retrieved 9/8/08

³ California's Labor Market at a Glance <http://www.labormarketinfo.edd.ca.gov/?PAGEID=4> Retrieved 9/8/08

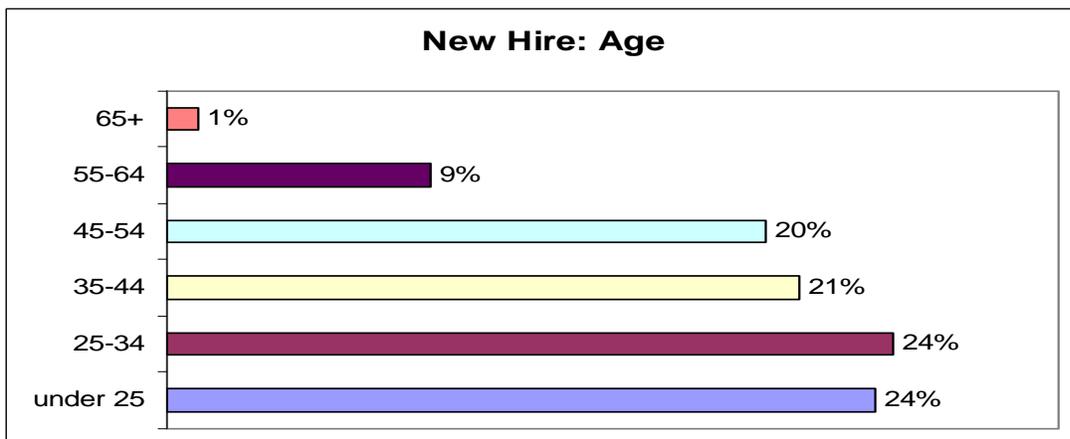
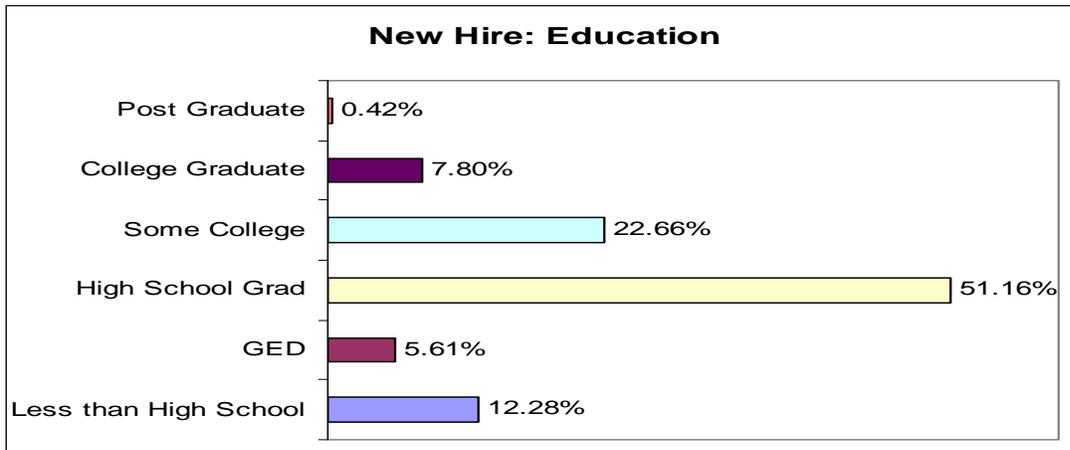
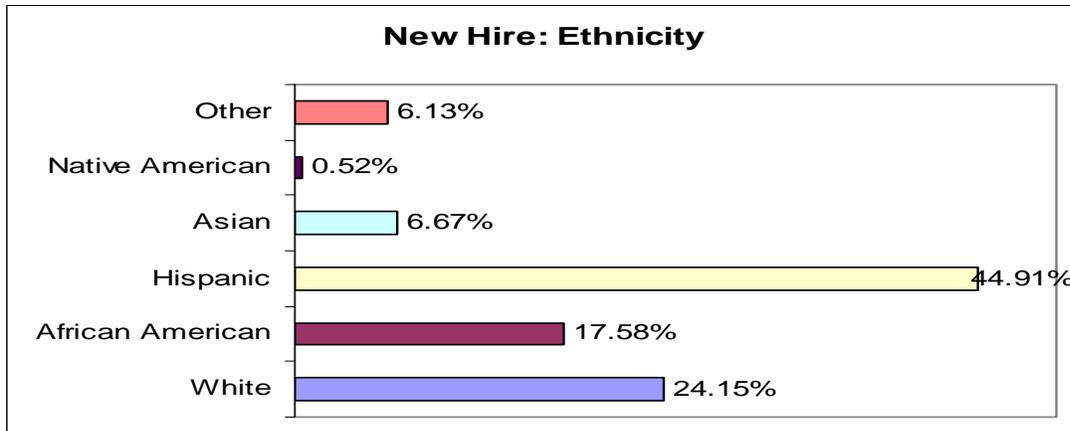
⁴ Current Population Survey Report, March 2006
<http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/documents/California%20Current%20Population%20Survey%20Extended%20Report,%20March%202006.pdf> Retrieved 9/8/08

⁵ Current Population Survey Report, March 2006
<http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/documents/California%20Current%20Population%20Survey%20Extended%20Report,%20March%202006.pdf> Retrieved 9/8/08



New Hire Characteristics:

In the report year, forty-nine percent of the new hire population was male and 51 percent was female. The following charts illustrate new hire ethnic, education, and age characteristics:



G. DISENCUMBRANCES/REINVIESTMENT OF FUNDS

Since ETP contracts are “performance based”, funds are not earned by a contractor until a trainee has completed training and a subsequent employment retention period, at a specified minimum wage. Therefore, funds encumbered in a training contract that are not earned, are subsequently disencumbered, and then reinvested in new training projects.

The overall disencumbrance rate of the 227 contracts completing in the report year, as well as the 12 contracts terminating in the report year, was 17 percent. \$52.2 million was encumbered in these contracts, of which \$44 million was earned for successful completion of training and employment retention, and \$8.8 million was disencumbered and reinvested in new training.

Research conducted by the University of California Los Angeles indicates that disencumbrances are an integral bi-product of performance-based contracting – assuring that funds not earned by contractors are disencumbered and reinvested in new training projects. Further, disencumbrances are caused largely by changes in economic and business conditions that force firms to reduce or forego training – conditions out of ETP’s control. Nonetheless, the Panel has taken steps to reduce and minimize disencumbrances, including the use of incremental funding, where contract funds are encumbered in phases at minimal levels, with additional funds encumbered only as the contractor demonstrates performance.

Other Panel actions in recent years to reduce disencumbrances have included: incremental funding; limiting the number of training hours in projects; requiring top management involvement in the contract process; and, early intervention in poorly performing projects through increased technical assistance to help contractors be successful. If intervention is unsuccessful, the project is terminated, and funds are disencumbered and reinvested in new training projects.

