



EMPLOYMENT TRAINING PANEL

ANNUAL REPORT

**Fiscal Year
2005-2006**

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.***

THE EMPLOYMENT TRAINING PANEL

Barry Broad, Acting Chair

Janice Roberts, Acting Vice-Chair

Bob Giroux, Member

Scott Gordon, Member

Edward Rendon, Member

Johnathan St. John, Member

Michael Saragosa, Executive Director

Kim Smith, Assistant Director

Ada Carrillo, Deputy Director

Maureen Reilly, General Counsel

Arnold Schwarzenegger, Governor

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Introduction

A Brief History Of The Employment Training Panel

The Employment Training Panel (ETP) is a statewide economic development program that supports the California economy by funding training to ensure that employers have the skilled workers they need to compete globally. ETP is the only state-funded program that supports training for incumbent workers, and California's only discretionary economic incentive for business attraction, expansion and retention. The Panel¹ fulfills this role by collaborating with business, labor, and other public entities.

ETP was created in 1982 with the initial mandate of addressing the large displacement of workers resulting from plant closures, by moving the unemployed quickly into jobs, or by saving jobs of workers threatened with displacement. Since then, the program has significantly expanded to benefit the overall California economy, primarily focusing its funds on the retraining of incumbent workers in businesses challenged by out-of-state competition.

Fiscal Year (FY) 2005-06 was a milestone year for ETP – at the completion of the fiscal year, in its 24th year of operation, the Panel had provided more than \$1 billion for the successful training and employment retention of over 650,000 trainees for close to 65,000 California businesses.

The program is funded through the Employment Training Tax (ETT), which is levied on the California employers who participate in the Unemployment Insurance (UI) system. This tax provides revenues for the Employment Training Fund, which was established solely to fund ETP. ETP has typically averaged \$70 to \$100 million in training funds annually. Employment Training Fund shortfalls and diversions to other programs have reduced the Panel's appropriation from the Fund in recent years. However, ETP's Budget Act appropriation was increased by 25 percent in the report year.

A key strength of the ETP program is its ability to adjust and adapt to a continually changing economic environment, and to meet specific business and worker needs. In the past few years, the Panel has increased its focus on supporting statewide economic initiatives aimed at business location and expansion in California, especially those that would result in the creation of jobs. For example, in FY 2005-06, the Panel implemented a new training initiative aimed at addressing the statewide nursing shortage. The Panel will continue adapting to the State's economy and workforce needs, in fulfilling its mission to support California businesses and workers.

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

Why The Program Works

ETP is recognized nationally as a model training program. ETP's success is the result of several unique features:

- Businesses Pay the Tax that Funds the Program – This, in turn, serves the workforce needs of those California employers. No General Fund monies support the program.
- Joint Labor/Management Collaboration – Training benefits labor by providing increased wages and job security; it benefits management by increasing production and profits.
- Training is Customized to Business Needs – Employers identify the types of training needed to increase competitiveness; they decide which workers need training, and select their own trainers.
- Businesses Match State Investment – Employers match at least one dollar of private money for every dollar spent by the State for training.
- A Catalyst for Employer Provided Training – Recognizing the benefits of worker training, employers who participate in training projects are encouraged to increase their own training budgets.
- Pay-for-Performance Ensures Training for Real Jobs – A key feature is the 100 percent performance-based contracting requirement, which ensures that training is tied to a real job. Contractors are paid only if training results in a trainee working at least 90 days after training in a training related job, at a required minimum wage.

THE ANNUAL REPORT

The Employment Training Panel's Annual Report describes the actions and accomplishments for FY 2005-06. Because the Panel disburses funding under contracts that cover a span of 24 months, the Report covers the following:

- 1) The report year's activities and funding approvals, including a description of new policies and training initiatives, and funding targets for next fiscal year;
- 2) Contracts approved in prior fiscal years that were completed during the report year, providing data on the results of those contracts with respect to businesses and trainees served; and
- 3) Contracts approved prior to FY 2005-06, which were still ongoing at the end of the fiscal year.

Appendices are included to provide detail on FY 2005-06 appropriations and expenditures, a list of contracts approved in areas of high unemployment in the report year, completed contract data, and a list of contracts that terminated during the report year.

2005-06 FISCAL YEAR HIGHLIGHTS

PANEL ACTIONS

- *Approved 224 new training projects, amounting to \$86.1 million (actual encumbrances amounted to \$43.3 million -- all monies available for program funds). These contracts approved training and employment retention of approximately 79,000 workers (including both incumbent and unemployed workers), at an average cost of \$1,089 per trainee.*
- *Targeted business and industry with the highest return on investment of training dollars to the California economy, i.e., traditional and high-tech manufacturing, telecommunications, computer programming and systems design, software production, multimedia/entertainment, and biotechnology. Of all newly approved training funds, 53 percent went to manufacturing and high-technology companies.*
- *Continued to prioritize small businesses, including enhancements to the Small Business Program and Entrepreneurial Training.*
- *Supported Economic Development initiatives throughout the State, by approving more than \$23 million for 29 new projects supporting business retention and expansion, resulting in job creation.*
- *Implemented a nurse training initiative to help certified nursing assistants and health caregivers become licensed vocational nurses.*

COMPLETED CONTRACTS

- *179 previously approved and implemented contracts were completed.*
- *Performance data for these completed contracts is important in measuring impacts, such as cost benefits, trainee wages, and workers, businesses and industries served. Last year's data showed:*
 - *Contractors earned \$33.4 million for the successful training and employment retention of 35,174 workers; the average training cost per trainee was \$951 (including \$4,620 per previously unemployed worker (new hires), and \$854 per retrainee).*
 - *The average hourly wage earned after training and employment retention was \$11.11 for previously unemployed worker (new hire), and \$32.68 for retrainees.*
 - *67 percent of all funds earned went to businesses in the manufacturing and high technology sectors.*
 - *73 percent of businesses served were small firms; 55 percent had 100 or fewer workers.*

The Year In Review

CHALLENGES AND OPPORTUNITIES

In FY 2005-06, the Panel took various steps to meet the challenges of reduced funding. Despite its limited budget, the Panel was proactive in collaborating with its workforce partners to address California's workforce training needs.

In the report year, the Panel received a 25 percent increase in its Budget appropriation, above the prior fiscal year. Nonetheless, given that ETP's appropriation was more than 50 percent below its historic level, the Panel took steps to maximize the use of its still limited funds, through incremental funding of new training contracts, reducing contract amounts, and by continuing a number of funding moratoriums.

The Panel also continued implementing the goals and objectives of its Strategic Plan as a tool for maximizing funding allocations. In so doing, the Panel collaborated with its marketing partners in business and labor, and other workforce development entities; provided support for new economic development initiatives; continued to emphasize support for small business; and implemented a nurse training initiative. High unemployment areas were again targeted to assist firms and employees in those lagging economies. On a more limited scale, the Panel funded training of unemployed workers, in order prepare trainees for good paying, secure jobs.

The Panel also continued enhancing services for its customers in the business and workforce community, by refining program requirements and procedures, and further automating the contracting process.

CONTRACT ACTIVITY

During the report year, staff administered 544 training contracts. These included: a) 224 new agreements approved; b) 179 contracts approved in prior years, which completed; and c) 141 contracts approved prior to FY 2005-06, which were still active at the end of the fiscal year. The table below illustrates this activity.

	APPROVED CONTRACTS	COMPLETED CONTRACTS	ONGOING CONTRACTS	TOTAL
CONTRACTS	224	179	141	544
ALL TRAINEES	79,106	35,174	50,675	164,955

a) New Approved Contracts

The Panel approved \$86.1 million in 224 new training contracts for the training and employment retention of 79,106 workers. (Using an incremental funding approach to maximize its limited funding, the Panel encumbered all \$43.3 million of the year's available funds.)

A majority of funds was targeted to basic industries, such as manufacturing and high technology. These key industries have a multiplier effect in the State's economy, increasing the return on the investment in training, as they positively affect other industries that rely on them, such as services, trade and transportation.

