

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Hyatt Regency L.A. Downtown  
711 South Hope Street  
Ballroom E & F  
Los Angeles, CA 90017  
November 20, 2003

**PANEL MEMBERS**

Marsha Kwalwasser  
Chairperson

Aram Hodess  
Vice Chair

Barry Broad  
Member

Joan Dean  
Member

Tyrone Freeman  
Member

Paul Kiesel  
Member

Robert Lennox  
Member

Tom Rankin  
Member

**Executive Staff**

Peter McNamee  
Executive Director

Steven Suchil  
Assistant Executive Director

Pamela Haynes  
Assistant Executive Director

Peter DeMauro  
General Counsel

Ada Carrillo  
Chief of Staff

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Hyatt Regency L.A. Downtown  
711 South Hope Street  
Ballroom E & F  
Los Angeles CA 90017  
November 20, 2003

**I. PUBLIC PANEL MEETING CALL TO ORDER**

Aram Hodess, Vice Chair, called the public Panel meeting to order at 9:45 a.m.

**II. ROLL CALL**

Members Present

Aram Hodess, Vice Chair  
Barry Broad  
Tyrone Freeman  
Paul Kiesel  
Tom Rankin

Members Absent

Marsha Kwalwasser, Chairperson  
Joan Dean  
Robert Lennox

Executive Staff Present

Peter McNamee, Executive Director  
Steven Suchil, Assistant Executive Director  
Pam Haynes, Assistant Executive Director  
Peter DeMauro, General Counsel  
Ada Carrillo, Chief of Staff

**III. APPROVAL OF AGENDA**

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve the Agenda.

Motion carried, 5 – 0.

#### **IV. APPROVAL OF MINUTES**

Mr. Hodess corrected the Reports of the Chair/Panel Members in the Minutes of October 23, 2003, meeting to read, "He encouraged employers and contractors to follow up on the actions of the new administration and encourage the activities of the *incoming* ~~outgoing~~ administration ..." (Page 5)

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve the Minutes of October 23, 2003, as corrected.

Motion carried, 5 – 0.

#### **V. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS**

Mr. Broad announced that James Quillin, who had been a member of the Panel for many years, passed away. A moment of silence was shared in memory of Mr. Quillin.

#### **VI. REPORT OF THE EXECUTIVE DIRECTOR**

##### Fund Status

Mr. McNamee reported that ETP has encumbered over \$30 million in training funds to date. He stated projects being proposed at today's Panel meeting total \$14.9 million leaving a balance of \$3.2 million available for ETP training funds for the remainder of fiscal year 2003-04.

Mr. McNamee announced that Victoria Bradshaw, former ETP Executive Director, has been appointed as Undersecretary for the Labor Workforce Development Agency.

Mr. McNamee introduced Paul R. Kiesel, the newly appointed public member of the Panel. Mr. Kiesel is an attorney/partner with Kiesel, Boucher & Larson LLP in Beverly Hills, California.

##### Implementation Plan

Mr. McNamee reported Ms. Haynes is arranging hearings to be held in Southern and Northern California to compile information on the feasibility of referring CalWORKs recipients to ETP contractors for the purpose of receiving welfare-to-work training and the feasibility of reducing the diversion of Employment Training Funds to CalWORKs employment services. The report is due to the Legislative Budget Committee April 1, 2004.

ACTION: Mr. Rankin moved and Mr. Freeman seconded the Panel delegate to the ETP Legislative Subcommittee the authority to direct the

preparation of the ETP fund shift study and approve the final version of the study for submission by April 1, 2004.

Motion carried, 5 – 0.

Projects under \$100,000

Mr. McNamee requested the Panel consider a motion to delegate authority to the Executive Director to adopt projects under \$100,000. He requested the Panel separately review a pilot project proposal from Farmworkers Institute for Education & Leadership Development.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel delegate authority to the Executive Director to approve adopting those proposals in funding amounts of less than \$100,000 including the Small Business Pilot Projects (SBPP) with the exception of Farmworkers Institute for Education & Leadership Development, Pacific Coast Maritime Labor Management Consortium, and Concord Sheet Metal Products, Inc., which would be considered separately. The following projects were subject to this motion to approve:

Altec, Inc. ....	\$55,120
Deluxe Packages.....	\$35,200
LC3S, Inc. d.b.a. Brookfields Restaurant (SET).....	\$74,100
Redwood Empire Electrical Training Trust (SET) .....	\$87,450
Key Curriculum Press .....	\$30,485
Bravo Automotive, Inc. (SET) .....	\$28,800
Cliffstar Corporation .....	\$98,670
Fujicolor Processing, Inc. ....	\$22,620
Olaes Enterprises Inc. d.b.a. ODM (Amendment).....	\$0
Programmed Composites, Inc. ....	\$67,860
Solid State Stamping, Inc. ....	\$98,280
Sunrise Coffee Company.....	\$36,000
Herburger Publications (SBPP) .....	\$11,040
Saf-T-Co Supply (SBPP) .....	\$12,480
Sellers Optical, Inc. d.b.a. Precision Optical (SBPP) .....	\$5,100
American International Registrars Corporation (SBPP).....	WITHDRAWN
Apffel Gourmet Coffee (SBPP) .....	\$17,040
Gooden Watch Repair (SBPP) .....	\$11,700
JETCO, Incorporated (SBPP).....	\$1,560
Multi-Screw, Inc. (SBPP) .....	\$11,320
R.B. Zack & Associates (SBPP) .....	\$5,460
Wireless Technology, Inc.....	\$3,840

Motion carried, 5 – 0.

### Small Business Pilot Project Update

Ms. Haynes reported ten small business projects are being presented at today's Panel meeting. Nine projects are from the manufacturing sector and one project is from the services sector. The ETP training cost for the ten projects totals \$81,460. Ms. Haynes announced the Small Business Pilot Project evaluators have completed their findings and recommendations and will present their report at the December Panel meeting.

## **VII. REPORT OF THE GENERAL COUNSEL**

Mr. DeMauro reported on the Governor's Executive Order No. 2 which placed a moratorium of 180 days on the enactment of any regulation that had not become effective as of the date of the Executive Order. Each Agency has been requested to submit a list of those regulations and amendments to regulations impacted by the moratorium. All State Agencies have also been asked to identify all regulations that have been adopted within the last five years. Emergency regulations will be adopted, if necessary, on a case-by-case basis. Mr. Broad suggested giving authority to ETP's Legal Unit to send proposed regulations to OAL at the end of the 180 day moratorium. Mr. DeMauro stated there are approximately five to ten proposed ETP regulations that are ready to be sent to OAL at the end of the moratorium.

Mr. DeMauro stated the Labor Agency has ordered a review of all Agency policies to determine whether or not those policies are underground regulations (those Policies which impact the general constituency of the Agency and are general rules which have not been subject to the public hearing process). He stated the Call Center regulation the Panel adopted several months ago has not been finally adopted by the OAL. The moratorium on funding certain call center functions may be in the nature of an underground regulation. He suggested the Panel look at its policies on a case-by-case basis.

## **VIII. AGREEMENTS AND AMENDMENTS**

### **Leadership, Training and Educational Fund (Presented out of order)**

Mr. Freeman recused himself from discussion and action on the proposal for Leadership, Training and Educational Fund.

Creighton Chan, manager of ETP's San Mateo field office, presented a One-Step Multiple Employer Contract (MEC) for Leadership, Training and Educational Fund (LTEF) in the amount of \$199,465 to retrain 287 workers in Continuous Improvement, Commercial Skills, Business Skills, Computer Skills, and Literacy Skills. The LTEF is a three-year old, non-profit partnership between janitorial companies and Service

Employees International Union (SEIU) AFL-CIO, Local 1877, which provides training to unionized janitors working in the San Francisco Bay Area.

Mr. Chan introduced Alison Webber, LTEF Coordinator, and Andrew Gaitan, Regional Coordinator of SEIU Local 1877.

**ACTION:** No action was taken at this time due to lack of a quorum. (See Page 6 for further action.)

### **Orange County Electrical Joint Apprenticeship and Training Trust**

Mr. Chan presented a One-Step Special Employment Training (SET) MEC for Orange County Electrical Joint Apprenticeship and Training Trust (OCEJATT) in the amount of \$316,800 to retrain 600 workers in Commercial Skills, and Computer Skills. The OCEJATT is an employer consortium that provides apprentice and journey level training for frontline workers in the construction industry.

Mr. Chan introduced Richard Vining, Director. Mr. Hodess had questions regarding the in-kind contributions. Mr. Vining stated participating employers contribute \$.35 per hour for apprenticeship and journeyman training. There were no other questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

Mr. Broad recommended authorizing the Executive Director authority to approve projects for which no quorum exists after consultation with the Panel Chair, and Vice-Chair.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel approve authorizing the Executive Director authority to approve projects for which no quorum exists after consultation with the Panel Chair, and Vice-Chair.

Motion carried, 5 – 0.

Mr. DeMauro stated in the event of a quorum problem, the Panel would act as a committee of the whole. The project would be presented and questions from Panel members would be answered, but without a quorum, no action could be taken at this time.