In its earlier years, ETP incurred disencumbrance rates at levels averaging 40 percent annually. However, by taking the administrative actions described above, the Panel has significantly reduced its disencumbrances, as evidenced by the low rate of 17 percent in contracts completing and terminating in the report year.

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

Characteristic	Employment Training Panel		California Labor Force	
	New Hire Percent	Retrainee Percent	Unemployed 2007	Employed 2007
SEX:				
Female	51.0%	40.7%	45.2% a/	46.4% a/
Male	49.0%	59.3%	54.8% a/	53.6% a/
AGE:				
<25	23.9%	9.8%	33.1% a/	13.6% a/
25-34	24.5%	27.7%	21.8% a/	21.6% a/
35-44	21.4%	27.8%	17.3% a/	23.5% a/
45-54	20.2%	23.8%	16.0% a/	23.7% a/
55-64	8.9%	9.5%	9.1% a/	13.7% a/
65+	1.1%	1.4%	2.7% a/	3.9% a/
EDUCATION:				
Less than H.S. Grad.	12.3%	10.2%	18.7% a, b/	9.2% a,b/
H.S. Graduate	56.8%	37.0%	35.5% a,b/	29.6% a,b/
Some College	22.7%	25.0%	26.9% a,b/	27.8% a,b/
College Graduate	7.8%	22.2%	18.9% a,b/	33.4% a,b/
Post Graduate	0.4%	5.6%		
MARITAL STATUS:				
Married	40.8%	49.0%	31.9% a,c/	55.9% a,c/
Single	59.2%	51.0%	68.1% a,c/	44.1% a,c/
ETHNICITY:				
White	24.2%	38.4%	66.8% a/	74.2% a/
African-American	17.6%	6.6%	18.8% a/	10.0% a/
Hispanic	44.9%	34.6%	11.4% a/	11.6% a/
Asian	6.7%	13.5%	3.0% a/	4.2% a/
Native American	0.5%	1.1%		
Other	6.1%	5.8%	2%d/	2%d/
VETERAN:				
Yes	6.0%	1.5%	4.4% e/	5.5% e/
No	94.0%	98.5%	95.6% e/	94.5% e/

a/ Civilian Labor Force data are based on the March 2007 census provided by the Bureau of Labor Statistics in the Current Population Survey conducted by the Bureau of the Census.

b/ Percentages are for total population 25 years and older in the labor force.

c/ Labor Force data does not include agricultural workers.

d/ Based on March 2006 Civilian Labor Force data.

e/ Based on 2007 Veteran Data from Dept Veterans Affairs & US Census Bureau for ages 18 to 64.

COMPLETED CONTRACTS IN FY 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
A & V ENGINEERING, INC.	LOS ANGELES	1	Manufacturing	7	0	\$3,744	53%
AAA BUSINESS SUPPLIES	SAN FRANCISCO	1	Trade/Retail	31	0	\$33,894	75%
ACCENTURE LLP*	CONTRA COSTA	5	Service	703	0	\$290,168	97%
ADCON TECHNICAL INSTITUTE/DBA ATI COLLEGE	MULTI COUNTIES	6	Various	184	0	\$384,371	46%
ADIR INTERNATIONAL, LLC DBA LA CURACAO*	MULTI COUNTIES	5	Trade/Retail	246	0	\$278,761	65%
ADVANCED BIONICS CORPORATION	LOS ANGELES	5	Manufacturing	482	0	\$286,526	28%
AEROJET-GENERAL CORPORATION A GENCORP COMPANY	SACRAMENTO	5	Manufacturing	565	0	\$140,892	78%
AETNA INC.	SAN DIEGO	5	Finance	694	0	\$309,067	52%
AGILENT TECHNOLOGIES, INC.	SAN MATEO	5	Manufacturing	0	0	\$0	0%
AIG SUNAMERICA, INC.	LOS ANGELES	5	Finance	274	0	\$293,615	62%
AMCOR PET PACKAGING USA, INC.	MULTI COUNTIES	5	Manufacturing	189	0	\$135,592	23%
AMERICAN COMMERCIAL CLAIMS ADMINISTRATORS, INC.	MULTI COUNTIES	4	Service	0	0	\$0	0%
AMERICAN SECURITY GROUP, INC.*	MULTI COUNTIES	6	Various	5	339	\$442,654	100%
AMERICOLD LOGISTICS, LLC	SAN BERNARDINO	5	Transportation	54	0	\$63,893	23%
AMERON INTERNATIONAL	SAN BERNARDINO	5	Manufacturing	53	0	\$25,701	6%
AMVAC CHEMICAL CORPORATION	LOS ANGELES	3	Manufacturing	37	0	\$31,967	38%
ANRITSU COMPANY	SANTA CLARA	5	Manufacturing	345	0	\$217,227	67%
APPARELTEX USA INC.	ORANGE	1	Manufacturing	0	0	\$0	0%
APPARELTEX USA, INC.	ORANGE	1	Manufacturing	1	0	\$1,200	50%
ARBOR VITA CORPORATION	SANTA CLARA	1	High Tech Service	2	0	\$1,100	11%
ARCHITECTURAL AREA LIGHTING	LOS ANGELES	5	Manufacturing	48	0	\$22,899	55%
AT&T CALIFORNIA*	MULTI COUNTIES	5	Communication	1,309	0	\$837,953	48%
AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA	MULTI COUNTIES	5	Finance	1,428	0	\$1,509,336	100%
AVIATION REPAIR SOLUTIONS, INC.	LOS ANGELES	1	Manufacturing	13	0	\$34,426	76%
BANK OF AMERICA CORPORATION	MULTI COUNTIES	5	Finance	2,669	0	\$3,433,250	100%
BEACON MANAGEMENT, INC.	LOS ANGELES	1	Trade/Wholesale	8	0	\$7,854	90%
BEMA ELECTRONICS, INC.	ALAMEDA	2	Manufacturing	37	0	\$47,840	98%
BLOW MOLDED PRODUCTS, INC.	RIVERSIDE	2	Manufacturing	0	0	\$0	0%
BON APPETIT MANAGEMENT COMPANY*	SANTA CLARA	5	Service	105	0	\$74,125	61%
BOOZ ALLEN HAMILTON*	SAN DIEGO	5	Service	146	0	\$81,844	16%
BRITHINEE ELECTRIC*	SAN BERNARDINO	1	Manufacturing	25	0	\$14,090	30%
CALIFORNIA MANUFACTURERS & TECHNOLOGY ASSOCIATION	SACRAMENTO	6	Manufacturing	773	0	\$356,869	93%
CALIFORNIA MANUFACTURING TECHNOLOGY CONSULTING	MULTI COUNTIES	6	Manufacturing	1,504	0	\$1,107,258	54%
CANCER CARE ASSOCIATES OF FRESNO MEDICAL GROUP, INC.*	FRESNO	2	Service	50	0	\$83,837	46%
CENTER FOR EMPLOYMENT TRAINING	SACRAMENTO	6	Various	0	44	\$297,254	39%
CERTIFIED PRINTERS, INC.	LOS ANGELES	1	Manufacturing	0	0	\$0	0%
CIRCLE SEAL CONTROLS, INC.	SAN BERNARDINO	5	Manufacturing	102	0	\$78,000	100%
CIRTECH, INC.	ORANGE	2	Manufacturing	5	0	\$2,860	6%
CLIFFSTAR CORPORATION	SAN BERNARDINO	5	Manufacturing	92	0	\$71,009	74%
COMPREHENSIVE TRAINING SYSTEMS, INCORPORATED	SAN DIEGO	6	Service	0	62	\$317,424	57%