An important priority for the Panel is supporting economic development initiatives that create new jobs for California. Approximately \$23.6 million was approved for 29 new economic development projects that support the creation of almost 6,800 new, high-paying jobs.

b) Completed Contracts

A total of 179 contracts, approved in prior years, were completed, providing assistance to 1,778 employers for the training and employment retention of 35,174 workers, at an average cost of \$951 per trainee. These numbers show a decline from previous years, when, typically, 200 or more contracts completed annually. This was a reflection of ETP's minimal budget appropriation in FY 2003-04, which resulted in fewer approved contracts completing two years later. Despite these reduced contract numbers, however, this number of completed contracts was still close to the Panel's historic annual level, which reflects steps that were taken to maximize the number of contracts funded, through incremental funding and lower contract amounts.

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 61 percent of funds going to manufacturing and six percent to high technology sectors.
- Of all businesses served in retraining contracts, 73 percent were small (i.e., employed 250 or fewer workers); 55 percent employed 100 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 was \$11.11 an hour; retrainees averaged \$32.68 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, nurse assistants, construction, and hospitality.

(See Appendices B-1: "Completed Contract Data"; B-2: "Trainee Characteristics"; and Appendix B-3: "Completed Contracts in FY 2005-06".)

c) Ongoing Contracts

A total of 141 contracts approved prior to FY 2005-06 were still active at the end of the fiscal year.

KEY ACTIONS AND ACCOMPLISHMENTS

During the report year, the Panel's key actions and accomplishments included:

- ***Support for Economic Development***

The Panel continued to increase its role in supporting larger statewide economic development initiatives, through Critical Proposal funding on an expedited basis. These training projects were funded in conjunction with state and local government and economic development entities that come together to attract a company to, or retain a company in California. ETP funds are used as part of the overall incentive package.

For Critical Proposal projects, the Panel may approve higher training reimbursement rates, and waivers to some program requirements. In the report year, the Panel approved four such projects aimed at business expansion and the creation of new high-wage jobs. These funding allocations totaled almost \$12.5 million dollars, and will provide training for over 1,900 new jobs with Genentech Corporation, Pep Boys, Produce Container and Virgin USA.

Another 25 projects, which were not part of coordinated statewide efforts, were approved for \$11.1 million to assist businesses expand their operations in California, creating an estimated 4,850 new jobs.

- ***Serving Small Business***

The Panel prioritizes small business and serves small firms in two ways - through: 1) direct contracts with single employers; and 2) multiple employer contracts (MECs) with employer consortia, joint apprenticeship training councils, trade associations, and training agencies that train workers of multiple employers. ETP primarily serves small businesses through MECs, since that is the most affordable and efficient way for small firms to train their workers.

During the report year, the Panel took additional steps in refining support for small business through:

- ETP's Small Business Program (SBP) that provides up to \$50,000 in training cost reimbursements for small businesses with 100 or fewer workers. SBP contracts are streamlined and expedited, and training hours may range from 8 to 60 hours of instruction. Modifications to standard agreement requirements are allowed.
- Entrepreneurial Training, where the Panel funds training for small business owners, equipping them with the tools necessary to successfully run their business. Training consists of business management and other related skills for employers with at least one, but less than ten employees.
- A Fast Track Process, for both the SBP and Entrepreneurial Training programs that simplifies and expedites the agreement process for these

employers. Eligibility determination and formal training proposals are typically completed in one week or less.

- On-Site MEC Training for Small Business, where higher training reimbursement rates are provided for MEC training that is provided directly at the worksite of employers with 100 or fewer employees, given the specialized effectiveness of on-site training.

- ***Nurse Training Initiative***

In order to address the State's nursing shortage, the Panel implemented a new healthcare training pilot program. This program supports the advancement and job security of employed certified nursing assistants and health caregivers to become licensed vocational nurses. Although ETP has a history of supporting the healthcare industry, this new program will facilitate access to ETP resources in support of nurse training. During the report year, seven nurse upgrade training projects were approved for funding, along with four other healthcare-related projects, totaling \$4.2 million for the training of approximately 2,300 trainees.

- ***Targeting High Unemployment Areas***

The Panel targeted high unemployment areas (HUA)² of the State, to ensure training support for workers in regions with lagging economies, focusing on the "working poor".

During the report year, \$13.5 million in training funds were approved for 69 contracts in HUAs, reaching 12,000 workers in 29 counties. Industries served were manufacturing, services, high tech, finance, trade, aerospace, healthcare, construction, transportation, agriculture and communication. Over five percent of HUA funds were for "working poor" trainees, who were granted wage waivers, with the provision that they must receive at least a seven percent wage increase after training and retention. (See Appendix A-2 for a listing of approved HUA contracts.)

- ***Streamlining Requirements/Enhancing Customer Service***

In the report year, the Panel updated a number of policies and regulations to provide further program clarity, while enhancing its service to customers. Highlights include:

- To simplify the contract eligibility process for businesses, the Panel clarified its out-of-state competition requirement, and identified several new industry categories deemed eligible to participate in ETP funded training.
- To ensure the best use of its resources, the Panel modified criteria for training unemployed workers by: (1) limiting the cost per trainee, and (2)

² . HUAs 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.

requiring contractors to work with local advisory boards to consult on the local demand for workers by specific industries and occupations.

- Implemented electronic record keeping, on a pilot basis;
- Expanded the reporting capabilities of the online tracking system for contractors and internal users, by adding several new training record removal and transfer functions for added flexibility during the enrollment, invoicing and tracking of trainees and training hours ; and
- Strengthened database handling capabilities, security, and program controls.

- ***Planning For The Future***

In FY 2005-06, the Panel took an active role in working with the Administration and Legislature in support of full restoration of ETP's budget. As a result, the FY 2006-07 Budget Act provides an appropriation of \$53.3 million, which is a 40 percent increase over the report year. Although lacking its full historic appropriation, this increase enabled the Panel, at the close of the report year, to lift its prior moratoriums on projects with first-time training agencies, Workforce Investment Act (WIA) grant recipients, and Welfare to Work contractors. Additionally, the Panel adopted incentives for serving priority industries, as identified in the ETP Strategic Plan.

Despite this increase in funding over last year, the FY 2006-07 appropriation is still 30 percent below historic levels. Therefore, the Panel will continue funding projects at minimal incremental levels, continue a number of funding moratoriums, and limit initial contract amounts.

An increased appropriation in FY 2006-07 will enable the Panel to continue its support for the training needs of California businesses and workers, with emphasis on key economic development initiatives, small business, healthcare training, HUAs, and implementation of a new Welfare to Work pilot program.

APPENDICES

A) NEW FUNDING APPROVAL DATA

A-1) APPROPRIATIONS AND EXPENDITURES

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

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

APPROPRIATIONS AND EXPENDITURES

In FY 2005-06, ETP received a Budget Act appropriation of \$37.8 million. In addition to its appropriation, the reinvestment of \$15.2 million in disencumbered funds brought ETP's total funding to \$53 million. While the Panel's appropriation was only about half of its historical funding level, it was an increase over the preceding two fiscal years' appropriations.

As shown on the "Appropriation and Expenditure Report" below, other entities also received appropriations from the Employment Training Fund, primarily the Department of Social Services for the CalWorks Program.

A. Appropriation and Expenditure Report	FY 2005-06
<u>Appropriations from the Employment Training Fund (ETF)</u>	\$ 84,292,000
 <u>Other Programs:</u>	
Department of Social Services/CalWORKS	(37,390,000)
Dept of Industrial Relations/Div Apprenticeship Stds	(3,136,000)
EDD Tax Branch (ETT Collection)	(5,301,000)
Other ProRata	<u>(115,000)</u>
Total	(\$45,942,000)
<u>ETP:</u>	
Appropriation to ETP	37,809,577
Reinvested Funds	<u>15,164,095</u>
Total	\$ 52,973,672
<u>ETP Expenditures:</u>	
Program Administration	(7,900,000)
Other ProRata	(1,048,000)
Marketing and Research	(200,000)
EDD Support	(500,000)
Program Funds	<u>(43,325,672)</u>
Total	(\$ 52,973,672)

APPENDIX A-I

The resulting total of \$53 million available for FY 2005-06 was allocated by the Panel as follows:

- **Program Funds:** The Panel encumbered all \$43.3 million of available program funds for training.
- **Program Administration:** \$8.4 million was spent for program operational costs, including EDD support.
- **Marketing and Research:** \$200,000 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.

