

STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING
California Environmental Protection Agency
Sierra Hearing Room, 2nd Floor
1001 "I" Street
Sacramento, CA 95814
July 25, 2008

PANEL MEMBERS

Barry Broad
Acting Chair

Greg Campbell
Member

Barton Florence
Member

Scott Gordon
Member

Brian McGowan
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Executive Staff

Brian McMahon
Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Barry Broad, Acting Chairperson, called the public Panel meeting to order at 9:37 a.m.

II. ROLL CALL

Members Present

Barry Broad
Bart Florence
Scott Gordon
Jennifer Grutzius
Ed Rendon
Janice Roberts

Members Absent

Greg Campbell

Executive Staff Present

Brian McMahon, Executive Director
Maureen Reilly, General Counsel

III. APPROVAL OF AGENDA

ACTION: Ms. Roberts moved and Mr. Florence seconded the Panel approves the Agenda.

Motion carried, 6 – 0.

IV. APPROVAL OF MINUTES

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the Panel Minutes of June 27, 2008.

Motion carried, 6 – 0.

V. REPORT OF THE EXECUTIVE DIRECTOR

Brian McMahon, Executive Director, said the \$56.9 million appropriation contained in the Governor's budget bill as introduced, passed out of Conference Committee with the \$56.9 million appropriation intact. The Conference Committee incorporated language resulting from the Assembly's budget bill, directing ETP through its strategic planning process, to focus on clean technology industries. He said there was a need to update the Panel on some impacts associated with the lack of a budget and discussed some of the more significant items. He said projects approved at the June meeting and those approved today can begin training, but the contractor will not be able to bill ETP for invoices until there is a signed budget agreement. Also, for projects that were approved either last Fiscal Year or before that, if they do not have funds carrying over as a prior year encumbrance, they could be impacted as well, relative to their invoicing ability. He said the fiscal department could identify those impacted. He said when a project is approved a start-up letter for training goes to the contractor, clearly indicating in the letter that funds are conditioned on budget availability in our contract language. He said if all projects are encumbered today for a total of \$6.5 million, a balance of approximately \$33.6 million will remain for the 2008-09 Fiscal Year. He said since projects are approved on an incremental basis, a total face value of \$22.7 million in contracts have been approved thus far in the Fiscal Year.

Mr. McMahon said ETP sponsored Legislation, AB2570 (Silva), a bill scheduled for hearing in the Senate Appropriations Committee on August 4. He noted that Panel members received a Legislative Update Memo in their Panel packets, giving a detailed description of AB2570, as well as other legislation that directly impacts ETP or should be of interest to Panel Members.

He said AB2622 (Hayashi) is a bill that directs ETP to focus on clean technology in the Strategic Plan.

Mr. McMahon said AB3066 (Committee on Veterans Affairs), is scheduled in the Senate Appropriations on August 4. He said this is the bill that requires ETP to give priority to projects with Veterans and California National Guard members.

Mr. McMahon said an interesting bill of note to the Panel is AB3018 (Nunez), the California Green Collar Jobs Act of 2008: Green Jobs. He said the bill as amended creates the Green Collar Jobs Council and places the Council with the California Workforce Investment Board to develop a workforce strategy for green technology jobs.

Mr. McMahon explained to the Panel how the Consent Calendar is built each month. He said that typically, small business proposals and fast-track projects of less than \$75,000 are added to the Consent Calendar unless they raise a policy issue. He said an example of a policy issue might be the case of a small business with a turnover rate of greater than 20 percent. He said our small business program allows the Panel to give special consideration to small businesses that have a turnover rate greater than 20 percent. He said a project with a turnover rate greater than 20 percent could be discussed and presented to the Panel for the purpose of not applying the standard penalty of a final payment withhold. Again, in addition to small business and fast-track projects on Consent Calendar, we also include other projects

and the number of other projects is really a function of how large the calendar is for that day. He said most projects greater than \$250,000, are not added to Consent Calendar. He said a Panel member can remove a project from the Consent Calendar at any time.

Request Motion to Delegate in Event of Loss of Quorum

Mr. McMahon asked for a motion to delegate to the Executive Director the authority to approve items noticed for action at this meeting, in consultation with the Panel Chair or Vice Chair, if a quorum does not exist.

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

Motion carried, 6 – 0.

Request Motion to Adopt Consent Calendar Projects/Action

Mr. McMahon asked for a motion to adopt Consent Calendar Items #1 through #20.

