

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency  
1001 I Street, Coastal Hearing Room  
Sacramento, California 95814  
July 22, 2005

**PANEL MEMBERS**

David Filomeo  
Chairperson

Barry Broad  
Vice Chair

Bob Giroux  
Member

Robert Lennox  
Member

Janice Roberts  
Member

Tyrone Freeman  
Member

Scott Gordon  
Member

**Executive Staff**

Ada Carrillo  
Acting Executive Director

Susan Bobrow  
Acting General Counsel

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

David Filomeo, Chair, called the public Panel meeting to order at 9:30 a.m.

**II. ROLL CALL**

Members Present

David A. Filomeo, Chairperson  
Barry Broad, Vice Chair  
Scott Gordon  
Robert Lennox

Members Absent

Tyrone Freeman  
Bob Giroux  
Janice Roberts

Executive Staff Present

Ada Carrillo, Acting Executive Director  
Susan Bobrow, Acting General Counsel

**III. APPROVAL OF AGENDA**

Mr. Filomeo suggested a modification to the agenda by adding additional time for Public Comment after Ms. Carrillo's report on funding limitations to provide the public with an opportunity to speak to that issue only.

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

Motion carried, 4 - 0.

**IV. APPROVAL OF MINUTES**

Ms. Bobrow stated that Mr. Broad had at the June meeting mentioned that his appointment as Vice Chair was not discernable in the minutes of the April 2005

meeting. She clarified that this topic was not under a separate heading but had been included in the minutes.

ACTION: Mr. Lennox moved and Mr. Broad seconded the Panel approve the Panel Minutes of June 24, 2005.

Motion carried, 4 - 0.

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

Scott Gordon, the newest Panel Member, was introduced and he briefly spoke on his background.

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

Ms. Carrillo offered words of remembrance in memory of ETP's former Interim Executive Director and General Counsel, Peter DeMauro. Mr. DeMauro was with the Panel from its inception. In addition to many years of service as General Counsel, he served as Interim Executive Director three times. He guided the Panel through its formative years, and through tumultuous times as the program evolved. He was very effective in working with the Panel and really loved the program and its staff. Mr. DeMauro worked tirelessly, and even when extremely ill, seldom missed a Panel Meeting. Ms. Carrillo stated Peter will be fondly remembered and missed by the staff, and requested a moment of silence in his memory.

Ms. Carrillo welcomed Scott Gordon, the newest Panel member, to the Employment Training Panel.

### Legislative Report

Ms. Carrillo described three bills and the status of each.

Senate Bill 102 (Ducheny) would authorize ETP to fund up to five licensed nurse training projects for individuals currently working as nurse assistants or caregivers. The way the bill is set out is upon budget appropriation. The budget prior to being enacted by the Governor, provided 2.5 million to go towards this effort. The bill has gone through the Assembly Labor and Employment Committee and has been referred to the Assembly Appropriations Committee and is expected to be heard in the middle of August 2005. As it stands, since the budget has passed, there is no direct appropriation for this effort. It is expected that this bill may be amended so it does not call for a specific appropriation from the budget.

Senate Bill 314 (Romero) would allow training of workers in seasonal industries who do not otherwise qualify for ETP funded training, as a new subcategory of the Panel's Special Employment Training (SET) program. Staff has worked with Labor Agency, the author's office, and stakeholders in the compromised language now contained in

the bill. Opposition to this bill has been expressed because the Agricultural Industry has many negative reserve employers who are exempt from paying the Employment Training Tax which supports ETP. This means that more is being paid out in Unemployment Insurance (UI) benefits than is being contributed. Staff is working with Labor Agency, the Author's Office, and stakeholders in trying to develop amendment language to address the concern. This bill will next be heard in the Assembly Appropriations Committee.

Assembly Bill 234 (Haynes) was introduced February 7, 2005, and proposes to eliminate ETP. The bill was never set for hearing and is therefore ineligible for consideration for the rest of this year. This bill may be reconsidered next year.

### Fund Status

ETP received an appropriation of \$38.2 million for the Fiscal Year 2005-06 which represents a 30 percent increase from last year. While this is below ETP's standard \$76 million appropriation, progress has been made in receiving funding from the Department of Social Services. Ms. Carrillo recognized Victoria Bradshaw, Secretary of the Labor and Workforce Development Agency, Vice Chair Barry Broad and the stakeholder community for their assistance. The budget passed by the Legislature included \$2.5 million dedicated to a healthcare training program adopted in legislation during Fiscal Year 2005-06. The Governor vetoed the provision expressing concern "about restricting the use of this funding for legislation that has not yet been passed by the Legislature."

Ms. Carrillo requested from Mr. Filomeo that the Public Comment period be prior to her presentation of the funding limitation section, and that stakeholders could then come forward with any comments specific to the funding limitations memo.