B. CHARACTERISTICS OF NEW APPROVED PROJECTS

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. (Within the Economic Development and SET categories, the Panel approved \$13.5 million for training in high unemployment areas of the State.) Approximately 92 percent of funds were targeted for retraining, with 8 percent going for the training of unemployed workers. (Retrainees represented 97 percent of the trainee population; and new hires 3 percent.)

FY 2005-06 FUNDING COMMITMENTS*

	Total	Economic Development	SET
New Approved Training Projects	224**	194	42
Total Approved Funding*** (in millions)	\$86.1	\$77.8	\$8.3
Workers Targeted for Training	79,106	71,046	8,060
Average Cost per Trainee****	\$1,089	\$1,096	\$1,030

* \$43.3 million was encumbered in contracts in 2005-06, with the remaining liability to be covered in future fiscal years' funds, based on project performance.

**Represents total number of contracts, some of which include both Economic Development and SET funding categories.

***An additional \$5.2 million was also approved in the report year for amendments to previously approved contracts.

****Overall average cost per trainee for new hires was \$3,359; for retrainees it was \$1,031.

Training was targeted to the State's basic industries, primarily manufacturing and high-technology sectors. 45 percent went to the manufacturing sector; another 8 percent was approved for high technology sectors, such as software development, computer programming, and multimedia/ entertainment. This was a decrease in funding for manufacturing and high technology from prior fiscal year, when 53 percent of funds went to manufacturing businesses and 13 percent went to high technology. The decrease in funding for manufacturing businesses and high technology was accompanied by an increase in funding for services (including healthcare), trade, transportation, communications, and finance.

**Contracts Approved In High Unemployment Areas(HUA)
FY 2005-06**

APPENDIX A-2

Contractor	County	Industry	Portion of Contract Approved in HUAs	# of Trainees in HUAs
Bank of America Corporation*	Fresno	Finance	\$205,400	316
Corp for Manufacturing Excellence (MANEX)*	Santa Cruz, Stanislaus	Manufacturing	\$277,355	290
Team Keiser, Inc.*	Fresno	Mfg Exercise Equipmt	\$11,700	45
Go Train, Inc.*	Los Angeles	Manufacturing	\$149,186	47
Holly Sugar Corp dba Spreckels Sugar Co*	Fresno	Food Processing	\$56,823	141
Insurance Educational Association*	Fresno, Stanislaus	Finance	\$132,328	238
Riverside Community College District*	Los Angeles, Riverside, San Bernardino	Manufacturing, Various	\$55,308	77
Target Corporation*	Kern, San Bernardino	Retail	\$378,209	619
Employers Group	Anaheim, Santa Clara, Stanislaus	Manufacturing, Food Processing, Services	\$98,455	165
Santa Monica College*	Los Angeles	Services, Manufacturing	\$12,003	12
Southern California Permanente Medical Grp	San Bernardino	Healthcare	\$166,413	83
Goodwill Industries of Ventura & Santa Barbara Counties, Inc	Los Angeles, Santa Barbara, Ventura	Various	\$9,096	3
Connecticut General Life Insurance Co	Tulare	Finance	\$403,520	388
UAW Labor Employment & Training Corp	Los Angeles, Stanislaus	Aerospace	\$127,792	98
Anritsu Company	Santa Clara	Test Measurement Mfg	\$322,452	477
Franklin Career College, Inc	Los Angeles, San Bernardino	Services, Manufacturing	\$118,180	19
Decade Software Company	Fresno	High Tech Manufacturing	\$7,120	15
Johns Manville Corporation	Glenn	Manufacturing	\$119,600	230
Glacier Water Services, Inc*	San Joaquin	Food/Water Processing	\$17,160	17
Santa Rosa Junior College*	Lake	Manufacturing	\$32,853	48
Integrated Management Systems Market*	Contra Costa	Manufacturing	\$41,984	41
NTMA Training Centers of South Calif*	Los Angeles	Manufacturing	\$83,917	32
Press-Enterprise Company*	Riverside, San Bernardino	Printing	\$50,322	76
Pep Boys of Southern California*	San Bernardino	Retail	\$357,500	250
TyKim dba Peak Travel Group	Lake	Travel Services	\$12,180	11
Kraft Foods Global, Inc*	Fresno, Tulare	Food Processing	\$35,130	55
Dow Chemical Company	Contra Costa	Chemical Mfg	\$255,190	302
United Facilities, Inc	San Joaquin	Logistics Services	\$49,097	69
Nugget Market, Inc	Solano	Grocery Retail	\$21,060	30
Practical Data Processing, Inc*	Los Angeles	Automotive, Various	\$47,464	34
Center for Employment Training	Riverside, San Diego	Various	\$46,041	7
No Calif Teamster Apprentice Trng & Ed*	Santa Cruz	Construction	\$54,221	17
Quebecor World (USA), Inc	Merced	Printing	\$34,944	42
Aetna, Inc*	Fresno	Insurance	\$118,591	217
Adir International*	Los Angeles, San Bernardino	Air Transportation	\$347,772	397
Pacific Coast Producers	Butte	Food Processing	\$707,700	78
Dole Fresh Vegetables*	Monterey	Food Processing	\$452,140	940
MedAmerica Billing Services, Inc*	Stanislaus	Service	\$500,175	405
Vallejo Boat Works	Solano	Marine Repair	\$3,200	4
HSBC Card Services	Los Angeles	Finance	\$1,002,547	1,641
Western Federal Credit Union*	Los Angeles	Finance	\$252,720	180
Produce Container	Madera	Manufacturing	\$776,000	97
Acro Electric	Stanislaus	Service	\$7,200	6
R. Lang Company*	Tulare	Manufacturing	\$253,800	90
Computer Tutor Business & Tech Inst*	Merced, San Joaquin, Stanislaus	Service	\$229,800	40
Verdegaal Brothers*	Kings	Agriculture	\$10,240	16
Redwood Children's Services	Lake	Service	\$3,600	3
Redwood Empire Electrical Training Trust	Lake, Sacramento, Alameda	Construction	\$13,900	20
Norman Krieger, Inc*	Imperial	Goods Distribution	\$66,300	28
Tejon Ranch*	Kern	Agriculture	\$233,740	124

**Contracts Approved In High Unemployment Areas(HUA)
FY 2005-06**

APPENDIX A-2

Contractor	County	Industry	Portion of Contract Approved in HUAs	# of Trainees in HUAs
Goodwill Industries of San Joaquin Valley*	Fresno, Kern, San Joaquin, Stanislaus, Tulare	Service	\$402,875	125
Hitchcock & Holcombe dba Continental Training	San Joaquin, Sutter, Yuba	Communication, Manufacturing, Service, Finance, etc.	\$44,240	56
Baumbach & Piazza, Inc	San Joaquin, Ventura	Engineering Service	\$13,200	11
Krazan & Associates, Inc*	Fresno, Kern, Stanislaus	Engineering Service	\$33,280	16
Sacramento Employment & Training Agcy	San Joaquin	Healthcare	\$182,736	29
California Manufacturing Technology Cons*	Los Angeles, Madera, Tulare	Manufacturing	\$1,254,081	1,281
Hilmar Cheese Company, Inc	Merced	Food Processing	\$750,672	312
Quality Care Health Foundation	Stanislaus	Healthcare	\$144,000	24
Ameron International Corporation*	San Joaquin	Manufacturing	\$56,306	62
Glendale Community College Prof Dev Ctr*	Los Angeles	Manufacturing	\$901,166	877
Herbalife International of America, Inc*	Los Angeles	Wholesale Trade	\$113,670	100
VBN Corporation	Alameda	Architectural Services	\$23,000	25
Cancer Care Associates of Fresno Medical*	Fresno	Healthcare	\$183,680	82
GoTrain, Inc*	Los Angeles, San Bernardino	Manufacturing	\$68,219	15
Northern California Construction & Training, Inc	San Joaquin	Construction	\$26,808	6
Roadway Express, Inc	Statewide	Transportation	\$39,780	68
UAW Labor Employment & Training Corp*	Los Angeles	Security Services	\$31,600	20
Vince's Office Supply, dba Office City Retail*	San Joaquin	Trade	\$48,760	46
Amcor Pet Packaging USA, Inc*	San Joaquin, Los Angeles	Manufacturing	\$391,261	287
TOTAL - 69 contracts			\$13,478,762	12,019

* Fully or Partially Working Poor Trainees).
Working Poor (40 contracts)

\$3,678,415 **3,559**
27% 30%

COMPLETED CONTRACT DATA

Of contracts approved by the Panel in prior fiscal years, 179 completed during the report year. This was a decline from previous years, when typically 200 or more contracts completed annually. This was a reflection of ETP's significantly reduced budget appropriation in FY 2003-04, which resulted in fewer approved contracts that later completed in the report year. Despite this decline, this number of completed contracts was still close to the Panel's historic level, which reflects steps that were taken to maximize the number of contracts funded, through incremental funding and lower contract amounts.