ABC Imaging of Washington, Inc.	\$46,368
BAL, a Division of Illinois Tool Works, Inc.	\$74,772
Battery Systems, Inc.	\$74,700
Blue Tech, Inc.	\$33,000
Building Material Distributors, Inc.	\$36,000
Cartel Electronics, Inc.	\$74,412
Christopher A. Joseph & Associates, Inc.	\$74,880
Class 8 Truck Repair L.L.C.....	\$72,600
Don Todd Associates, Inc.	\$23,400
Electrosonic, Inc.	\$64,242
Empire Container Corporation	\$74,360
Erin L.L.C., dba DirectBuy of South Bay.....	\$29,040
Family – Life Magazine.....	\$12,480
InterMotive, Inc.	\$30,160
Link_A_Media Devices Corporation	\$109,746
MAF Industries, Inc.	\$100,224
Marich Confectionery Company, Inc.	\$68,432
Precision Molded Products, Inc.	\$26,000
Suffolk Construction Company, Inc.	\$74,592
Tayden Enterprises LP dba Direct Buy San Diego North	\$42,240

ACTION: Ms. Roberts moved and Ms. Grutzius seconded approval of Consent Calendar Items #1 through #20.

Motion carried, 6 – 0.

Mr. Broad noted that the Governor announced that on Monday, July 28, an Executive Order would be issued, reducing the pay of all state employees to \$6.55 per hour, the federal minimum wage.

VI. REPORT OF THE GENERAL COUNSEL

Maureen Reilly, General Counsel, had nothing to report.

VII. REVIEW AND ADOPT PROPOSED GOTRAIN RULING

Mr. McMahon referred to the Go Train Appeal Memo in the Panel Packet. He said the appeal concerns a post ruling and consolidated appeal by GoTrain Incorporated, a training agency located in Long Beach. He said the matter was noticed for last month, but since Acting Chair Barry Broad could not be present at the June meeting, it was rescheduled for July. The GoTrain appeal was a result of overpayment findings in two separate multiple employer contracts. The combined overpayment demand is for a total of \$964,455, excluding interest.

Mr. McMahon said both audits resulted in a demand for recovery of all payments made by ETP based on faulty recordkeeping. In each instance, the attendance rosters were insufficient to establish that the training hours were actually delivered. He said there were inconsistencies between the hard copy rosters and the hours billed online using the class/lab tracking system. He said it is ETP's position, as stated in the pre-hearing brief, that these inconsistencies were so deliberate as to indicate a pattern of deceit on the part of GoTrain. In January 2008, the Panel appointed Acting Chair Barry Broad to conduct the appeal hearing. The hearing was scheduled for 9:00 a.m. on May 9, 2008. However, Mr. Akpata failed to appear after the hearing record opened. Mr. Broad explained on the record that he had denied a motion of continuance filed by Mr. Akpata the previous afternoon. Accordingly, Mr. Broad issued a "default" ruling upholding the audit findings. He said the ruling is being presented today in proposed form. The Panel must vote as a whole, in order to adopt it as a final ruling.

Mr. McMahon said, because the default ruling is based on failure to appear, evidence was not presented at the hearing, and there were no findings of fact on the merits. However, if adopted as a final ruling, it would be sufficient basis for ETP to pursue collection of the overpayment in court. He said that Mr. Akpata will have the final right to appeal a ruling in court and asked Acting Chair Barry Broad, if he had any further comments regarding his ruling.

Mr. Broad said Mr. Akpata had every opportunity to appear at the hearing. A continuance was granted once, and the grounds Mr. Akpata gave for requesting another continuance was that he essentially was not feeling well. Mr. Broad said this was not significant enough to further continue the matter. He said Mr. Akpata requested the appeal, it was his day in court, and it was his responsibility to be there.

Mr. Broad asked that the Panel approve this ruling. He asked if Mr. Akpata or his representative was present to address the Panel. There was no response. Mr. Broad asked

the Panel for a motion to approve the proposed ruling and make it the final ruling of the Panel. He said the matter is open for debate and there were other options available. He said the Panel could reject his suggestion, send it back and say do more, and that there were other procedural options, should the Panel wish to take more evidence. He said this is a majority ruling and asked the Panel if they had any questions or concerns.

Ms. Roberts said Mr. Broad has done significant work on the GoTrain decision over the last year and has really done his due diligence against this appeal. She moved in favor of approving the proposed ruling.