**ACTION:** Mr. Rankin moved that the Leadership, Training and Educational Fund proposal be approved by the Executive Director after consultation with the Panel Chair, and Vice-Chair. Motion seconded by Mr. Broad.

Motion carried, 5 – 0.

### **Adcon Technical Institute**

Dolores Kendrick, manager of ETP's North Hollywood field office, presented an Amendment for Adcon Technical Institute increasing the current Contract amount by \$444,800 to retrain an additional 400 workers in Computer Skills and Business Skills to help meet the participating employers' training needs.

Ms. Kendrick introduced Lisa Jee, PH.D., Executive Director, and Myung Kim. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel approve the Amendment to the Adcon Technical Institute Agreement.

Motion carried, 5 – 0.

### **California Manufacturing Technology Center**

Ms. Kendrick presented an Amendment for California Manufacturing Technology Center in the amount of \$1,247,808 to retrain an additional 1,450 trainees to help participating employers achieve their high performance workplace goals.

Ms. Kendrick introduced Leila Mozaffari, Vice President, Cheryl Slobodian, Director of Training & College Relations, and Gladys Mason, Business Representative/Area Director of International Association of Machinists and Aerospace Workers Local 725. Mr. Hodess had concerns regarding apprenticeship training. ETP staff assured the Panel there was no conflict with apprenticeship programs. Mr. Rankin voiced concerns regarding wage ranges. Mr. McNamee stated that the chart shows all participating employers meet the ETP minimum wage requirement. Staff will further clarify the wages by classifications in future presentations.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the Amendment to the California Manufacturing Technology Center Agreement.

Motion carried, 5 – 0.

### **El Camino Community College/Center for Applied Competitive Technologies**

Ms. Kendrick presented a One-Step MEC for El Camino Community College Center/Center for Applied Competitive Technologies (CACT) in the amount of \$245,480 to retrain 380 workers in Manufacturing Skills, Continuous Skills, Business Skills, Computer Skills, and Literacy Skills. The El Camino College CACT is requesting ETP funds to assist employers in upgrading the skills of their

manufacturing workforce to meet today's increased demand for excellence and production of quality products through assessment of training needs and customized training.

Ms. Kendrick introduced William Yates, Jr. Director, and Deborah Imonti, Training Coordinator. Mr. Freeman voiced concerns regarding labor/management relationships.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **GoTrain, Incorporated**

Ms. Kendrick presented a One-Step MEC for GoTrain, Incorporated, in the amount of \$256,905 to retrain 165 workers in Business Skills, Computer Skills, Continuous Improvement, and Advanced Technology. GoTrain is registered with the Bureau of Private, Postsecondary and Vocational Education to deliver onsite, classroom-based vocational training. GoTrain strives to stay abreast of industry developments and technological changes that affect workplace training needs. The school maintains working relationships with computer user groups and networking groups.

Ms. Kendrick introduced Reggie Akpata. There were no questions from Panel members.

**ACTION:** Mr. Freeman moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Southern California Painting and Drywall Joint Apprenticeship Trust Fund**

Ms. Kendrick presented a One-Step SET MEC for Southern California Painting and Drywall Joint Apprenticeship Trust Fund in the amount of \$214,570 to train 20 new hires in Commercial Skills, Business Skills, Computer Skills, and Literacy Skills and retrain 130 workers in Commercial Skills, and Literacy Skills. The Southern California Painting and Drywall Joint Apprenticeship Trust Fund is an employer consortium that provides pre-apprenticeship, apprenticeship, and journey level training for workers in the painting and drywall construction industry.

The Contractor requested the Panel waive the SET frontline worker minimum wage for trainees with multiple barriers to employment.



Ms. Kendrick introduced Sergio Hernandez, Director of Apprenticeship, and Sandra Raigoza, Assistant Director of Administration, Painters & Allied Trades, Local 36. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **TriNet Networking and Training, Inc.**

Ms. Kendrick presented an Amendment for TriNet Networking and Training, Inc., in the amount of \$590,169 to train an additional 185 trainees to help employers improve productivity, quality, and efficiency in their operations and processes to stay competitive.

Ms. Kendrick introduced Khawar Butt, Owner, and Narbik, Director. Mr. Freeman voiced concerns regarding the success of this project. Mr. Butt assured the Panel on the success of this project. There were no other questions from Panel members.

**ACTION:** Mr. Broad moved and Mr. Kiesel seconded the Panel approve the Amendment for the TriNet Networking and Training, Inc., Agreement.

Motion carried, 5 – 0.