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 helped California employers remain competitive in the international economy.

A. SUMMARY OF COMPLETED CONTRACTS*

The following table illustrates last year's completed contracts by funding category. The Panel funded training in high-wage, high-skill jobs for a total of 35,174 trainees at an average cost of \$951 per trainee.

	Total	Economic Development	SET
Number of Contracts	179**	151	38
Amount Earned (in millions)	\$33.4	\$30.0	\$3.4
Retained in Employment	35,174	31,208	3,966
Cost per Trainee	\$951	\$962	\$864

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

** Represents total number of contracts, some of which include both Economic Development and SET funding categories.

The percentage of actual to planned placements was 60 percent (54 percent for new hires, and 60 percent for retrainees). Both of the placement rates for retrainees and new hires were down from the previous fiscal year's 63 percent and 68 percent, respectively. This appears to be the result of an improving economy and businesses' inability to release some workers to training. The average cost per trainee decreased in the report year from the prior fiscal year, from \$1,038 to \$951 per trainee – the result of close to a 10 percent decrease in training costs for retrainees from the previous fiscal year. The average cost per trainee was \$4,620 for new hires, and \$854 for retrainees.) Approximately 88 percent of funds were earned for successful retraining, with 12 percent going for the training of unemployed workers. (Retrainees represented 97 percent of the trainee population; and new hires 3 percent.)

B. TRAINEES SERVED BY SIZE OF BUSINESS

The following table provides numbers of trainees by size of business served. Twenty-one percent of all retrainees were employed by small businesses (i.e., 250 or fewer employees), while 62 percent of all new hires were employed by small firms.

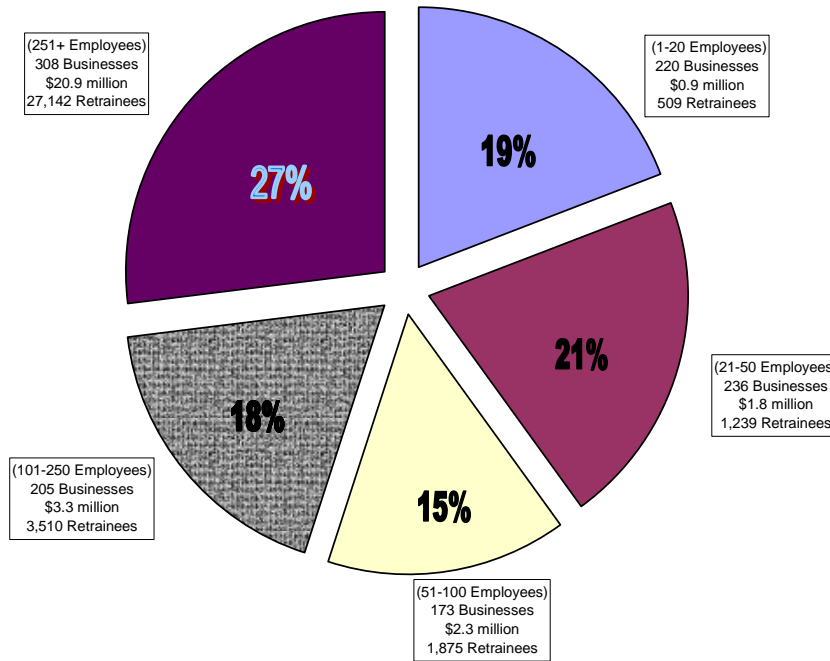
Bus. Size	Retrainees	New Hires	Rtrees \$ Earned	NH \$ Earned	\$ Earned Amount
1-20	509	130	\$927,779	\$687,125	\$1,614,904
21-50	1,239	112	\$1,829,473	\$534,276	\$2,363,750
51-100	1,875	86	\$2,295,515	\$402,148	\$2,697,663
101-250	3,510	232	\$3,320,996	\$896,770	\$4,217,766
251+	27,142	339	\$20,913,734	\$1,632,772	\$22,546,504
Totals	34,275	899	\$29,287,496	\$4,153,091	\$33,440,587

C. BUSINESSES SERVED BY SIZE

Approximately 1,778 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 FY 2005-06 completed retraining contracts shows that 73 percent of all firms served were small (i.e., employed 250 or fewer workers). Further, of the businesses served in those contracts, 55 percent employed 100 or fewer workers; 40 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. In FY 2005-06, the Panel served 47 small businesses through direct contracts to provide training for 1,422 workers. This was a decrease from the prior fiscal year, due to a reduction in the number of businesses served overall. Another 1,180 small businesses were served through 36 multiple employer contracts, which provided training for 6,271 workers.

**NUMBER & SIZE OF BUSINESSES SERVED IN 2005-06
COMPLETED RETRAINING CONTRACTS**



D. TRAINING BY INDUSTRY

The Panel funded training in all major industries in California, with a majority of contracts and funds going to the manufacturing and high technology sectors. Businesses in the high technology sector include software development, biotechnology, telecommunications, engineering and multi-media/entertainment.

<p><u>Manufacturing</u> 22,101 trainees \$20.4 million (61% dollars earned) 44% businesses served</p>	<p><u>Services</u> 3,152 trainees \$4.1 million (12% dollars earned) 20% businesses served</p>
<p><u>High Technology*</u> 2,395 trainees \$2.0 million (6% dollars earned) 6% businesses served <small>*includes software development, multimedia/ entertainment, computer programming and systems design, engineering and telecommunications.</small></p>	
<p><u>Trade</u> 2,915 trainees \$3.2 million (10% dollars earned) 10% businesses served</p>	<p><u>Other**</u> 4,611 trainees \$3.7 million (11% dollars earned) 19% businesses served <small>**Includes agriculture, construction, transportation, and finance.</small></p>