ACTION: Ms. Roberts moved and Mr. Florence approved the GoTrain proposed ruling and made it the final ruling of the Panel.

Motion carried, 6 – 0.

VIII. CALIFORNIA'S WORKFORCE INVESTMENT SYSTEM – BARBARA HALSEY

Mr. McMahon introduced Barbara Halsey, the Executive Director of the California Workforce Investment Board. He said that before her duties at the State level, Barbara was the Director of a local Workforce Investment Board in San Bernardino County for many years. He said she has extensive knowledge of workforce issues, and he looked forward to her presentation.

Ms. Halsey said she had the pleasure of taking over the California Workforce Investment Board, following Mr. McMahon's leadership, at a time when the Board has been charged with developing a comprehensive workforce strategy for California. She said this is no small task given the number of organizations that are critical to talent and workforce development throughout the State. She presented a video on workforce data entitled "Did You Know?" showing a significant demographic shift in California.

Ms. Halsey said the compelling message from this video, is that we need to approach how we develop, partner and collaborate on workforce issues in a different way than we have in the past. She said the State Board has been engaged in dialogue at a regional level with 49 local workforce investment boards, attempting to better understand how they partner with education, economic development, and other funding sources to train and prepare the workforce we need in the 21st century.

Ms. Halsey said we own the opportunity to create a talent development system in the State of California that is inclusive of education; economic development; public and private funders; and philanthropic organizations that really provides opportunity for incumbent workers to develop the skills necessary to advance on the job.

Ms. Halsey said we are seeing the emergence of a new kind of partnership at the local, state and regional level that speaks well of what we can look forward to in the future. She said the Board works closely with the Economic Strategy Panel at the Labor and Workforce Development Agency. She said many Panel members attended a training session last November co-sponsored by the Board, on Industry Clusters of Opportunity, which is a

data-driven system that aids in understanding how the economy is shifting, and what it means for regional partnerships and local programs. She said we need to move from being transactional, to being transformational in the way we approach workforce development. She said they look forward to a partnership with the Employment Training Panel, to promote a workforce advancement cycle that effectively moves people from entry-level positions, up through the ranks. She said it was a pleasure to speak at the meeting and asked the Panel if there were any questions.

Mr. Broad thanked Ms. Halsey for her presentation and said the country is on the verge of a major shift. He said there will be many new green technology jobs. He said the shift will come to California since we are tied to the global economy. He said there is a large unmet need in preparing kids to assume jobs, training them, and figuring out what the jobs are going to be. He said he was looking forward to working with the California Workforce Investment Board. Ms. Halsey said that is their intent, as the State Workforce Investment Board moves forward with designing a statewide strategy for talent development. She said they are not looking to force philosophy or policy on any organization, but rather to align what we have in the State of California. She said we are all making strategic investments that clearly show what we are trying to accomplish with economic development and talent development throughout the state. She said at times, attempts to prepare a strategic plan and then forcing people into a way of reacting to that plan, has perhaps set them back.

On her part, Ms. Halsey reiterated that the Board is studying career technical education and other ways to better articulate pathways for young people.

Ms. Halsey added that, in anticipating the impacts that bill AB 3018 will have if it is adopted, the Board will recast special committees to form the Green Collar Jobs Council and begin studying the "green economy" in California. She said the green economy is made up of a number of different sectors that all have a critical role in moving the state's economy forward. Mr. Broad said you have to remind people, in relation to the green economy, that some of the oldest collective bargaining agreements with the Teamsters union called for recycling grease, dating back to the 19th century. He said not all green jobs are futuristic jobs; some old line jobs are part of the green economy. He said many green jobs are mundane, such as turning grease from restaurant traps into soap, which creates opportunities for all kinds of people, not only those with PHDs. Mr. Broad thanked Ms. Halsey for her presentation.

IX. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

Single Employer Contractors

Lyons Magnus Inc.

Ruby Cohen, Manager of the Sacramento Field Office, presented a funding proposal for Lyons Magnus Inc. (Lyons), in the amount of \$310,068. She said Lyons develops and markets products with innovative packaging to meet the needs of Foodservice, Ingredient, and International customers. Lyons has created a number of process innovations, including

a system of in-process labor injection; pre-process stream blending; forced air freezing; and thawing of frozen finished goods and raw materials.

Ms. Cohen introduced Nasrim Fletcher, Corporate Controller.