### **Farmworkers Institute for Education & Leadership Development**

Ms. Carrillo presented a pilot project for Farmworkers Institute for Education & Leadership Development in the amount of \$88,900 to train 100 seasonal agricultural workers located in high unemployment areas (HUA) of California. Farmworkers Institute for Education & Leadership Development is located in a very close proximity to HUAs. The Contractor requests that the Panel waive, for this pilot project, the ETP minimum wage requirement for trainees that reside in HUAs. Mr. DeMauro explained that the existing policy looks to counties for HUA boundaries, but that is because of convenience in obtaining statistics regarding HUAs. The statutory language refers to “regions,” so extension of employees residing in high unemployment areas but working in adjacent counties is consistent with ETP’s statutory requirements.

Bronwyn Mauldin, Director of Research & Policy was present to answer questions. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel approve the pilot One-Step Agreement.

Motion carried, 5 – 0.

### **Frito-Lay (Presented out of order)**

Ms. Cohen, manager of ETP's Sacramento field office, presented a One-Step Agreement for Frito-Lay, Inc., in the amount of \$1,353,336 to train 1,831 employees from the Frito-Lay operations in Southern California and Northern California. Frito-Lay combined the manufacturing, sales, and distribution facilities located in both Southern and Northern California to address the Panel's concern regarding consolidation of training. This is the 12<sup>th</sup> Frito-Lay project within the last five years.

Ms. Cohen introduced Art Lawrence, Vice President of Operations, and Barbara Sierra, Regional Training Manager. Mr. Broad voiced concerns regarding the supplemental nature of training. Mr. Lawrence stated that much of the training is done on levels. He stated what appears to be repetitious training is actually continued training in the next advanced level. Panel members stated concerns about the on-going nature of the ETP-funded training being provided to Frito-Lay, Inc. Panel members did not view this type of continuous training as supplemental training.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel reject the One-Step Agreement.

Motion carried, 5 – 0.

Mr. DeMauro clarified the reason for rejection being the Panel did not view the training as supplemental training.

### **Pacific Coast Maritime Labor-Management Consortium (Presented out of order)**

Mr. Chan presented a One-Step Agreement for Pacific Coast Maritime Labor-Management Consortium in the amount of \$91,740 to retrain 55 frontline workers in Commercial Skills. The Pacific Coast Maritime Labor-Management Consortium is a joint effort of five Pacific maritime unions and five Pacific maritime employers to address an escalating shortage of qualified mariners in the United States Merchant Marine and is dedicated to the improvement of job opportunities in the maritime industry. Both of the participating employers in this proposal are engaged in operating vessels for the transportation of freight and passengers on the deep seas which operate primarily out of California ports. All trainees are union members employed as deck or engine mariners. The Contractor has informed ETP staff that trainees may not all be California residents but will be retained by participating California-based employers who make California Unemployment Insurance payments for their employees.

Mr. Chan introduced Berit Eriksson, Project Director. Mr. Broad had concerns regarding out-of-state residents employed in California. Mr. DeMauro stated there is no residency requirement as far as unemployment tax being paid by employers. He

stated he feels confident limiting the residency issue to the maritime industry based on the set of facts presented by the employers that unemployment taxes are being paid for employees residing out of state.

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

**MetLife Investors Group, Inc. (Presented out of order)**

Mr. Chan presented a One-Step Agreement for MetLife Investors Group, Inc., in the amount of \$222,950 to retrain 175 workers in Business Skills and Computer Skills. MetLife Investors Group, headquartered in Newport Beach, offers a variety of annuity products to wholesale brokers nationwide who then sell the products to consumers.

Jim Fitzpatrick, Senior Vice President, was present to answer questions. Mr. Broad had concerns with curriculum items. Mr. Fitzpatrick agreed to remove “Insider Trading Issues” and “Identifying and Understanding Money Laundering Issues” from the curriculum.

ACTION: Mr. Rankin moved and Mr. Freeman seconded the Panel approve the One-Step Agreement with the removal of curriculum items.

Motion carried, 5 – 0.

**Concord Sheet Metal Products, Inc. (Presented out of order)**

Ms. Cohen presented a Small Business Pilot Project, Concord Sheet Metal Products, Inc., in the amount of \$1,560 to train two employees. Mr. Broad voiced concerns regarding training out of state. Mr. DeMauro stated ETP has allowed training outside of California in very limited situations. In this case, the Company would have had to cease production during the period of the training if the training occurred at the Company site.

ACTION: Mr. Broad moved and Mr. Rankin seconded the Panel approve the Small Business Pilot Project for Concord Sheet Metal Products with a caveat of limiting training outside of California to a one-time basis.