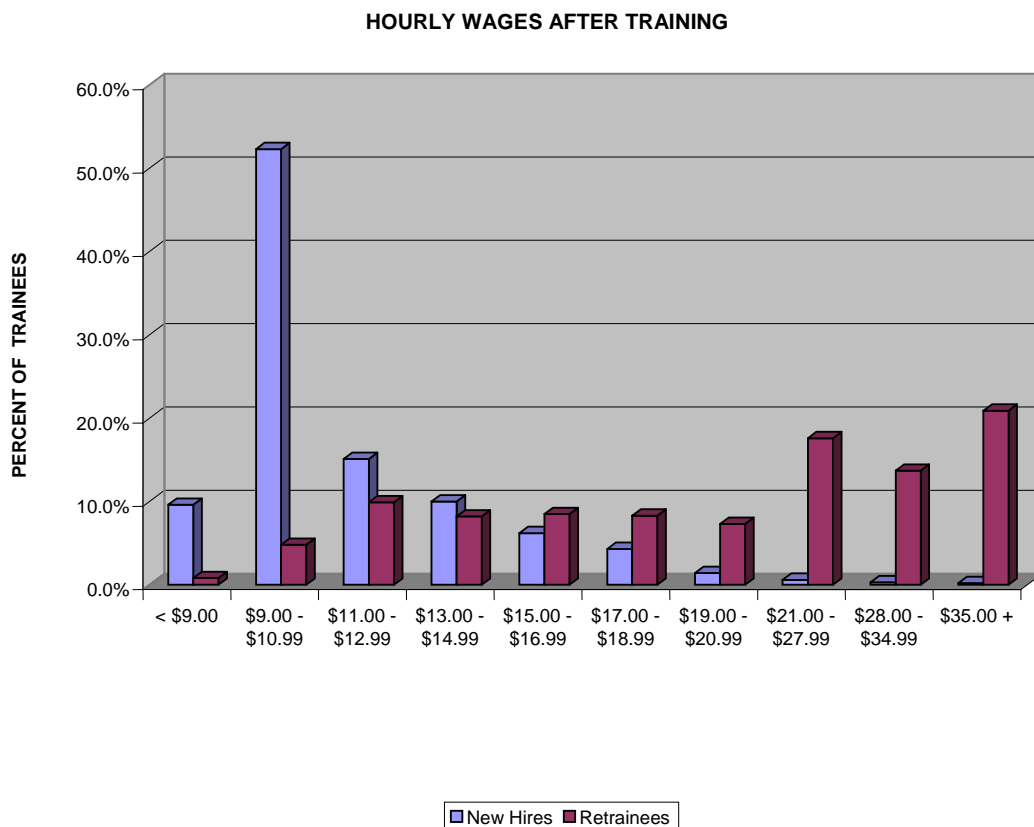
These industry data show that the percentage of funds earned by manufacturing firms in completed contracts increased from the previous fiscal year, from 57 percent to 61 percent. The percentage of businesses served in those industries was 44 percent, compared to 37 percent in FY 2004-05. At the same time, only six percent of funds earned were by businesses in high-technology services, compared to seven percent in FY 2004-05. High-technology services served decreased to six percent from eight percent the previous year. This decrease in funding for high-technology firms was the result of slight increases in support for the services, trade and manufacturing sectors.

E. TRAINEE WAGES

The average post-training and retention wages for workers who were unemployed at the start of training (new hires) was \$11.11 an hour; for retrainees, it was \$32.68 per hour. Wages were up for retrainees, compared to last fiscal year, while the new hire wages went down. (The retrainee average wage increased about 20 percent, while the new hire average wage decreased almost 13 percent. Retrainee wage increases appear to be a result of the increase in the percentage of workers employed in higher paying manufacturing jobs over the prior fiscal year. The

decrease in new hire wages resulted from HUA “working poor” wage waivers and trainee placement in lower paying service jobs. The wages earned by ETP trainees overall were substantially higher than standard ETP-required minimum wages in effect when these contracts were approved - \$9.27 to \$10.75 for new hires and \$11.34 to \$12.90 for retrainees.

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, which accounts for the decrease in new hire average wages. In the report year, 17 percent of ETP trainees earned less than \$13.00 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 -- defined as writing, reading, language comprehension, math, and Vocational English as a Second Language (VESL), where such training has a demonstrated link to job skills training. Twelve of the FY 2005-06 completed contracts included literacy components for 997 participants, at a total cost of about \$458,000. Literacy training provides English speaking skills to some lower wage workers to facilitate their vocational skills training and success on the job. Contract data shows that this category of training was primarily provided for production workers in the manufacturing industry.

G. TRAINEE DEMOGRAPHICS

Demographic data indicates that 66 percent of retrainees were male and 48 percent of new hires were male. The male representation of retrainees was higher than in the California labor force. This was primarily the result of training provided in male-dominated occupations such as computer numerical control operators, machinists, automobile assembly workers, and construction workers. For both new hires and retrainees, the biggest percentage of age groups served were in the 35-44 years age range, more concentrated than in the labor force. Since the prior fiscal year, the average age of retrainees has become slightly older, while new hires trainees have become more evenly distributed by age.

Retrainees consisted of more high school and college graduates, but fewer post-graduates than in the overall California labor force of employed workers. New hires had more high school graduates (41 percent) versus other levels of education than the overall labor force of unemployed workers. Both new hires and retrainees were less educated generally than their respective labor force. New hires were generally more diverse than the unemployed labor force, with the largest percentage being Hispanic. (See Appendix B-2 for trainee characteristics data.)

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

Characteristic	Employment Training Panel		California Labor Force	
	New Hire Percent	Retrainee Percent	Unemployed 2004	Employed 2004
SEX:				
Female	52.1%	34.0%	43.4% a/	44.9% a/
Male	47.9%	66.0%	56.6% a/	55.1% a/
AGE: a/				
<25	15.9%	6.2%	31.5% a/	14.0% a/
25-34	25.0%	25.4%	22.9% a/	23.2% a/
35-44	27.1%	31.5%	19.3% a/	25.4% a/
45-54	23.1%	26.4%	15.7% a/	22.6% a/
55-64	8.5%	9.8%	8.3% a/	11.6% a/
65+	0.4%	0.7%	2.3% a/	3.2% a/
EDUCATION:				
Less than H.S. Grad.	15.5%	11.9%	19.8% b,d,e/	19.8% b,d,e/
H.S. Graduate	40.9%	36.6%	23.4% b,d,e/	23.4% b,d,e/
Some College	28.3%	18.0%	26.4% b,d,e/	26.4% b,d,e/
College Graduate	13.5%	26.0%	20.0% b,d,e/	20.0% b,d,e/
Post Graduate	1.8%	7.6%	10.4% b,d,e/	10.4% b,d,e/
MARITAL STATUS:				
Married	43.7%	58.8%	35.9% a/	54.9% a/
Single	56.3%	41.2%	64.1% a/	45.1% a/
ETHNICITY:				
White	28.9%	45.1%	35.1% e/	47.9% e/
African-American	17.4%	4.4%	12.5% e/	5.4% e/
Hispanic	36.0%	30.9%	38.9% e/	32.6% e/
Asian	6.9%	14.3%	10.2% e/	11.8% e/
Native American	2.2%	0.8%		
Other	8.6%	4.5%	3.3% e/	2.3% e/
VETERAN:				
Yes	9.7%	5.4%	2.9%	10.7%
No	90.3%	94.6%	97.1%	89.3%

a/ Based on 2004 annual averages from Employment Status Report.

b/ Percentages are for total population 25 years and older.

c/ Data for "other" ethnicities not available.

d/ Data is not separated by individual category of employed or unemployed.

e/ Civilian Labor Force data are based on the March 2005 census provided by the Bureau of Labor Statistics in the Current Population Survey conducted by the Bureau of the Census.