Ms. Roberts asked if Lyons has a training coordinator on site to assist with training. Ms. Fletcher said they are hiring two positions to assist with training and will have department heads partner with the new employees in order to realize and formalize the programs. She said over the last six months they have formalized training processes, purchasing and computer programs in order to automate recordkeeping.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Lyons in the amount of \$310,068.

Motion carried, 6 – 0.

Pacific Ethanol, Inc.

Ms. Cohen presented a funding proposal for Pacific Ethanol, Inc. (PEI), in the amount of \$216,000. PEI is a manufacturer producing, marketing and distributing low-carbon ethanol in the Western United States, as well as byproducts used in the manufacture of feed.

Ms. Cohen introduced Ed Baker, Director of Human Resources.

Mr. Broad asked if hazardous materials training, is government-mandated training. Mr. Baker agreed. Mr. Broad said he did not believe the Panel could legally fund government-mandated training. Ms. Cohen said the training included in the curriculum is above-and-beyond mandated training. Mr. Broad asked that staff specify mandated training in the proposal curriculums and referred to the wording of “general materials handling and chemical processes and removal”, which sounded like basic training. Ms. Cohen understood. Mr. Broad said mandated and non-mandated training should be divided since government-mandated training would be covered by the contractor instead of ETP. Ms. Cohen noted that the back side of the curriculum states that no state or federal required safety training will be funded. Mr. Broad thanked Ms. Cohen for the clarification. Mr. Baker said PEI has grown very quickly and that two years ago they had 30 employees and now have 220 employees. He said their company is unique in that they produce ethanol in California, as most companies produce ethanol outside of California. Mr. Broad asked if their source of grain is local. Mr. Baker said no, the grain is brought in from the mid-west. Mr. Broad asked if the grain is corn. Mr. Baker said it is primarily corn, but they are experimenting with different raw materials, in addition to corn. He said cellulose technology allows them to make ethanol out of items that are not starch or sugar based, so the industry will change drastically and they will need training to keep pace with the industry changes.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for PEI in the amount of \$216,000.

Motion carried, 6 – 0.

Pelco, Inc.

Ms. Cohen presented a funding proposal for Pelco, Inc. (Pelco), in the amount of \$251,100. She said Pelco designs, develops, and manufactures video security systems and equipment. Pelco produces discreet camera domes and enclosures, electronic access control, video matrix systems, next generation digital video recorders, IP solutions, and fiber optic transmission systems for video-data while maintaining customer satisfaction.

Ms. Cohen introduced Ron Cadle, Vice President of Operations and Karen Wilkes, Human Resources Manager.

Ms. Roberts said compared to the previous contract, they are very conservative in this contract. She said they have a very low cost-per-trainee and based on that, she'd like to see Pelco complete it this time around.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the funding proposal for Pelco in the amount of \$251,100.

Motion carried, 6 – 0.

US Farm Systems, Inc.

Ms. Cohen presented a funding proposal for US Farm Systems, Inc. (US Farm), in the amount of \$161,200. She said US Farm is a manufacturer of pumps, agitators, and separators for the dairy industry. The company also distributes a rubber matting product which promotes higher productivity from dairy herds.

Ms. Cohen introduced Jean Houle, Business Manager.

Mr. Broad said US Farm is a very small company with 62 employees. Mr. Houle said the company is growing and that 15 years ago, they had only 12 employees.

Ms. Roberts asked if the 62 individuals trained in the prior contract, are the same individuals to be trained in the proposed contract and the difference in the training curriculum. Mr. Houle said their manufacturing process is artisan and that when training began they received feedback from employees to change some of the company's procedures. He said they cut production time from four days to one day. Ms. Roberts asked if US Farm is putting more technology into their business. Mr. Houle agreed and said they added technology and shortened development time from construction to production.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for US Farm in the amount of \$161,200.

Motion carried, 6 – 0.

Citibank N.A.

Creighton Chan, Manager of the Foster City Regional Office, presented a funding proposal for Citibank N.A. (Citibank), in the amount of \$459,900. He said Citibank provides products and services that include checking, savings, money market accounts, certificates of deposit and personal loans.

Mr. Chan introduced Rich Martini, Western Division Training Director Vice President and Ashley Klein, Consultant representing Ernst & Young.