Motion carried, 5 – 0.

**California Physicians' Service d.b.a. Blue Shield of California (Presented out of order)**

Ms. Cohen presented a One-Step SET Agreement for California Physicians' Service d.b.a. Blue Shield of California in the amount of \$778,141 to retrain 710 workers in Business Skills, Commercial Skills, Computer Skills, and Continuous Improvement. The Contractor is requesting a waiver of the high turnover rate. The turnover rate for 2002 was 21 percent. Since 2002, Blue Shield has implemented a company-wide initiative to create an environment promoting personal, professional, and team growth and success.

Ms. Cohen introduced Dennis Morin, Director, and Jerry Linnins, Manager. Mr. Hodess voiced concerns regarding turnover. Mr. Morin stated turnover figures are based on year-old statistics. He said the current turnover rate is 20 percent. Mr. Freeman recommended approving the Agreement without a waiver to the turnover rate and use January 1, 2003, as the start date to calculate turnover. Ms. Carrillo stated staff calculates turnover on the last 12 months of an Agreement to assure a company meets the ETP turnover rate requirement.

**ACTION:** Mr. Freeman moved and Mr. Broad seconded the Panel approve the One-Step Agreement without a waiver to the turnover rate.

Motion carried, 5 – 0.

**Sears Logistics Services, Inc. (Presented out of order)**

Ms. Kendrick presented a One-Step Agreement for Sears Logistics Services, Inc., in the amount of \$448,500 to retrain 300 workers in Continuous Improvement, Computer Skills, Commercial Skills, and Manufacturing Skills. Sears Logistics Services, Inc., provides internal distribution and warehousing functions on behalf of Sears' retail locations throughout the Western United States. This is the tenth project for Sears within the past five years.

Ms. Kendrick introduced Nick Vyas, General Manager, Kenneth Harmon, Associate Development Facilitator, and Evelyn Burnett, Associate Development Lead. Mr. Broad stated his concern regarding supplemental training. Mr. Vyas stated domestic shipments, those shipped within the United States, do not require as much in-depth quality inspection as those being shipped in from overseas. Domestic products meet Sears' compliance, imports are not mandated. Mr. Broad asked if Sears Logistics Services distributes to companies other than Sears. Panel members voiced concern regarding repetitious training Agreements. Mr. Vyas stated that Sears Logistics Services is distinctly a completely separate operation/entity from Sears, Roebuck & Co. Panel recommended that, due to budget constraints, the Contractor return in December when there will be a clearer picture of ETP's training fund balance. Mr. Freeman requested the Contractor present to the Panel statistics regarding distribution to other entities other than Sears.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel approve postponing action on Sears Logistics Services, Inc., until the December Panel meeting.

Motion carried, 5 – 0.

**Ross Stores, Inc. (Presented out of order)**

Ms. Carrillo presented a One-Step Agreement for Ross Stores, Inc., in the amount of \$629,200. Ross Stores, Inc., is opening a new facility in Perris, California, which will replace its current distribution center in Newark, California, and proposed to train 1,100 new employees in Business Skills, which includes warehouse management system techniques.

Juan Aguayo, Director, and Alicia Loc, Training Manager, were present to answer questions. Mr. Hodess asked for reasons why the Newark facility was closed. Mr. Aguayo stated the distribution center currently located in Newark is no longer large enough. He stated all employees were given the opportunity to relocate to the new facility in Perris and approximately half will be relocating.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

**California-American Water Company (Presented out of order)**

Mr. Chan presented a One-Step SET Agreement for California-American Water Company in the amount of \$235,040 to retrain 250 workers in Business Skills, Commercial Skills, Computer Skills, and Continuous Improvement Skills. California-American Water Company, a subsidiary of American Water Company, provides water and wastewater utility service to over 500,000 California citizens and businesses.

Mr. Chan introduced Benjamin Lewis, Jr., Vice President and Manager; Tina Haynes, President Local 511, Utility Workers Union of America; and Bernardo Garcia, Region 5 Director, Utility Workers Union of America. Mr. Hodess voiced concerns regarding privatization of public utilities. Mr. Hodess stated ETP Regulations prohibit funding training for public utilities. He stated if a public utility is privatized, it should be responsible for its own training. Mr. Broad voiced concern regarding tax dollars being used to pay for something that is built into a public utility rate base. He requested ETP staff to provide the Panel with a list of prior utility industry projects approved by the Panel.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel postpone action on the One-Step Agreement for California-American Water Company until the December Panel meeting.

Motion carried, 5 – 0.