COMPLETED CONTRACTS IN FY 2005/06

APPENDIX B-3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
ACCU-SEMBLY, INC.	LOS ANGELES	2	High Tech Mfg	25	0	\$14,540	65.5%
ADCON TECHNICAL INSTITUTE, INC. DBA ATI COLLEGE	MULTI COUNTIES	6	Various	376	17	\$564,891	84.5%
ADIR INTERNATIONAL DBA LA CURACAO*	LOS ANGELES	5	Trade	286	0	\$223,080	92.3%
AECOM TECHNOLOGY CORPORATION*	LOS ANGELES	5	High Technology	21	0	\$40,196	15.1%
AEROJET-GENERAL CORPORATION, A GENCORP COMPANY, DBA AEROJET*	SACRAMENTO	5	Aerospace	851	0	\$387,954	52.9%
AGILENT TECHNOLOGIES, INC.	MULTI COUNTIES	5	High Tech Mfg	2750	0	\$2,318,039	100.0%
ALTEC INDUSTRIES, INC.	SOLANO	5	Trade	21	0	\$6,162	11.2%
AMERICAN COMMERCIAL CLAIMS ADM.*	SAN FRANCISCO	4	Finance	119	0	\$69,036	19.3%
AMERICAN SECURITY GROUP*	LOS ANGELES	3	Service	0	22	\$16,928	11.2%
AMERICOLD LOGISTICS, LLC.	SAN BERNARDINO	5	Transportation	69	0	\$37,316	21.6%
ARCHITECTURAL AREA LIGHTING	LOS ANGELES	5	Manufacturing	70	0	\$43,680	100.0%
ARLON INCORPORATED	ORANGE	5	Manufacturing	119	0	\$76,544	97.6%
ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA*	MULTI COUNTIES	6	Construction	77	0	\$39,913	31.4%
AUTOBYTEL INC.	ORANGE	4	High Technology	116	0	\$91,569	93.4%
AUTOMATIC DATA PROCESSING, INC.*	MULTI COUNTIES	5	High Technology	252	0	\$103,900	14.6%
BAE SYSTEMS ADVANCED CERAMICS INC.	SAN DIEGO	5	Manufacturing	94	0	\$77,700	79.0%
BAE SYSTEMS SAN DIEGO SHIP REPAIR, INC.	SAN DIEGO	5	Manufacturing	265	0	\$109,460	61.6%
BALL CORPORATION	SAN BERNARDINO	5	Manufacturing	79	0	\$39,631	15.8%
BAUMBACH & PIAZZA, INC.*	SAN JOAQUIN	1	High Technology	5	0	\$8,254	66.1%
BC TECH, INC.	SANTA CRUZ	1	High Technology	0	0	\$0	0.0%
BEHR PROCESS CORPORATION	ORANGE	5	Manufacturing	289	0	\$229,112	54.3%
BEST BUY COMPANY, INC.	TULARE	5	Trade	52	0	\$41,054	13.9%
BOWSMITH, INC.	TULARE	2	Manufacturing	23	0	\$17,940	73.5%
CABLE CAR CLASSICS, INC.	SONOMA	1	Service	4	0	\$1,280	24.8%
CALIFORNIA CAREER SCHOOL	MULTI COUNTIES	6	Various	0	73	\$354,258	58.7%
CALIFORNIA COMMERCE BANK	LOS ANGELES	5	Finance	52	0	\$27,040	12.0%
CALIFORNIA MANUFACTURERS & TECHNOLOGY ASSOCIATION	MULTI COUNTIES	6	Manufacturing	166	0	\$95,850	26.3%
CALIFORNIA PHYSICIANS' SERVICE DBA BLUE SHIELD OF CALIFORNIA*	MULTI COUNTIES	5	Finance	251	0	\$267,022	34.3%
CALIFORNIA-AMERICAN WATER COMPANY*	MULTI COUNTIES	4	Utilities	197	0	\$131,508	56.0%
CARDINAL RESTAURANT SUPPLY, INC.	VENTURA	3	Trade	91	0	\$75,600	21.9%
CASA SANCHEZ FOODS	SAN FRANCISCO	1	Service	19	0	\$39,595	100.0%
CCT COMPUTER LEARNING CENTER CENTER FOR EMPLOYMENT TRAINING	MULTI COUNTIES	6	Various	133	0	\$209,159	79.4%
CHEVRON PRODUCTS COMPANY INDUSTRIES, INC.	CONTRA COSTA	5	Manufacturing	185	0	\$153,417	57.7%
CLIFFSTAR CORPORATION	SAN BERNARDINO	5	Manufacturing	96	0	\$66,820	67.7%
COCA-COLA BOTTLING COMPANY OF LOS ANGELES	MULTI COUNTIES	5	Food Processing	288	0	\$272,730	29.9%
COMPREHENSIVE TRAINING SYSTEMS, INCORPORATED	SAN DIEGO	6	Various	0	79	\$491,696	79.0%
COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE*	STANISLAUS	6	Various	0	29	\$166,605	72.5%
CORNERSTONE TITLE COMPANY*	MULTI COUNTIES	1	Finance	16	0	\$7,795	30.5%
COST PLUS, INC.	ALAMEDA	5	Trade	0	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 2005/06

APPENDIX B-3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
CUBIC DEFENSE APPLICATIONS, INC.	SAN DIEGO	5	Manufacturing	55	0	\$48,844	4.9%
D.T. MATTSON ENTERPRISES, INC, DBA PRO-LINE	RIVERSIDE	1	Manufacturing	23	0	\$25,660	41.4%
DECADE SOFTWARE COMPANY, LLC	FRESNO	1	High Technology	6	0	\$3,620	21.1%
DEL WEST ENGINEERING, INC.	LOS ANGELES	3	Manufacturing	30	0	\$9,360	12.3%
DELUXE PACKAGES	SUTTER	2	Manufacturing	34	0	\$35,200	100.0%
DILFRE, INC. DBA DIMENSIONAL INSPECTION LABS	ALAMEDA	1	High Technology	9	0	\$21,240	100.0%
DYNACAST, INC.	ORANGE	5	Manufacturing	30	0	\$12,864	49.1%
E & J GALLO WINERY	MULTI COUNTIES	5	Food Processing	353	0	\$120,744	33.9%
EIKI INTERNATIONAL, INC.	ORANGE	3	Trade	17	0	\$15,561	55.9%
EL CAMINO COMMUNITY COLLEGE DISTRICT CACT	MULTI COUNTIES	6	Manufacturing	1032	0	\$578,487	100.0%
ELITE AVIATION, INC.*	LOS ANGELES	2	Transportation	0	0	\$0	0.0%
ELK GROVE UNIFIED SCHOOL DISTRICT	SACRAMENTO	6	Various	0	56	\$71,456	37.3%
EMPLOYERS GROUP	MULTI COUNTIES	6	Various	1212	0	\$697,073	81.4%
FAIR ISAAC CORPORATION	MULTI COUNTIES	5	High Tech Mfg	216	0	\$181,771	31.7%
FARMWORKER INSTITUTE FOR EDUCATION & LEADERSHIP*	MULTI COUNTIES	6	Agriculture	94	0	\$83,566	94.0%
FINELITE INC.	ALAMEDA	2	Manufacturing	47	0	\$24,440	97.9%
FIRST AMERICAN TITLE INSURANCE COMPANY*	MULTI COUNTIES	5	Finance	203	0	\$85,148	17.2%
FORMICA CORPORATION	PLACER	5	Manufacturing	0	0	\$0	0.0%
FOUNDATION COLLEGE, LLC	SAN DIEGO	6	Various	165	236	\$1,202,328	60.8%
FUJICOLOR PROCESSING, INC.	MULTI COUNTIES	5	Service	20	0	\$7,839	34.7%
GAMBRO HEALTHCARE, INC.*	MULTI COUNTIES	5	Healthcare	56	0	\$31,098	5.9%
GENESIS TECHNOLOGY PARTNERS, LLC	LOS ANGELES	3	Service	47	0	\$48,880	85.5%
GEORGE G. GLENNER ALZHEIMER'S FAMILY CENTERS, INC.	SAN DIEGO	6	Healthcare	0	27	\$113,751	36.0%
GKN AEROSPACE CHEM-TRONICS, INC.	SAN DIEGO	5	Aerospace	60	0	\$28,793	8.7%
GOLDEN CAPITAL NETWORK*	BUTTE	6	High Technology	4	0	\$2,684	25.0%
GOODWILL INDUSTRIES OF SAN JOAQUIN VALLEY*	MULTI COUNTIES	6	Various	0	43	\$166,029	95.6%
GOTRAIN, INC.	MULTI COUNTIES	6	Various	62	0	\$245,331	95.5%
HANSEN INFORMATION TECHNOLOGIES	SACRAMENTO	4	High Technology	74	0	\$119,667	51.7%
HARBOR DISTRIBUTING, LLC	LOS ANGELES	5	Trade	25	0	\$15,395	8.6%
HARTWELL CORPORATION	ORANGE	4	Aerospace	168	0	\$155,480	40.6%
HAWKER PACIFIC AEROSPACE	LOS ANGELES	5	Aerospace	178	0	\$78,676	100.0%
HILMAR CHEESE COMPANY, INC.	MERCED	4	Food Processing	162	0	\$176,280	99.9%
HMC GROUP*	MULTI COUNTIES	4	High Technology	70	0	\$26,884	13.3%
HOLLY SUGAR CORPORATION D.B.A., SPRECKELS SUGAR COMPANY	MULTI COUNTIES	5	Food Processing	83	0	\$54,674	26.6%
HOMELAND SOLUTIONS INC.	SAN DIEGO	1	High Technology	18	0	\$8,840	35.4%
HOSPIRA, INC.	SANTA CLARA	5	Manufacturing	504	0	\$439,595	49.5%
HYATT HOTELS AND RESORTS	MULTI COUNTIES	5	Service	657	0	\$580,788	47.6%
IDEXX LABORATORIES, INC.	MULTI COUNTIES	5	Service	70	0	\$36,530	47.7%
INJEX INDUSTRIES, INC.	ALAMEDA	4	Manufacturing	76	0	\$98,386	93.5%
INSURANCE EDUCATIONAL ASSOCIATION	MULTI COUNTIES	6	Finance	336	0	\$212,604	63.7%
KERN COMMUNITY COLLEGE DISTRICT*	KERN	6	Various	7	0	\$3,892	46.7%
KEY CURRICULUM PRESS	ALAMEDA	4	High Technology	42	0	\$16,298	53.5%
KIEWITT PACIFIC CO.*	MULTI COUNTIES	5	Construction	209	0	\$135,850	62.6%
KIM LIGHTING, INC.	MULTI COUNTIES	5	Manufacturing	121	0	\$102,785	42.1%