Mr. Broad asked if any of the occupations listed in the curriculum handle refinancing or anything related to subprime loans. Mr. Martini said no, the personnel involved in the proposal are branch personnel, personal bankers, and business bankers. He said they do not offer mortgages and they were involved with subprime loans, but not from a branch position. Mr. Broad said, you were potentially investing in those securitized mortgages but not funding them yourselves? Mr. Martini said, ironically, yes.

ACTION: Ms. Roberts moved and Ms. Grutzius seconded approval of the funding proposal for Citibank in the amount of \$459,900.

Motion carried, 6 – 0.

Impax Laboratories, Inc.

Mr. Chan presented a funding proposal for Impax Laboratories, Inc. (Impax), in the amount of \$639,360. He said Impax has developed, manufactured, and marketed prescription pharmaceutical products. The company produces more than fifty different products using various delivery technologies including tablets, capsules and powders and specializes in controlled delivery tablets that are absorbed into the body at different rates.

Mr. Chan introduced Charles Hildenbrand, Senior Vice President of Operations; Keith Lee, Manufacturing Compliance Manager; and Mark Evans, Senior Manager of Continuous Improvement.

Ms. Roberts was concerned about the large dollar amount of the proposal since Impax is a first time contractor. She asked if they have an internal infrastructure and if the training manager is trained in Lean Six Sigma. Mr. Evans said he trains in Lean Manufacturing and they use outside vendors for Six Sigma training. Ms. Roberts cautioned that being a first time contractor with no external support seems a little risky, but said it was a great contract that pays high wages and in a great industry. Mr. Broad said success is measured by how much of our money you actually get, rather than how much we actually get to keep. Mr. Broad said the company could always return for an amendment. He

agreed it was a large amount of money for a first time contractor. He said they want companies to be successful and it is important for them to take a look at their capabilities and past training, and determine whether they can handle it.

Mr. McMahon said one of the biggest success factors in the project is the commitment of management to ensure that the training occurs. Mr. Hildenbrand said in their organization and companies like theirs in regulated industries, they have to prove to the FDA that they are committed to the knowledge of their workforce. He said the FDA comes in and talks to employees on the shop floor. He said they bring individuals in from other industries and take very seriously, the responsibilities to the patients that take their drugs. He said there is a heavy commitment which takes 3 – 6 months, before these individuals have any value to them, where they are working side-by-side with other workers in order to get them to the basics. He said where you really see value, is in expanding these workers horizons to take a look at how do we use their knowledge to improve our processes, heavy capital investment, get the most out of it. He said if they are going to be successful over the next couple of years, they need to take advantage of every leverage point they can and their workers are a key role.

Mr. Gordon asked about training language and expectations in employee handbooks and new-hire kits. Mr. Hildenbrand said the job descriptions explain the importance of training. He said as employees succeed in the company, they are obligated to train their co-workers passing along their knowledge.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for Impax in the amount of \$639,360.

Motion carried, 6 – 0.

Penske Truck Leasing Company, LP

Mr. Chan presented a funding proposal for Penske Truck Leasing Company, LP (Penske), in the amount of \$490,050. Penske is a nationwide transportation solutions company providing three lines of service: rental, leasing and maintenance.

Mr. Chan introduced David Summerfield, Area Vice President; Allan Wells, District Manager; and Trang Bach, Human Resources Representative.

Mr. Broad suggested that Penske look into state infrastructure bonds available to the trucking industry as an incentive to get clean trucks into ports. He said there is a strong need for 2007 compliant trucks.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Penske in the amount of \$490,050.

Motion carried, 6 – 0.

Alliant Insurance Services, Inc.

Diana Torres, Manager of the San Diego Field Office, presented a funding proposal for Alliant Insurance Services, Inc. (Alliant), in the amount of \$272,580. She said Alliant is a privately held insurance brokerage firm that provides risk management, consulting, and insurance brokerage services.

Ms. Torres introduced Dan Sakimoto, Vice President for Employee Development and Carla Spencer, Training Coordinator.

Mr. Broad asked if Alliant collects premiums. Mr. Sakimoto answered no, it does not.

ACTION: Mr. Florence moved and Ms. Roberts seconded approval of the funding proposal for Alliant in the amount of \$272,580.

Motion carried, 6 – 0.

California American Water

Mr. Florence recused himself from the California American Water proposal.

Ms. Torres presented a funding proposal for California American Water (AM Water), in the amount of \$210,540. She said AM Water provides water and waste-water services.

Ms. Torres introduced Kent Turner, President and Jami Simon, representing Jami's Ink Inc.