Mr. Filomeo asked if there were any comments regarding funding limitations. Steve Duscha, Alliance for ETP, stated there were no problems with the funding limitations, but referred to training for frontline workers. He stated that the provision properly states that it is the Panel's responsibility to primarily train frontline workers but provide for exceptions to that and for special justification for any proposal that includes training for managers above the 20 percent level. Mr. Duscha commented that there are situations where ETP funding of managers and supervisors can help train frontline workers; where the managers and supervisors become trainers for frontline workers and is often the case. He stated that the policy operated under for the last year has worked well.

Funding Limitations – Staff proposes the Panel update and continue current funding limitations in Fiscal Year 2005-06. Ms. Carrillo stated there are presently 50 training requests representing about \$8.5 million for those entities where funding was restricted. Most are first time training agencies.

Limited training for non-frontline workers. The Panel's regulations provide that no more than 40 percent of trainees in a training project can be managers and supervisors. The Panel requires any funding request that exceeds 20 percent to provide further justification and Ms. Carrillo asked that this continue.

A moratorium on the funding of first-time training agencies and WIA grant recipients. The Panel has expressed concern on the new-hire and retraining provided through multiple employer contractors, especially training agencies. Staff will be coming back in September with recommendations on the new-hire issue and until the Panel takes action on how it wants to move forward with training agencies, staff believes it is premature to lift the moratorium.

A moratorium on the use of budget-based contracts. Ms. Carrillo recommends that the Panel continue the moratorium on budget-based contracts except for those projects that are deemed to be critical economic development projects per the regulation, which are projects that are creating jobs in California.

A moratorium on funding training for truck drivers. The Panel's concern when it adopted this was that the training that was coming forward should have been borne by the industry and not supported by public funding. The moratorium does not apply to trucking companies coming forward to ETP asking for a broader type of training program on how to improve their whole operation. Mr. Broad stated that he did not feel it should apply to situations where there is significant employer involvement in the training process, such as a Joint Labor Management Committee, where they are training truck drivers. Mr. Broad wanted clarification that the moratorium does not prohibit highly integrated training programs or programs done by the trucking association or someone else where there is direct employer involvement and the employers are involved in funding it and ensuring jobs.

Lowest funding priority for all training for the adult entertainment industry. Ms. Carrillo requests that adult entertainment be accorded the lowest funding priority. Mr. Broad commented that gaming was included under this title and suggested that the wording be changed to adult entertainment industry or gaming.

No research contracts will be approved for FY 2005-06. Ms. Carrillo requested that no external research contracts be funded. Ms. Carrillo stated that in the past, marketing also has been restricted. However, she requests the Panel allow up to \$500,000 for external marketing services in order to reach target industries. Requests for proposals would go out this summer and staff would return to the Panel with recommendations.

Ms. Carrillo stated that what is proposed falls within the Panel's authority under its regulation pertaining to funding limitations, and requested approval of the staff's recommendations.

ACTION: Mr. Broad moved and Mr. Lennox seconded approval of Ms. Carrillo's funding limitation recommendations.

Motion carried, 4 - 0.

Request Motion to Delegate in Event of Loss of Quorum

Ms. Carrillo asked for a motion to delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

ACTION: Mr. Lennox moved and Mr. Broad seconded the Panel delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

Motion carried, 4 - 0

Ms. Carrillo asked for a motion to approve those single employer contracts that have been placed on Consent that are less than \$200,000 and do not have any issues, with the exception of Tab #6, Self Mastery Foundation, Inc. d.b.a. Balance Point Strategic Services, which will be considered separately.

Consent Calendar Projects

ACTION: Mr. Lennox moved and Mr. Broad seconded the Panel approve the following proposals:

Crenshaw Die & Manufacturing Corporation.....	\$96,600
Hayward Pool Products, Inc.....	\$197,886
INTA Technologies.....	\$13,300
Kyocera America, Inc. ....	\$70,200
Radiological Associates of Sacramento Medical Group, Inc. (SET).....	\$120,000
Symbolic Displays, Inc. ....	\$24,000

Motion carried, 4 - 0

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

Ms. Bobrow reported that the regulations approved by the Panel are moving through the process mandated by the Administrative Procedures Act as implemented by the Office of Administrative Law.

Ms. Bobrow reported that ETP's legal unit has been looking at subcontracts. As a result, the provisions that are required in the ETP subcontracts have been revised and

the revised language has been posted on the ETP website under the What's New link. It is expected that many provisions will be revised in the ETP contractor agreements. Meetings will continue to be scheduled with members of the consulting community because of the interest to promote a dialog that will lead to better, clearer contracts that take into consideration business realities while complying with state law. This is going to be a lengthy process but ETP is hopeful that the fact finding and discussions with the stakeholders will lead to a beneficial result for both the stakeholders and the ETP program. The consultant community was extremely cooperative and helpful and their assistance was appreciated.

### **VIII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS**

Ms. Carrillo stated that Diana Torres, Manager of the San Diego Office and Dolores Kendrick, Manager of the North Hollywood Office were not in attendance at today's meeting. She stated Creighton Chan would present projects for Ms. Torres and Ruby Cohen would present projects for Ms. Kendrick.