*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 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
COMPUTER CAREER LEARNING CENTERS	LOS ANGELES	6	Various	24	0	\$35,282	55%
COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE*	STANISLAUS	6	Service	0	36	\$194,400	90%
CONEJO INDUSTRIES INC.	VENTURA	1	Manufacturing	0	0	\$0	0%
CONNECTICUT GENERAL LIFE INSURANCE COMPANY FOR CIGNA COMPANIES	TULARE	5	Finance	198	0	\$325,059	81%
COSTLESS MAINTENANCE SERVICES CO., INC. (DBA CMSC)*	SAN FRANCISCO	1	Service	10	0	\$7,150	40%
CUBIC DEFENSE APPLICATIONS INC.	SAN DIEGO	5	Manufacturing	111	0	\$65,681	31%
CUSTOMIZED SERVICES ADMINISTRATORS, INC. DBA CSA TRAVEL PROTECTION	SAN DIEGO	3	Finance	85	0	\$60,343	51%
DAIRY FARMERS OF AMERICA, INC.	VENTURA	5	Manufacturing	79	0	\$59,525	28%
DENSO SALES CALIFORNIA, INC.	LOS ANGELES	5	Service	172	0	\$85,265	37%
DESA FMI, LLC	ORANGE	4	Manufacturing	36	0	\$31,975	39%
DESIGNED METAL CONNECTIONS	LOS ANGELES	5	Manufacturing	25	0	\$15,791	9%
DOLE FRESH VEGETABLES, INC.	MONTEREY	5	Manufacturing	261	0	\$118,417	26%
DOREL INDUSTRIES	SAN BERNARDINO	5	Manufacturing	33	0	\$47,070	96%
DREAMWORKS ANIMATION SKG, INC.	LOS ANGELES	5	Manufacturing	430	0	\$255,467	46%
DYNACAST, INC.	LOS ANGELES	5	Manufacturing	17	0	\$9,581	34%
E3 FINANCIAL*	ORANGE	1	Finance	16	0	\$12,320	100%
ECONOLITE CONTROL PROD. INC.	SAN DIEGO	3	Manufacturing	132	0	\$138,060	72%
EL CAMINO COMMUNITY COLLEGE DISTRICT, CENTER FOR APPLIED COMPETITIVE TECHNOLOGIES (CACT)	MULTI COUNTIES	6	Manufacturing	1,518	0	\$848,422	100%
EL CLASIFICADO	LOS ANGELES	2	Manufacturing	102	0	\$48,093	100%
ELECTRONIC ARTS, INC.	MULTI COUNTIES	5	Service	314	0	\$169,216	24%
EL SINORE READY MIX COMPANY, INC.	RIVERSIDE	1	Manufacturing	11	0	\$14,439	29%
EMC CORPORATION	MULTI COUNTIES	5	Manufacturing	0	0	\$0	0%
EMERALD BAY CUSTOM BUILT HOUSEBOATS, INC.	BUTTE	1	Manufacturing	0	0	\$0	0%
EMPLOYERS GROUP	MULTI COUNTIES	6	Manufacturing	1,157	0	\$659,600	65%
EMPOWER RF SYSTEMS, INC.	LOS ANGELES	2	Manufacturing	0	0	\$0	0%
ENHANCED VISION SYSTEMS, INC.	ORANGE	1	Manufacturing	27	0	\$38,080	79%
EUREKA FABRICATION	SAN JOAQUIN	1	Manufacturing	0	0	\$0	0%
EVOLUTION MANUFACTURING TRADE ASSOCIATION	MULTI COUNTIES	6	Manufacturing	627	0	\$878,183	88%
FANTE, INC. DBA CASA SANCHEZ FOODS	SAN FRANCISCO	1	Manufacturing	11	0	\$14,494	15%
FRANKLIN CAREER COLLEGE, INC.	MULTI COUNTIES	6	Various	0	97	\$532,173	100%
FRONTIER DENTAL LABORATORIES INC	EL DORADO	2	Manufacturing	0	0	\$0	0%
GENESIS MICROCHIP INC	SANTA CLARA	4	Manufacturing	14	0	\$6,111	3%
GENESIS TECHNOLOGY PARTNERS, LLC	LOS ANGELES	3	Service	63	0	\$99,294	100%
GEORGE G. GLENNER ALZHEIMER'S FAMILY CENTERS INC.	SAN DIEGO	6	Service	0	9	\$37,917	12%
GEORGIA-PACIFIC CORPORATION	MULTI COUNTIES	5	Manufacturing	55	0	\$41,767	6%
GIMBAL BROTHERS, INC.	SAN MATEO	2	Manufacturing	37	0	\$39,847	40%