Mr. Broad asked staff if companies regulated by the PUC, does our policy, is there anything implemented by rate making, or any limitation on funding rate making activities. Mr. McMahon said the research that was done relative to the first time this proposal came before the Panel was that the nature and scope of training was not the type of training that would fall under PUC regulation. We are assuming that is the case with the proposal also. Mr. Turner agreed, and said that is the case with this proposal and in addition, the PUC would prohibit any of these monies being charged to rate payers. He said they are fully accountable to the PUC.

ACTION: Mr. Rendon moved and Ms. Grutzius seconded approval of the funding proposal for AM Water in the amount of \$210,540.

Motion carried, 5 - 0 (Bart Florence recused)

Jeld-Wen, Inc.

Ms. Torres presented a funding proposal for Jeld-Wen, Inc. (Jeld-Wen), in the amount of \$321,930. Jeld-Wen is a manufacturer and distributor of vinyl, aluminum, and wood windows and doors for the residential market.

Ms. Torres introduced Randy Bishop, Training Manager of Administration.

Mr. Broad said he has heard from a number of companies, that in an economic downturn like this, this is the time to retrain in order to keep that talent around. He commended the company for retraining, when other companies are laying off individuals.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for Jeld-Wen in the amount of \$321,930.

Motion carried, 6 – 0.

Peterson Brothers Construction, Inc.

Ms. Torres presented a funding proposal for Peterson Brothers Construction, Inc. (PBC), in the amount of \$129,600. She said PBC provides concrete, masonry, paver and decorative contracting services to commercial and residential builder/contractors.

Ms. Torres introduced Bill Larson, Director of Field Development and Quality Assurance.

Ms. Roberts asked why PBC only earned 50 percent in the previous contract. Mr. Larson said they restructured their training department to make it more effective and improve productivity in the field.

Mr. Broad said we are still in the middle of the same economic downturn and it will get worse before it will get better, so do not bite off more than you can chew. Mr. Larson said they have trained over the last 12 years and they keep improving every year, so they have no doubt they will improve this year.

Mr. Gordon asked why the training menu did not include forklift tractor control and first aid/CPR training. Mr. Larson said they outsource much of the safety and environmental training. Mr. Gordon asked if trainees get credit for industry-related training not included in the menu. Mr. Larson said absolutely, yes. Mr. Gordon asked, if he was a new employee, what was his commitment to training and what classes would he take. Mr. Larson said upon hire, individuals go through an orientation program that is three hours long. Mr. Gordon asked if new employees are given a menu listing skills needed. Mr. Larson answered in the affirmative. Mr. Gordon asked about industry-related training. Mr. Larson said they offer in-house and on-the-job industry-related training. Mr. Gordon suggested adding industry-specific classes so that new employees are aware of available training. Ms. Torres said some industry and safety training cannot be covered through ETP funding, so staff asks that the company have a commitment to training outside of the curriculum. She said the curriculum shown is almost above-and-beyond. Mr. Gordon asked if training included management staff and about field workers building houses. Mr. Larson said they install interlocking pavers and concrete and cross train to be more effective in the field and improve productivity. Mr. Gordon asked if they have a more extensive menu than what is listed. Mr. Larson said, yes, absolutely.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for PBC in the amount of \$129,600.

Motion carried, 6 – 0.

Tenacore Holdings, Inc.

Ms. Torres presented a funding proposal for Tenacore Holdings, Inc. (Tenacore), in the amount of \$151,360. She said Tenacore designs and manufactures replacement parts, medical devices, and equipment for the medical industry. Tenacore's services include replacement parts and equipment such as cable assemblies for monitoring devices, surgical hand pieces, and replaceable plastic components for medical devices.

Ms. Torres introduced Jaz Singh, Director of Operations.

There were no questions from the Panel.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for Tenacore in the amount of \$151,360.

Motion carried, 6 – 0.

Orange County Container Corporation

Dolores Kendrick, Manager of the North Hollywood Regional Office, presented a funding proposal for Orange County Container Corporation (OCC), in the amount of \$449,820. She said OCC is a manufacturer of custom corrugated products and packaging materials. OCC also provides cushioning material, chip board/folding cartons, bags, tapes, strapping, stretch films and staples, adhesives and pressure sensitive labels, paper wrappings, janitorial, and edge/corner protection products to its customers.

Ms. Kendrick introduced Akiko Heurich, Quality Control Manager.