## **IX. ANNUAL REPORT**

Mr. McNamee presented a draft of ETP's Annual Report for Fiscal Year (FY) 2002-03 for Panel's review and approval. The final report will be formatted for publication, incorporating any revisions requested by Panel members. He stated with the deferral of the legislative proposals to allow time to consult with Agency, the report will not refer to ETP's legislative proposals.

**ACTION:** Mr. Rankin moved the Panel approve the Annual Report for Fiscal Year 2003-03, deferring action on legislative proposals, and delegate authority to the Executive Director for final approval prior to submitting it to the Governor and Legislature. Mr. Freeman seconded the motion.

Motion carried, 5 – 0.

## **X. AGREEMENTS AND AMENDMENTS CONTINUED**

### **Hitchcock & Holcombe, Inc. d.b.a. Continental Training Center**

Ms. Cohen presented a Proposed Amendment for Hitchcock & Holcombe, Inc. d.b.a. Continental Training Center in the amount of \$211,650 to train an additional 300 trainees in Computer Skills and Advanced Technology Skills. The Contractor's principals, Steve Hitchcock and Darin Holcombe, purchased Continental Training Center and are now operating as Hitchcock & Holcombe, Inc. d.b.a. Continental Training Center.

Ms. Cohen introduced Darin Holcombe and Steve Hitchcock. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the Amendment to the Agreement for Hitchcock & Holcombe, Inc. d.b.a. Continental Training Center.

Motion carried, 5 – 0.

### **Harte-Hanks, Inc.**

Ms. Kendrick presented a One-Step Agreement for Harte-Hanks, Inc., in the amount of \$353,600 to retrain 400 employees in Computer Skills. Harte-Hanks, Inc., prints and publishes the Pennysaver, an advertisement newspaper offering full-service, direct marketing agency services.

Ms. Kendrick introduced Elaine Buckley, Regional Vice President. There were no questions from Panel member.

**ACTION:** Mr. Broad moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **American Business College**

Ms. Cohen presented a One-Step SET Agreement for American Business College (ABC) in the amount of \$165,960 to train 40 new hires. ABC is proposing a multiple-employer new-hire project with a curriculum including Business Skills, Computer Skills, and Continuous Improvement. The participating employers in this Agreement are businesses with a need to hire highly trained individuals who, as new employees, will be able to accurately perform the duties of real estate property managers, mortgage bankers and other financial occupations, food and beverage managers and hospitality.

Ms. Cohen introduced Candy Brock, Director. Panel members had concerns regarding wages, cost of training, and curriculum hours. Ms. Carrillo stated the cost of training is comparable to other new hire contracts. Panel members requested the Contractor to review the cost of training and justify the curriculum hours. Mr. McNamee stated new hire training averages approximately \$5,000 per trainee. He stated that even though new hire training is more expensive, there are tremendous wage gains for new hire trainees.

**ACTION:** Mr. Rankin moved and Mr. Kiesel seconded the Panel postpone action on the One-Step Agreement for American Business College until the December Panel meeting.

Motion carried, 5 – 0.

### **SBC Communications, Inc.**

Mr. Broad and Mr. Kiesel recused themselves from discussion and action on the SBC Communications, Inc., proposal.

Mr. Chan presented a One-Step SET Agreement for SBC Communication, Inc., in the amount of \$1,142,869 to retrain workers in Business Skills, Computer Skills, and

Commercial Skills. SBC Communications, Inc., provides a full range of voice, data, networking, and e-business services, as well as directory advertising and publishing. Job Number 1 trainees, consisting of 253 employees, will be service representatives/order writers who handle incoming calls from SBC customers throughout the country. Job Number 2 trainees, consisting of 1,825 employees, are frontline workers who install, service, and maintain networks, telephone lines, switches, and other SBC equipment in California.

Mr. Chan introduced Jim Beck, Vice President – Human Resources, and James Gordon, Jr., Administrative Assistant to the Vice President of Communications Workers of America, AFL-CIO, District 9. Mr. Freeman was assured the service representatives would be handling incoming calls and would not be performing sales telemarketing.

**ACTION:** No action was taken due to lack of a quorum. Action was deferred to the Executive Director after consultation with the Chair and Vice-Chair. (See Page 6)

### **First American Title Insurance Company**

Mr. Chan presented a One-Step SET Agreement for First American Title Insurance Company in the amount of \$493,740 to train 1,055 frontline workers in Commercial Skills, Business Skills, Continuous Improvement, and Computer Skills.

Mr. Chan introduced Deborah Morrison, Vice President, Karen Andrews, Vice President - Southern California Regional Escrow Manager, and Nance Russell, Assistant Vice President – Director of Escrow Staff Development, Bay Area Region. There were no questions from Panel members.