*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 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
GLACIER WATER SERVICES INC.	MULTI COUNTIES	4	Manufacturing	3	0	\$1,833	2%
GLENDAL COMMUNITY COLLEGE PROFESSIONAL DEVELOPMENT CENTER*	MULTI COUNTIES	6	Various	1,667	0	\$1,551,629	91%
GOODWILL INDUSTRIES OF SAN JOAQUIN VALLEY INC.*	STANISLAUS	6	Various	0	34	\$120,136	30%
GOODWILL INDUSTRIES OF SANTA CLARA COUNTY	MULTI COUNTIES	6	Various	0	31	\$138,928	59%
GOODWILL INDUSTRIES OF VENTURA & SANTA BARBARA COUNTIES	MULTI COUNTIES	6	Various	0	11	\$33,352	22%
GOTRAIN, INC.	LOS ANGELES	6	Various	189	0	\$762,447	100%
HAN MA EUM SENIOR SERVICES, INC.*	LOS ANGELES	1	Service	15	0	\$15,985	38%
HARBOR PACKAGING, INC.	SAN DIEGO	4	Manufacturing	91	0	\$110,235	61%
HAYWARD POOL PRODUCTS, INC.	LOS ANGELES	5	Manufacturing	167	0	\$141,852	72%
HERBALIFE INTERNATIONAL OF AMERICA, INC.	LOS ANGELES	5	Service	300	0	\$322,816	71%
HILMAR CHEESE COMPANY, INC.*	STANISLAUS	5	Manufacturing	306	0	\$588,255	78%
HITCHCOCK & HOLCOMBE, INC.	SACRAMENTO	6	Various	556	0	\$435,062	79%
HSBC CARD SERVICES, INC.	MULTI COUNTIES	5	Finance	740	0	\$453,341	30%
INJEX INDUSTRIES, INC.	ALAMEDA	4	Manufacturing	101	0	\$140,433	72%
INNOVATIVE ENGINEERING GROUP	LOS ANGELES	1	High Tech Service	16	0	\$25,587	71%
INSURANCE EDUCATIONAL ASSOCIATION	MULTI COUNTIES	6	Finance	447	0	\$239,195	72%
INTA TECHNOLOGIES	SANTA CLARA	1	Manufacturing	27	0	\$49,920	100%
INTEC VIDEO SYSTEMS, INC.	ORANGE	1	Manufacturing	18	0	\$13,429	66%
INTEGRATED MANAGEMENT SYSTEMS MARKETING, INC.	MULTI COUNTIES	6	Various	481	0	\$904,126	100%
INTERMOTIVE, INC.	PLACER	1	Manufacturing	0	0	\$0	0%
INTERNATIONAL ENERGY SERVICES COMPANY, DBA IESCO, INC.	LOS ANGELES	3	Service	160	0	\$207,014	65%
INTERNET SPECIALTIES WEST	LOS ANGELES	1	High Tech Service	0	0	\$0	0%
INTERSIL CORPORATION	MULTI COUNTIES	5	Manufacturing	0	0	\$0	0%
INVITROGEN CORPORATION	SAN DIEGO	5	Manufacturing	512	0	\$387,810	19%
JOHNS MANVILLE	GLENN	5	Manufacturing	94	0	\$52,988	44%
JOHNSON MATTHEY, INC.	SANTA CLARA	5	Manufacturing	13	0	\$4,545	9%
K-1 PACKAGING GROUP	LOS ANGELES	2	Manufacturing	57	0	\$125,947	72%
KAISER ALUMINUM	LOS ANGELES	5	Manufacturing	0	0	\$0	0%
KENDALL FINANCIAL SERVICES*	CONTRA COSTA	1	Real Estate	3	0	\$2,414	72%
KIK CUSTOM PRODUCTS LOS ANGELES	LOS ANGELES	5	Manufacturing	0	0	\$0	0%
KIM LIGHTING, INC.	LOS ANGELES	5	Manufacturing	68	0	\$30,521	19%
KIMBERLY-CLARK WORLDWIDE	ORANGE	5	Manufacturing	120	0	\$112,740	29%
KINGS HAWAIIAN HOLDING COMPANY, INC.	LOS ANGELES	4	Manufacturing	26	0	\$31,824	13%
KIRKHILL-TA COMPANY	ORANGE	6	Manufacturing	720	0	\$538,757	65%
KOREAN AIR	MULTI COUNTIES	5	Transportation	68	0	\$34,454	21%
KRAFT FOODS GLOBAL, INC.	MULTI COUNTIES	5	Manufacturing	15	0	\$11,624	13%
KRAZAN & ASSOCIATES, INC.	FRESNO	4	High Tech Service	0	0	\$0	0%
KRUGER FOODS, INC	SAN JOAQUIN	2	Manufacturing	0	0	\$0	0%
KYOCERA AMERICA, INC.	SAN DIEGO	5	Manufacturing	23	0	\$30,706	44%
LAM RESEARCH CORPORATION	ALAMEDA	5	Manufacturing	325	0	\$137,365	79%
LASERCARD CORPORATION	SANTA CLARA	3	Manufacturing	0	0	\$0	0%
LA-Z-BOY WEST	SAN BERNARDINO	5	Manufacturing	172	0	\$93,595	56%

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COMPLETED CONTRACTS IN FY 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
LEADERSHIP TRAINING AND EDUCATION FUND*	MULTI COUNTIES	6	Service	394	0	\$282,076	62%
LENDER SUPPORT SYSTEMS INC	SAN DIEGO	1	High Tech Service	4	0	\$1,976	4%
LOS ANGELES COUNTY ELECTRICAL TRAINING INSTITUTE*	LOS ANGELES	6	Construction	75	0	\$37,990	6%
MADOLE & ASSOCIATES, INC.*	SAN BERNARDINO	1	High Tech Service	43	0	\$14,415	39%
MASS PRECISION SHEETMETAL, INC.	SANTA CLARA	4	Manufacturing	248	0	\$277,248	97%
MEDAMERICA BILLING SERVICES, INC.*	STANISLAUS	4	Service	263	0	\$273,240	55%
MEDTRONIC MINIMED, INC.	LOS ANGELES	5	Manufacturing	62	0	\$71,418	33%
MEMORYTEN, INC.	SANTA CLARA	1	Manufacturing	43	0	\$118,800	100%
METABOLEX, INC.	ALAMEDA	2	Manufacturing	34	0	\$14,146	29%
METLIFE INVESTORS GROUP, INC.	ORANGE	5	Finance	86	0	\$116,740	55%
MICREL, INC.	SANTA CLARA	5	Manufacturing	261	0	\$309,400	100%
MICRO ANALOG, INC.	LOS ANGELES	3	Manufacturing	31	0	\$26,173	29%
NAPROTEK, INC.	SANTA CLARA	2	Manufacturing	46	0	\$33,390	70%
NEMAT MANAGEMENT GROUP	ALAMEDA	1	Manufacturing	27	0	\$41,658	96%
NEXUS IS, INC.	MULTI COUNTIES	4	Communication	115	0	\$126,401	50%
NORMAN KRIEGER, INC.	MULTI COUNTIES	2	Service	76	0	\$103,834	52%
NORTH COAST RESOURCE MANAGMENT	SANTA CRUZ	1	Service	10	0	\$5,780	48%
NORTH STATE GROCERY, INC.*	SHASTA	4	Trade/Retail	24	0	\$12,480	20%
NORTHERN CALIFORNIA TEAMSTERS APPRENTICESHIP TRAIN	MULTI COUNTIES	6	Construction	0	22	\$73,536	58%
NORTHROP GRUMMAN SPACE TECHNOLOGY, A BUSINESS UNIT OF NORTHROP GRUMMAN SPACE & MISSION SYSTEMS CORP	MULTI COUNTIES	5	Manufacturing	953	0	\$409,527	49%
NTMA TRAINING CENTERS OF SOUTHERN CALIFORNIA	MULTI COUNTIES	6	Manufacturing	831	0	\$2,046,517	98%
NTMA TRAINING CENTERS OF SOUTHERN CALIFORNIA	MULTI COUNTIES	6	Manufacturing	0	79	\$375,858	24%
NUGGET MARKET, INC.*	YOLO	5	Trade/Retail	114	0	\$102,492	100%
ORANGE COUNTY CONTAINER	LOS ANGELES	5	Manufacturing	283	0	\$442,557	64%
PACIFIC ADVANCED CIVIL ENGINEERING, INC.	ORANGE	2	High Tech Service	48	0	\$45,895	32%
PACIFIC AERO COMPONENT ENGINEERING	LOS ANGELES	1	Manufacturing	4	0	\$2,377	33%
PACIFIC BELL DIRECTORY	MULTI COUNTIES	5	High Tech Service	1,230	0	\$1,101,095	94%
PACIFIC COAST PRODUCERS	YOLO	5	Manufacturing	118	0	\$563,219	100%
PACIFIC COAST PRODUCERS	BUTTE	5	Manufacturing	48	0	\$19,708	10%
PACIFIC LIFE INSURANCE COMPANY	MULTI COUNTIES	5	Finance	607	0	\$194,002	55%
PACTIV CORPORATION	LOS ANGELES	5	Manufacturing	26	0	\$34,442	20%
PELICAN PRODUCTS, INC.	LOS ANGELES	5	Manufacturing	142	0	\$61,420	40%
PERILLO INDUSTRIES, INC. DBA CENTURY ELECTRONICS	LOS ANGELES	1	Manufacturing	27	0	\$32,440	90%
PERKINELMER OPTOELECTRONICS	SANTA CLARA	5	Manufacturing	104	0	\$80,600	100%
PETERSON BROTHERS CONSTRUCTION, INC.*	MULTI COUNTIES	5	Construction	100	0	\$64,953	56%
PGP INTERNATIONAL, AN ABF INGREDIENTS COMPANY	YOLO	5	Manufacturing	126	0	\$157,245	71%
POWER PARAGON, INC.	MULTI COUNTIES	5	Manufacturing	102	0	\$54,311	27%