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COMPLETED CONTRACTS IN FY 2005/06

APPENDIX B-3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
KINGS CRATING, INC. DBA REYES MACHINING	SAN DIEGO	1	Transportation	7	0	\$10,470	25.2%
KIRKHILL-TA CO.	MULTI COUNTIES	5	Manufacturing	201	0	\$120,042	21.2%
KLA-TENCOR, INC.	ALAMEDA	5	Manufacturing	1260	0	\$874,151	88.8%
KRAFT FOODS INC. - NORTH AMERICA	ORANGE	5	Food Processing	11	0	\$12,636	33.3%
KSL DESERT RESORTS CO., LLC	RIVERSIDE	5	Service	15	0	\$11,700	12.5%
LAKE COLLEGE	SHASTA	6	Service	0	53	\$323,553	77.1%
LAM RESEARCH CORPORATION	ALAMEDA	5	High Technology	367	0	\$244,406	48.7%
LEADERSHIP, TRAINING & EDUCATION FUND*	MULTI COUNTIES	6	Various	513	0	\$356,535	100.0%
LEPRINO FOODS	SAN JOAQUIN	5	Food Processing	792	0	\$406,588	89.6%
LONG BEACH WORKFORCE DEVELOPMENT BUREAU*	MULTI COUNTIES	6	Various	530	0	\$440,486	61.2%
MCCORMICK & COMPANY, INC.	MONTEREY	5	Food Processing	221	0	\$84,686	47.7%
MCKESSON CORPORATION	MULTI COUNTIES	5	Trade	58	0	\$25,015	3.9%
MERIDIAN PROJECT SYSTEMS, INC.	SACRAMENTO	3	High Technology	30	0	\$12,303	17.2%
METLIFE INVESTORS GROUP, INC.	ORANGE	5	Finance	117	0	\$153,245	68.7%
MIRAE BANK*	LOS ANGELES	1	Finance	13	0	\$8,360	37.3%
MONTEREY COUNTY HERALD	MONTEREY	5	Publishing	1	0	\$377	0.7%
MWB COPY PRODUCTS, INC., D.B.A. MWB BUSINESS SYSTEMS*	MULTI COUNTIES	5	Trade	125	0	\$173,940	94.2%
NESTLE BRANDS COMPANY CONFECTIONS AND SNACKS DIVISION	STANISLAUS	5	Food Processing	0	0	\$0	0.0%
NEWGEN RESULTS CORPORATION	SAN DIEGO	5	Service	17	0	\$7,916	3.0%
NEXUS IS, INC.	MULTI COUNTIES	3	High Technology	212	0	\$257,497	49.9%
NOR-CAL BEVERAGE CO., INC.	ORANGE	5	Food Processing	114	0	\$151,934	42.0%
NORTHROP GRUMMAN SPACE TECHNOLOGY	MULTI COUNTIES	5	Aerospace	1366	0	\$1,575,890	100.0%
NOVELLUS SYSTEMS, INC.	SANTA CLARA	5	High Tech Mfg	215	0	\$134,119	20.4%
NTMA TRAINING CENTERS OF SOUTHERN CALIFORNIA	MULTI COUNTIES	6	Manufacturing	826	0	\$2,023,252	100.0%
ORANGE COUNTY ELECTRICAL TRAINING TRUST*	ORANGE	6	Construction	163	0	\$60,894	19.2%
ORION MANUFACTURING, INC.	SANTA CLARA	2	Manufacturing	61	0	\$36,600	91.0%
OXMAN COLLEGE	MULTI COUNTIES	6	Various	0	56	\$366,408	46.7%
PACIFIC COAST MARITIME CONSORTIUM*	MULTI COUNTIES	6	Transportation	160	0	\$235,196	100.0%
PACIFIC COAST PRODUCERS	SACRAMENTO	5	Manufacturing	191	0	\$467,974	100.0%
PACIFIC COAST PRODUCERS	SAN JOAQUIN	5	Manufacturing	47	0	\$108,472	100.0%
PACIFIC LIFE INSURANCE COMPANY	ORANGE	5	Finance	1530	0	\$531,087	95.2%
PACIFIC SATELLITE CONNECTION, INC.	SACRAMENTO	1	High Technology	0	0	\$0	0.0%
PACIFIC STEEL CASTING COMPANY*	ALAMEDA	4	Manufacturing	67	0	\$88,176	89.8%
PACIFIC WINE PARTNERS	MONTEREY	5	Food Processing	84	0	\$185,640	84.0%
PACTIV CORPORATION - INDUSTRY	LOS ANGELES	5	Manufacturing	289	0	\$391,399	100.0%
PACTIV CORPORATION - LA MIRADA	LOS ANGELES	5	Manufacturing	76	0	\$84,968	88.4%
PALCO DBA PACIFIC LUMBER COMPANY	HUMBOLDT	5	Manufacturing	0	0	\$0	0.0%
PANASONIC DISC MANUFACTURING CORPORATION OF AMERICA	LOS ANGELES	5	High Tech Mfg	26	0	\$21,203	13.5%
PANTRONIX CORPORATION	ALAMEDA	2	High Tech Mfg	44	0	\$12,247	68.0%
PERILLO INDUSTRIES, INC. DBA CENTURY ELECTRONICS	LOS ANGELES	1	High Tech Mfg	24	0	\$22,320	93.0%
PHENOMENEX, INC.	LOS ANGELES	4	Transportation	135	0	\$126,221	52.5%

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COMPLETED CONTRACTS IN FY 2005/06