#### **Self Mastery Foundation, Inc. d.b.a. Balance.Point Strategic Services (Removed from Consent Calendar for separate consideration)**

Creighton Chan, Manager of the San Francisco Bay Area Office, presented a One-Step Agreement for Self Mastery Foundation, Inc. d.b.a. Balance.Point Strategic Services in the amount of \$4,000. This is a consulting organization in Foster City which delivers organizational development and conflict mediation services throughout California. There are two co-owners of this company who will be trained.

Mr. Chan introduced Deborah Moy, Vice President. Mr. Broad asked if there were any other employees, besides the two, who own the business. Ms. Moy stated that currently, they did not employ others. There were contractors that worked for them but the two employers are the frontline employees. Mr. Broad stated this is a for-profit corporation which employs two employees that are also the shareholders. He stated his legal concern regarding Panel's funding of a project in which an entity would be funded which would be paying for the owners of the business that do not have any employees. Mr. Broad stated they were employees in the corporate sense but owners of the business in the shareholder's sense and have a total 100 percent equity interest in it. Mr. Broad suggested that the project be referred to legal counsel and that he was not prepared to vote on the project. Ms. Bobrow stated that if the Panel chooses, legal would look into it. Ms. Moy asked if there was another small business entrepreneur category. Ms. Bobrow responded that Regulation 4407.1, pertains to small business owners, for businesses which employ 100 or fewer full time employees excluding the owner. Mr. Filomeo agreed with the recommendations that this project be referred to legal staff to review.

## **Single Employer Proposals**

### **Sony Electronics Inc.**

Mr. Chan presented a One-Step Agreement for Sony Electronics Inc. in the amount of \$197,964. Sony states that to address the concerns and increase customer satisfaction, Sony is moving its VAIO technical customer support functions to California to be close to the manufacturing process. The company plans to implement this change over the next several months to solve several issues and improve its customer service process. Therefore, Sony is proposing a menu curriculum to deliver 24-200 hours of class/lab training to 94 full time employees. Sony representatives state that about 14 of its current employees will also be hired into these positions from other functions. Part of the proposal will use Special Employment Training Funding (SET) for 22 support positions because some of the new hires may be hired from out of state or may lack previous California employment history. Sony Electronics stated the proposed training has never been delivered in California and that without the proposed ETP funding the support functions may not have been moved to its San Diego County facility.

Mr. Chan introduced James C. Colby, Vice President of Human Resources. Mr. Filomeo stated that the proposal states that trainees will not produce products or provide services which ultimately will be sold. Mr. Filomeo questioned whether the warranty work done by the organization is considered a sale. He stated his concern over the warranty work being used as a production training technique. Mr. Colby stated the proposal does not refer to actual warranty work; a technical call center is being set up for customer service. The reason Sony Electronics Inc. is bringing the call center into California and co-locating it with their manufacturing and service locations is to improve the communication between those organizations. The services are done in different geographical locations today and the time delays are having a negative impact on the customer's ability to get solutions to their problems.

**ACTION:** Mr. Broad moved and Mr. Lennox seconded the Panel approve the One-Step Agreement for Sony Electronics Inc. in the amount of \$197,964.

Motion carried, 4 - 0.

### **Target Corporation**

Mr. Chan presented a One-Step Agreement for Target Corporation in the amount of \$981,058. Target operates twenty-two distribution centers and three import warehouses. The import warehouses in Ontario and Rialto, scheduled to open in mid-2006, and a distribution center in Shafter, California, are the sites that are being proposed for this training. Target expects an increase in employment by 350 employees at the three facilities during the two-year term of the proposed ETP Agreement. Its Ontario import warehouse and the planned Rialto import warehouse



qualify for standard ETP retraining funding for the individual function and/or unit of a company that provides a service out-of-state.

Target's Shafter distribution center is also eligible for ETP funding for Special Employment Training funds in high unemployment areas. At the time the application was submitted on June 13, 2005, Kern County had an unemployment rate of 7.6 percent. Target is implementing continuous improvement processes at its import warehouses and distribution center to improve operating efficiencies that will allow the company to adapt to a high performance workplace. Three of the new systems being implemented at the import warehouse and distribution centers are Automated Receiving Technology; Voice Directed Picking System; and the Single Day Receipt process. Without ETP funded training, Target states that they would not be able to provide as comprehensive a training program necessary to execute its business strategies, consistent with its business expansion goals.

Mr. Chan introduced Dayton Vielguth, Associate Manager of Public Partnerships and Property Development. Mr. Filomeo voiced concern over supplemental funds. Mr. Vielguth stated their in-kind contribution was over \$1 million as well as an investment in their technology training of over \$1 billion that Target anticipates spending. He stated that 250 of the 1,000 jobs would be trained under ETP funding and 750 would be trained by Target at their expense.

**ACTION:** Mr. Lennox moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for Target Corporation in the amount of \$981,058.

Motion carried, 4 - 0.