*Special Employment Training (SET) Category

COMPLETED CONTRACTS IN FY 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
PRACTICAL DATA PROCESSING, INC.	MULTI COUNTIES	6	Service	0	179	\$661,172	79%
PRODUCE CONTAINER LLC.	MADERA	1	Manufacturing	152	0	\$120,845	16%
QUALITY CARE HEALTH FOUNDATION	MULTI COUNTIES	6	Service	25	0	\$149,076	83%
QUEST DIAGNOSTICS NICHOLS INSTITUTE	ORANGE	5	Service	188	0	\$469,928	94%
R. LANG COMPANY*	TULARE	2	Manufacturing	93	0	\$191,803	76%
R.W. LYALL & COMPANY, INC.	SAN DIEGO	3	Manufacturing	15	0	\$5,967	3%
RADIOLOGICAL ASSOCIATES OF SACRAMENTO MEDICAL GROUP, INC.*	SACRAMENTO	5	Service	10	0	\$39,920	33%
RANTEC POWER SYSTEMS INC.	SAN LUIS OBISPO	2	Manufacturing	49	0	\$48,938	97%
RAY PRODUCTS , INC.	SAN BERNARDINO	1	Manufacturing	11	0	\$11,080	22%
REDWOOD CHILDREN'S SERVICES*	MENDOCINO	1	Service	5	0	\$5,315	74%
REDWOOD EMPIRE ELECTRICAL TRAINING TRUST*	MULTI COUNTIES	6	Construction	0	0	\$0	0%
REGIONAL MEDICAL CENTER OF SAN JOSE*	SANTA CLARA	5	Service	202	0	\$148,797	32%
REISGEN, INC., D.B.A. CONTRACTED COMPUTER TRAINING	LOS ANGELES	6	Various	432	0	\$280,274	76%
RIVERSIDE COMMUNITY COLLEGE DISTRICT	RIVERSIDE	6	Various	163	0	\$74,425	30%
RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY	RIVERSIDE	6	Service	16	0	\$131,710	28%
ROADWAY EXPRESS, INC.	MULTI COUNTIES	5	Transportation	79	0	\$58,635	15%
ROBERT WALL ENTERPRISES DBA SAWING SERVICES COMPANY	LOS ANGELES	1	Construction	14	0	\$3,172	11%
ROCKER BROS. MEAT & PROVISIONS, INC.*	LOS ANGELES	1	Trade/Wholesale	21	0	\$11,286	33%
SACRAMENTO EMPLOYMENT & TRAINING AGENCY	SACRAMENTO	6	Various	0	0	\$0	0%
SAMAX PRECISION, INC.	SANTA CLARA	1	Manufacturing	27	0	\$8,521	36%
SAN FRANCISCO HISPANIC CHAMBER OF COMMERCE*	SAN FRANCISCO	6	Service	8	0	\$2,680	9%
SANTA MONICA COLLEGE	LOS ANGELES	6	Manufacturing	385	0	\$186,018	37%
SANTUR CORPORATION	ALAMEDA	2	Manufacturing	0	0	\$0	0%
SCHURTER, INC.	SONOMA	1	Trade/Wholesale	18	0	\$15,380	61%
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	MULTI COUNTIES	5	High Tech Service	687	0	\$379,396	19%
SEVENTH VELOCITY, INC.	NEVADA	1	High Tech Service	0	0	\$0	0%
SIEGFRIED ENGINEERING, INC.	MULTI COUNTIES	1	High Tech Service	18	0	\$7,942	49%
SIGMATRON INTERNATIONAL, INC.	ALAMEDA	5	Manufacturing	27	0	\$10,704	15%
SIMPSON TIMBER COMPANY	HUMBOLDT	5	Manufacturing	20	0	\$17,667	39%
SMS TECHNOLOGIES, INC.	SAN DIEGO	3	Manufacturing	98	0	\$68,723	38%
SMURFIT STONE CONTAINER CORP.	LOS ANGELES	5	Manufacturing	9	0	\$3,030	1%
SOLID STATE STAMPING	RIVERSIDE	2	Manufacturing	33	0	\$35,502	24%
SONOMA COUNTY JUNIOR COLLEGE DISTRICT, SANTA ROSA JUNIOR COLLEGE	SONOMA	6	Manufacturing	197	0	\$123,585	63%
SONY ELECTRONICS, INC.	SAN DIEGO	5	Manufacturing	35	0	\$44,213	22%