APPENDIX B-3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
PLACER COUNTY OFFICE OF ECONOMIC DEVELOPMENT	PLACER	6	Various	58	0	\$31,111	52.4%
PRATICEXPERT SERVICES CORPORATION	LOS ANGELES	1	Healthcare	0	0	\$0	0.0%
PREGIS CORPORATION	LOS ANGELES	5	Manufacturing	30	0	\$53,040	27.1%
PROBUSINESS SERVICES, INC.	ALAMEDA	5	Service	246	0	\$159,450	45.7%
PROGRAMMED COMPOSITES, INC.	RIVERSIDE	3	High Tech Mfg	58	0	\$28,791	42.4%
R. LANG COMPANY*	TULARE	2	Manufacturing	65	0	\$143,600	66.5%
RALEY'S	MULTI COUNTIES	5	Trade	19	0	\$16,484	31.9%
RAY PRODUCTS, INC. DBA RAY PLASTICS	SAN BERNARDINO	2	Manufacturing	13	0	\$14,940	93.4%
REDWOOD EMPIRE ELECTRICAL TRAINING TRUST*	MULTI COUNTIES	6	Construction	68	0	\$39,644	45.3%
REISGEN INC. DBA CONTRACTED COMPUTER TRAINING LEARNING SOLUTIONS	MULTI COUNTIES	6	Various	687	0	\$310,735	100.0%
RIVERSIDE COMMUNITY COLLEGE DISTRICT	MULTI COUNTIES	6	Various	202	0	\$105,691	52.8%
ROHRBACK COSASCO SYSTEMS, INC.	LOS ANGELES	2	Manufacturing	7	0	\$5,460	33.3%
ROMA DESIGN GROUP	SAN FRANCISCO	1	Service	9	0	\$4,648	54.2%
ROSS STORES, INC.	RIVERSIDE	5	Trade	97	0	\$47,528	7.6%
SACRAMENTO AREA ELECTRICAL J.A.T.C.*	MULTI COUNTIES	6	Construction	34	0	\$19,994	12.5%
SANTA CLARITA COMMUNITY COLLEGE DISTRICT	MULTI COUNTIES	6	Manufacturing	803	0	\$555,375	75.8%
SARGENT FLETCHER INC.	LOS ANGELES	5	Aerospace	64	0	\$61,931	26.6%
SBC COMMUNICATIONS, INC.*	MULTI COUNTIES	5	High Technology	758	0	\$378,533	33.1%
SCHURTER, INC.	SONOMA	5	Trade	21	0	\$10,870	39.3%
SEARS LOGISTICS SERVICES, INC.	LOS ANGELES	5	Trade	405	0	\$327,626	88.4%
SEE'S CANDIES, INC.	MULTI COUNTIES	5	Manufacturing	70	0	\$39,195	11.0%
SEMICONDUCTOR EQUIPMENT AND MATERIALS INTL.	SANTA CLARA	3	Service	70	0	\$54,092	33.0%
SHORTY CUSTOM ANTENNAS	FRESNO	1	Trade	0	0	\$0	0.0%
SIEMENS MEDICAL SOLUTIONS USA, INC.	CONTRA COSTA	5	High Tech Mfg	0	0	\$0	0.0%
SOLETRON CORPORATION	MULTI COUNTIES	5	High Tech Mfg	790	0	\$801,632	100.0%
SOLID STATE STAMPING, INC.	RIVERSIDE	2	Manufacturing	61	0	\$80,559	82.0%
SONOMA COUNTY JUNIOR COLLEGE DISTRICT	SONOMA	6	Various	231	0	\$129,732	85.2%
SONOMA METAL PRODUCTS, INC.	SONOMA	2	Manufacturing	37	0	\$37,200	100.0%
SOUTHEAST LOS ANGELES COUNTY WIB	MULTI COUNTIES	6	Various	1617	0	\$1,672,511	84.7%
SOUTHERN CALIFORNIA PAINTING & DRYWALL APPRENTICESHIP TRUST*	LOS ANGELES	6	Construction	10	77	\$201,301	93.8%
SOUTHLAND STONE USA, INC.	LOS ANGELES	1	Trade	19	0	\$18,300	72.6%
SPECTRUM ORGANIC PRODUCTS, INC.	SONOMA	2	Manufacturing	33	0	\$6,560	99.4%
STANDARD PACIFIC HOMES - EAST BAY*	ALAMEDA	5	Construction	27	0	\$19,292	40.5%
STRAND LIGHTING, INC.	ORANGE	4	Trade	0	0	\$0	0.0%
STRYKER ENDOSCOPY	SANTA CLARA	5	Medical Manufact	434	0	\$414,615	47.4%
SYSCO FOOD SERVICES OF CENTRAL CALIFORNIA, INC.*	STANISLAUS	4	Trade	170	0	\$143,434	36.9%
SYSCO FOOD SERVICES OF VENTURA, INC.*	VENTURA	5	Trade	142	0	\$190,208	51.0%
TEXTRON FASTENING SYSTEMS - SANTA ANA	ORANGE	5	Manufacturing	74	0	\$70,928	100.0%
THE BRIDGE, INDIAN TRAINING TRUST FUND*	MULTI COUNTIES	6	Construction	0	17	\$71,495	16.5%

*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 2005/06

APPENDIX B-3

Contractor Name	County	Business Size**	Industry	Retrainees	New Hires	Contract Earned	Percent Earned
THE CORPORATION FOR MANUFACTURING EXCELLENCE D.B.A. MANEX	MULTI COUNTIES	6	Manufacturing	1077	0	\$1,226,543	74.5%
THE ROMAN CATHOLIC CEMETERIES OF THE DIOCESE OF OAKLAND*	CONTRA COSTA	2	Service	48	0	\$56,585	58.9%
THOMAS HOME CENTER	HUMBOLDT	2	Trade	16	0	\$13,210	28.9%
TLD DISTRIBUTION CO.	LOS ANGELES	2	Trade	28	0	\$84,000	70.0%
TRI PHASE, INC. - DBA VALLEY SERVICES ELECTRONICS	SANTA CLARA	2	High Tech Mfg	18	0	\$8,640	20.7%
TRIM-LOK, INCORPORATED	ORANGE	3	Manufacturing	77	0	\$49,920	70.8%
UAW LABOR EMPLOYMENT AND TRAINING CORPORATION	LOS ANGELES	6	Various	737	0	\$1,171,731	73.3%
UNIVERSAL PROPULSION COMPANY, INC.	SOLANO	5	Aerospace	134	0	\$100,490	80.0%
VARIAN, INC.	SAN DIEGO	5	High Tech Mfg	49	0	\$19,357	99.3%
VISX INCORPORATED	SANTA CLARA	4	High Tech Mfg	82	0	\$59,748	65.1%
WALGREEN COMPANY	RIVERSIDE	5	Trade	468	0	\$366,281	36.6%
WALTER GOODEN, INC.	LOS ANGELES	1	Service	15	0	\$18,000	88.2%
WESTERN WOOD FABRICATORS	SUTTER	2	Manufacturing	7	0	\$2,840	35.7%
XEROX CORPORATION	LOS ANGELES	5	Manufacturing	136	0	\$147,021	64.3%
YOUNG SUNG USA, INC.	LOS ANGELES	1	Trade	14	0	\$16,800	48.3%
				34,275	899	\$33,440,587	60.7%

*Special Employment Training (SET) Category

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

TERMINATED CONTRACTS

In FY 2005-06, 16 contracts were terminated prior to completion of the contract term. In some cases, some training occurred, but in others, training never began. Most of the contracts were terminated due to changes in the company's economic conditions, including plant closure or sale of company, increase in business, turnover and staff reductions, and changes in priorities. In only a few cases were contracts terminated because the contractors were unable to comply with ETP performance requirements. The table below provides a list of these terminated contracts.

Contractor Name	County	Funding Amount	Planned No. of Trainees	Industry
ITT INDUSTRIES INC., DBA BIW CONNECTOR SYSTEMS	SONOMA	\$40,326	94	Manufacturing
STRAUB DISTRIBUTING COMPANY, LTD.	MULTI COUNTIES	\$45,942	93	Service
CREST COATING INC.	ORANGE	\$20,000	20	Manufacturing
GNP COMPUTERS, INC.	LOS ANGELES	\$74,000	74	Manufacturing
MAXTOR CORPORATION	MULTI COUNTIES	\$633,750	650	Manufacturing
ECOTERRA GLOBAL CALIFORNIA, LLC	MONTEREY	\$242,000	31	Manufacturing
KIEWIT INDUSTRIAL COMPANY	SAN DIEGO	\$441,610	395	Construction
HI-TECH ELECTRONIC MANUFACTURING, INC.	SAN DIEGO	\$57,400	70	Manufacturing
PAC-WEST TELECOMMUNICATIONS	SAN JOAQUIN	\$192,324	341	Service
FINANCE AMERICA, LLC	ORANGE	\$509,600	800	Finance
PARAMIT CORPORATION	SANTA CLARA	\$305,214	258	Manufacturing
TARGET CORPORATION	MULTI COUNTIES	\$981,058	1,206	Retail
TRANSFX, INC.	VENTURA	\$8,400	7	Manufacturing
ARNOLD ENGINEERING	RIVERSIDE	\$49,560	42	Manufacturing
DECADE SOFTWARE COMPANY, LLC	FRESNO	\$3,680	8	Manufacturing
		\$3,604,864	4,089	

The Annual Report was prepared by the Planning and Research Unit staff: Mike Rice, Jill McAloon, Shari Little, Robert Meyer, Ann Preston, Julio Basquez and Melinda Walton.

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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