### **Genesis Technology Partners, LLC**

Ruby Cohen, Manager of the Sacramento Office, presented a One-Step Agreement for Genesis Technology Partners, LLC (Genesis) in the amount of \$99,294. Genesis is a medical technology management firm that provides services to customers inside and outside California. Genesis is eligible for ETP funding as a company that produces a service out of state; and provides a service in California in competition with providers of the same service which are located outside the state.

Genesis is requesting funding to retrain 67 employees in business and computer skills and continuous improvement. The company representatives state that to remain competitive in the industry, Genesis must upgrade the job skills of its employees and continue its adaptation to a high-performance workplace focusing on improving all company operations. Training in this proposal is different from the two prior agreements. The substantial contribution requirement does not apply because the combined earnings of the first two contracts were less than \$250,000.

Ms. Cohen introduced Ray Thorpe, Regional Manager and Barry Menzel, Consultant.

Mr. Broad questioned which employees are being trained now, that is not being trained on the project that is still open. Mr. Thorpe responded that this is development of the employees that were previously trained. The company services medical equipment and the company is in a position to develop high-end skills for more advanced technology that the current employees do not have. Mr. Broad asked if the employees are being trained to service much more complicated equipment and Mr. Thorpe agreed. Mr. Lennox noted the outstanding record of employees which have been trained and retained.

**ACTION:** Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement for Genesis Technology Partners, LLC in the amount of \$99,294.

Motion carried, 4 - 0.

### **K-1 Packaging Group**

Ms. Cohen presented a One-Step Agreement for K-1 Packaging Group in the amount of \$175,560. K-1 Packaging Group (K-1) is a manufacturer of high-end graphic packaging materials, with a specialty in paperboard folding cartons and pressure-sensitive labels. K-1 qualifies for standard ETP funding as a manufacturer facing out-of-state competition. K-1 is requesting funding to train 57 employees in manufacturing, business and computer skills and continuous improvement. K-1 representatives state that the 200 hour curriculum is necessary for the trainees to perform their duties with the highest level of technical expertise and self reliance. The company states that the employees currently lack sufficient skills to efficiently meet company standards. The proposed training would enable K-1 to thoroughly cross-train workers in a wide range of company-specific manufacturing, business, and computer skills designed to exceed customer expectations.

Ms. Cohen introduced Mike Tsai, Vice President of Operations and Barry Menzel, Consultant. There were no questions from Panel members.

**ACTION:** Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement for K-1 Packaging Group in the amount of \$175,560.

Motion carried, 4 - 0.

### **Zenith Insurance Company**

Zenith Insurance Company was withdrawn from consideration at this month's Panel meeting.

## **Lam Research Corporation**

Mr. Chan presented a One-Step Agreement for Lam Research Corporation to be funded by ETP in the amount of \$174,600. Lam Research is a global manufacturer and supplier of wafer fabrication equipment and services which are critical processes in manufacturing computer chips for the world's semiconductor industry. This will be the fourth Agreement between ETP and Lam Research. The third Agreement did not go as well as planned due to production needs and some of the training had to be suspended. This fourth Agreement is to make up for the training that Lam Research was unable to complete in the third Agreement. In addition to the employer contribution, a \$75,000 substantial contribution is being applied to this project.

Mr. Chan introduced Kathy Randle, Director of Operations Global Human Resources and Michele Izor, Senior Director of Tax and Foreign Trade. Mr. Broad asked what had changed so that Lam Research may now complete the training. Ms. Randle stated that Lam Research was in a growth period last year and, due to work load, training had to be moved out. She stated Lam Research is now in a stable environment. Mr. Broad asked for further clarification. Ms. Izor responded that it is a very cyclical business and it is not unusual for the company to vary 60-80 percent between one quarter and the next. She stated Lam Research is currently in a fairly flat period and anticipates that the rest of 2005 and 2006 will be stable and will allow for the training.

Mr. Gordon asked if online managers perform the training. Ms. Randle stated that some of them did but that there is also an in-house training department so that the project management life cycle is trained by managers who have become expert in the content. Mr. Gordon asked if there is a train the trainer, and if they were a part of a continued education program. Ms. Randle replied that they utilize an initial train the trainer.

**ACTION:** Mr. Lennox moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for Lam Research Corporation in the amount of \$174,600.

Motion carried, 4 - 0.

## **Connecticut General Life Insurance Company for Cigna Companies**

Ms. Cohen stated that the representative for Connecticut General Life Insurance Company for Cigna Companies had a flight delay in Atlanta, Georgia and would not arrive until approximately 11:30 a.m. Ms. Cohen asked if the proposal should be heard at that time by the Panel, or postponed until the representative arrived. Mr. Filomeo asked if any of the Panel members anticipated any questions and had Ms. Cohen proceed with the presentation.