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COMPLETED CONTRACTS IN FY 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
SOUTHEAST LOS ANGELES COUNTY WORKFORCE INVESTMENT BOARD (SELACO WIB)	LOS ANGELES	6	Various	2,142	0	\$1,982,450	86%
SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP*	LOS ANGELES	5	Service	776	0	\$998,478	100%
SPA BUILDERS SUPPORT GROUP INC.	SAN DIEGO	2	Manufacturing	36	0	\$81,150	69%
SPECTRA LABORATORIES, INC.	ALAMEDA	5	Service	195	0	\$100,893	100%
SPRECKELS SUGAR COMPANY, INC.	FRESNO	5	Manufacturing	73	0	\$28,462	50%
STANDARD HOMEOPATHIC COMPANY	LOS ANGELES	2	Manufacturing	12	0	\$7,908	6%
SUPERIOR ANHAUSNER FOODS, INC.	LOS ANGELES	3	Service	55	0	\$60,121	77%
SUREFIRE, LLC	ORANGE	4	Manufacturing	176	0	\$152,825	35%
SYSCO FOOD SERVICES OF VENTURA, INC.*	LOS ANGELES	5	Trade/Wholesale	146	0	\$195,975	100%
TEJON RANCH	KERN	3	Agriculture	0	0	\$0	0%
THE CONRAD CORPORATION DBA CONQUEST IMAGING	SAN JOAQUIN	1	Service	23	0	\$22,352	47%
THE CORPORATION FOR MANUFACTURING EXCELLENCE D.B.A. MANEX	MULTI COUNTIES	6	Manufacturing	564	0	\$457,916	17%
THE DOW CHEMICAL COMPANY	CONTRA COSTA	5	Manufacturing	259	0	\$233,532	92%
THE PEP BOYS MANNY, MOE & JACK OF CALIFORNIA*	SAN BERNARDINO	5	Trade/Retail	146	0	\$131,546	37%
THE PRESS-ENTERPRISE COMPANY	RIVERSIDE	5	Manufacturing	32	0	\$17,686	8%
THE SEDAKER GROUP OF SOUTHERN CALIFORNIA, INC. DBA DIRECT BUY OF WEST RIVERSIDE COUNTY	RIVERSIDE	1	Trade/Wholesale	45	0	\$40,359	81%
TLD DISTRIBUTION COMPANY	LOS ANGELES	2	Service	58	0	\$231,580	96%
TOTAL AIRPORT SERVICES, INC.*	SAN MATEO	2	Transportation	6	0	\$1,654	23%
TRENCH PLATE RENTAL CO. DBA WESTAR MANUFACTURING CORP./QUIK-SHOR	LOS ANGELES	3	Manufacturing	25	0	\$25,397	79%
TURN AROUND COMMUNICATIONS, INC.	LOS ANGELES	2	Communication	0	0	\$0	0%
TYKIM DBA PEAK TRAVEL GROUP	MULTI COUNTIES	2	Service	46	0	\$35,477	36%
UAW LABOR EMPLOYMENT AND TRAINING CORPORATION	LOS ANGELES	6	various	213	0	\$246,422	100%
UAW LABOR EMPLOYMENT AND TRAINING CORPORATION*	LOS ANGELES	6	Service	0	8	\$13,224	9%
UHS OF DELAWARE, INC.*	MULTI COUNTIES	5	Service	198	0	\$131,807	29%
UNIGEN CORPORATION	ALAMEDA	3	Manufacturing	62	0	\$68,026	68%
UNITED FABRICARE SUPPLY, INC.	LOS ANGELES	2	Service	25	0	\$29,640	15%
UNITED FACILITIES, INC.	SAN JOAQUIN	4	Service	40	0	\$33,656	46%
UNITED ONLINE, INC.	MULTI COUNTIES	4	High Tech Service	49	0	\$28,324	6%
UNIVERSAL PROPULSION COMPANY, INC.	SOLANO	5	Manufacturing	71	0	\$56,129	57%
UPS SUPPLY CHAIN SOLUTIONS, INC.	SAN BERNARDINO	5	Service	89	0	\$74,405	7%
USHIO AMERICA INC.	ORANGE	5	Manufacturing	26	0	\$15,075	47%
VACUUM COATING TECHNOLOGIES, INC.	SOLANO	2	Manufacturing	0	0	\$0	0%

*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 07/08

APPENDIX B3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Earned Amount	Percent Earned
VANDORPE CHOU ASSOCIATES, INC.	ORANGE	1	Service	29	0	\$42,540	87%
VERDEGAAL BROTHERS, INC.	KINGS	1	Agriculture	13	0	\$3,586	34%
VINCE'S OFFICE SUPPLY, INC. DBA THE OFFICE CITY	MULTI COUNTIES	1	Trade/Retail	21	0	\$12,335	25%
VIRGIN AMERICA, INC.	SAN MATEO	1	Transportation	444	0	\$3,046,703	30%
WEST COVINA CHAMBER OF COMMERCE	LOS ANGELES	6	Various	448	0	\$298,378	100%
WESTERN FEDERAL CREDIT UNION	LOS ANGELES	4	Finance	0	0	\$0	0%
				41,536	951	\$44,009,462	

*Special Employment Training (SET) Category

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

TERMINATED CONTRACTS

Twelve contracts terminated in the report year, prior to completion of the contract term. In several cases, some training occurred, but in others, training never began. While the Panel initially approved \$1,360,653 in funding for these projects, it only encumbered, and subsequently disencumbered in the report year, approximately half of that approved funding amount. Most of the contracts were terminated due to changes in the company's economic conditions, including plant closure or sale of the company, increase in business, turnover and staff reductions, and changes in priorities.

The number of terminated contracts has decreased about one-third in the past 4 years. This has been the result of early ETP intervention in projects where problems were occurring, as well as the implementation of increased flexibility for contractors in implementing their training plans.

This table provides a list of the report year's terminated contracts:

Contractor Name	County	Funding Amount	Planned No. of Trainees	Industry
Citron Clothing, Inc.	Los Angeles	\$8,000	10	Manufacturing
Advanced Roofing Solutions, Inc	Los Angeles	\$33,000	25	Construction
Door Components, Inc	San Bernardino	\$64,800	75	Manufacturing
Silicon Space, LLC	San Diego	\$27,040	26	Services
Advanced Electromagnetics, Inc.	San Diego	\$31,200	20	Manufacturing
Xantrex Technology, Inc.	San Diego	\$149,580	270	Manufacturing
National RV, Inc.	Riverside	\$749,412	771	Manufacturing
Medpoint Management, Inc,	Los Angeles	\$36,960	14	Services
Advanced Systems Integration, Inc.	Orange	\$15,600	8	Manufacturing
Innovation Nitrogen Systems, LLC	Orange	\$31,200	20	Manufacturing
Dentex Group, Inc. DBA Dentex Dental College	Los Angeles	\$184,821	39	Services
U.S Safety & Supply Company	Los Angeles	\$29,040	10	Trade
		\$1,360,653	1,288	

* These contracts were encumbered only at the first phase of the encumbrance process due to early termination. All the encumbered funds were disencumbered.

Project Profiles

The following project profiles include examples of how the Employment Training Panel supports California's key industries and economic priorities – such as manufacturing, hi-technology, small business, clean technology, construction, agriculture, aerospace, and healthcare.

1. **CALGREN RENEWABLE FUELS, LLC**
2. **CENTURY ELECTRONICS**
3. **TEAMSTERS JOINT COUNCIL 42 TRAINING ACADEMY**
4. **GIVE SOMETHING BACK**
5. **NORD COAST VINEYARD**
6. **NORTHERN CALIFORNIA CONSTRUCTION AND TRAINING**
7. **NORTHROP GRUMMAN**
8. **SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**
9. **SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP**

Calgren Renewable Fuels, LLC

◆◆ Green Technology at Work ◆◆

In April 2008, the Panel provided Calgren Renewable Fuels, LLC with \$74,100 to meet the increasing challenges of a global economy. Calgren is a small company that recently completed its first ethanol plant in Pixley, a rural area of Tulare County and a high unemployment area. The 50 workers being funded by ETP for training are newly hired workers at this new company that aims to lessen "dependence on foreign oil, while feeding California's cows."

While there has not been a new oil refinery built in the US in 30 years, more than 100 ethanol plants producing over 6 billion gallons per year have been constructed. Calgren plans to continue this trend of improving America's energy security, while creating high quality jobs and cleaning the environment. Corn feed stock is used in the production of ethanol, and every 21 gallons of ethanol produced by Calgren will displace a barrel of imported oil.