**ACTION:** Mr. Broad moved and Mr. Freeman seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Gambro Healthcare, Inc.**

Mr. McNamee stated he had recused himself from review and discussion on the Gambro Healthcare, Inc., proposal.

Mr. Chan presented a One-Step SET Agreement for Gambro Healthcare, Inc., in the amount of \$527,150 to retrain 838 workers in Business Skills, Commercial Skills, Computer Skills, and Continuous Improvement Skills. Gambro Healthcare Inc., makes dialysis products, operates dialysis clinics, and supplies blood bank technology worldwide.



Mr. Chan introduced Carol Duda, Vice President, and Judy Turner, Consultant, Deloitte & Touche. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Western Financial Bank**

The proposed Agreement for Western Financial Bank was withdrawn from consideration at this month's Panel meeting.

### **AECOM Technology Corporation**

Ms. Kendrick presented a One-Step SET Agreement for AECOM Technology Corporation in the amount of \$265,824. AECOM Technology Corporation proposes to retrain 306 workers as part of the implementation of a new, corporation-wide Oracle Enterprises Resource Planning system and to facilitate a move to a high-performance workplace. AECOM Technology Corporation provides a variety of technical professional services, including engineering, architecture, and materials research services to governmental agencies and large corporations.

Ms. Kendrick introduced Tracy Barrow, Senior Vice President. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Hodess seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **American Security Group, Incorporated**

Ms. Kendrick presented a One-Step SET Agreement for American Security Group, Incorporated, in the amount of \$151,792 to train and hire 206 displaced workers in the skills necessary to work as security officers and contract sales associates.

Ms. Kendrick introduced Manny Vela, Manager, and Lizzette Matos, Client Relations. Mr. Hodess questioned the in-kind contribution. Ms. Carrillo stated ETP funds are for trainees attending class/lab, there is no structured-on-site training. There were no other questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

## **Pacific Coast Producers – Distribution Center**

Ms. Cohen presented a One-Step Agreement for Pacific Coast Producers – Distribution Center in the amount of \$467,974 to retrain 286 workers in Manufacturing Skills, and Continuous Improvement. Pacific Coast Producers is a private label food processor and distributor of canned and pre-packaged food products and distribution facility in Lodi, California. The Contractor is requesting a waiver to the 200 hour training maximum for one trainee. This person will be responsible for all other company trainers and must be capable of providing support to them in all areas related to training.

Ms. Cohen introduced Robert Jeremic, Assistant Manager. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

## **R. Lang Company**

Ms. Cohen presented a One-Step Agreement for R. Lang Company in the amount of \$216,000 to train 96 workers. R. Lang Company, located in Visalia, California, is a manufacturer of home improvement and building products, including screen doors, screen frames, screen roll goods and components, greenhouse windows, door grills, skylights, and storm and security doors. The Contractor is requesting a waiver of the minimum wage for a portion of the trainees.

Ms. Cohen introduced Robert Wilbur, Vice President. There were no questions from Panel members.

**ACTION:** Mr. Broad moved and Mr. Kiesel seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

## **Johnson Controls, Inc.**

The proposed Agreement for Johnson Controls, Inc., was withdrawn from consideration at this month's Panel meeting.

## **ProBusiness Services, Inc.**

Mr. Chan presented a One-Step Agreement for Pro Business in the amount of \$348,998 to retrain 433 workers in Business Skills, Computer Skills, and Continuous Improvement Skills. ProBusiness Services, Inc., is a provider of outsourced

employee administrative services such as payroll, payroll tax, benefits administration, and human resources products and additional services designed to streamline processes and reduce administrative costs for its customers.

Mr. Chan introduced Russ DeLoach, Chief Operating Officer, and Carrie Beckstrom, Director of Learning Services. Mr. Kiesel asked if ADP would be providing training on the use of its equipment. Mr. DeLoach stated the ETP funded training will allow ProBusiness Services, Inc., to accelerate training to move to a high performance workplace. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **BEHR Process Corporation**

Mr. Chan presented a One-Step Agreement for BEHR Process Corporation in the amount of \$421,824. BEHR Process Corporation manufactures water-based, interior and exterior paints, stains, primers, clear finishes, sealers and waterproofers, cleaners and conditioners, preservatives and other specialty products. The Company proposes to train 338 workers in new skills required as a result of the implementation of a new Enterprise Resource Planning system. Additionally, the Company proposes to train its operators in new technologies and processes in the manufacturing areas.