Ms. Cohen presented a One-Step Agreement for Connecticut General Life Insurance Company for Cigna Companies (Connecticut General) in the amount of \$403,520. Connecticut General offers health benefits coverage to employers. The Visalia facility is eligible for standard retraining because it provides services to customers located both inside and outside California. The company is located in Tulare County, which has an unemployment rate of 8.1 percent and is considered to be a high unemployment area. The company plans to train 388 employees in customer service and accountability training. The company has moved to a new operating model in which the customer service and claims processors are aligned and dedicated to specific services and customer accounts. Company officials state that this program will also act as an initiative for other sites within the company to provide a similar model of training. Connecticut General representatives also state that the training program will also aid in transitioning to a high performance workplace and meeting its goals of reducing the time for recently hired employees to reach proficiency, improve the retention period, reduce redundancy and improve employee consistency and efficiency. Mr. Filomeo commented on the high turnover rate.

**ACTION:** Mr. Broad moved and Mr. Lennox seconded the Panel approve the One-Step Agreement for Connecticut General Life Insurance Company for Cigna Companies in the amount of \$403,520.

Motion carried, 4 - 0.

Mr. Broad then voiced a question as to reimbursement to a contractor when turnover is higher than 20 percent. Ms. Carrillo stated that when a project with more than 20 percent turnover comes forward and is approved conditioned on the turnover coming down to 20 percent, then staff verifies the turnover rate during the agreement term. For those under 20 percent, there is no verification process. Mr. Broad clarified that to require this company to maintain a turnover rate of no more than 20 percent for reimbursement, the Panel would have to specify that condition. Ms. Carrillo affirmed.

**ACTION:** Mr. Broad then moved and Mr. Lennox seconded reconsideration of the Motion to approve the One-Step Agreement for Connecticut General Life Insurance Company for Cigna Companies in the amount of \$403,520.

Motion carried, 4 - 0.

**ACTION:** Mr. Broad then moved and Mr. Lennox seconded approval of the One-Step Agreement for Connecticut General Life Insurance Company for Cigna Companies in the amount of \$403,520, contingent on the company maintaining a turnover rate of no more than 20 percent for the term of the contract.

Ms. Cohen expressed her concern over the absence of company representative input as a factor in the Panel's vote. Mr. Broad replied that if the Panel approved the Motion and if the company representative wishes to come forward regarding the

recommendation, then the project could be re-opened and moved for reconsideration once again.

Motion carried, 4 - 0.

### **Special Employment Training (SET) Proposals**

#### **Universal Health Services, Inc.**

Mr. Chan presented a One-Step Agreement for Universal Health Services, Inc. (UHS) in the amount of \$499,902. UHS is a healthcare management company that operates behavioral health facilities, acute care hospitals, and ambulatory surgery and radiation centers nationwide. UHS has five hospital facilities in Southern California located in the cities of Corona, Murrieta, Wildomar, Lancaster and Torrance. This project is designed to address the shortage of specialty nursing jobs and to upgrade the skills of Registered Nurses and other healthcare professionals through specialized training at the aforementioned facilities. These facilities and employers in California qualify for SET funds for retraining of frontline workers in occupations that pay at least the state average hourly wage.

The proposal is to train 754 retrainees under SET in the following occupations: Registered Nurse, Medical Technician, Respiratory Therapist and Physical Therapist. Included in the package is a letter of support from the California Nurses Association, which represents approximately 100 Registered Nurses at Inland Valley Medical Center. The UHS representative reports that the company faces a critical shortage of specialty nurses in the following areas: Neonatal Nursing, Critical Case Nursing, Emergency Room Nursing, Perioperative Nursing, Rehabilitation Nursing and Psychiatric Nursing. Additionally, UHS needs to upgrade the skills of other professional staff such as Physical Therapists, Respiratory Therapists and Medical Technicians so that these employees can be promoted to jobs with more complex job duties. UHS requests training for 754 nurses, therapists and technicians in commercial and continuous improvement skills. Mr. Chan noted that employees who gain a specialty certification following training will receive a \$1,000 annual bonus. Training that does not lead to certification will enable employees to better perform their jobs and, in many cases, will prepare them for higher paying positions.

Mr. Chan introduced Lynda Valente, Regional Trainer; Katie Didonato, R.N. Education Coordinator; and Steve Duscha, Alliance for ETP. Mr. Broad commented this was an excellent proposal.

**ACTION:** Mr. Broad moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for Universal Health Services, Inc. in the amount of \$499,902.

Motion carried, 4 - 0.

## **Southern California Permanente Medical Group (SET)**

Mr. Filomeo recused himself from review, discussion, and action on the Southern California Permanente Medical Group proposal. Mr. Broad acted as Chair.

Ms. Cohen presented a One-Step Agreement for Southern California Permanente Medical Group (SCPMG) in the amount of \$998,478 to train 430 frontline high-wage employees and 68 frontline workers in commercial skills, business skills and computer skills. SCPMG is a for-profit arm of Kaiser-Permanente, a health care provider. This proposal is being funded as a Special Employment Training (SET) project for frontline workers who earn at least the State average hourly wage and also a portion of this proposal will be funded under SET for frontline workers who earn less than the State average hourly wage and who have multiple barriers to employment. SCPMG has requested a waiver to the SET \$500,000 funding cap and also a waiver of the 200 class/lab training hour maximum for the proposed training plan. Training in this proposal will help SCPMG meet staffing needs by training existing Registered Nurses and Radiologic Technologists for high-level specialty positions. In addition, the company is implementing a new computerized medical record system called KP HealthConnect. The implementation of this new system will result in the elimination of medical chart room workers that represent 68 percent of the trainee population. To avoid layoff, these workers will be retrained in new jobs within the company as Medical Assistants, Phlebotomists, Receptionists, Cashiers and Appointment Clerks.