ETP funding has enabled Calgren to train Lead Operators, Process Operators, Lab Technicians, Maintenance Mechanics, Electrical Technicians, Instrumentation Technicians, Warehouse Clerks, Yard/Load Out Workers, Environmental Health and Safety Officers, Office Clerks, Engineers, Drivers and Supervisors. Training includes Business, Continuous Improvement, Management, Manufacturing and Computer Skills, and Calgren is contributing \$150,000 toward the cost of training.

Kevin Crago, General Manager for Calgren said, "We began hiring new employees in January 2008, but the bulk of them were hired in April, May and June of this year. We provided three weeks of very intensive training, to be followed by six months of additional training. We trained our engineering people, and used a combination of local vendors, national vendors, and people our Walnut Creek consultant brought in. We've enjoyed the interaction and service provided by ETP; it worked very well. The funding helped offset our training costs. It's like I've heard before - ETP is the best kept secret out there. I would recommend using ETP training funds to other companies - it's a nice program, especially for new, start-up companies like ourselves, that need intensive training. I can also see us using ETP down the road, to take our workers to the next level. Our employees have really benefitted from this. We would not have been able to provide the kind of training we did, had it not been for ETP."

Century Electronics

◆◆ A Model in High-Technology Training ◆◆

Century Electronics, a division of Perillo Industries, Inc., located in Westlake Village, was founded in 1973 as a high technology organization dedicated to the development and manufacturing of high reliability power supplies, converters and inverters for the aerospace, defense, industrial, and commercial markets. Utilizing field proven technology, Century's power conversion products are used in harsh environments around the world and in space.

A leader in its field, Century Electronics has received a U.S. Small Business Administration Award for Excellence and a Raytheon Supplier Excellence Award. In 2007, the Supplier Excellence Alliance nominated the company for a Leadership and Culture Award.

A large part of Century's success, is the result of its focus on worker training, and in 2007-08 Century Electronics completed its third ETP training contract, which included all new curriculum topics. This agreement was an ETP Small Business Fast Track Agreement for employers with 100 or fewer employees. Century earned \$32,440 for the training and retention of 27 employees through which the ETP supported training helped the company increase its high performance workplace functions, and remain competitive in a global market.

More specifically, Century Electronics was seeking to provide training to its employees in Continuous Improvement, including Lean Manufacturing; AS9100, and J-STD-001D, as well as in Computer Skills for Crystal Reports. Most of the training was with the AS9100 System, which is necessary to receive the required certification. With this certification, Century Electronics will be able to obtain more business from customers, specifically Aerospace firms. As a result of the training, the company was recently audited by BSI Management Systems, a certification firm for the AS9100, and received a 96 percent rating. Century has since been advised it will be receiving its certification in AS9100.

Teamster Joint Council 42 Training Academy

◆◆ Customized Transportation Training ◆◆

The Teamster Joint Council 24 training Academy (Academy) is a non-profit public benefit corporation located in Glendale. Founded in 1996, the Academy provides regulatory, industry, and job proficiency education training for workers in the freight and transportation industry business sectors.

A critical shortage of Class "A" licensed drivers in the industry is expected to result in 51,000 job openings for truck and tractor-trailer drivers by 2014. As a result, the Academy, Southern California Workforce Partnership (SCWP), and major transportation industry employers, collaborated to develop a comprehensive customized transportation training program that would provide drivers with necessary skill sets to meet employer demands in the industry.

In December 2007, the Panel approved \$414,576 to provide commercial, computer, and literacy skills training for 131 trainees. The trainee population included incumbent workers as well as new-hire CalWORKs recipients and individuals with multiple barriers to employment. To recruit participants, the Academy partnered with SCWP agencies such as Pacific Asian Consortium for Employment (PACE), Proyecto del Barrio, and Urban League - agencies that are the "entry-point for educational opportunity" across the greater Los Angeles area. The Academy has also worked with the Los Angeles Chamber of Commerce and the Los Angeles Mayor's office to expand recruitment and to create broader employee awareness of the Academy. This unique collaborative effort is helping to meet employers' immediate needs for qualified Class "A" licensed drivers so they can remain competitive in the economy, and help address the transportation industry's long-term shortage for skilled workers.

Give Something Back

◆◆ Supporting "Green" Business Expansion ◆◆

Give Something Back Business Products is an assembly manufacturer and installer of custom office suites, panel systems, furniture and storage systems. The company distributes office, computer and technology equipment and supplies, and specializes in print and logo products. Give Something Back (GSB) is a small business headquartered in the high unemployment area of Oakland. GSB's philosophy from inception in 1991 was based on selling business products for less, and donating a portion of the profit back to the community. In the past 15 years, GSB has donated more than \$3 million to the local community, was voted one of the ten most generous companies in America, and received awards for Corporate Generosity from the late Paul Newman and John F. Kennedy, Jr.

Recently, GSB expanded its business to new products and markets, and opened a new facility in San Diego. The 80 workers at the new facility were funded for \$235,000 for training. As part of the company commitment to environmental and social issues, the Oakland site is a "Green Certified Business", and the company provides green printing and paper products. GSB next wants to expand into reusable modular systems and ergonomically correct products.

Alma Azarcon, GSB's Director of Human Resources and Community Relations states: "Give Something Back is a mission-driven company that uses the competitive marketplace to generate wealth for the community. We sell office products and donate our profits to community organizations in the areas where we operate. To continue its philanthropic mission, GSB must expand its business to new products and markets and move to a high performance workplace. Recently, we have upgraded several software applications and switched to our new website. ETP funds have given us the ability to provide retraining and upgrading of skills in preparation for these changes. The whole company had to be retrained and certified in the use of our new website to be able to continue to provide the high level of service our customers are accustomed to. Our delivery operations upgraded to the use of PDAs for proof of delivery to streamline our operations and provide easier access of data to our customers. Each operations and delivery staff received hours of training and will continue to do so. In order to stay competitive in these challenging business times, continued training is being conducted in the areas of process improvement, leadership and management training, skills and product training, customer service training. This would not be possible for businesses like ours without the help of ETP funds."

Nord Coast Vineyard

◆◆ Clean Technology Solutions in Agriculture ◆◆

For more than 40 years, the Nord Family has had a positive impact on the Napa Valley by growing grapes and producing wine. The company produces high-quality fruit from more than 1,000 acres it owns or manages. Winemakers have long sought the company's products, and Nord has received local, state, and national recognition for its sustainable farming practices.

In March, 2008, ETP contracted with Nord to help it remain competitive, consistent with the Panel's commitment to support small businesses, the agricultural industry, and businesses in the clean technology field. The Panel provided Nord with \$16,380 in order to assist with the retraining of 14 employees, who received training in commercial skills, continuous improvement, and literacy that will help the business compete with out-of-state competition. Trainees received instruction on how to apply and maintain environmentally safe pesticides, effective soil enhancement/erosion practices, and utilizing effective water practices.

Supporting clean technology, Nord Coast uses Integrated Pest Management, Pest Identification, Weed Identification, and Sustainable Tractor Training (fuel efficiency, reduced soil compaction, emission reduction) to ensure proper stewardship of the environment in agriculture production.