Ms. Roberts said the proposal was for a large dollar amount, considering the previous contract only earned 63 percent. She asked what would be done differently in the proposed contract for almost the same amount of money. Ms. Heurich said those 20 would be only focused on the new employees that were hired when the company merged during the transition, not the recent purchase. Ms. Roberts asked if the last proposal was to train all new employees. Ms. Heurich agreed and said the proposed contract is for the other employees that did not receive environmental training. Ms. Roberts noted the contract had a high-cost per trainee, at over \$2,000 per trainee. Ms. Heurich said the result is when they went to the training that workers became very skilled in different areas. They are now able to hire higher paying skilled employees and then train other employees to become as skilled and that would give them opportunity to expand in other areas. Ms. Kendrick said when the proposal first came to ETP it was for \$750,000 and it was reduced based on what was

earned in the last contract. Mr. Broad suggested that staff follow up with Ms. Heurich to see how the training is proceeding.

ACTION: Mr. Florence moved and Mr. Rendon seconded approval of the funding proposal for OCC in the amount of \$449,820.

Motion carried, 6 – 0.

Multiple Employer Contractors

Sierra Business Council

Ms. Cohen presented a funding proposal for Sierra Business Council (SBC), in the amount of \$23,120. She said SBC has developed into a full-educational non-profit association of more than 700 businesses, agencies, and individual members committed to promoting a new perspective on regional wealth while emphasizing collaboration in planning and policy making.

Mr. Broad asked if the Panel had any objections to this proposal. There were no objections. Mr. Broad utilized the motion and second voting action taken on the prior project and SBC was approved for \$23,120.

Sonoma County Junior College District Santa Rosa Junior College

Ms. Cohen presented a funding proposal for Sonoma County Junior College District Santa Rosa Junior College (SRJC), in the amount of \$200,360. SRJC is an accredited community college within the Sonoma County District that provides educational resources to the local business community through customized on-site employee training.

Ms. Cohen introduced Kathleen Kearney, Coordinator of Workforce Training.

Mr. Broad noted that three prior projects had poor performance; he said the last contract did pretty well, and asked what improvements have been made. Ms. Kearney said she has learned how to better qualify client companies.

ACTION: Ms. Roberts moved and Ms. Grutzius seconded approval of the funding proposal for SRJC in the amount of \$200,360.

Motion carried, 6 – 0.

East Bay Spanish Speaking Citizens' Foundation

Mr. Chan presented a funding proposal for East Bay Spanish Speaking Citizens' Foundation (SSCF), in the amount of \$72,644. He said SSCF was established to improve the lives of low-income Latinos in the Oakland area. Its mission is to help Oakland families embrace

their heritage and develop as civic leaders by promoting educational enrichment and civic responsibility.

Mr. Chan introduced Henry Rosales, Executive Director; Veronica Sanchez-Casian, Program Manager for Workforce Development; and Gloria Ortiz, Program Coordinator.

Mr. McMahon reiterated that ETP's at-risk youth program requires youth to be between the ages of 18-23.

Mr. Broad asked if this was SSCF's first contract with ETP. Ms. Sanchez-Casian agreed.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the funding proposal for SSCF in the amount of \$72,644.

Motion carried, 6 – 0 .

The Sheet Metal Workers' International Association Local 104 Bay Area Industry Fund

Mr. Chan presented a funding proposal for The Sheet Metal Workers' International Association Local 104 Bay Area Industry Fund (hereafter referred to as the Sheet Metal Trust or Trust), in the amount of \$490,800. He said Sheet Metal Trust is dedicated to developing and improving work skills that lead to secure and well-paid jobs in the construction industry.

Mr. Chan introduced Keith Dias, Training Coordinator; Javier Campos, Administrator; and Jan Borunda, representing the California Labor Federation.

Mr. Broad asked staff if any of the five entities have had prior ETP contracts individually. Mr. Chan said no, they have not.

ACTION: Mr. Rendon moved and Mr. Florence seconded approval of the funding proposal for Sheet Metal Trust in the amount of \$490,800.

Motion carried, 6 – 0.

John Lopez Welding School

Ms. Kendrick presented a funding proposal for John Lopez Welding School (JLWS), in the amount of \$199,864. JLWS is a training agency that provides job training and placement assistance to individuals seeking to learn the craft of welding and enter the field of fabrication and/or construction. The school also tests, retrains, and teaches additional skills to experienced welders looking to improve their proficiency in the trade.

Ms. Kendrick introduced John Lopez, Owner.