Ms. Cohen introduced Claire Husted, Project Manager for Kaiser Permanente Workforce for Tomorrow, Patient Care Services and Barbara Blake, R.N., State Secretary of United Nurses Associations of California/Union of Health Care Professionals.

Mr. Broad stated that due to the lack of a quorum, the proposal would be referred to the Acting Executive Director and Vice Chair for consideration based on the motion passed earlier that morning.

## **Multiple Employer Contracts**

### **Foundation College, LLC**

Mr. Chan presented a One-Step Agreement for Foundation College, LLC, in the amount of \$1,902,581. Foundation College is a for-profit corporation and is eligible to contract with ETP as a training agency. Foundation College plans to provide 90 percent of classroom training for retrainees at the employer's site during regular work hours. The remaining 10 percent of retraining and all new hire training will be conducted at its location in San Diego, California. Of the four participating employer certifications submitted as part of the core group of employers (over 300 trainees), all stated that training is considered mandatory and, therefore, compensated accordingly. In its current ETP Agreement (ET04-0493), Foundation College states that 85 percent

of class/lab training for retrainees is conducted at individual employer worksites, while 15 percent is conducted at its training center in San Diego, California.

While some new hire trainees require an extensive 300-hour curriculum to acquire the skills for an entry-level technical position, most new hires will only require a 90 (\$1,436 per trainee) or 150-hour (\$2,394 per trainee). Foundation College states that out of 430 new hires, 160 trainees will receive 300 hours of class/lab training in PC Support and Help Desk skills at a reimbursement of \$4,788 per trainee, which is more than double the ETP average per trainee reimbursement of \$2,118.

The skills learned in these specialized occupations require a significant degree of technical aptitude and a minimum 300 hours of class/lab training which is required to gain entry-level positions in the PC Support and Help Desk occupations. In answer to the high cost, Foundation College states that there is a demonstrated career path for entry-level new hire trainees in Computer Engineering, Systems Analysis and other Data Processing occupations. Information received from the employer members of the Help Desk Institute indicate that employees begin at Level 1, Help Desk Analyst and move to Levels 2 and 3 as experienced training and initiative permit. Based on previous agreements, the expected wage progression for newly-hired trainees and Help Desk and Desk Top Support occupations is significantly above the \$9.95 per hour minimum.

Mr. Chan introduced Charlene Dackerman, Interim President. Mr. Filomeo inquired about the progression of trainees who reach the highest paying jobs and the number of trainees that reach this level. Ms. Dackerman replied that there is a career progression and after the first year the trainees increase up to 15 percent beyond their starting wage. Mr. Broad asked if upon completion of training, the employees would receive a wage increase. Ms. Dackerman stated the wage for new hires after retention could be raised to \$10.00 per hour and raised to \$12.15 per hour for retrainees in Jobs 3-7. Mr. Lennox asked how many employees were at the \$4,788 training cost level. Ms. Carrillo stated 30 percent were at the high end and added that they were unemployed workers.

Mr. Broad requested that the Panel check whether employees of participating employer National Steel and Ship Building Company in San Diego have a collective bargaining agreement and if a letter is needed.

**ACTION:** Mr. Broad moved and Mr. Lennox seconded the Panel approve the One-Step Agreement with the amended wages in the amount of \$1,902,581.

Motion carried, 4 - 0.

## **Riverside Community College District**

Mr. Chan presented a One-Step Agreement for Riverside Community College District (RCCD) in the amount of \$251,400. Training is mandatory for all companies and trainees will be compensated during ETP training hours. All class/lab training will be provided at the employer's work site. RCCD has established linkages with employers, business organizations and the local Workforce Investment Board. The majority of the initial participating employers are manufacturing companies; RCCD will also target training to technology and service companies that face out-of-state competition. Mr. Chan introduced Linda Reifschneider, Director of Corporate & Business Development. There were no questions from Panel members.

**ACTION:** Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement for Riverside Community College District in the amount of \$251,400.

Motion carried, 4 - 0.

## **Employers Group**

Ms. Cohen presented a One-Step Agreement for Employers Group in the amount of \$1,015,000 to train 1700 currently employed individuals in business skills, computer skills and continuous improvement, as well as manufacturing skills. Employers Group is a non-profit business association that is eligible to provide training as a professional association. The Employers Group assists California businesses with Human Resource Management and Information. The contractor describes an ongoing need for training among its members to upgrade employee skills. There are 26 core participating employers in this proposal who indicated that their employees need training to keep abreast of new and changing technology and job responsibilities. Company representatives indicated that the proposed training will enable workers to continue in their present positions and provide opportunities for career advancement. The Employers Group works with each company to tailor a specific curriculum for specific groups of employees. Both course content and class scheduling are geared to each individual company. All training is conducted at the employer sites.