Mr. Chan introduced Richard Maus, Vice President Human Resources, and Chris Jones, Senior Vice President Manufacturing. There were no questions from Panel members.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Newgen Results Corp.**

Mr. Chan presented a One-Step Agreement for Newgen Results, Corp. in the amount of \$262,873 to retrain 277 workers in Business Skills and Computer Skills. This proposal was originally submitted at the October Panel meeting. Panel members raised concerns regarding the Company's turnover rate and whether or not Newgen could be considered a call-center. Newgen Results Corp. has removed teleservices representatives and the proportionate number of supervisors and managers from the proposal. Newgen's turnover rate improves to 15 percent when the teleservices employees are excluded from the calculation. Newgen agrees to

25 percent reimbursement reduction if Newgen's company-wide turnover rate is not decreased to 25 percent during the final 12 months of the Agreement.

Mr. Chan introduced Chris McLauchlin, Vice President Human Resources, and Joe Whitaker, Senior Manager, Training & Human Resources. Mr. Broad requested, in addition to the Company-wide 25 percent turnover rate allowance, the turnover rate not exceed 15 percent for those being trained. Mr. McLauchlin and Mr. Whitaker agreed.

**ACTION:** Mr. Rankin moved and Mr. Freeman seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Baxter HealthCare Corporation**

Ms. Kendrick presented a One-Step Agreement for Baxter HealthCare Corporation in the amount of \$1,293,200 to retrain 244 workers in Advanced Technology and Manufacturing Skills necessary for the Company to transition to a high performance workplace. Baxter HealthCare Corporation is a manufacturer of biopharmaceuticals for the treatment of hemophilia, immune deficiencies, and other life-threatening disorders.

Ms. Kendrick introduced Jill Pergande, Vice President, Human Resources, and David Briers, Director, Human Resources. Mr. Freeman, noting poor performance in prior ETP-funded projects, asked for reasons on which to base assurance that this project will be successful. Ms. Pergande stated the training in this project is mandatory. She stated that training in prior projects was not required, and performance was affected.

**ACTION:** Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Glovia International, Inc.**

Ms. Kendrick presented a One-Step Agreement for Glovia International, Inc., in the amount of \$128,080 to train 107 workers in Computer Skills, Business Skills, and Advanced Technology. Glovia International, Inc., is a global corporation that develops information technology products which include computer software and services information processing platforms, telecommunications systems, semiconductors, and other electronic devices. Glovia is requesting the advanced technology fixed-fee reimbursement rate of \$20 per hour for 60 trainees.

Ms. Kendrick introduced David Ginsberg, General Counsel.

ACTION: Mr. Broad moved and Mr. Rankin seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

### **Panasonic Disc Manufacturing Corporation of America**

Ms. Kendrick presented a One-Step Agreement for Panasonic Disc Manufacturing Corporation of America (PDMC) in the amount of \$156,728. PDMC manufactures optical discs for the video game industry. The Company proposes to retrain 88 employees in skills necessary to transition to a high performance workplace. PDMC is requesting a waiver to the 20 percent turnover rate requirement. PDMC is willing to extend the retention period to 120 days and ETP will withhold the final 25 percent progress payment for each trainee unless the Contractor achieves an average turnover rate of 20 percent or less for the last 12 months of the Agreement.

Ms. Kendrick introduced Ruth Escobar, Human Resources Manager. There were no questions from Panel members.

ACTION: Mr. Rankin moved and Mr. Broad seconded the Panel approve the One-Step Agreement including approval of the turnover rate waiver, extending the employment retention period to 120 days, and ETP withholding final 25 percent progress payment for each trainee unless the Contractor achieves an average turnover rate of 20 percent or less for the last 12 months of the Agreement.

Motion carried, 5 – 0.

### **Xerox Corporation**

Ms. Kendrick presented a One-Step Agreement for Xerox Corporation in the amount of \$228,800. Xerox Corporation manufactures printers, digital presses, multifunction devices and digital copier. Xerox Corporation proposes to retrain 200 workers in the skills necessary for the Company to transition to a high performance workplace. Xerox is requesting a waiver to the 20 percent turnover rate requirement. ETP will withhold the final 25 percent progress payment for each trainee unless the Contractor achieves an average turnover rate of 20 percent or less for the last 12 months of the Agreement.

Ms. Kendrick introduced Len Parker, Vice President & Chief Technology Officer. There were no questions from Panel members.

ACTION: Mr. Freeman moved and Mr. Rankin seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

**XI. PUBLIC COMMENT**

There were no members of the public who wished to comment.

**XII. EXECUTIVE SESSION**

There was no Executive Session at this month's Panel meeting.

**XIII. ADJOURN**

There being no further business and no objection, the meeting was adjourned at 3:10 p.m.