Ms. Roberts said she was very supportive of this proposal since so many vocational opportunities have been removed from many high schools and junior colleges.

Mr. Gordon said it was part of the Panel's plan to see more construction entities and proposals go before the panel. He said in the last two proposals, the curriculum layout was excellent and had questions about the training. He said in the Peterson Brothers Construction contract, he was interested in the degree to which their field personnel can take advantage of these same courses. He said he knows there are some classes we cannot teach because of requirements in the industry, but there are many that can be included, as shown in the prior project's menu curriculum. Mr. Gordon commended JLWS for their hard work and moved the proposal.

ACTION: Mr. Gordon moved and Ms. Roberts seconded approval of the funding proposal for JLWS in the amount of \$199,864.

Motion carried, 6 – 0.

Mr. Broad said the MEC contracts this month have been of high quality and are very good proposals.

Youth Employment Systems, Inc.

Ms. Kendrick presented a funding proposal for Youth Employment Systems, Inc. (YES), in the amount of \$197,110. She said YES provides career-oriented job opportunities in the area of construction, for at-risk individuals.

Ms. Kendrick introduced James Smith, Program Director.

Mr. Broad asked if the company was concerned about training individuals in construction with the recent downturn, and if they may have trouble placing the trainees. Mr. Smith said he would be concerned, if he did not have such an extensive partnership with contractors that have work planned for the next 5 – 10 years. He said he is part of a church that is building enough units to carry them for the next four years. He said they recently completed 49 units in the last nine months, and the contractor he is working with has a number of other projects in place. He said YES has been in business since 1993.

ACTION: Ms. Roberts moved and Ms. Grutzius seconded approval of the funding proposal for YES in the amount of \$197,110.

Motion carried, 6 – 0.

Amendments

Abbott Diabetes Care

Mr. Chan presented an amendment for Abbott Diabetes Care (ADC), in the amount of \$495,990. He said ADC develops and manufactures several glucose monitoring systems and test strips for use in both home and hospital settings. These products help reduce the

discomfort and inconvenience of blood glucose monitoring, are easier to use, require less blood, and provide faster results.

Mr. Broad said when ADC originally requested funds, it was a time when the Panel was reducing the dollar amount of the larger proposals and suggested voting on the amendment.

Ms. Chan introduced France Calvin, Senior Manager of Quality Systems & Quality Training.

Ms. Roberts asked how ADC is progressing. Ms. Calvin said they have increased their employees by 300 and they have a comprehensive training program. He said training has matured and developed not only through classroom trainings, but through a more positive and user-friendly LMS system which helps with compliance. Mr. Broad asked if the funds were depleted in order to train all employees. Mr. Chan referred Mr. Broad to the amendment details on page 3 of 3 and said they have entered 47,656 hours of training. He said they have people that are in the training, but because they have not gone through and met retention yet, they have the minimum of 24 hours and it is likely they will perform. He said they are also adding hours onto current trainees. Mr. Broad said, instead of training half the number of people, if you offered a lesser amount of training and is now putting them through part two. Ms. Calvin said not part two, but the training is ongoing. She said since they are a medical device company, they are regulated the same way pharmaceuticals are; therefore, it is an extensive ongoing training program.

ACTION: Ms. Roberts moved and Mr. Florence seconded approval of the funding proposal for ADC in the amount of \$495,990.

Motion carried, 6 – 0.

Mr. Broad said that President Bush is going to sign a housing bill where funds will be available for people who were the victims of subprime mortgages, in order to obtain better loans for their properties. He said at the March 2008 meeting, there were two applicants in relation to subprime loans (Carrington Mortgage Services, L.L.C. and HomEq Servicing), in which the Panel asked what would happen if a federal bill was passed and if they would use ETP funds to get the best deal for the consumer, or for their company. He said what he would like to see happen with the concurrence of other Panel members, is for the staff to contact the two companies and make sure that they understand that with ETP funds, they need to offer consumer the best deal, rather than the investors. He said if the companies are not in agreement, they should return ETP funds as we are not in the business of training people how to figure out how to get out of a problem that was of their own making. He asked the Panel if there was any opposition to his suggestion. There was no opposition.

X. PUBLIC COMMENT

There was no public comment.

XI. ADJOURNMENT

ACTION: Ms. Roberts moved and Mr. Rendon seconded adjournment of the meeting at 12:22 p.m.

Motion carried, 6 – 0.