Ms. Cohen introduced Jeffrey Hull, Director of On-Site and State-Funded Training. There were no questions from Panel members.

**ACTION:** Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement for Employers Group in the amount of \$1,015,000.

Motion carried, 4 - 0.



## **Goodwill Industries of Ventura and Santa Barbara Counties**

Ms. Cohen presented a One-Step Agreement for Goodwill Industries of Ventura and Santa Barbara Counties in the amount of \$151,600. Goodwill Industries is eligible for funding as a training agency, and will utilize funds to train new hires who are unemployment insurance recipients or individuals who have exhausted their unemployment benefits within the last 24 months. Goodwill Industries is requesting funding to train 50 individuals in 190 hours of computer skills. Goodwill Industries is a non-profit organization which provides employment by training and rehabilitating people of limited employability and by providing temporary assistance to individuals whose resources are depleted. Goodwill Industries has recently researched and analyzed different sources of information to determine the types of training needed most in the community. After reviewing the information, they were able to identify the types of skills requested most by employers in Ventura and Santa Barbara Counties.

Ms. Cohen introduced Joyce Larson, Director of Computer Training and Tom Clark, Business Manager. There were no questions from Panel members.

**ACTION:** Mr. Lennox moved and Mr. Broad seconded the Panel approve the One-Step Agreement for Goodwill Industries of Ventura and Santa Barbara Counties in the amount of \$151,600.

Motion carried, 4 - 0.

## **Santa Monica College**

Ms. Cohen presented a One-Step Agreement for Santa Monica College (SMC) in the amount of \$500,122. SMC is requesting funding to train 514 currently employed trainees in manufacturing and computer skills, continuous improvement and literacy skills. The companies in manufacturing and logistics industries are reorganizing their operations to meet procurement, development, and technology changes within their industries. Many are investing in automated systems and software packages to increase productivity and efficiency within their companies. This program will target and serve frontline workers employed in manufacturing and logistics companies. These workers have limited job skills and require training to enhance job retention potentials.

Ms. Cohen introduced F.I. Cajayon, Project Manager of Workforce & Economic Development. Mr. Filomeo commented on the lack of an internal training program for such a large participating company such as PPG Manufacturing. Mr. Cajayon stated that PPG Manufacturing did have an internal training program but that the current project would not overlap any training previously taken by PPG Manufacturing employees.

**ACTION:** Mr. Lennox moved and Mr. Broad seconded the One-Step Agreement for Santa Monica College in the amount of \$500,122.

Motion carried, 4 - 0.

### **UAW Labor Employment Training Corporation**

Mr. Filomeo recused himself from review, discussion, and action on the UAW Labor Employment Training Corporation proposal.

Ms. Cohen presented an Amendment to the Agreement held by UAW Labor Employment Training Corporation (UAW LETC) in the amount of \$1,403,000. The request is to train an additional 1150 retrainees in continuous improvement. The contractor reports six months into the Agreement term, UAW LETC had started about 641 of the planned 770 trainees, which is 83 percent. The number of trainees enrolled from 17 suppliers has reached 65 percent and continues to increase as the participants complete the minimum number of hours necessary for enrollment. The contractor reports that 150 new trainees will begin training by November 2005 which will increase the number of persons starting training to 791. As a result, the contractor reports that all funds from this program will be committed by the end of November 2005. For this Amendment proposal, UAW LETC has identified 46 new participating employers. These employers have committed to train 1150 workers in the new Job Number 2. Staff has verified the eligibility of the new employers.

Ms. Cohen introduced Vance Pearson, International Representative for United Auto Workers and Hilda Pacheco-Taylor, Vice President of Government Funding. Ms. Pacheco-Taylor thanked Victor Salazar of the North Hollywood Office for his support.

Mr. Broad stated that due to the lack of a quorum, the proposal would be referred to the Acting Executive Director and Vice Chair for consideration.

### **Insurance Education Association**

Mr. Filomeo recused himself from review, discussion, and action on the Insurance Educational Association proposal.

Mr. Chan presented a One-Step Agreement for Insurance Education Association (IEA) in the amount of \$333,600. IEA is a non-profit corporation and is eligible to contract with ETP as a group of employers. The business skills training proposed under this Agreement will retrain insurance claims, administrative, marketing, underwriting, audit, and loss control staff to handle jobs that are becoming more demanding and technical. Workers to be retrained must develop higher-level skills to perform more complex tasks requiring increased decision-making and problem-solving abilities.

Mr. Chan introduced Roy Little, President & CEO and John Beach, Director. Mr. Broad questioned why there was so little earned in the prior project. Mr. Little stated there were three reasons: (1) start up mode in introducing the concept to the industry; (2) IEA was able to get the number of projected students, but not able to meet the

hours per class; (3) they needed to improve the ability to forecast students and hours per class. Mr. Broad commented on the current active proposal to end in 2005 and asked where the company anticipated being with the proposed Agreement. Mr. Little stated the figures to be in the \$225,000 – \$250,000 range.