Nord officials and employees said collaborating with ETP was a win-win situation. Julie Nord states, "We wanted to train our employees on why we are doing the things we do in the vineyards. We stay on top of the latest techniques that are best for the environment. We are able to give up-to-date information to our employees."

According to Nord, employees trained on sustainable farming practices are catching potential problems much sooner when working between the vines. Worker retention and a better quality employee are reasons Nord said they opted to partner with ETP.

Northern California Construction and Training

◆◆◆ Overcoming Barriers and Changing Lives ◆◆◆

Northern California Construction and Training, Inc. (NCCT), is a non-profit community-based organization located in Sacramento that has been providing employment training for almost 12 years in building trades pre-apprenticeship programs.

In July 2007, the Panel provided NCCT with \$246,720 to train 24 unemployed workers and 24 CalWORKs recipients for occupations in the construction trades, such as carpenter, plasterer, cement mason, sheet metal worker, plumber and electrician. These unemployed workers have barriers which have prevented them from fully participating in the labor force, such as disability, illiteracy, history of substance abuse, high school dropout, long term welfare recipient, and ex-offender. Construction unions are involved as partners in the decision to train these workers, and the occupations are targeted as Career Technical Education. The workers are being trained and placed in jobs in San Joaquin, Yolo and Sacramento counties, areas designated as a priority in the Panel's Strategic Plan, to revitalize and strengthen the economy in the Central Valley and rural Northern California. San Joaquin County is also designated as an area of high unemployment.

This is a jointly-funded project, with an additional 520 hours of training funded through the Workforce Investment Act. The ETP funded program covers 280 hours of a total 800 hours training, where the trainees build homes according to code and building requirements, from the foundation to the roof, and learn specialties such as plumbing and wall texturing. The homes are sold at cost to low-income or first-time homebuyers.

Bill Meehan, President and CEO of NCCT stated, "Without ETP to help with the barriers, it would be hard to deal with the issues of drugs, alcohol, food, shelter and tools - to get those problems solved. ETP money jump starts the whole process. We have numerous students - at least 14 - placed in jobs over 90 days now. We're ahead of the game. We're thrilled with the relationship we've had with ETP. It's the impetus we need to work even harder. We more than appreciate the help ETP gives us to solve the problems we've had for a number of years. Our dollars are focused on education, but ETP funding is a big help with the barriers issues."

Northrop Grumman

◆◆ Innovative Training for Innovative Systems ◆◆

Northrop Grumman Corporation, headquartered in Los Angeles, is a global defense and technology company. Its 120,000 employees provide innovative systems, products, and solutions to government and commercial customers worldwide in four business areas: aerospace, electronics, shipbuilding, and information and services.

Northrop Grumman's Integrated Systems (NGIS) sector designs, develops, produces and supports network-enabled integrated systems and sub-systems. It also supports the military with intelligence, surveillance and reconnaissance; battle management command and control; and integrated strike warfare.

Northrop Grumman received ETP funds of \$1.5 million to train 2,000 workers in Computer Skills, Continuous Improvement, Hazardous Materials, and Manufacturing Skills. NGIS must change its standards, procedures, and processes by which work is performed to adapt to new advanced technologies and manufacturing techniques.

Instruction on technical project details must be provided to staff that support the manufacturing process. The training is designed to equip employees with the skills to handle highly complex projects involving advanced composites, coatings, and related manufacturing processes. Northrop Grumman's workers earn high wages of up to \$65 per hour, and some of these trainees work in Kern County, which is a high unemployment area of the Central Valley.

According to Orville Dothage, Manager of the Advanced Production Training Center, Northrop Grumman has been looking to expand the training program, coordinating with points of contact to identify and initiate possible contract opportunities for Integrated Systems sites located in other states. "We've improved cost performance while upgrading our future capability and skill levels," he said.

Science Applications International Corporation

◆◆ Training for Advanced Technology Innovations ◆◆

Science Applications International Corporation (SAIC) is a Fortune 500 company headquartered in San Diego that uses innovative applications of technology and expertise to solve problems for its customers. SAIC researches cancer cures, develops treatments for diabetes, conducts desert testing of next-generation robotics, deploys tsunami warning systems, and investigates new crime lab evidence, along with many other types of key scientific research. The Advanced Concepts Business Unit segment of SAIC is one of the nation's premier research organizations with expertise in optics, decision support system, energy and space sciences, electromagnetics, intelligent robotics, and nanotechnology - a priority for ETP funding.

In July 2007, the Panel provided over \$600,000 in funding to SAIC to train nearly 1,200 workers in Business, Computer Skills, Continuous Improvement, and Advanced Technology, to help the company meet the challenge of out-of-state competition.

SAIC's Assistant Vice-President, Carol Rathburn states: "Dedicated to solving problems of vital importance to the nation and the world, SAIC relies on excellent, on-going training to help its employees meet the challenges of fast-paced technological change. SAIC's contract with the California Employment Training Panel (ETP) has allowed the company to maintain and expand training to the highly skilled work force critical to its success. The corporation's retention figures are improving as progress continues on its training initiatives in areas such as program and project management, systems engineering, and leadership development."

Southern California Permanente Medical Group

◆◆ Capacity Building in Nursing ◆◆

Southern California Permanente Medical Group (SCPMG) is a for-profit arm of Kaiser-Permanente, a health care provider. In 1933, Kaiser Permanente was established as a pre-payment health plan for workers on a construction project in the Mojave Desert. Today, Kaiser Permanente operates under three corporate umbrellas, one being the Permanente Medical Group, a professional corporation of physicians with the responsibility for providing and arranging necessary medical care to its members. SCPMG encompasses Metropolitan Los Angeles, San Diego County, the Inland Empire, Orange County, and western Ventura County

SCPMG currently serves more than 3 million group members, providing care through approximately 3,600 SCPMG physicians at 11 hospitals and 130 medical offices.

In February 2006, SCPMG, located in Pasadena, received ETP training assistance to achieve the following goals:

- Upgrade employed registered nurses into hard-to-fill specialty jobs, particularly in the emergency department and gastroenterology.
- Upgrade existing radiologic technologists for specialty jobs in mammography, computerized tomography, and magnetic resonance imaging.
- Prevent layoffs of chart room workers, from computerized systems, who will be trained in new jobs as medical assistants, phlebotomists, receptionists, cashiers, and appointment clerks.

A director of SCPMG who worked directly with the program commented that what he liked most about the program was the "flexibility of the program" and how ETP staff worked with them to make the training fit as their needs changed. In addition, it was crucial to SCPMG that staff was trained on the new multi-million dollar technology. With the help of ETP, SCPMG was able to train entry level staff to seasoned nurses on the new system. This project completed successfully in the report year, and SCPMG earned \$998,478 and trained and retained 498 Medical Staff to support the Nursing/Medical shortage California is facing.

The Annual Report was prepared by the Planning and Research Unit staff: Jill McAloon, Elizabeth Slape, Ann Preston, Damon Nelson, Tara Armstrong and Tiffany Woodruff.

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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