Mr. Broad stated that due to the lack of a quorum, the proposal would be referred to the Acting Executive Director and Vice Chair for consideration.

### **South Bay Education Fund (SET)**

Mr. Broad recused himself from review, discussion, and action on the South Bay Education Fund proposal.

Mr. Chan presented a One-Step Agreement for South Bay Education Fund (SBEF) in the amount of \$114,675. Mr. Chan noted a correction to the Union name, which is Unite HERE (not United). The goal of this proposal is to address the shortage of hotel banquet servers in the San Jose area by cross-training kitchen and housekeeping staff to become banquet servers. Additionally, there is a curriculum component to retrain current banquet servers to increase their level of service beyond that of what is considered a Class A hotel level of service. The housekeeping and kitchen staff will only work intermittently as banquet servers; when there is no demand, they will return to their positions as kitchen workers or housekeeping staff. During the time employees are working as banquet workers their wages will increase to that of what is given to banquet servers. When employees return to their usual positions, their wages will revert to what they were getting before. It also should be noted that in this proposal, there is no assurance that trainees will be promoted. One of the goals of this training is to give employees skills so they may be promoted into banquet worker staff or the current banquet servers may be promoted into banquet/supervisory positions. SBEF proposes that at least 10 percent of the trainees will be given preference for consideration for promotion.

The SBEF states that the hotel properties have already provided an estimated average of 24 hours of basic training to kitchen and housekeeping staff in the form of job shadowing. This training is only sufficient for them to be able to provide a Class B hotel level of service. The purpose of the hotels is to increase these individuals' skills to the level of a Class A hotel level of service. The proposed Agreement appears to be extremely basic for both the kitchen and housekeeping staff and also for the current banquet servers. Staff recommends Panel approve this project as a pilot project contingent upon the following: (1) elimination of curriculum offerings that constitute basic and non-supplemental training which should not be borne by ETP; (2) submission for staff review and approval of a revised curriculum for commercial skills for all trainees; (3) delegation to the Acting Executive Director to approve the revised curriculum, and; (4) determination by the Panel that funding is available and the project meets Panel priorities.

Mr. Chan introduced Deborah Moy, Vice President. Mr. Filomeo stated that Ms. Moy answered one of the questions he had, which was if there was a guarantee that employees would have higher wages after they received the training and if they would be placed in a different classification. Ms. Moy stated employees would be placed in a dual-rated class. Mr. Filomeo inquired about the wage increases after the completion of training. Ms. Moy responded that if the level of service goes up as anticipated, trainees would be working 30 percent of their hours in the banquet classification and 70 percent in the housekeeping classification and their wages would go up accordingly. Mr. Filomeo inquired if there was the potential that the trained employee would never get called to work as a server. Ms. Moy responded that the potential is that the employees are first on the list and the hotels always need more servers. Hotels keep a smaller ratio of banquet servers because that's the nature of the industry, which requires the employer to be able to have a flexible work staff. Mr. Filomeo inquired if there was a difference between the collective bargaining training wage and the working wage. Ms. Moy responded that the training wage was approximately one dollar less. Mr. Filomeo asked if employees were eligible for overtime. Ms. Moy stated they were eligible for overtime.

Ms. Carrillo addressed Mr. Filomeo and stated that she did not feel comfortable with staff recommendation after hearing the testimony that was offered; she suggested it be referred back to staff for further review and clarification prior to submitting it to the Panel for consideration. Ms. Moy stated that SBEF is guaranteeing 10 percent. Ms. Carrillo stated it was not reflected that there would be an increase in wages in this proposal. Ms. Moy stated it is a combination rate and that ten percent would move into the new combination classification. Mr. Filomeo replied that although employees may be in a combination classification that they would only receive the higher wage if they worked as a server. Ms. Moy stated this was correct, but their overall annual wages would increase because employees would be working much more as a banquet server than they would have before. She stated that the staffing pattern of the hotels was built so that they would use cross-classification. Mr. Filomeo commented on the Panel's concern of investing money in training with no outcome of higher wages for the employees who receive the training and that the Panel prefers to see guaranteed increases. Ms. Moy stated that an annual increase could be guaranteed. Mr. Filomeo stated that this would help immensely but that it could not be voted on today due to the lack of a quorum. Mr. Filomeo referred this proposal back to staff for further review and presentation at the next Panel meeting. Ms. Moy noted that the high season starts in October and they were very anxious to begin training as soon as possible. Mr. Lennox noted that he did not agree with the amount being proposed for training and the training being requested as it was presented.

Mr. Filomeo stated that due to the lack of a quorum, the proposal would be referred to the Acting Executive Director and himself for consideration.

## **IX. PUBLIC COMMENT**

There was no Public Comment at this month's Panel meeting.

**X. EXECUTIVE SESSION**

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

**XI. ADJOURN**

ACTION: Mr. Lennox moved and Mr. Broad seconded to adjourn the meeting at 11:43 a.m.

Motion carried, 4 - 0.